

MEMO# 26801

December 21, 2012

MSRB Seeks Guidance on Revisions to its Rules or Interpretive Guidance; Call Scheduled for January 9 from 3-4 P.M.

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TO: MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 52-12
FIXED-INCOME ADVISORY COMMITTEE No. 30-12 RE: MSRB SEEKS GUIDANCE ON REVISIONS TO ITS RULES OR INTERPRETIVE GUIDANCE; CALL SCHEDULED FOR JANUARY 9 FROM 3-4 P.M.

The MSRB is seeking comment on whether any of its rules or guidance should be revised or restated due to changes in market practices or conditions, or to be more consistent with rules of other self-regulatory organizations or government entities. * This request results from the MSRB's interest in ensuring that its rules and guidance have evolved as necessary to protect investors without imposing undue burdens on registrants. The questions on which the MSRB is seeking comment are listed below. Comments are due to the MSRB by Tuesday, February 19th.

The Institute will hold a call with members on Wednesday, January 9 from 3-4 p.m. (Eastern) to discuss the MSRB's request. Members interested in participating on the call should contact Jennifer Odom (by phone 202-326-5833 or email jodom@ici.org) to obtain the call-in information. Members with thoughts on the MSRB notice who are unable to participate on the call should provide your comments to the undersigned at 202-371-5410 or email (jheinrichs@ici.org) prior to the call.

The MSRB seeks comment on the following questions:

1. Are there any MSRB rules or related interpretive guidance, while continuing to be applicable or necessary, that should be revised due to changed market practices, introduction of new or different products or market participants, or otherwise, and if so, what revisions would be appropriate?
2. Are there any MSRB rules or related interpretive guidance that should be consolidated with or codified in an existing rule or related interpretive guidance?
3. Are there any MSRB rules or related interpretive guidance that are no longer applicable or necessary, and if so, why?

4. Are there any MSRB rules or related interpretive guidance that impose an undue burden on brokers, dealers, municipal securities dealers, municipal advisors, or municipal entities? If so, please provide detail regarding such burden (quantify the burden, if data is available) and suggestions for mitigating such burden, including alternatives for the MSRB to consider.
5. Do any of the MSRB's rules or related interpretive guidance fail to accomplish their intended purpose, and if so, why?
6. Are there any MSRB rules or related interpretive guidance that could be modified to promote more efficient compliance by brokers, dealers, municipal securities dealers and municipal advisors? If so, please provide details regarding such modifications and the corresponding benefits.
7. Are there any current market conditions or practices that warrant examination by the MSRB for potential new rules or interpretive guidance, including those that would protect municipal entities, obligated persons, investors, or the public interest?

We understand from the staff of the MSRB that, at this time, they are interested in "high-level" comments that will help them identify and prioritize those rules or guidance that may not have kept pace with the evolving markets or business operations and should, therefore, be revisited by the MSRB. The next phase of this multi-year project will be for the MSRB to publish for public comment proposed edits to those rules that the MSRB has determined need to be revised.

Jane G. Heinrichs
Senior Associate Counsel

endnotes

*See Request for Comment on MSRB Rules and Interpretive Guidance, MSRB Notice 2012-63 (December 18, 2012), which is available at:

<http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2012/2012-63.aspx?n=1>.

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