

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57463; File No. SR-MSRB-2008-01)

March 11, 2008

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendment to Rule G-8, on Books and Records, to Delete Requirement to Maintain Copies of Form G-40

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 19, 2008, the Municipal Securities Rulemaking Board (“MSRB” or “Board”), filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II and III below, which Items have been substantially prepared by the MSRB. The MSRB has filed the proposal as a “non-controversial” rule change pursuant to Section 19(b)(3)(A)(iii) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is filing with the Commission a proposed rule change consisting of an amendment to Rule G-8, on books and records, to delete the requirement that brokers, dealers and municipal securities dealers maintain copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. The MSRB proposes that the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

amendment become effective on March 21, 2008. The text of the proposed rule change is available on the MSRB's Web site (www.msrb.org), at the MSRB, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Subparagraph (a)(xxii) under Rule G-8, on books and records, requires that brokers, dealers and municipal securities dealers ("dealers") keep records reflecting copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. Rule G-40 provides for electronic communication between the MSRB and dealers by imposing certain requirements on dealers.⁵ When the rule was first adopted in 2002, dealers were required to submit their initial forms by mail. The rule was

⁵ Dealers are required to use Form G-40 to appoint a "Primary Contact" who must be either a Series 53-registered municipal securities principal or a Series 51-registered municipal fund securities limited principal. The rule also requires each dealer to maintain an Internet email account, and to review and, if necessary, update its Primary Contact information within 17 business days of each calendar year. The rule is based on similar FINRA requirements; the Board attempts, whenever possible, to adopt rule provisions and language similar to FINRA rules in order to ensure a coordinated regulatory approach in areas of mutual regulation.

subsequently amended in 2005 to require that all G-40 submissions – both initial forms and any subsequent amendments – be submitted electronically to the MSRB. Dealers accomplish this through their individual electronic G-40 accounts. Because dealers are no longer required to provide any paper submissions in connection with Rule G-40, there is no reason to retain the current requirement under Rule G-8(a)(xxii) that dealers maintain copies of Form G-40 and any amended forms.⁶ Accordingly, the proposed rule change would delete this requirement.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,⁷ 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, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The Board believes that by deleting the obsolete requirement to maintain copies of Form G-40 and any amended forms, the proposed rule change will facilitate dealer

⁶ In addition to certain quarterly reports provided to FINRA and the bank regulatory agencies, the MSRB provides FINRA examiners with secure, on-line access to each dealer's current G-40 information to assist in inspecting for dealer compliance with Rule G-40.

⁷ 15 U.S.C. 78o-4(b)(2)(C).

understanding and compliance with Rules G-8 and G-40, as well as the inspection and enforcement thereof.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Board does not believe that the proposed rule change will result in any burden on competition not necessary or appropriate in furtherance of the purposes of the Act since it would apply equally to all brokers, dealers and municipal securities dealers.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the proposed rule change: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from February 19, 2008, the date on which it was filed, and the MSRB provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

investors, or otherwise in furtherance of the purposes of the Act.¹⁰

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2008-01 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2008-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for

¹⁰ See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2008-01 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Florence E. Harmon
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).