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## **MSRB Holds Quarterly Board Meeting.**

Washington, DC – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) held its quarterly meeting April 13-14, 2016 where it continued work on an initiative to help municipal securities investors better understand the cost of their transactions, held an annual policy meeting with the chair of the Securities and Exchange Commission (SEC) and conducted other business.

The Board conducted a preliminary discussion of comments received on draft amendments to MSRB Rule G-30 to provide guidance on how dealers calculate their mark-ups. The guidance is related to the MSRB's broader initiative to require municipal securities dealers to disclose on retail customer confirmations the amount of the mark-up in a class of principal transactions. The Board directed staff to conduct further analysis of the comments received on the prevailing market price guidance as it proceeds to finalize its mark-up disclosure proposal.

"Developing a workable mark-up rule that provides investors with increased price transparency is a top priority for the MSRB," said MSRB Chair Nat Singer. "The Board had productive discussion on the direction of the prevailing market price approach, and we look forward to completing work on this together with the overall disclosure proposal." The MSRB will continue to coordinate with the Financial Industry Regulatory Authority (FINRA) on a mark-up disclosure initiative for transactions in corporate bonds.

As part of its meeting last week, the Board met with SEC Chair Mary Jo White and staff from the SEC Office of Municipal Securities to discuss top issues facing the municipal securities market. These conversations between leadership of the MSRB and the SEC support regulatory coordination and informed policymaking in areas of mutual interest.

In other dealer rulemaking work, the Board discussed comments received on its proposal to update MSRB requirements for procedures for municipal securities dealers related to the close-out of open inter-dealer transactions. The Board commended the industry's commitment to resolving these transactions and plans to acknowledge the industry's desire to shorten the timeframe required to resolve inter-dealer failed transactions even further than the 30 days suggested in the original proposal.

As part of its ongoing financial oversight, the Board voted to amend existing policies to address organizational reserves if they rise above or fall below established levels. The Board plans to finalize its decision about current organizational reserves at its July meeting.

The Board also discussed the statutory requirements of a continuing education program for municipal advisors as outlined by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act gave the MSRB the responsibility to develop both continuing education and professional qualification requirements for municipal advisors. At the meeting, the Board agreed to publish a request for comment in the fall on a proposed approach to establishing continuing education requirements for municipal advisors. The Board believes the fall timeframe is appropriate since that is when municipal advisors will likely begin to take the Municipal Advisor Representative

Qualification Exam (Series 50), which evaluates baseline qualifications.

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