



BDA Muni Securities Seminar & Retail Fixed Income Roundtable Recap

June 19 & 20

St. Louis, MO

On June 19 and 20th, the BDA held two industry events in St. Louis, MO in partnership with Wells Fargo Advisors.

The first of these events was a Municipal Securities Regulation Seminar where attendees heard from regulators and industry participants, including vendors and ATS's, as they dialogued about new and evolving regulations in the market and shared experiences regarding compliance. For a full agenda, including speakers and panelists, click [\[here.\]](#)

During the seminar, regulators shared the background and history surrounding the impetus for certain proposed rules and took questions and received feedback from attendees about the practical implications of rule implementation. The dialogue helped bring clarity and focus to the rules and we hope it was beneficial to all who attended.

Specifically, regulators helped shed light on items of particular concern including:

- G-17 disclosures at the time of trade and how the rule should be interpreted.
- MSRB Notice regarding extraordinary call provisions as a result of federal sequestration and what that means for your customers and why these disclosures are important to the investor.
- Suitability rule and reasonableness of recommendations and investment strategies.
- Sophisticated Municipal Market Professional and identifying relief for dealers.
- Bondholder consents and real-life examples of the implications.
- Retail Order Periods and how past abuses led to the need for a more clear rule for the market.

- Bond Ballot Initiatives and what this means for your firm, including contributions made by employees.
- FINRA's Interest Rate Sensitivity Product Inquiry and the reasoning FINRA wants to be more educated about what your firm is doing to protect itself and its customers.
- Recent exam focus including paying close attention to documentation of events and ensuring proper and consistent supervision.

The second event was a Retail Fixed Income Roundtable consisting of a robust discussion of items including:

- Update on Federal Tax Reform summarized [[here.](#)]
- Electronic Trading now and in the future including insight from BondDesk, Knight Bondpoint, TMC Bonds, TradeWeb and Bloomberg TOMS.
- Investor Education discussion kicked off by Scott Richbourg of Build America Mutual and focusing on credit education; how firms are keeping customers apprised of the value of their portfolios and adapting to FINRA's recent rate sensitivity inquiry; and the possible effects of the application of fiduciary duty to broker dealers.

We wrapped up with a candid presentation from Mac Northam, Securities Risk Management and former Director of FINRA's Fixed Income Regulation Group. Mac talked about the "ins and outs" of bond market rules; the recent push for disclosure of remuneration on riskless principal; how dealers must prioritize advocacy in the midst of potentially conflicting rules, such as requiring more disclosure and yet more rapid reporting requirements; and examination priorities.

The BDA hosts many industry events throughout the year, focused on the middle market broker dealer and the unique perspectives they provide. These events bring together market participants to hear from regulators, discuss among peers and offer a networking opportunity. For a full list of BDA events, click [[here.](#)]

For more information on these events or any BDA activities please contact us at the email addresses listed below.

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The Bond Dealers of America is the only DC based group representing the interests of securities dealers and banks focused on the U.S. fixed income markets.

