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MSRB Authorizes Technology Fee Rebate to Firms.

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) announced today that it will distribute a discretionary technology fee rebate of \$3.6 million to eligible brokers, dealers and municipal securities dealers. The technology fee funds the replacement of and upgrades to MSRB technology systems.

The MSRB established a technology renewal fund in January 2011 to ensure the operational integrity of its information systems and to update associated hardware and software to keep pace with changing technology and market system needs. The technology fee is assessed at \$1.00 per transaction for all qualified sales transactions. The fund has been building to a target level of three times annual depreciation on technology capital expenditures.

"The technology fund provides the resources required to maintain critical systems relied upon by the municipal securities industry," said MSRB Executive Director Lynnette Kelly. "However the fund has now reached its targeted level and future technology needs are not projected to exceed funding levels. So it is only fair to return the excess to the entities that paid those fees."

The MSRB will provide rebates to currently active and registered firms equal to the technology fees assessed on trades during the six months ended June 2014. Qualified firms will receive an email notification of their rebate amount and whether they will receive a credit against future billings or have the option to receive an electronic payment. The rebates are expected to be processed before September 30, 2014.

The MSRB recognizes that changes to its funding structure may be appropriate to ensure that fees are fair and equitably assessed and distributed. In the coming fiscal year, the MSRB plans to begin a holistic review of fees from dealer assessments, municipal advisors and other sources.

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Contact: Jennifer A. Galloway, Chief Communications Officer

(703) 797-6600

jgalloway@msrb.org