



October 14, 2015

Brent Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: File Number SR-MSRB-2015-10: MSRB Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Revise the Effective Date of New Rule G-18, on Best Execution of Transactions in Municipal Securities, and Amendments to Rule G-48, on Transactions With Sophisticated Municipal Market Professionals, and Rule D-15, on the Definition of Sophisticated Municipal Market Professionals**

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Dear Mr. Fields:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates this opportunity to comment on the Municipal Securities Rulemaking Board’s (the “MSRB”) notice of filing and immediate effectiveness of a proposed rule change to revise the effective date of new Rule G-18, on best execution of transactions in municipal securities, and amendments to Rule G-48, on transactions with sophisticated municipal market professionals, and Rule D-15, on the definition of sophisticated municipal market professionals, as filed with the Securities and Exchange Commission (“SEC”).<sup>2</sup>

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<sup>1</sup> SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over \$2.4 trillion for businesses and municipalities in the U.S., serving clients with over \$16 trillion in assets and managing more than \$62 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

<sup>2</sup> 80 Fed. Reg. 57410 (Sept. 23, 2015) (the “Filing”).

Mr. Brent Fields  
Secretary  
Securities and Exchange Commission  
Page 2 of 3

As stated in our prior letters,<sup>3</sup> SIFMA and our members share the SEC and MSRB's goal of improving the execution standard for the municipal market. Developing a higher standard is in the best interest of investors and the municipal market, and is something SIFMA has been focused on since the SEC issued its Report on the Municipal Securities Market in July 2012.<sup>4</sup>

SIFMA applauds the MSRB for delaying the effective date of the proposed amendments in light of the anticipated implementation guidance. However, SIFMA and its members want to express concern that a rule effective date 120 days from the date of publication by the MSRB of implementation guidance may be insufficient for industry members. SIFMA and its members are unaware of the contents of the implementation guidance. If the implementation guidance necessitates any automated processes or systems changes at the broker dealer, a lead time of six months is typically necessary, with a one year lead time being preferable, to design and build the system changes; test the changes; train appropriate staff; and develop the appropriate compliance and supervisory policies and procedures. This lead time is particularly critical when taking into account that most, if not all, firms have an operational system "lockdown" period that typically extends from mid-December to mid-January, during which time no operational changes can be made. Also, to keep costs under control, operational systems changes ideally need to be planned and budgeted for months in advance. Finally, if changes are required to be made to any third-party vendor system, such as one that is handling the collection of the sophisticated municipal market professional certificates, not only does that vendor need to make the requisite change, but such changes also need to be vetted with its regulated broker dealer clients. The principles of fair and effective regulation require allocating sufficient time for regulated parties to implement rule and guidance changes prior to any enforcement efforts.

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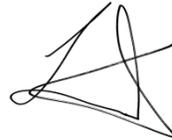
<sup>3</sup> See letter from David L. Cohen, Managing Director and Associate General Counsel, SIFMA, to Elizabeth M. Murphy, Secretary, SEC, dated September 19, 2014 (regarding SR-MSRB-2014-07). See also letter from David L. Cohen, Managing Director and Associate General Counsel, SIFMA, to Ronald W. Smith, Corporate Secretary, MSRB, dated December 8, 2014 (regarding MSRB Notice 2014-18 (October 23, 2014)); letter from David L. Cohen, SIFMA, to Lynnette Kelly, MSRB, dated June 24, 2013, available at <http://www.sifma.org/issues/item.aspx?id=8589944578>, proposing an "execution with diligence" standard for the municipal securities market and detailing unique attributes of this market; letter from David L. Cohen, SIFMA, to Ronald W. Smith, SEC, dated October 7, 2013, available at <http://www.sifma.org/issues/item.aspx?id=8589945474>; and letter from David L. Cohen, SIFMA, to Ronald W. Smith, SEC, dated March 13, 2014, available at <http://www.sifma.org/issues/item.aspx?id=8589947986>.

<sup>4</sup> U.S. Securities and Exchange Commission Report on the Municipal Securities Market (July 31, 2012), available at <http://www.sec.gov/news/studies/2012/munireport073112.pdf>.

Mr. Brent Fields  
Secretary  
Securities and Exchange Commission  
Page 3 of 3

We would be pleased to discuss any of these comments in greater detail, or to provide any other assistance that would be helpful. If you have any questions, please do not hesitate to contact the undersigned at [REDACTED].

Sincerely yours,

A handwritten signature in black ink, appearing to be 'L. Norwood', written over a set of horizontal lines.

Leslie M. Norwood  
Managing Director and  
Associate General Counsel

cc: ***Securities and Exchange Commission, Office of Municipal Securities***  
Jessica Kane, Director  
Rebecca Olsen, Deputy Director  
***Municipal Securities Rulemaking Board***  
Lynnette Kelly, Executive Director  
Robert Fippinger, Chief Legal Officer  
Michael Post, General Counsel-Regulatory Affairs