

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-66865; File No. SR-MSRB-2012-03)

April 26, 2012

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of Proposed Rule Change Consisting of Establishment of a Subscription to Historical Information and Documents Submitted to the MSRB's Short-Term Obligation Rate Transparency System

I. Introduction

On February 27, 2012, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to establish a subscription to historical information and documents submitted to the MSRB's Short-Term Obligation Rate Transparency System. The proposed rule change was published for comment in the Federal Register on March 12, 2012.<sup>3</sup> The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Background and Description of Proposal

In January 2009, the MSRB implemented an electronic system to collect and disseminate information about securities bearing interest at short-term rates and making such information and documents publicly available through a dissemination service ("SHORT System"). In May 2011, MSRB enhanced the SHORT System to add documents to the information collected and disseminated. Information and documents

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 66521 (March 6, 2012), 77 FR 14572 (the Commission's Notice").

collected by the SHORT System are made available for free on the MSRB's Electronic Municipal Market Access (EMMA<sup>®</sup>) website pursuant to the EMMA short-term obligation rate transparency service.<sup>4</sup> MSRB also makes the information and documents collected by the SHORT System available through a subscription service, which is available for an annual fee of \$10,000. The proposed rule change would clarify that subscribers to the SHORT subscription service would be able to access historical data for the most recent six months on a daily rolling basis and establish purchase agreements for historical products consisting of twelve consecutive complete month data sets of the documents and related indexing information collected by the SHORT System (the "SHORT Historical Data Product") dating to January 30, 2009.<sup>5</sup> The purpose of the proposed rule change is to provide another avenue for obtaining the information and documents provided through the SHORT subscription service, which is currently only available on a current basis through the real-time data stream. A more complete description of the proposal is contained in the Commission's Notice.

### III. Discussion and Commission Findings

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Exchange Act and the

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<sup>4</sup> See Securities Exchange Act Release No. 59212 (January 7, 2009).

<sup>5</sup> The SHORT Subscriber Manual provides a complete, up-to-date listing of all data elements made available through the SHORT Subscription Service. The information provided in the SHORT Historical Data Product are the same as those currently provided in the SHORT Subscription Service.

rules and regulations thereunder applicable to the MSRB.<sup>6</sup> In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act, which provides that the MSRB's rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.<sup>7</sup>

The proposed rule change is also consistent with Section 15B(b)(3)(B)(ii) of the Exchange Act, which provides that the MSRB shall not be prohibited from charging commercially reasonable fees for automated subscription-based feeds or similar services, or for charging for other data or document-based services customized upon request of any person, made available to commercial enterprises, municipal securities market professionals, or the general public, whether delivered through the Internet or any other means, that contain all or part of the documents or information, subject to approval of the fees by the Commission under Section 19(b).<sup>8</sup>

The Commission believes that the proposed rule change is consistent with the Exchange Act. The proposed rule change would establish a subscription service that

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<sup>6</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78o-4(b)(2)(C).

<sup>8</sup> 15 U.S.C. 78o-4(b)(3)(B)(ii).

would make information collected by the SHORT System available to market participants as an additional avenue for obtaining information that is submitted to the EMMA short-term obligation rate transparency service. Broad access to the information collected by the SHORT System, in addition to the public access through the EMMA short-term obligation rate transparency service web portal, should further assist in preventing fraudulent and manipulative acts and practices by improving the opportunity for public investors to access material information about SHORT System disclosure information. The proposed rule change also provides for commercially reasonable fees to partially offset costs associated with operating the SHORT System and producing and disseminating information products to purchasers.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,<sup>9</sup> that the proposed rule change (SR-MSRB-2012-03) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).