

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58154; File No. SR-MSRB-2008-03)

July 15, 2008

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 1, Relating to Rule G-11, on New Issue Syndicate Practices, and Rule G-12, on Uniform Practice

On March 18, 2008, 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 (“Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change consisting of amendments to Rule-11, on new issue syndicate practices, and Rule G-12, on uniform practice. The proposed rule change was published for comment in the Federal Register on April 18, 2008.³ The Commission received no comment letters about the proposed rule change. On June 26, 2008, the MSRB filed Amendment No. 1 to the proposed rule change.⁴ This order approves the proposed rule change as modified by Amendment No. 1.

The proposed rule change consists of amendments to Rule G-11 and Rule G-12 that (a) delete Rule G-12(i); (b) consolidate the remaining syndicate practice provisions of Rule G-12 into Rule G-11; (c) delete the syndicate-related sections of Rule G-12; and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 57659 (April 14, 2008), 73 FR 21166 (April 18, 2008) (“Commission’s Notice”).

⁴ Amendment No. 1 clarifies a broker, dealer or municipal securities dealer’s existing obligations and does not add any new requirements. This is a technical amendment and is not subject to notice and comment.

(d) make minor technical corrections to Rule G-11. A full description of the proposal is contained in the Commission's Notice.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB⁵ and, in particular, the requirements of Section 15B(b)(2)(C) of the Act⁶ and the rules and regulations thereunder. Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules 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.⁷ In particular, the Commission finds that the proposed rule change is consistent with the Act because it will facilitate transactions in municipal securities and protect investors and the public interest by creating a consolidated rule that seeks to avoid inadvertent rule violations and clarifies and modernizes its rules to bring them into line with the realities of current market practice without compromising investor protection.

⁵ 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).

⁶ 15 U.S.C. 78o-4(b)(2)(C).

⁷ Id.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-MSRB-2008-03), as modified by Amendment No. 1, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Florence E. Harmon
Acting Secretary

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).