

Act<sup>3</sup> shall not affect its obligation to be registered under section 12(g) of the Act.<sup>4</sup>

Any interested person may, on or before June 12, 2003, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the Amex and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 03-13096 Filed 5-23-03; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

*Federal Register Citation of Previous Announcement:* 68 FR 27114, May 19, 2003.

*Status:* Closed meetings.

*Place:* 450 Fifth Street, NW., Washington, DC.

*Date and Time of Previously Announced Meeting:* Wednesday, May 21, 2003.

*Change in the Meeting:* Additional item.

The following item has been added to the closed meeting of Wednesday, May 21, 2003: Litigation matter.

Commissioner Atkins, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 942-7070.

Dated: May 20, 2003.

**Jill M. Peterson,**

Assistant Secretary.

[FR Doc. 03-13197 Filed 5-21-03; 4:25 pm]

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<sup>3</sup> 15 U.S.C. 781(b).

<sup>4</sup> 15 U.S.C. 781(g).

<sup>5</sup> 17 CFR 200.30-3(a)(1).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47888; File No. SR-MSRB-2003-02]

### Self-Regulatory Organizations; Order Granting Approval of a Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Rule G-14, on Reports of Sales or Purchases

May 19, 2003.

On April 7, 2003, Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities and Exchange Act of 1934 (the "Exchange Act") and Rule 19b-4 thereunder,<sup>1</sup> a proposed rule change (File No. SR-MSRB-2003-02). The proposed rule change relates to Rule G-14, on reports of sales or purchases, to increase transparency in the municipal securities market. The proposed rule change does not change the wording of Rule G-14.

The proposed rule change was published for notice and comment in the *Federal Register* on April 15, 2003.<sup>2</sup> The Commission received two comment letters on the proposed rule change.<sup>3</sup> This order approves the proposed rule change.

### I. Description of the Proposed Rule Change

The MSRB's T+1 Daily Report and the Comprehensive Report are made available for market professionals seeking information on market price levels and trading activity for individual securities. In preparation for the move to real-time price transparency in mid-2004, the MSRB believes that the trading threshold in the T+1 Daily Reports should be eliminated to further increase the price transparency that is available on T+1. The current transaction threshold for the T+1 Daily Report is two or more trades per day. Under the proposed rule change, all trades reported by dealers on trade date would be made visible on T+1.

The MSRB's proposed rule change is part of the MSRB's longstanding plan to introduce transparency in measured steps. The MSRB believes that these steps allow the market time to adjust to new situations presented by each new

<sup>1</sup> 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4 thereunder.

<sup>2</sup> See Release No. 34-47650 (April 8, 2003) 68 FR 18313.

<sup>3</sup> May 7, 2003 letter from Kevin Olson, Municipalbonds.com to SEC Commissioners, Commission ("Olsen letter"); May 9, 2003 letter from John M. Ramsay, Senior Vice President and Regulatory Counsel, The Bond Market Association to Jonathan G. Katz, Secretary, Commission ("TBMA letter").

level of price transparency. The proposed rule change would increase the number of trades and issues appearing each day on the T+1 Daily Report. Furthermore, the MSRB believes that the proposal will increase price transparency for municipal securities by increasing the amount of price data available on the day after trade date.

### II. Summary of Comments

The Commission received two comment letters relating to the proposed rule change that express concerns. The TBMA letter expressed concerns about "the potential impact of real-time transparency on the market for less-frequently traded bonds." Although TBMA indicated that it does not oppose the move to next-day transparency, it suggests that "it should only be undertaken in connection with a more deliberate study of potential liquidity effects from a move to real-time transparency, consistent with the approach taken by the NASD and endorsed by the Commission in the area of corporate bond transparency."<sup>4</sup> It expressed concern about the possible negative effects on liquidity from price dissemination. TBMA believes that "for inactively traded bonds, the publication of price information, particularly in block size, may provide information to other market participants that would affect the ability of a holder of the same bonds to sell them without incurring a loss." Thus, TBMA supports the MSRB's proposal to display a large trade indicator for trades of \$1 million or more instead of revealing the actual par value traded in the T+1 Daily Report. TBMA has formed a "Price Transparency Task Force" to conduct an analysis of the liquidity issue.<sup>5</sup> TBMA believes that examining the impact of next-day price transparency could be useful for considering potential liquidity impacts in the move towards real-time dissemination and that further steps to increase transparency in both the municipal and corporate bond markets should be delayed until the conclusion of such a study.

The Olsen letter supports the MSRB's proposed elimination of the trading threshold in the T+1 Daily Report.<sup>6</sup> However, he strongly opposes the MSRB's proposal to use a large trade indicator instead of the specific amount of trades of \$1 million or more. Olsen

<sup>4</sup> See TBMA letter at 1.

<sup>5</sup> *Id.* at 3.

<sup>6</sup> Providing next-day transparency has been one of Olsen's key market demands. Olsen's other demands include, "(1) dealer identifiers be attached, and (2) if there are reporting errors [sic] they be corrected and explained in a dedicated and public error report." See Olsen letter at 1.