

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-63307; File No. SR-MSRB-2010-13)

November 12, 2010

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Amendments to Rule A-7, on Assessments, and Rule A-8, on Rulemaking Procedures

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 1, 2010, 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 and II below, which Items have been prepared by the MSRB. The MSRB has designated the proposed rule change as concerned solely with the administration of the Board pursuant to Section 19(b)(3)(A)(iii) of the Act, and Rule 19b-4(f)(3) thereunder, 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 a proposed rule change consisting of amendments to Rule A-7, on assessments, and Rule A-8, on rulemaking procedures, to apply existing MSRB mechanisms and procedures for establishing assessments and undertaking rulemaking in connection with municipal advisors. The proposed rule change would apply to municipal advisors effective immediately. The text of the proposed rule change is available on the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

MSRB's Website at [www.msrb.org/Rules-and-Interpretations/SEC-Filings/2010-Filings.aspx](http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2010-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 purposes of the proposed rule change are: (i) to provide that the same procedures that the MSRB uses to engage in rulemaking for brokers, dealers, and municipal securities dealers will also apply to rulemaking concerning the activities of municipal advisors described in Section 15B(e)(4)(i) and (ii) of the Act and (ii) to provide a mechanism for the assessment of reasonable fees to defray a portion of the increased costs and expenses associated with the operation and administration of the Board attributable to the Board's regulation of municipal advisors, just as such a mechanism currently exists for assessments on brokers, dealers, and municipal securities dealers. Although the proposed rule change establishes procedures and mechanisms relating to rulemaking and assessments, it does not itself actually prescribe any rules for, or impose fees or charges on, municipal advisors. Such rules or assessments would be adopted

through separate rulemaking proposals by the Board pursuant to such procedures and mechanisms.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2) of the Act, which provides that:

The Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities effected by brokers, dealers, and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers, and municipal advisors.

Section 15B(b)(2)(J) of the Act provides that the rules of the MSRB shall:

Provide that each municipal securities broker, municipal securities dealer, and municipal advisor shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board.

The proposed rule change is consistent with Section 15B(b)(2) of the Act, because it provides for the procedures that the MSRB shall use to engage in rulemaking provided for in Section 15B(b)(2) of the Act and a mechanism for the assessment of reasonable fees to defray a portion of the increased costs and expenses associated with the operation and administration of the Board attributable to the Board's regulation of municipal advisors.

Section 15B(b)(2)(L) of the Act requires that rules adopted by the Board

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.

As noted above, the proposed rule change only authorizes the MSRB to engage in rulemaking concerning municipal advisors and to impose fees and charges on municipal advisors, in both cases as contemplated by the Act. The proposed rule change does not actually prescribe rules for, or impose fees or charges on, municipal advisors.

Accordingly, the proposed rule change imposes no regulatory burden on small advisors.

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 Act, since it would apply equally to all municipal advisors.

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

The MSRB represented that the proposed rule change qualifies for immediate effectiveness pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(3)<sup>4</sup> thereunder, in that those proposed amendments are concerned solely with the administration of the Board. 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 Act.<sup>5</sup>

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

<sup>4</sup> 17 CFR 240.19b-4(f)(3).

<sup>5</sup> See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2010-13 on the subject line.

##### Paper comments:

- 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-2010-13. 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 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-2010-13 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>6</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>6</sup> 17 CFR 200.30-3(a)(12).