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MSRB Holds Quarterly Board Meeting.

Washington, DC – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met on July 18-19, 2018, and addressed financial and fee issues, and its strategic focus on information technology and data assets, among other topics.

The Board approved a \$40-million budget and an associated operating plan for the fiscal year that begins October 1, 2018. The flat, year-over-year expense budget reflects the MSRB's [continuing strategic priorities](#). A summary of the budget will be made publicly available at the start of the fiscal year.

In conjunction with the FY2019 budget, and consistent with the Board's stated approach to monitor and manage organizational reserve levels, the Board agreed to temporarily reduce the rate of assessment for municipal securities dealers' underwriting, transaction and technology fees related to market activity during the last three months of calendar 2018.

"Temporarily reducing assessments is intended to be sensitive to the financial impact on the industry and to reduce excess reserves by approximately \$2.6 million," said MSRB President and CEO Lynnette Kelly. The MSRB previously rebated over \$9 million to dealers since 2014.

As part of the MSRB's continued efforts to optimize the use and dissemination of municipal market data, the Board approved a data strategy. The strategy establishes goals to advance the MSRB's mission through data governance, quality and analytics.

"The MSRB plays a recognized and critical role in ensuring fair and efficient access to municipal market data," said Kelly. "Our new data strategy provides the necessary foundation to ensure and enhance the quality and value of our data."

The Board also approved a \$5 million budget designation that positions the MSRB's information technology infrastructure for the future. The investment will fund exploration and potential transition to cloud computing, which would support resilient and secure IT infrastructure and data systems. Relatedly, the Board agreed to continue to evaluate the MSRB's data subscription pricing model as part of its effort to diversify funding sources and promote the organization's financial sustainability.

At its meeting, the Board also discussed the MSRB's role in providing guidance and assistance to regulatory authorities in the examination for compliance with, and enforcement of, MSRB rules. It directed staff to advance the important goal of ensuring that MSRB rules are consistently interpreted as intended and enforcement activities are aligned to promote regulatory certainty.

The Board discussed stakeholder reactions to and observations on the MSRB's 2017 advisory on selective disclosure. While the Board appreciates feedback from regulated entities, issuers and investors on this and other MSRB publications, it continues to believe that selective disclosure is an important issue in the municipal securities market and that the advisory is serving its intended purpose of increasing awareness of this topic among market participants and the potential for

issuers to use the EMMA website for broad dissemination of information.

Finally, the Board discussed implementation of the MSRB's mark-up disclosure requirements and related guidance on prevailing market price noting that there has been no material market disruption as a result of the new transparency rules.

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Contact: Jennifer A. Galloway, Chief Communications Officer
202-838-1500
jgalloway@msrb.org

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