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## **MSRB Amends Its Quorum Requirements to Include Municipal Advisors.**

WASHINGTON - The Municipal Securities Rulemaking Board must now have at least one municipal advisor representative board member present to constitute a quorum under a rule change it filed with the Securities and Exchange Commission on Friday.

The amendment is immediately effective and changes MSRB Rule A-4 on meetings of the board.

The new requirement “ensures representation of all categories of persons required to be members of the board in any quorum established under Rule A-4,” according to the filing.

“The MSRB ... believes the proposed rule change appropriately complements the board’s governance procedures that are structured to obtain the diverse views of the public and various entities that are subject to the MSRB’s regulation and oversight and to provide for their representation in the decision-making processes of the board,” the self-regulator said in its filing.

Under the MSRB’s previous quorum requirements, two-thirds of the board’s members had to be present and of those members, there had to be at least one: public representative; broker-dealer representative; and bank representative. If those conditions were met, any action that was approved by a majority vote of the present members constituted official board action.

The new amendment does not change the rule’s previous requirements aside from adding the MA representative portion and making several technical changes to clarify the rule.

The change relates to the Dodd-Frank Act’s charge to the MSRB to create a regulatory regime for municipal advisors and municipal advisory services. As part of the new regulatory structure, the MSRB was required to ensure that at least one individual on its 21-member, majority public board was associated with an MA. Any MA board member is considered a regulated member.

The MSRB filed the amendment without asking for or receiving industry comment. However, any participants that would like to comment on the rule change can file a submission with the SEC.

### **The Bond Buyer**

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