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BDA Submits Comments on Draft Amendments to MSRB Rule A-3: Membership on the Board.

Today, following extensive work with BDA membership committees and leadership, the BDA submitted comments in response to the MSRB request for comment on Draft Amendments to [Rule A-3](#).

The comment letter can be viewed [here](#).

The BDA comments, among other points, requests that the MSRB consider:

- A five-year separation requirement for independent directors is too long
- Delay implementation of the changes included in the Notice until fiscal year 2022 and should begin recruiting the 2021 Board as soon as possible.
- Rule A-3 should not specify a minimum number of non-dealer MAs larger than required by statute. If the MSRB does specify two seats for MAs, one of those should be reserved for dealer MAs.
- Specify a minimum number of issuers among independent directors and reserve one seat for a small issuer representative.

Background

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'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.

Bond Dealers of America

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