SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-85223; File No. SR-MSRB-2019-05)

February 28, 2019

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and
Immediate Effectiveness of a Proposed Rule Change to Amend Rule G-21, on Advertising by
Brokers, Dealers and Municipal Securities Dealers, Rule G-40, on Advertising by Municipal
Advisors, and Rule G-8, on Books and Records

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and
Rule 19b-4 thereunder,² notice is hereby given that on February 26, 2019 the Municipal
Securities Rulemaking Board (“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 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 (the “proposed rule
change”) to amend MSRB Rule G-21, on advertising by brokers, dealers and municipal
securities dealers, (“proposed amended Rule G-21”) and MSRB Rule G-40, on advertising by
municipal advisors, (“proposed amended Rule G-40”) to exempt interactive content that is an
advertisement and that would be posted or disseminated on an interactive electronic forum from
the requirement that a municipal securities principal, a general securities principal, or a
municipal advisor principal approve that advertisement prior to first use. The proposed rule
change would also make a technical amendment to Rule G-8, on books and records to be made

by brokers, dealers, and municipal securities dealers and municipal advisors (“proposed amended Rule G-8”). The proposed rule change has been filed for immediate effectiveness under Section 19(b)(3)(A) of the Exchange Act and Rule 19b-4(f)(6) thereunder. The effective date of the amendments to Rule G-21 and Rule G-40 will be announced in an MSRB Notice to be published on the MSRB’s website following the effectiveness of this proposed rule change. To provide brokers, dealers, municipal securities dealers and municipal advisors (collectively, “regulated entities”) with sufficient time to develop supervisory and compliance policies and procedures, the effective date to be announced will be no less than 30 days and no more than 180 days following publication of the MSRB Notice. However, proposed amended Rule G-8 will become operative 30 days after the date of filing.

The text of the proposed rule change is available on the MSRB’s website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2019-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

---


5 See Exchange Act Release No. 83177 (May 7, 2018), 83 FR 21794 (May 10, 2018) (File No. SR-MSRB-2018-01). The amendments to Rule G-21 and new Rule G-40 were to become effective on February 7, 2019. However, to provide the industry with sufficient time to establish supervisory and compliance policies and procedures, the MSRB filed with the SEC for immediate effectiveness an extension of that effective date. The new effective date of the amendments to Rule G-21 and new Rule G-40 will be announced in an MSRB Notice to be published on the MSRB’s website. See File No. SR-MSRB-2019-01.
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 proposed rule change would amend Rule G-21 and Rule G-40 (the “advertising rules”) to exempt interactive content that is an advertisement and that would be posted or disseminated on an interactive electronic forum from the requirement that a municipal securities principal, a general securities principal, or a municipal advisor principal approve that advertisement prior to first use. The proposed rule change also would make a technical amendment to Rule G-8.

Background

Interactive and Static Content

During the development of the recent amendments to Rule G-21 and new Rule G-40, the MSRB received requests for guidance regarding the applicability of those rules to the use of social media by brokers, dealers, and municipal securities dealers (collectively, “dealers”) and municipal advisors in connection with their municipal securities activities and municipal advisory activities. The MSRB committed to providing that guidance before the effective date.

---

of the amendments to the advertising rules, and developed draft guidance regarding the use of social media in the format of frequently asked questions (the “FAQs”).

To receive the benefit of the expertise and experience of market stakeholders, the MSRB requested comment on the draft FAQs. In response, commenters requested that the MSRB adopt the concepts of interactive and static content posted or disseminated in an interactive electronic forum, including the corresponding exemption from the requirement of principal preapproval of interactive content, as provided in connection with FINRA Rule 2210 and the amendments thereto. Commenters submitted that such guidance would facilitate the use of

---


8 Concurrent with the submission of this proposed rule change, the MSRB filed the FAQs with the SEC for immediate effectiveness.


11 See, e.g., FINRA Rule 2210(b)(1)(D)(ii); FINRA Regulatory Notice 17-18 (Apr. 2017) at 1; and FINRA Regulatory Notice 11-39 (Aug. 2011) at 2. The references to FINRA materials set forth in this filing are identified for reference, and such reference is not intended to suggest that regulated entities that are not subject to the guidance issued by FINRA are responsible for compliance with that guidance. In addition, the MSRB does not intend for the guidance provided by this filing to modify or otherwise affect the guidance contained in any of the referenced materials published by FINRA.

12 Previously, FINRA Rule 2210, FINRA’s rule for communications with the public, provided that the definition of a “public appearance” included an unscripted participation in an interactive electronic forum (e.g., a non-static real-time communication); nevertheless, such a “public appearance” did not require a registered principal to approve
social media by regulated entities in their municipal securities activities and municipal advisory activities.\textsuperscript{13} The proposed rule change is responsive to those requests.

**Technical Amendment to Rule G-8**

Rule G-27(e)(iii), on supervision, requires, in part, that each dealer retain correspondence of municipal securities representatives “relating to its municipal securities activities in accordance with Rule[s] G-8(a)(xx).” However, Rule G-8(a)(xx) omits a cross-reference to the correspondence that is required by Rule G-27(e)(iii) to be kept.\textsuperscript{14} The proposed rule change would make a technical amendment to Rule G-8(a)(xx) to provide that cross-reference.

**Proposed amended Rule G-21**

To facilitate municipal securities activities for dealers, as well as to promote regulatory consistency with the advertising or communications rules of other financial regulators, proposed amended Rule G-21(g) would exempt interactive content that is an advertisement and that is posted or disseminated in an interactive electronic forum from the requirement for municipal in advance the remarks made in that interactive electronic forum. However, those remarks would have to be supervised under National Association of Securities Dealers (NASD) Rule 3010. \textit{See} FINRA Regulatory Notice 10-06 (Jan. 2010) at 4.

Effective in February 2013, FINRA amended FINRA Rule 2210 (the “2013 FINRA Rule 2210 amendments”). \textit{See} FINRA Regulatory Notice 12-29 (Jun. 2012). The 2013 FINRA Rule 2210 amendments amended FINRA Rule 2210 so that unscripted appearances in interactive electronic forums now are considered retail communications. \textit{See} FINRA Rule 2210(a)(5). Nevertheless, FINRA Rule 2210 provides that such retail communications would not have to be approved by a registered principal before their first use. However, under FINRA rules, those retail communications must be supervised and reviewed in the same manner as required for supervising and reviewing correspondence under FINRA Rule 3110. \textit{See} FINRA Rule 2210(b)(1)(D)(ii).

\textsuperscript{13} BDA, NAMA at 4-5, SIFMA at 2, and Wells Fargo at 2-3.

\textsuperscript{14} Rule G-8(a)(xx) provides that “each broker, dealer and municipal securities dealer shall maintain the records required under G-27(c) and G-27(d).”
securities principal or general securities principal approval prior to first use as set forth in proposed amended Rule G-21(f). However, such interactive content would be subject to the other requirements, as relevant, of proposed amended Rule G-21.

Interactive content refers to content that is posted or disseminated for direct real-time interaction with the audience. Examples of interactive content include, but are not limited to, chats and messaging.\textsuperscript{15} Interactive content, however, may become static content under certain circumstances, such as when interactive content is copied and then posted in a static forum.\textsuperscript{16}

Static content, by contrast, is content that is posted or disseminated to an audience that does not include direct real-time interaction with that audience.\textsuperscript{17} An example of static content includes, but is not be limited to, social media posts.\textsuperscript{18} Consistent with other types of advertisements, static content that is an advertisement would be subject to all applicable provisions of proposed amended Rule G-21, including proposed amended Rule G-21(f)’s requirement for approval by a municipal securities principal or general securities principal prior to first use.

Proposed amended Rule G-21(f) would no longer set forth the recordkeeping requirement for advertisements. Instead, such requirement would be set forth in proposed amended Rule G-

\textsuperscript{15} See FINRA Regulatory Notice 10-06 (Jan. 2010) at 4-5 (discussing interactive electronic content that allows for non-static real-time communications). The proposed rule change is aligned with FINRA’s guidance in this area.

\textsuperscript{16} See FINRA Regulatory Notice 11-39 (Aug. 2011) at 5 (providing that interactive content could become static if the interactive content was copied and posted in a static forum). The proposed rule change is aligned with FINRA’s guidance in this area.

\textsuperscript{17} See FINRA Regulatory Notice 10-06 (Jan. 2010) at 4-5 (providing that static content is content that remains posted until it is changed by the firm or individual who established the account). The proposed rule change is aligned with FINRA’s guidance in this area.

\textsuperscript{18} Id.
21(h). By so doing, proposed amended Rule G-21(h) would apply recordkeeping requirements to all advertisements subject to proposed amended Rule G-21, including advertisements that include static or interactive content that are posted or disseminated in an interactive electronic forum.

To address the supervision and review of interactive content, proposed amended Rule G-21 would include Supplementary Material .04 (SM .04). SM .04 would provide that notwithstanding Rule G-21(g), a dealer must supervise and review interactive content in the same manner in which that dealer supervises and reviews correspondence under Rule G-27(e), on review of correspondence.

**Proposed amended Rule G-40**

To facilitate municipal advisory activities for municipal advisors, as well as to promote regulatory consistency with the advertising or communications rules of other financial regulators, proposed amended Rule G-40(d), similar to proposed amended Rule G-21, would exempt interactive content that is an advertisement and that is posted or disseminated in an interactive electronic forum from the requirement for municipal advisor principal approval prior to first use as set forth in proposed amended Rule G-40(c). However, such interactive content would be subject to the other requirements, as relevant, of proposed amended Rule G-40.

Interactive content refers to content that is posted or disseminated for direct real-time interaction with the audience. Examples of interactive content include, but are not limited to, chats and messaging.\(^\text{19}\) Interactive content, however, may become static content, under certain circumstances, such as when interactive content is copied and then posted in a static forum.\(^\text{20}\)

---

\(^{19}\) See note 15.

\(^{20}\) See note 16.
Static content, by contrast, is content that is posted or disseminated to an audience that does not include direct interaction with that audience. An example of static content includes, but is not limited to, social media posts. Consistent with other types of advertisements, static content that is an advertisement would be subject to all applicable provisions of proposed amended Rule G-40, including proposed amended Rule G-40(c)’s requirement for approval by a municipal advisor principal prior to first use.

Proposed amended Rule G-40(c) would no longer set forth the recordkeeping requirement for advertisements. Instead, such requirement would be set forth in proposed amended Rule G-40(e). By so doing, proposed amended Rule G-40(e) would apply recordkeeping requirements to all advertisements subject to proposed amended Rule G-40, including advertisements that include static or interactive content that are posted or disseminated in an interactive electronic forum.

To address the potential need to supervise and review interactive content, proposed amended Rule G-40 would include Supplementary Material .02 (SM .02). SM .02 would provide that notwithstanding Rule G-40(d), each municipal advisor shall establish, implement, and maintain a system to supervise the municipal advisory activities of the municipal advisor and its associated persons, including any municipal advisory activities conducted through an interactive electronic forum that involve interactive content, that is reasonably designed to achieve compliance with applicable securities laws and regulations, including applicable Board rules as set forth in Rule G-44(a), on supervisory system.

Interactive content and FINRA Rule 2210

---

21 See note 17.

22 Id.
Commenters requested, as noted above, that the MSRB address interactive content similar to how such content is addressed by FINRA, and proposed amended Rules G-21 and Rule G-40 are responsive to those requests. FINRA addresses interactive content in its communications rule, FINRA Rule 2210, and the structure of proposed amended Rules G-21 and G-40 is consistent with that rule. FINRA Rule 2210:

- exempts interactive content in retail communications posted on an online interactive electronic forum from the requirement of approval by a principal prior to first use;²³
- requires that such interactive content (retail communications posted on an online interactive electronic forum) be supervised and reviewed in the same manner as correspondence under FINRA’s supervision rule, Rule 3110,²⁴ and
- requires that records be kept regarding those retail communications posted on an online interactive electronic forum.²⁵

Proposed amended Rules G-21 and G-40, as FINRA Rule 2210, would:

- exempt interactive content that is an advertisement and that is posted or disseminated in an interactive electronic forum from the requirement of principal approval prior to first use;²⁶
- require that records be kept relating to that interactive content;²⁷ and

²³ See FINRA Rule 2210(b)(1)(D).
²⁴ Id.
²⁵ See FINRA Rule 2210(b)(4).
²⁶ Proposed amended Rule G-21(g); proposed amended Rule G-40(d).
²⁷ Proposed amended Rule G-21(h); proposed amended Rule G-40(e).
address the supervision and review of interactive content under applicable MSRB supervisory rules.

Specifically, for dealers, Rule G-27(e) requires that a dealer establish procedures for the review by a designated principal of incoming and outgoing written and electronic correspondence of its municipal securities representatives with the public relating to the municipal securities activities of the dealer. Consistent with FINRA Rule 2210(b)(1)(D), SM .04 would provide that a dealer must supervise and review interactive content in the same manner in which that broker, dealer, or municipal securities dealer supervises and reviews correspondence under Rule G-27(e), on review of correspondence.

For municipal advisors, Rule G-44(a) requires that the municipal advisor establish and implement a supervisory system to supervise the municipal advisory activities of the municipal advisor and its associated persons that is reasonably designed to achieve compliance with applicable securities laws and regulations and Board rules. However, Rule G-44, unlike Rule G-21, does not have a specific element that addresses the supervision of correspondence. As the MSRB has recognized previously, the approach taken to Rule G-44 differs from the approach taken to Rule G-27. Rule G-27 reflects evolving broker-dealer industry practices and many of Rule G-27’s more prescriptive elements reflect the fact that many dealers, unlike municipal advisors, hold customer funds and securities for safekeeping. Complete parallelism between Rules G-44 and Rule G-27 is not possible given that broker-dealers do not owe a fiduciary duty, and therefore, are subject to different standards of conduct. Nevertheless, under Rule G-44,

---

29 Id.
30 Id.
depending on the municipal advisor’s municipal advisory activities, a municipal advisor’s supervisory policies and procedures may include policies and procedures regarding the supervision and review of correspondence to achieve compliance with applicable securities laws and regulations, including MSRB rules.

Consistent with FINRA Rule 2210(b)(1)(D) and to reflect that the review of correspondence is generally conducted as a supervisory control by a municipal advisor, SM .02 would provide each municipal advisor, shall establish, implement, and maintain a system to supervise the municipal advisory activities of the municipal advisor and its associated persons, including any municipal advisory activities conducted through an interactive electronic forum that involve interactive content, that is reasonably designed to achieve compliance with applicable securities laws and regulations, including applicable Board rules as set forth in Rule G-44(a), on supervisory system. Thus, proposed amended Rules G-21 and G-40 and FINRA Rule 2210 would be consistent, to the extent practicable, in how interactive content would be addressed under their rules.

Although proposed amended Rules G-21 and G-40 and FINRA Rule 2210 would address interactive content in a consistent manner, to the extent practicable, given the nature of the MSRB’s advertising rules and FINRA’s communications rule, there are differences between proposed amended Rules G-21 and Rule G-40 and FINRA Rule 2210. Nevertheless, those are not substantive differences in how interactive content would be regulated.31

---

31 FINRA Rule 2210 divides communications into three categories and depending on the communication’s category, may require that the communication be filed with FINRA either before or within a set time of first use. By contrast, Rules G-21 and G-40 do not require filing and review by the MSRB. The advertising rules focus, in part, on the advertisement type and the content and the standard of liability for that advertisement type.
2. **Statutory Basis**

Section 15B(b)(2) of the Exchange Act\(^\text{32}\) provides that:

[t]he 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)(C) of the Exchange Act\(^\text{33}\) 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 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 Sections 15B(b)(2)\(^\text{34}\) and 15B(b)(2)(C)\(^\text{35}\) of the Exchange Act. The proposed rule change would foster coordination with persons engaged in regulating transactions in municipal securities.

The proposed rule change would amend the advertising rules to exempt interactive content that is an advertisement and that would be posted or disseminated in an interactive electronic forum from the requirement that a municipal securities principal, a general securities principal, or a municipal advisor principal, as applicable, approve that content prior to first use. Nonetheless, the advertising rules would continue to require that such interactive content comply


with the other provisions of the advertising rules, including the content standards (and the requirement that advertisement not contain a false or misleading statement) and recordkeeping requirements of those rules. Thus, regulated entities would be able to provide such interactive content through an interactive electronic forum on terms that would be consistent with the regulations or guidance of FINRA, as noted under “Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change,” to the extent practicable.\textsuperscript{36}

Because the MSRB has endeavored to make the proposed rule change consistent with the communications rules and social media guidance published by FINRA, to the extent practicable, FINRA staff should be familiar with the standards for interactive content. In turn, that familiarity should foster efficient examinations by FINRA of the MSRB-regulated entities that FINRA is charged with examining. Further, a regulated entity that is dually registered as a broker or dealer with the SEC and/or is part of an organization that includes one or more SEC-registered broker-dealers (as many regulated entities are) may be able to more easily understand and develop consistent practices across business lines and therefore promote compliance with the proposed rule change. Nevertheless, a regulated entity that is dually registered with the MSRB and with FINRA would be treated the same under the advertising rules as a regulated entity that is registered with the MSRB and not with FINRA. Thus, because the MSRB has endeavored to make the proposed rule change consistent with the communications rules and social media guidance of FINRA, the proposed rule change would help ensure that all regulated entities are subject to consistent advertising regulation.

In addition, the proposed rule change would remove a regulatory impediment regarding the need for principal pre-approval of interactive content in the advertising rules. Nonetheless,

\textsuperscript{36} See e.g., FINRA Rule 2210(b)(1)(D)(ii).
the advertising rules still would require that such interactive content comply with the other
provisions of the advertising rules including the content standards and recordkeeping
requirements of those rules, and generally be subject to the regulated entity’s supervisory
program. Accordingly, the proposed rule change would continue to require a regulated entity to
present a fair statement of the services, products, or municipal securities or municipal advisory
services advertised, but would facilitate a method of communication through an interactive
electronic forum. Thus, proposed amended Rules G-21 and G-40 would continue to protect
investors, municipal entities, obligated persons and the public interest.\(^{37}\)

B. **Self-Regulatory Organization’s Statement on Burden on Competition**

Section 15B(b)(2)(C) of the Exchange Act\(^ {38}\) requires that MSRB rules not be designed to
impose any burden on competition not necessary or appropriate in furtherance of the purposes of
the Exchange Act. In accordance with the MSRB’s policy on the use of economic analysis, the
MSRB has reviewed the proposed rule change.\(^ {39}\) Proposed amended Rules G-21 and G-40 would
specify that interactive content that contains an advertisement and that is posted or disseminated
in an interactive electronic forum would not be required to be approved in writing by a principal
prior to first use, but still would be subject to recordkeeping requirements and the supervisory
requirements of Rule G-27 or Rule G-44, as relevant. The MSRB believes the proposed amended


\(^{39}\) Policy on the Use of Economic Analysis in MSRB Rulemaking, available at
changes which the MSRB seeks immediate effectiveness, the MSRB’s policy on the use of
economic analysis limits its applications and focuses exclusively on the burden of
competition on regulated entities.
Rules G-21 and G-40 are necessary and appropriate to clarify the requirements which would be consistent with the regulation and guidance provided by other regulators.

The need for proposed amended Rules G-21 and G-40 arises from MSRB’s oversight of dealers’ and municipal advisors’ advertising activities. Since financial service professionals, investors, issuers, and other market participants are increasingly using interactive electronic forums as a part of their social media activities, the MSRB agrees with market participants that it is highly desirable to provide regulatory consistency, to the extent practicable, with the requirements associated with interactive and static content that contains advertisements provided by other financial regulators. Proposed amended Rules G-21 and G-40 are intended to reduce impediments to the use of interactive content that is an advertisement.

The MSRB has evaluated alternatives to proposed amended Rules G-21 and G-40. A reasonable regulatory alternative is to subject interactive content posted or disseminated in an interactive electronic forum that contains advertisements to the same requirements as all other advertisements, including advertisements that are posted or disseminated in static forums: namely, content that is an advertisement would require approval in writing from a principal prior to first use. However, the MSRB believes with increased interactive content postings in the marketplace, this alternative is not practical and is less preferable since this would not reflect recent changes in the social media environment and could add significant burden on dealers, municipal advisors and their associated compliance professionals.

A reasonable baseline for evaluating the proposed rule change are the current requirements of Rule G-21 and Rule G-40. The main benefit of proposed amended Rules G-21 and G-40 for dealers and municipal advisors is the explicit elimination of the requirement of receiving prior approval for interactive content that is an advertisement and that will be posted or
disseminated in an interactive electronic forum. Proposed amended Rule G-21 should reduce the burden placed on dealers, brokers and municipal securities dealers who presently must request approval to post or disseminate interactive content that is an advertisement on an interactive electronic forum. Proposed amended Rule G-40 should also reduce the potential burden on municipal advisors that otherwise would have to seek approval to distribute interactive advertising content on an interactive electronic forum when Rule G-40 becomes effective.\(^{40}\)

**Effect on Competition, Efficiency and Capital Formation**

As noted under “Statutory Basis,” a regulated entity that is dually registered with the MSRB and with FINRA would be treated the same under the advertising rules as a regulated entity that is registered with the MSRB and not with FINRA. Thus, because the MSRB has endeavored to make the proposed rule change consistent with the communications rules and social media guidance of FINRA, the proposed rule change would help ensure that all regulated entities are subject to consistent advertising regulation. That consistent regulation should improve competition among regulated entities.

In addition, the MSRB believes that proposed amended Rules G-21 and G-40 would clarify that dealer and municipal advisor responsibility regarding interactive content that is an advertisement and that is posted or disseminated in an interactive electronic forum that is consistent with the regulation and guidance provided by other regulators, to the extent practicable. Since dealers and municipal advisors would now be permitted to distribute advertisements on real-time electronic forums without prior principal approval, it is probable there would be a reduction in burden on dealers and an improvement in their operation.

\(^{40}\) Interactive content that contains an advertisement on interactive electronic forums would be subject to the recordkeeping requirements under Rule G-8 for both dealers and municipal advisors.
efficiency. At present, the MSRB is unable to quantitatively evaluate the magnitude of the efficiency gains or the reduction in burden, but proposed amended Rules G-21 and G-40 would eliminate the requirement that a principal pre-approve interactive content that is an advertisement and that would be posted or disseminated in an interactive electronic forum, and therefore, should improve operation efficiency and capital formation.

Section 15B(b)(2)(L)(iv) of the Exchange Act\textsuperscript{41} 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 protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.” The MSRB believes that proposed amended Rules G-21 and G-40 would not impose an unnecessary or inappropriate regulatory burden on small regulated entities, as the potential reduced burden on dealers and municipal advisors would be applicable to all regulated entities and should be proportionate to each regulated entity’s use of interactive content that is an advertisement. The proposed rule change therefore should not affect the competition.

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. Nevertheless, as discussed under “Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change,” the proposed rule change was undertaken in response to the comments that the MSRB received from its request for comment on the draft FAQs.\textsuperscript{42}


\textsuperscript{42} See notes 6-13 and accompanying text.
III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act\(^{43}\) and Rule 19b-4(f)(6) thereunder.\(^{44}\)

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.

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 \(\text{(http://www.sec.gov/rules/sro.shtml)}\); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2019-05 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-2019-05. 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-2019-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.  

Eduardo A. Aleman  
Deputy Secretary

---