

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-84341; File No. SR-MSRB-2018-07)

October 2, 2018

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to Amend MSRB Rule G-3, on Professional Qualification Requirements, to Require Municipal Advisor Principals to Become Appropriately Qualified by Passing the Municipal Advisor Principal Qualification Examination

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act” or “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 19, 2018 the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) filed with the Securities and Exchange Commission (the “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 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 filed with the Commission a proposed rule change to amend Rule G-3, on professional qualification requirements, to (i) require persons who meet the definition of a municipal advisor principal, as defined under Rule G-3(e)(i), to pass the Municipal Advisor Principal Qualification Examination (“Series 54 examination”) in order to become appropriately qualified as a municipal advisor principal; (ii) specify that such persons who cease to be associated with a municipal advisor for two or more years at any time after having qualified as a municipal advisor principal must requalify by examination unless a waiver is granted; (iii) add the Series 54 examination to the list of qualification examinations for which a waiver can be

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

sought; (iv) provide that municipal advisor representatives may function as a principal for 120 calendar days without being qualified with the Series 54 examination; and (v) make a technical amendment to Rule G-3(e) to clarify that a municipal advisor principal must pass the Municipal Advisor Representative Qualification Examination (“Series 50 examination”) as a prerequisite to becoming qualified as a municipal advisor principal (collectively the “proposed rule change”). The MSRB requests that the proposed rule change become effective 30 days from the date of SEC approval.

The text of the proposed rule change is available on the MSRB’s website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2018-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 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

The MSRB is charged with setting professional qualification standards for municipal advisors. Section 15B(b)(2)(A) of the Act authorizes the MSRB to prescribe “standards of training, experience, competence, and such other qualifications as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or

obligated persons.”³ Additionally, Sections 15B(b)(2)(A)(i)⁴ and 15B(b)(2)(A)(iii)⁵ of the Act also provide that the Board may appropriately classify associated persons of dealers and municipal advisors and require persons in any such class to pass tests prescribed by the Board. The examinations are intended to determine whether an individual meets the MSRB’s qualification standards for a particular qualification category. More specifically, the MSRB’s professional qualification examinations measure a candidate’s knowledge of the business activities, as well as the regulatory requirements, including MSRB rules and federal laws.

Background

In connection with its statutory mandate, beginning Spring 2014, the MSRB set out on a multi-year effort to establish professional qualification requirements for municipal advisor professionals. The MSRB published Notice 2014-08⁶ seeking comment on a proposal to, among other things, establish qualification classifications for municipal advisor professionals; and to require that municipal advisor professionals engaging in municipal advisory activities and those engaging in the management, direction or supervision of a firm’s municipal advisory activities pass the Municipal Advisor Representative Qualification Examination (“Series 50 examination”) to be qualified in accordance with MSRB rules. The MSRB stated at that time, at a later date, it would consider a qualification examination for municipal advisor principals.⁷ Also, the MSRB

³ See 15 U.S.C. 78o-4(b)(2)(A).

⁴ See 15 U.S.C. 78o-4(b)(2)(A)(i).

⁵ See 15 U.S.C. 78o-4(b)(2)(A)(iii).

⁶ See MSRB Notice 2014-08 (Request for Comment on Establishing Professional Qualification Requirements for Municipal Advisors) (March 17, 2014).

⁷ Id.

noted, “[i]f such an examination is proposed, it is expected that each municipal advisor principal would, as a prerequisite, be required to pass the municipal advisor representative qualification examination before taking the municipal advisor principal qualification examination.”⁸ On February 26, 2015, among other things, the SEC approved amendments to Rule G-2 to require that no municipal advisor shall engage in municipal advisory activities unless such municipal advisor is qualified in accordance with MSRB rules; and approved Rules G-3(d)(i) and (e)(i) to create two new qualification classifications for municipal advisors: municipal advisor representative⁹ and municipal advisor principal¹⁰ and to require persons meeting the definition of a municipal advisor representative and/or municipal advisor principal to pass the Series 50 examination.¹¹ In addition, as amended, each municipal advisor would be required to designate at least one individual as a municipal advisor principal who would be responsible for supervising the municipal advisory activities of the municipal advisor and its associated persons.¹²

⁸ Id.

⁹ Under Rule G-3(d) a “municipal advisor representative” is defined as “a natural person associated with a municipal advisor who engages in municipal advisory activities on the municipal advisor’s behalf, other than a person performing only clerical, administrative support or similar functions.”

¹⁰ Under Rule G-3(e) a “municipal advisor principal” is defined as “a natural person associated with a municipal advisor who is qualified as a municipal advisor representative and is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons.”

¹¹ See Exchange Act Release No. 74384 (February 26, 2015), 80 FR 11706 (March 4, 2015) (SR-MSRB-2014-08) (Notice of Filing of Amendment No. 1 and Amendment No. 2 and Order Granting Accelerated Approval).

¹² Rule G-44 sets forth the obligation of municipal advisor principals to supervise the municipal advisory activities of the municipal advisor and its associated persons to ensure compliance with applicable securities laws and regulations, including applicable Board rules.

In the 2014 filing,¹³ the MSRB addressed the development of a principal-level examination in response to a commenter’s recommendation¹⁴ that the MSRB should make a supervisor examination available before, or simultaneously with the representative examination and eliminate the need for a supervisor to take both examinations. The MSRB articulated that it was “important that the representative examination be introduced prior to any principal examination because the [representative] examination would determine the basic competency of those individuals who are engaged in municipal advisory activity.”¹⁵ More importantly, the MSRB noted, and has continued to communicate to municipal advisor professionals that the MSRB would consider an examination for principals at a later date.

Now that the MSRB has concluded the launch of the Series 50 examination and the one-year grace period has ended¹⁶ for municipal advisor representatives and municipal advisor principals to pass the Series 50 examination while continuing to engage in municipal advisory activities and the supervision of municipal advisory activities, the MSRB is in the process of formalizing the development of a principal-level examination.

¹³ See Exchange Act Release No. 73708 (December 1, 2014), 79 FR 72225 (December 5, 2014) (SR-MSRB-2014-08) (Notice of Filing of a Proposed Rule Change).

¹⁴ On March 17, 2014, the MSRB published a request for public comment on establishing professional qualification requirements for municipal advisors. See supra note 6. In response, the MSRB received thirty-five comment letters. One commenter recommended the MSRB make available a principal-level examination before the representative-level examination. See Letter from Linda Fan, Managing Partner, Yuba Group to Ronald Smith, Corporate Secretary, Municipal Securities Rulemaking Board (April 28, 2014).

¹⁵ See supra note 13.

¹⁶ The MSRB proposed a one-year grace period for municipal advisor representatives and municipal advisor principals to satisfy the qualification requirements pursuant to Rule G-3 in order to provide an orderly transition to the new qualification requirements. See supra note 13.

Proposed Amendments

The MSRB is proposing to adopt Rule G-3(e)(ii)(A) to establish additional qualification requirements for municipal advisor principals. Specifically, the proposed amendments would require those who meet the definition of a municipal advisor principal, as defined under Rule G-3(e)(i), (i.e., persons engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons) to pass both the Series 50 examination and Series 54 examination prior to becoming qualified as a municipal advisor principal. Additionally, the proposed amendments to Rule G-3(e)(ii) would also prescribe that the passing score shall be determined by the Board. The establishment of qualification requirements for municipal advisor principals would assist in ensuring that such persons have a specified level of competency that is appropriate in the public interest and for the protection of investors, and municipal entities and obligated persons. Additionally, the establishment of the Series 54 examination is consistent with the intent of the establishment of the Series 50 examination “to mitigate problems associated with advice provided by those individuals without adequate training or qualifications,” in that municipal advisor principals should be appropriately qualified to supervise such activities of municipal advisor representatives.¹⁷

Proposed Rule G-3(e)(ii)(B) would require any person qualified as a municipal advisor principal who ceases to be associated with a municipal advisor for two or more years at any time after having qualified as a municipal advisor principal to requalify by examination by passing both the Series 50 examination and Series 54 examination prior to becoming qualified as a municipal advisor principal, unless a waiver is granted pursuant to Rule G-3(h)(ii), on waiver of

¹⁷ See supra note 13.

qualification requirements.¹⁸ Accordingly, the MSRB is proposing to amend Rule G-3(h)(ii) and Supplementary Material .02 to provide that the MSRB will consider waiving the qualification requirements of a municipal advisor principal in extraordinary cases where the applicant was previously qualified as a municipal advisor principal by passing both the Series 50 examination and Series 54 examination and the person's qualification lapsed. Proposed Rule G-3(e)(ii)(C) would allow a municipal advisor principal to be designated a municipal advisor principal and to function in that capacity for a period of 120 calendar days without having passed the Series 54 examination.¹⁹

The MSRB is also proposing a technical amendment to Rule G-3(e)(i), on definitions, to establish as a separate rule provision, and to clarify, that qualification as a municipal advisor representative is a prerequisite to obtaining qualification as a municipal advisor principal. The MSRB is also proposing a technical amendment to renumber the rule provisions under Rule G-3(e).

A more detailed summary of the Series 54 examination under development is outlined below.

¹⁸ The Board will review waiver requests on their individual merits, taking into consideration relevant facts presented by an applicant.

¹⁹ On June 8, 2018, the MSRB filed a proposed rule change with the SEC for immediate effectiveness, which, in part, extends the period from 90 calendar days to 120 calendar days for municipal securities representatives to function in a principal capacity without passing a principal examination as long as the municipal securities representative has at least 18 months of experience within the five-year period immediately preceding the designation as a principal. The MSRB is not extending this experience requirement to a municipal advisor representative in order to function as a municipal advisor principal for 120 calendar days because, given the typical size of a municipal advisor firm, coupled with the newness of the qualification classifications and development of professional qualification requirements for municipal advisor professionals, such a requirement could pose an undue burden on a municipal advisor's operational needs.

Development of the Municipal Advisor Principal Qualification Examination

The MSRB believes that professional qualification examinations, such as the Series 50 examination and Series 54 examination, are established means for determining the competency of individuals in a particular qualification classification. The MSRB has, in consultation with the MSRB's Professional Qualification Advisory Committee, developed the Series 54 examination to ensure that a person seeking to qualify as a municipal advisor principal satisfies a specified level of competency and knowledge by measuring a candidate's ability to apply the applicable federal securities laws, including MSRB rules to the municipal advisory activities of a municipal advisor. The MSRB has adhered to recognized test development standards by performing a job study to determine the appropriate topics to be covered and weighting of such topics on the Series 54 examination.²⁰ From October 17, 2017 through November 7, 2017, the MSRB conducted a job study of municipal advisor principals via a web-based survey. The job study was sent to the primary and optional regulatory contacts at over 500 municipal advisors, representing every municipal advisor with at least one person qualified with the Series 50 examination. The MSRB received 212 responses to the job study, representing data from municipal advisor principals from different-sized municipal advisors in different areas of the country.

The MSRB will announce the effective date of the permanent Series 54 examination at a later date in an MSRB Notice published on MSRB.org.²¹ However, in advance of the permanent

²⁰ A job study is an assessment of the essential skills that are required to complete a particular function and is used as a basis for defining relevant or suitable content for exam questions and in preparing exam specifications, which refer to the emphasis or weight given to topic areas within an examination.

²¹ The effective date of the Series 54 examination will be the date the Series 54 examination becomes permanently available.

version of the Series 54 examination, the MSRB anticipates conducting a pilot of the Series 54 examination, the results of which will be used to determine the passing score for the permanent Series 54 examination. Prior to the launch of the pilot version of the Series 54 examination, the MSRB will file a content outline with the SEC describing: the topics on the examination; the percentage of the examination devoted to each topic area; and the number of questions that will appear on the examination. The content outline will also contain sample examination questions and a list of reference materials to assist individuals in preparation for the examination. To provide persons who function as municipal advisor principals with sufficient time to satisfy the new qualification requirement, consistent with the implementation process for the Series 50 examination, the MSRB proposes a one-year grace period from the effective date of the Series 54 examination for such persons to pass the examination and become appropriately qualified as municipal advisor principals. During this one-year grace period, a person functioning as a municipal advisor principal would be permitted to continue to engage in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons so long as such person is qualified with the Series 50 examination. This one-year grace period is designed to ensure that those persons functioning as a municipal advisor principal can prepare for and pass the Series 54 examination without causing considerable disruption to the business of the municipal advisor. After the one-year grace period, a municipal advisor representative would only be permitted to function in the capacity of a municipal advisor principal, after being so designated, for a period of 120 days without being a qualified municipal advisor principal.

Grandfathering

Consistent with the requirement that all municipal advisor representatives and municipal advisor principals pass the Series 50 examination, the proposed rule change would require those who meet the definition of a municipal advisor principal, as defined under Rule G-3(e), to pass the Series 54 examination regardless of whether such persons have passed other MSRB or MSRB-recognized examinations (such as the Series 53 or Series 24). The MSRB does not intend to waive the principal-level requirement or grandfather individuals who have passed such other examinations or who have experience in functioning in a supervisory capacity. The MSRB believes that, as consistent with the professional qualification standards for the municipal advisor representative-level examination, each municipal advisor principal should demonstrate a specified level of competency of the regulatory requirements and application thereof to the municipal advisory activities of a municipal advisor by passing a principal-level examination.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(A) of the Act,²² which authorizes the MSRB to prescribe “standards of training, experience, competence, and such other qualifications as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons” and Sections 15B(b)(2)(A)(i)²³ and 15B(b)(2)(A)(iii)²⁴ of the Act, which provides that the Board may appropriately classify associated persons of dealers and municipal

²² 15 U.S.C. 78o-4(b)(2)(A).

²³ 15 U.S.C. 78o-4(b)(2)(A)(i).

²⁴ 15 U.S.C. 78o-4(b)(2)(A)(iii).

advisors and require persons in any such class to pass tests prescribed by the Board. Professional qualification examinations are an established means for demonstrating that municipal advisor professionals possess the specified level of competency necessary to engage in or supervise municipal advisory activities. The proposed amendments to Rule G-3(e) to require municipal advisor principals to pass the Series 54 examination, and the requirement to pass the Series 50 examination as a prerequisite to the Series 54 examination, is in furtherance of establishing professional qualification standards. The MSRB's professional qualification examinations are designed to measure knowledge of the business activities and the regulatory requirements under the federal securities laws, including MSRB rules, applicable to a particular qualification classification, which is in furtherance of this provision of the Act.

The MSRB also believes the proposed amendments are in accordance with Section 15B(b)(2)(C) of the Act,²⁵ which requires, among other things, that MSRB rules “be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, ... and, in general, to protect investors, municipal entities, obligated persons, and the public interest...” The MSRB notes that requiring municipal advisor principals to pass the Series 54 examination will protect investors, municipal entities and obligated persons by ensuring municipal advisor principals demonstrate a specified level of competency of the regulatory requirements and application thereof to the municipal advisor's municipal advisory activities by passing a principal qualification examination. Additionally, the proposed rule change furthers the stated objective of Section 15B(b)(2)(C) of the Act to foster the prevention of fraudulent practices by enhancing the overall professional qualification standards of municipal advisor principals — recognizing the important role proper supervision of a municipal advisor's

²⁵ 15 U.S.C. 78o-4(b)(2)(C).

activities and that of its associated persons play in the protection of the municipal securities market.

Additionally, Section 15B(b)(2)(L)(iv) of the Act, requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.²⁶ The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Act in that, while the proposed rule change would affect all municipal advisors, including small municipal advisors, the regulatory burden that results is necessary and appropriate in order to establish the specified level of competence of those individuals engaged in the management, direction or supervision of the municipal advisory activities of a municipal advisor and its associated persons. Furthermore, the MSRB believes that establishing a specified level of competence is necessary for the protection of investors, municipal entities, and obligated persons in that such competence promotes compliance with the rules and regulations governing the conduct of municipal advisors.

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

Section 15B(b)(2)(C) of the Act²⁷ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In determining whether this standard has been met, the MSRB has been guided by the Board's adopted policy to more formally integrate economic analysis into the rulemaking process. In accordance with this policy, the Board has evaluated the potential impacts of the proposed rule change, including in comparison to reasonable alternative

²⁶ 15 U.S.C. 78o-4(b)(2)(L)(iv).

²⁷ 15 U.S.C. 78o-4(b)(2)(C).

regulatory approaches.²⁸ The MSRB does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB currently requires any natural person associated with a municipal advisor who intends to engage in municipal advisory activities on behalf of the municipal advisor and those who supervise the municipal advisory activities of the municipal advisor to pass the Series 50 examination prior to being qualified as a municipal advisor representative and a municipal advisor principal, respectively.

As previously indicated, once the Series 54 examination is permanently available, a municipal advisor principal will be required to pass both the Series 50 examination and Series 54 examination prior to becoming qualified as a municipal advisor principal. The Series 54 examination is intended to determine whether a municipal advisor principal meets a specified level of competency. The main benefit of the Series 54 examination is to ensure protection of municipal entities and obligated persons who employ municipal advisors to engage in municipal advisory activities on their behalf – the benefits which should accumulate over time. The establishment of the Series 54 examination as a professional qualification requirement for municipal advisor principals is in furtherance of the mandate to protect municipal entities and obligated persons by requiring that individuals engaged in the management, direction or supervision of the municipal advisory activities of a municipal advisor and its associated persons demonstrate a specified level of competence of the rules and regulations governing such municipal advisory activities. The establishment of professional qualification standards

²⁸ Policy on the Use of Economic Analysis in MSRB Rulemaking is available at <http://msrb.org/Rules-and-Interpretations/Economic-Analysis-Policy.aspx>. In evaluating whether there was a burden on competition, the Board was guided by its principles that required the Board to consider costs and benefits of a rule change, its impact on capital formation and the main reasonable alternative regulatory approaches.

effectively will serve to benefit municipal advisors as such standards for municipal advisor principals are designed to ensure that any person that supervises, manages or directs the municipal advisory activities of a municipal advisor and its associated persons understands the application of the federal securities laws to a municipal advisor's municipal advisory activities in order to safeguard the municipal advisor from conduct that would violate the federal securities laws.

The MSRB recognizes that municipal advisors would incur programmatic costs associated with the proposed Series 54 examination requirement, including costs to meet standards of training, experience and competence.²⁹ Currently, the number of municipal advisor professionals who have passed the Series 50 examination and are associated persons of municipal advisors is about 3,360. Based on the number of registered municipal advisors and associated persons currently qualified with the Series 50 examination to act in the capacity of a municipal advisor principal, the MSRB estimates that 650 persons will likely take the Series 54 examination. The MSRB also estimates the total costs incurred for taking the examination should be no more than \$715 per each municipal advisor principal.³⁰ Therefore, the estimated total costs to the industry to implement the proposed Series 54 examination would be around \$465,000.

The Act provides that MSRB rules may not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the

²⁹ As with the Series 50 examination, the costs of preparing for and taking the proposed Series 54 examination would be incurred only once for each municipal advisor principal, assuming the principal passed the examination on the first occasion.

³⁰ This total estimated amount includes \$265 to take the examination and \$450 to obtain study materials to prepare for the examination. Based on MSRB's research, the study material/package prices for the Series 50 examination currently range from \$90 to \$450, depending on the vendors. To be conservative, the MSRB chose the highest amount for the cost estimate to prepare for and take the proposed Series 54 examination.

protection of investors, municipal entities, and obligated persons provided that there is robust protection of investors against fraud.³¹ The MSRB is sensitive to the potential impact the regulatory requirements contained in the proposed rule change may have on small municipal advisors and recognizes that the cost of complying with the requirements of the proposed rule change may be proportionally higher for certain small firms as the incremental cost associated with the qualification examination requirement may represent a greater percentage of annual revenues for a small firm. To avoid potential disruption to a municipal advisor's business activities, which could impact revenue, the proposed rule change would provide a one-year grace period for persons to prepare for and pass the Series 54 examination, thus allowing small municipal advisors the flexibility to plan around existing and ongoing business engagements. Furthermore, the cost for a small municipal advisor of having an associated person prepare for and take the Series 54 examination would be incurred only once for each municipal advisor principal, assuming such person(s) passed the examination on the first occasion. Accordingly, the MSRB believes that the proposed rule change is consistent with the Act.

The MSRB has considered whether it is possible that the costs associated with preparing for and taking the municipal advisor principal-level qualification examination, could possibly affect the competitive landscape by leading some municipal advisory firms and principals to exit the market, curtail their activities or consolidate with other firms.³² However, the market for municipal advisory services is likely to remain competitive despite the potential exit of some

³¹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

³² For example, some municipal advisors may determine to consolidate with other municipal advisors in order to benefit from economies of scale rather than to incur separately the costs associated with the proposed rule change. Others may exit the market, rather than incurring the cost of preparing for and taking a qualification examination.

municipal advisors (including small entity municipal advisors), consolidation of municipal advisors, or deterrence of new entrants into the market. A recent study by Bergstresser and Luby (July 2018) on the landscape of the municipal advisory services in the post Dodd-Frank Act era found that while the number and types of municipal advisors have changed over the last few years, the number of municipal advisor professionals has remained steady.³³ It appears that municipal entities and obligated persons are still being serviced by a similar-sized universe of active municipal advisory professionals even as the name and location of the firms that they have worked at may have changed.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

³³ <https://www.brookings.edu/wp-content/uploads/2018/04/Berg-Luby-2018-20180716.pdf>.

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-2018-07 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MSRB-2018-07. 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 the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are

cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2018-07 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.³⁴

Eduardo A. Aleman
Assistant Secretary

³⁴ 17 CFR 200.30-3(a)(12).