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MSRB to Implement Strengthened Board Governance and Announces FY 2021 Board Leadership.

Washington, DC – The Municipal Securities Rulemaking Board (MSRB) announced today that enhancements to its governance structure would take effect for the fiscal year beginning October 1, 2020. The MSRB initially proposed the strengthened governance standards in a filing to the Securities and Exchange Commission (SEC) in June after a lengthy comment process. The new rules tighten the standards for selecting members and reduce the size of the Board of Directors that oversees the self-regulatory organization (SRO) responsible for safeguarding a fair and efficient municipal securities market. The SEC approved the standards on Wednesday, August 5.

In its [approval order](#), the SEC noted it had carefully considered the proposed rule change, the comment letters received and the [MSRB's letter](#) in response to comments.

Bob Brown, MSRB Board member and Chair of the Board's Governance Review Special Committee said: "The rules approved by the SEC remove even the appearance of a conflict of interest for public members of the MSRB Board. We also begin a two-year process to scale down the size of the Board following its expansion a decade ago."

Amended MSRB Rules A-3 and A-6 tighten the eligibility requirement for public board members by requiring separation from a regulated entity of at least five years. The amended rules also reduce the size of the 21-member Board, initially moving to 17 members in Fiscal Year 2021 before ultimately shrinking to 15 members in FY 2022. The Board had expanded to 21 members in response to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as a way to provide additional flexibility in balancing public and regulated membership and to broaden the range of Board-member perspectives during the development of the core municipal advisor regulatory framework.

As part of its transition to a smaller board size, the Board approved extending the terms of two current Board members whose terms were about to expire. Julia Cooper, Director of Finance, City of San Jose, will remain on the MSRB Board as a public member representing issuers. Ed Sisk, current Board Chair and Managing Director, Head of Public Finance at BofA Securities, will remain on the Board as a regulated member. The 17-member transitional Board will therefore include two issuer representatives among its nine public members. Also, as required by statute, the Board will continue to be as closely divided in number as possible between public and regulated representatives.

In addition to extending their terms, the Board re-elected Sisk to serve as Chair and elected Cooper to serve as Vice Chair in FY 2021.

"We are fortunate to have Ed's experienced leadership at the helm of the Board especially at this time of unprecedented strain on market participants stemming from the pandemic and during the integration of a new CEO into the MSRB team," said Brown. "As we demonstrated when we amended our original transition plan, the Board believes this is a critical time to have effective issuer representation on the Board. With Julia and our FY 2020 Vice Chair Manju Ganeriwala both

continuing on the Board in FY 2021, the MSRB will have the benefit of local and state issuer representation next year.”

The Board formed the Governance Review Special Committee in September 2019 to begin a comprehensive review of the MSRB’s governance practices. In January 2020, the Board solicited public comment on a number of proposed changes to MSRB Rules A-3 and A-6. The comment period occurred during the early stages of the pandemic, and in response to requests from stakeholders, the Board extended the original 60-day comment period to 90 days to ensure all interested persons had sufficient time to prepare comments. After reviewing the comments received, the MSRB then filed a revised proposal for SEC approval, where additional comments were received and considered.

[Read the MSRB’s approval notice.](#)

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