

FINANCIAL INFORMATION FORUM

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Via Electronic Delivery

October 4, 2016

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Release No. 34-78777; File No. SR-MSRB-2016-12

Dear Mr. Fields,

The Financial Information Forum (“FIF”)¹ thanks the Securities and Exchange Commission (“Commission” or “SEC”) and the Municipal Securities Rulemaking Board (“MSRB”) for the opportunity to comment on SR-MSRB-2016-12 - Proposed Rule Change Relating to MSRB Rules G-15 and G-30 (Disclosure of Mark-Ups and Mark-Downs) to Require Members to Provide Additional Pricing Information on Customer Confirmations in Connection with Specified Municipal Securities Transactions with Retail Customers (“Proposed Rule”).

FIF members appreciate the extent to which the MSRB and Financial Industry Regulatory Authority (“FINRA”) coordinated their respective rule proposals to be substantively similar; however, we note several important differences. One significant divergence is MSRB’s prescriptive outline of the “waterfall” method to arrive at a Prevailing Market Price.² MSRB also supports a real-time approach to generating confirmations, such that a straight through process (“STP”) need not be held up in anticipation of a subsequent “contemporaneous” trade.³ This concept was not reflected in FINRA’s filing.

Also a concerning requirement proposed by the MSRB is the need for a dealer to provide: 1) the time of execution of the municipal trade, and 2) a reference and hyperlink to the Security Details page for the customer’s security on EMMA, along with a brief description of the type of information available on that page. These disclosures would apply not only to transactions with retail customers, but would apply for all such

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

² <https://www.sec.gov/rules/sro/msrb/2016/34-78777.pdf> at 21 “To identify the prevailing market price for the purpose of calculating the mark-up or mark-down in the contemporaneous customer transaction, the dealer should proceed down the waterfall, according to its terms, identifying the most relevant and probative evidence of the prevailing inter-dealer market price.”

³ *Id.* at 24 (*Compliance at the Time of Generation of Disclosure*).

transactions. FINRA's filing did not include these requirements but noted that FINRA does plan to put forth a proposal to include time of execution and hyperlinks to TRACE. Therefore, FIF recommends that this aspect of MSRB's Proposed Rule be set aside until both proposals can be evaluated concurrently.

This letter is not intended to discuss the challenges associated with determining the Prevailing Market Price ("PMP"), or the efficacy of the steps established in the waterfall analysis under Rule G-30, Supplementary Material .06. Those may be viewed as "policy issues", as are the requirements to develop the policies and procedures necessary to produce a PMP, and therefore remain outside the scope of FIF's comments related to implementation. In commenting on the Proposed Rule changes, FIF is focused on aspects with operational or implementation impacts. As such, FIF will approach the requirements set forth by this Proposed Rule with the assumption that PMP has been established and must, from that point, be passed through to the numerous systems that are involved to communicate, capture, calculate, and record the information, as well as format, print and distribute customer confirmations.

Executive Summary

This letter mirrors that which FIF members submitted on September 9, 2016, in response to FINRA's filing SR-FINRA- 2016-032 - Proposed Rule Change Relating to FINRA Rule 2232 (Customer Confirmations) to Require Members to Disclose Additional Pricing Information on Retail Customer Confirmations Relating to Transactions in Fixed Income Securities ("FINRA's Filing"). Although FIF members appreciate the harmonization between MSRB Rules G-15 and G-30 and FINRA Rule 2232, we are concerned with the requirements to include Time of Execution and links to EMMA on all confirmations, as specified in the MSRB proposal. As mentioned, we request that those requirements be set aside when considering the MSRB and FINRA proposals.

FIF members remind the regulators there are substantial costs associated with these Proposed Rule changes to customer confirmations, and we question whether the added data will cause retail investors to examine their confirmations more often or more closely, or if the new information will cause additional confusion. We trust that the MSRB, FINRA and SEC will consider the concerns reflected in our responses to both the MSRB and FINRA filings, and the overall impact of the combined effort.

Our comments are intended to highlight some of the implementation challenges that must be addressed to facilitate the new process flow, and to illustrate some of the changes required of all broker-dealers that buy or sell the impacted fixed income securities to customers. The Proposed Rule changes necessitate behavioral changes as well as programming changes and extensive coordinated testing. In addition, numerous modifications must be made by many vendor firms that offer order management systems, middle office⁴ or back office processing services.

Given the significant number of systems and industry participants that will be impacted by this rule, FIF members have suggested that the implementation timeframe should be extend well into 2018 in order to allocate the proper resources to make these deep and far-reaching changes, all while our member firms are

⁴ Changes will also be required by those that send or receive electronic confirmations via Omgeo or FIX. There are firms that generally use a batch cycle to produce "retail" confirms, but leverage the real-time "institutional ID" process to generate confirms for their high net worth clients who utilize third party custodians, for example. The need to place the added information on the ID confirmation for these clients would seriously disrupt the process and cause widespread consequences. Furthermore, Omgeo and other third party confirmation providers must remediate their systems to accept and fit the additional information into their formats. Electronic recipients (e.g. custodians, investment advisors) must program to receive the information.

simultaneously managing the many other mandatory regulatory initiatives currently scheduled through 2017 and into 2018.⁵ In establishing the effective date, we ask the Commission and MSRB to fully consider our members' ability to allocate the experienced personnel necessary to plan and complete the related tasks, the timing of the effective date (e.g. year-end code freezes), as well as the complexity of what is required to meet this regulation and the breadth of its impacts.

FIF members also wish to impress on MSRB and the Commission the extreme difficulty in implementing this rule as proposed, which requires identification of related trades that would trigger the additional confirmation disclosure, and the need to ascertain "contemporaneous cost" for this purpose.⁶ MSRB's filing suggests that where disclosures are being generated real-time or intra-day, there is not a requirement to wait for a subsequent transaction⁷, and post-trade corrections will not be necessary in the event of subsequent transaction⁸. While this provision is particularly helpful to those firms with STP in place for confirmations, the requirement to "look back" at any time of the day, whether the timing of the confirmation process is real-time, intra-day, or end-of-day, is onerous and imprecise. Simply put, implementation would entail a convoluted set of procedures that would produce questionable results; and most firms, whether large or small, would be unable to comply with this requirement as proposed without a complete technology reconfiguration and build-out.

FIF members instead offer a slightly nuanced alternative that will fully accomplish the objectives this proposal sets out to achieve. Specifically, FIF recommends that the mark-up/mark-down calculation be derived from the Prevailing Market Price (PMP) *in all instances*. This approach will provide more consistent results, and although it requires significant work and expense, it is "implementable." Relying on the Prevailing Market Price at all times, rather than searching to identify a potentially related trade to establish contemporaneous cost, will avoid unnecessary complexity and will provide a more realistic calculation of the mark-up/mark-down based on the then-current market price.

We emphasize that even with the FIF recommendation to utilize PMP consistently, the full scope of the changes required is non-trivial; and, coupled with the many other regulatory and industry initiatives currently underway, we respectfully request the *maximum amount of time possible* be given to implement this complex rule change. We also offer the suggestion that after the PMP has been determined⁹, this rule proposal be viewed in two parts or phases: 1) ability to capture the PMP, calculate, and pass the information through the various internal and external systems; and, 2) the ability to apply the information to the confirmation process. Our members preliminarily believe that it will take a bare minimum of one year to complete the first phase, and at least an additional 6-9 months to complete the second phase.

⁵ Dealers are already overburdened with major industry initiatives including the move to T+2 settlement, Department of Labor ("DOL") fiduciary requirements, anticipated TRACE reporting of U.S. Treasuries, MBS novation and margining, and the significant work that must be done in preparation for the Consolidated Audit Trail ("CAT"), to name just a few. All of these are scheduled for completion in the 2017-Q1 2018 timeframe.

⁶ MSRB Rule G-30 and Supplementary Material .06

⁷ *Supra* note, 2 at 24 "The requirement under the proposed amendments to Rule G-15 to disclose a mark-up or mark-down calculated "in compliance with" Rule G-30 (including the proposed prevailing market price guidance) need not delay the confirmation process."

⁸ *Id.* "To clarify, a dealer would not be expected to cancel and resend a confirmation to revise the mark-up or mark-down disclosure solely based on the occurrence of a subsequent transaction or event that would otherwise be relevant to the calculation of the mark-up or mark-down under the proposed guidance."

⁹ Note: FIF's comments do not address the implementation effort involved in determining the PMP, but are focused on the implementation requirements related to capturing the information necessary to derive the mark-up/mark-down calculation and generate the confirmation.

In summary, FIF members request that the MSRB seriously contemplate:

1. an ***extended, phased implementation timeframe***, with milestones that recognize the many other regulatory initiatives underway over the next 12-18 months.
2. ***FIF's proposed alternative to consistently use prevailing market price*** given the extreme difficulty and excessive costs to implement the proposed plan. We also believe that the FIF alternative will provide enhanced disclosure to investors that is perhaps more accurate for reasons described herein. (See Intraday Price Changes Warrant Use of PMP).
3. ***removal of the requirement to include Time of Execution and links to EMMA*** on all customer confirmations.

The following provides more detail on FIF members' basic concerns, open questions and key recommendations.

Cost-Benefit Concerns

Directly associated with the extensive changes proposed with this Proposed Rule is the high cost of implementation. FIF members question whether the SEC or MSRB/FINRA has conducted a cost-benefit analysis for this initiative. The filing suggests that cost estimates have not been provided by the industry.¹⁰ At the time FIF's previous comment letter was written in response to MSRB Notice 2015-16 and FINRA Notice 15-36, the specific approach had not been determined and implementation requirements were unknown. While our members were unable to provide precise estimates due to the generalities of the proposals, preliminary feedback was provided and emphasized that depending on which approach was selected by the regulators, the implementation costs could extend far beyond clearing firms or other service providers. We highlight the following footnote (FN⁶) extracted from our previous comment letter.

"Some third-party firms such as clearing firms and other service providers have indicated they will not take responsibility, for both operational and legal reasons, to identify which trade(s) represent the principal trade(s) related to a riskless transaction; therefore, introducing brokers and client firms would need to provide their clearing firm or service provider with the appropriate reference price or contemporaneous cost, which may require matching principal transaction(s) to the riskless trade. Leveraging a feed made available by MSRB and TRACE was described by one clearing firm as the optimal approach, as it would be seamless to the introducing brokers, with an implementation cost less than half of the \$500,000 estimated to capture contemporaneous cost or another reference price from the introducing broker. This estimate of \$500K does not include the cost that would be imposed on the many introducing brokers, which are primarily smaller regional firms, to identify the matching trades."¹¹
[Emphasis added.]

The MSRB filing mentions that small broker-dealers are often serviced by clearing firms, but fails to recognize the amount of work that must be done by the small broker-dealers themselves. MSRB states:

"[T]he MSRB believes that smaller dealers are more likely to have their customer confirmations generated by clearing firms. To the extent that clearing firms would not pass along the full implementation cost to each introducing firm, small firms may incur lower costs in certain areas than larger firms."¹²

¹⁰ See *id.* at 33-34 (While commenters stated that the initial and the revised confirmation disclosure proposals would impose significant implementation costs, no commenters provided specific cost estimates, data to support cost estimates, or a framework to assess anticipated costs).

¹¹ https://www.finra.org/sites/default/files/15-36_FIF_comment.pdf at 3, footnote 6.

¹² *Supra* note, 2 at 85.

FIF members strongly disagree with this statement. While it is up to each individual service provider to determine whether any development costs or ongoing services fees will be allocated to its customers, we must highlight *the significant work that must be done by every broker-dealer*, beyond the work that will be done and services that will be provided by their third party vendors. For example, clearing firms will require their introducing broker clients, and service bureaus will require their self-clearing clients, to provide the prevailing market price (“PMP”) (or contemporaneous price) at the point of trade entry; as it is not possible for these service providers to know the value from which the trading firm marked the bonds. The valuations of thinly traded securities are questions of professional investment judgment that must be made by the principal (introducing firm) making the trading decision and not their vendor or administrative agent (service bureau/clearing firm). Direct input must come from the trading firm/trader, which will require correspondent/client firms to remediate their systems in ways described in subsequent sections. (See Basic Implementation Requirements, below.) Contrary to MSRB’s assumption that there will be minimal impact on small firms, in fact comparatively speaking, the heaviest burden of expense will fall on the small broker-dealers because they currently have limited technology in place that would be capable of identifying associated trades, since there are no current requirements to do so.

One of the critical underlying issues is the requirement to calculate mark-up/mark-downs based on contemporaneous cost, when triggered by one or more principal trades executed in the same security on the same side, in an amount equal to or greater than the customer trade.¹³ FIF must stress that to accomplish this (even if only the requirement to “look-back” for a contemporaneous transaction is imposed, as suggested by the MSRB filing) would require a complex series of programs that will disrupt the normal flow of information and existing processes. It would require significant development and be extremely costly to identify the transactions subject to the required disclosure.

Cost-Effective Alternative

A more straightforward solution with similar results relies only on the prevailing market price and would not require look-backs, trade matching or linkages. Whether a related trade occurs within 2 minutes or 2 hours, whether before or after the retail trade, systems reengineering and extensive programming would be necessary to identify linked trades in order to establish the contemporaneous cost as described in the filing.

Generally, we would not expect significant market movement or change in market prices over the course of a day. Absent any announcement that would impact interest rates, news or a credit issue with the security, any price changes should be minimal, and resulting calculations from the minor differences between the PMP and the contemporaneous cost will not justify the huge expense of identifying the circumstances that would trigger the requirement and require the use of contemporaneous cost. In fact, in the opinion of FIF members, intraday price swings would warrant the use of PMP rather than contemporaneous price, as demonstrated in a later section of this letter.

The filing also mentions that based upon responses to Notices, the MSRB made a number of changes to the draft amendments to make implementation less burdensome, “such as utilizing existing processes for identifying retail customers, providing detailed prevailing market price guidance, and ensuring that prevailing market price could be determined in the least burdensome way among the reasonable alternatives.”¹⁴ As previously mentioned, FIF will not comment on the processes or procedures firms must employ to determine the prevailing market price (whether manual or automated); however, FIF’s recommended alternative to referencing contemporaneous cost is to rely on prevailing market price in all instances.

¹³ See *id.* at 2-3.

¹⁴ *Id.* at 34-35.

Recommended Process Flow

It is FIF's understanding that under the Proposed Rule, firms are permitted to apply the mark-up/mark-down calculations to PMP, and include the dollar amount and percentage to "all" confirmations, or to "all retail" confirmations. This approach would allow firms to continue using existing confirmation processes; although significant changes would be required including support for new data, calculations and reformatting confirmations.

Firms' concerns with the complexities of the "look-through" requirements¹⁵ would also be alleviated using the FIF alternative, as PMP and the required calculations will be applied to all (retail) confirmations regardless of their origins. This also should not result in more cancelations and corrections of confirmations, unless for some reason the PMP is not available at the time the confirmation is being generated; in which case, end-of-day exception processing would need to be put in place to identify trades missing the PMP, and send out a revised confirmation.¹⁶

Generally, firms' implementations will be quite customized and must ultimately be driven by the complexity of a firm's organization, business model, principal trading practices, desk relationships (e.g. affiliates, arms-length transactions, information barriers), existing technology environment, as well as customer expectations.

Intraday Price Changes Warrant Use of Prevailing Market Price (PMP)

The proposed rule describes MSRB's expectations with respect to the calculation of the mark-up/mark-down; specifically:

"Rule G-30, as new Supplementary Material .06 would provide extensive guidance on how to calculate the mark-up for transactions in municipal securities, including transactions for which disclosure would be required under the proposed rule change, and incorporates a presumption that prevailing market price is established by reference to contemporaneous costs or proceeds."¹⁷

"To the extent that a dealer will often refer to its contemporaneous cost or proceeds, e.g., the price it paid or received for the bond, in determining the prevailing market price for purposes of calculating the mark-up or mark-down, the MSRB believes that limiting the disclosure requirement to those instances where there is an offsetting trade in the same trading day would generally make determination of the prevailing market price easier."¹⁸

There is great concern among the broker-dealers that intra-day price swings could be misleading when calculations are applied to a set of associated trades using a combination of both Prevailing Market Price (PMP) and contemporaneous cost. FIF members believe that in all instances, use of the PMP rather than the contemporaneous cost will more accurately reflect the mark-up from the actual value of the security at the time the transaction took place. The example below illustrates one scenario where firms would not want to base the mark-up/mark-down calculations on contemporaneous cost, as PMP provides a more realistic view of the market.

¹⁵ FIF members do appreciate the exceptions made in the rule proposal to the "look-through" requirement where firms "have in place policies and procedures reasonably designed to ensure that the functionally separate principal trading desk through which the member purchase or member sale was executed had no knowledge of the customer transaction." See *id.* at 12.

¹⁶ Please note that any adjustments to a PMP and/or resulting changes to the dollar amount or percentage of the mark-up/mark-down should not require a new confirmation to be generated.

¹⁷ *Supra* note, 2 at 14.

¹⁸ *Id.* 8-9.

9:00 AM – Broker-dealer purchases 100 bonds at par.

9:01 AM – Broker-dealer sells 50 bonds to a retail investor at 101, including 1 pt. sales credit and no P&L.

1:00 PM – Fed signals future rate reduction and the fixed income market climbs (prices rise as interest rates decline).

3:30 PM – Broker-dealer sells 50 bonds to a retail investor at 103, including 1. pt. sales credit. The market reflects other interdealer transactions in the same security going off at 102, so the PMP at the time of trade becomes/is 102 (versus contemporaneous cost of par).

The difference between the broker-dealer's contemporaneous cost at par and the subsequent sale of 50 bonds to the retail investor at 103 is 3%; however, over the course of the day the PMP moved from 100 to 102. If a firm uses contemporaneous cost as the prevailing market price, then the confirmation mark-up disclosure requirements would indicate the bond is marked up 3%.

Given the above scenario and similar circumstances, if firms were to apply the approach proposed in the rule filing, a back-end check is necessary to determine if a new PMP would be needed where interest rates or credit spreads have changed from the time of the original Trading Desk transaction to the time of the client transaction. This would require a set of complex procedures involving market monitoring and exception processing (e.g. apply end-of-day checks to validate PMP and then integrate the new PMP into systems calculations same day before client confirms can be run in a nightly batch). This will be completely avoided if the FIF Proposed Alternative is utilized instead.

Therefore, FIF recommends that *the mark-up/mark-down should be calculated 100% of the time from PMP*. This approach will produce more consistent results, and avoid unnecessary complexity that provides no additional benefit to the regulators or to the customers.

Time of Execution and Links to EMMA

The Proposed Rule change would require a dealer to disclose the Time of Execution on *all* customer transactions, other than those for transactions in municipal fund securities.¹⁹

In our previous comment letter, FIF expressed concern in placing the Time of Execution on the confirmation for two primary reasons: 1) it will be an additional expense to parse that information from trading platforms, as this is not typically carried through to the back office systems that generate the confirmations; and, 2) it will not be possible to adjust the Time of Execution properly in conjunction with any trade modifications, cancellations or corrections.²⁰

Additionally, the original intent in requesting the Time of Execution on the trade confirmation was to support the investors' ability to look up the prices of similar trades on the regulator's website. We also remind MSRB that FIF's original support for including a link to EMMA was in lieu of providing a reference price. Firms under this Proposed Rule are now required to provide the PMP or contemporaneous cost, thus there is no longer a need to provide either the Time of Execution or the link to the specific security. In fact, adding a link to a set of prices that differs from that upon which the mark-up/mark-down has been calculated (particularly if it is contemporaneous cost and not the current PMP), will cause further confusion.

¹⁹ *Id.* at 16.

²⁰ *Id.* at 5.

Furthermore, we note that where a block trade is allocated to sub-accounts, confirmations are sent to the sub-accounts. The Time of Execution on the confirmation would be based on the time at which the terms of the trade were agreed, at the block level. Any investor (sub-account) who looks for his/her trade on the EMMA website based on Time of Execution and quantity will not locate their specific trade, as the trade was reported at the block level.

The MSRB Proposed Rule change includes a security-specific link to EMMA on retail customer confirmations.²¹ We agree with MSRB's position that if the link is not specific to the security and merely identifies the landing page for EMMA price reporting, it will not be particularly helpful to the investor. However, as highlighted in our previous comment letter, it will be difficult for firms to coordinate with MSRB to maintain the exact URL that will link to the specific CUSIP purchased or sold by the customer, and will occupy precious real estate on an already overpopulated confirmation.

Our members also note that the vast majority of retail investors receive a paper confirmation. Because it is not possible for the retail investor to click on a hyperlink provided on a paper confirmation, the URL would need to be manually entered into a browser in order to access the EMMA websites. It is unlikely an investor would go to the trouble, given the length of the URL that would be entered. Following is an example:

<http://emma.msrb.org/SecurityView/SecurityDetails.aspx?cusip=160075vv6>.

FIF's comments above are specifically targeted to the MSRB Proposed Rule, and as indicated above, our members' preference is clearly to remove the requirements to include Time of Execution or hyperlinks to EMMA on customer confirmations. That said, and given FINRA's plans to propose similar requirements, we are greatly concerned that there could be slight differences in the requirements stipulated by MSRB and FINRA that could impact systems technology and coding changes. It is more efficient from a cost, resource and time perspective that the requirements be completely harmonized such that they may be implemented in lockstep. Therefore, FIF recommends that until both proposals can be evaluated and commented on concurrently, this aspect of MSRB's Proposed Rule be set aside.

Basic Implementation Requirements

Generally, whether or not broker-dealers rely on third party services or their own proprietary platforms, each broker-dealer will need to remediate their workflows, systems and interfaces. The following areas must be addressed to implement the basic requirements using PMP applied to all (retail) confirmations. The requirement to establish contemporaneous cost triggered by a transaction that occurs either prior to or after the retail trade, will require a complex series of programs that will disrupt the normal flow of information and existing processes. A process to identify related trades in order to obtain contemporaneous cost is not considered here, as FIF members have not yet determined how to solve those challenges, and we hope the regulators will heed our caution and concerns regarding the complexity, costs, risks and time it would take to implement any potential solutions.

- All broker-dealer firms will need to alter their work flow and train personnel to a) capture the PMP; and b) identify a related trade to establish a contemporaneous price.
- Policies and procedures, operational procedures and supervisory procedures must all be amended to reflect the revised processes to identify impacted trades, establish the PMP or contemporaneous price, calculate differences, etc.

²¹ *Id.* at 16-17.

- Firms' proprietary trade entry front-ends, as well as OMS/EMS vendors' applications and trading platforms will need to be modified to support new fields and functionality needed to enter additional PMP information, both at the time of trade as well as later in the day on trades previously executed (where an intra-day or end-of-day confirmation process is employed).
- Time of Trade must also be captured from trading applications.
- All new information must be passed through to downstream systems, including internal and external applications. New messaging feeds will need to be developed to facilitate the information exchange.
- Fields must be included in the data warehouse to store the additional information being supplied to retail customers.
- Firms may perform their own price difference and percentage calculations (or rely on third parties to calculate) and apply as the confirmation is being generated.
- Back-end service providers including clearing firms, securities processing service bureaus or confirmation providers must be ready to receive and process new fields of information, and may be expected to derive price difference and percentage calculations.
- Confirmations must be reformatted to provide the additional data in a manner that is easy to read and will not further confuse retail investors (e.g. the percent of mark-up/mark-down could be confused with yield). Definitions of new fields must also be provided in some form or format. Note there are additional modifications necessary for electronic confirms facilitated by Omgeo, FIX or other middle office solutions.
- Links to EMMA at the CUSIP level must be coordinated with MSRB, tested and maintained for accuracy.
- Firms will have to build-out a system to review, edit, and correct confirmations in the event of an error during the imputation process. This build-out would also require firms to establish an audit trail and repository, at a substantial additional expense.

In summary, the changes required will be a significant cost to all market participants, and it has not been demonstrated that the added data will cause retail investors to examine their confirmations more often or more closely, nor will the information provided be well understood by some retail customers.

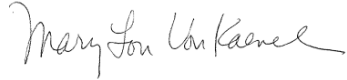
Conclusion

FIF wishes to thank the SEC and MSRB for providing the opportunity to comment on this Proposed Rule to require mark-up/mark-down disclosures on certain customers' fixed income trade confirmations. We reiterate the implications for implementing these regulatory requirements are broad and deep, and we are hopeful that the challenges of this initiative will be seriously considered by the regulators in establishing the final requirements and a realistic timeframe for implementation and effective date for compliance.

Further, we hope the Commission and the MSRB will consider any additional comments highlighted in FIF's response to FINRA's Filing of proposed changes to Rule 2232, as we remind the regulators of the importance in maintaining *complete* alignment in the rules to ensure uniform processes may be applied to all impacted fixed income securities.

We are eager for feedback on our concerns and our recommendations, particularly regarding consistent use of Prevailing Market Price, and efforts to reduce the level of complexity involved in implementing the proposed rules. Please do not hesitate to contact me to arrange for further discussion on these critical issues.

Regards,

A handwritten signature in cursive script that reads "Mary Lou Von Kaenel".

Mary Lou Von Kaenel
Managing Director
Financial Information Forum