

# **Bond Case Briefs**

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## **MSRB Seeks Comment on Potential Changes to Board Governance Rule.**

Washington, DC – Following a comprehensive review by its Governance Review Special Committee, the Municipal Securities Rulemaking Board (MSRB) today published a [request for comment](#) on potential amendments to its rule establishing the parameters for composition and selection of its Board of Directors.

The proposed amendments to [MSRB Rule A-3](#) include tightening the independence standard required of public representatives on the Board by requiring a minimum of five years of separation from a regulated entity before an individual would be eligible to serve as a public member.

The proposal also includes reducing the size of the Board to 15 members, with eight members representing the public and seven representing regulated entities. To facilitate the possible transition to the new Board size, the MSRB currently is not seeking applicants for new Board members for Fiscal Year 2021.

“The MSRB is uniquely positioned as a self-regulatory organization to bring together expertise from across the market to effectively and efficiently safeguard the integrity of the \$4 trillion municipal securities market, which is responsible for the bulk of our nation’s infrastructure,” said MSRB Board Chair Ed Sisk.

MSRB Governance Review Special Committee Chair Bob Brown said, “As an independent, majority-public Board, we must continue to hold ourselves to the highest standards of integrity to maintain the confidence of municipal securities investors and issuers.”

The MSRB’s proposal addresses many of the issues raised by Senator Kennedy (R-LA) and co-sponsors Senators Warren (D-MA) and Jones (D-AL) in their proposed legislation, S. 1236, the Municipal Securities Rulemaking Board Reform Act of 2019, as well as recommendations identified as a result of the Special Committee’s review and assessment of the Board’s governance practices. The MSRB is subject to oversight by both Congress and the Securities and Exchange Commission.

The MSRB established a 60-day comment period for the proposal, with comments due by March 30, 2020. After considering comments on the proposal, the MSRB would file any proposed changes to its rules with the SEC for approval.

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Contact: Leah Szarek, Director of Communications  
202-838-1500  
[lszarek@msrb.org](mailto:lszarek@msrb.org)