

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-65346; File No. SR-MSRB-2011-16)

September 16, 2011

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Rule Change to Extend the Effective Date of the Amendment to the Continuing Disclosure Service of EMMA to Provide for the Posting of Credit Rating and Related Information on the EMMA Public Website

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 12, 2011, the Municipal Securities Rulemaking Board (“Board” or “MSRB”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The MSRB has filed the proposal as a “non-controversial” rule change pursuant to Section 19(b)(3)(A)(iii),<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> 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 SEC a proposed rule change to extend the effective date of the amendment (the “Amendment”) to the continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”) to provide for the posting of credit rating and related information on the EMMA public website (the “original proposal”), which was

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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> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

approved by the Commission on October 13, 2010.<sup>5</sup> The Approval Order provided that the original proposal would be effective no later than one year after the date of the approval order (i.e., by October 13, 2011). The proposed rule change would change the effective date of the original proposal to “no later than December 31, 2011.”

The text of the proposed rule change is available on the MSRB’s website at [www.msrb.org/Rules-and-Interpretations/SEC-Filings/2011-Filings.aspx](http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2011-Filings.aspx), at the MSRB’s principal office, 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 Board 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

The proposed rule change will provide the MSRB with sufficient time to complete its existing development project related to the continuing disclosure service of EMMA that would allow for the posting of credit rating information and related information provided by Nationally Recognized Statistical Rating Organizations (“NRSROs”) that agree to participate in the project (the “credit ratings project”), as described in the original proposal. The credit ratings project was designed to provide additional material information to retail investors and other market

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<sup>5</sup> See SEC Release No. 34-63086, File No. SR-MSRB-2010-03 (October 13, 2010) (“Approval Order”).

participants regarding municipal securities. The MSRB had previously received the commitment of one NRSRO to participate in the credit ratings project and is in on-going discussions with a second NRSRO, which requires additional time to finalize an agreement with the second NRSRO. The extension of the effective date as proposed in this proposed rule change would permit the credit ratings project to be launched with the participation of both NRSROs. Any additional NRSROs that hereafter agree to participate in the credit ratings project under the terms of the original proposal would be incorporated into the credit ratings project in a subsequent phase of development.

## 2. Statutory Basis

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Exchange Act, which provides that 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.

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The extension of the effective date of the original proposal will allow the MSRB sufficient time to complete development of the credit ratings project as described above, which will remove impediments to and help perfect the mechanisms of a free and open market in municipal securities and for municipal financial products, assist in preventing fraudulent and manipulative acts and practices, and in general promote investor protection and the public interest by ensuring

equal access for all market participants to critical information needed by investors in the municipal securities market.

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

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Credit ratings and related information provided on the EMMA public website would be available to all persons simultaneously. Any credit rating and related information of an NRSRO would be displayed on the EMMA public website only with the agreement of such NRSRO to such use of its information. The MSRB believes that the benefits realized by the investing public from the broader and easier availability of credit rating and related information provided by NRSROs, including in particular retail investors in municipal securities, who do not normally have access to information services customarily used by professional market participants, would justify any potentially negative impact on such existing information services from the display of credit rating and related information on the EMMA public website.

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 on the proposed rule change.

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

The MSRB represented that the proposed rule change qualifies for immediate effectiveness pursuant to Section 19(b)(3)(A)(iii) of the Exchange Act<sup>6</sup> because it: (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 after filing or such shorter time as the Commission may designate consistent with the protection of investors

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

and the public interest. The MSRB provided the required written notice of its intention to file the proposed rule change to the Commission on August 31, 2011,<sup>7</sup> and the proposed rule change will become operative on October 12, 2011, which is more than 30 days after the filing of the proposed rule change, or on such earlier date as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Exchange Act.<sup>8</sup> If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

#### 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 Exchange 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](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2011-16 on the subject line.

##### Paper comments:

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<sup>7</sup> Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The MSRB has complied with the requirement.

<sup>8</sup> See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

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

All submissions should refer to File Number SR-MSRB-2011-16. 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 website (<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 website viewing and printing 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 MSRB's offices. 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-2011-16 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.<sup>9</sup>

Elizabeth M. Murphy  
Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(12).