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MSRB Board Prioritizes Investing in Technology and Reducing Compliance Burdens.

Washington, DC – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) convened virtually on July 29–30, 2020 for its final quarterly meeting of Fiscal Year 2020. The Board adopted an operating budget of \$41.5 million for FY 2021 and approved designating \$10 million of reserves for a multi-year strategic investment to modernize its market transparency systems to leverage the power of the cloud.

“We are poised to seize the potential of cloud-based technologies to begin delivering new market transparency tools and functionality to the market,” said Ron Dieckman, Chair of the Board’s Technology Committee. “We are tremendously excited to continue working with our [Market Transparency Advisory Group](#) to test out several promising prototypes in our new EMMA Labs platform.”

The MSRB is developing EMMA Labs as an innovation hub where market stakeholders can collaborate on active prototypes and share feedback on preliminary concepts that could eventually make their way to the Electronic Municipal Market Access (EMMA®) website.

The MSRB will publish its budget detailing its operating expenses and technology investment when the fiscal year begins October 1, 2020. The Board also will announce the results of its elections for FY 2021 chair and vice chair in the coming weeks.

The MSRB could begin the fiscal year with a smaller Board under a proposal before the Securities and Exchange Commission (SEC) for approval. The [MSRB’s governance proposal](#) also enhances the independence standard for public members of the Board and establishes a six-year lifetime service limit.

At its meeting the Board also discussed several major initiatives aimed at reducing compliance costs and burdens for regulated entities. Finally, the Board discussed its search for a new Chief Executive Officer and senior staff promotions.

Reducing Compliance Burdens

As part of its [retrospective rule review](#), the Board discussed supervision requirements for dealers under MSRB [Rule G-27](#) and approved a staff-led effort to conduct a comprehensive review of the historical body of interpretive guidance in the MSRB Rule Book. The review of guidance aims to identify opportunities to clarify, amend or delete guidance to help ensure it continues to achieve the intended purposes and takes into account the current state of the municipal securities market. The Board noted that input from stakeholders would be essential throughout this multi-year project.

“In our 45 years as the market’s regulator, we have produced a vast library of interpretive guidance,” said Gail Marshall, the MSRB’s Chief Compliance Officer. “We believe this initiative will be an impactful way to support compliance and reduce unnecessary costs and burdens for regulated entities while balancing our regulatory obligation to protect investors and issuers.”

The Board continued its discussion of the practice of pennyng in the municipal securities auction process and directed staff to remain coordinated with the Financial Industry Regulatory Authority (FINRA).

The Board also discussed its efforts to advance regulated entities' understanding of MSRB rules through MuniEdPro®, a free online learning service featuring courses on core MSRB regulatory obligations and their application in practical scenarios.

Corporate Leadership

The MSRB announced today that it is promoting Jacob Lesser to Deputy General Counsel to lead the team responsible for governance and corporate legal matters. Lesser joined the MSRB as an associate general counsel and has played a critical role in the development of the Board's proposed enhancements to its governance rules. The MSRB also named Gail Marshall Interim Chief Regulatory Officer and Chief Compliance Officer, a role in which she will continue to lead the MSRB's market regulation activities, including rulemaking, enforcement coordination and professional qualifications. The MSRB is naming Leah Szarek Interim Chief External Relations Officer in recognition of her leadership of the MSRB's corporate communications and stakeholder engagement initiatives, as well as new responsibility for government relations.

"The Board is consistently impressed with the dedication and commitment of the staff, particularly as our market continues to feel the effects of the pandemic," said Board Vice Chair Manju Ganeriwala. "We are tremendously grateful for these individuals and the entire senior leadership team, whose experience and thoughtfulness help to advance our important mission."

The Board's CEO Search Special Committee is continuing its work to identify a new CEO. MSRB Chief Financial Officer Nanette Lawson has led the organization as interim CEO since October 1, 2019. [Hear Lawson and other MSRB leaders speak about the MSRB's strategic initiatives and proactive response to the pandemic in a recent MSRB Podcast.](#)

Bill Fitzgerald, Chair of the Board's CEO Search Special Committee, said, "Few decisions are more important for a Board than selecting the executive to lead and inspire the organization into the future. The pandemic has certainly changed the way our Board is going about its search process, but we remain optimistic that we will identify our candidate in the near future."

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