

MSRB Amends Rule G-34(c) and Implements New Market Disclosure Requirements

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The Municipal Securities Rulemaking Board (the “MSRB”) has announced that amendments to MSRB Rule G-34(c), relating to the collection and dissemination of market information with respect to variable rate securities (the “Amended Rule”),¹ will become effective on May 16, 2011 (the “Effective Date”), subject to a transition provision as described below. The Amended Rule requires certain brokers, dealers, and municipal securities dealers (collectively, “dealers”) to submit and file with the MSRB additional market information and certain documentation associated with municipal auction rate securities (“ARS”)² and variable rate demand obligations (“VRDOs”).³ All documentation is to be submitted via the MSRB’s short-term obligation rate transparency system (the “SHORT System”).

A detailed overview of the Amended Rule and its implementation is provided in MSRB Notice 2010-31 as supplemented with respect to document submission by MSRB Notice 2011-17.

Practice

- Disclosure Counsel