

# **Bond Case Briefs**

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## **MSRB Holds First Quarterly Board Meeting of FY 2021.**

Washington, DC – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met virtually on October 21-22, 2020 for its first meeting of Fiscal Year 2021, where it discussed a transparent and inclusive approach to long-term strategic planning, next steps in its retrospective rule review and other market topics.

### **Sustained Focus on Board Governance**

The Board begins the 2021 fiscal year with 17 members as it transitions to a smaller Board size and implements other significant governance enhancements developed during the Board's special [review of governance](#) in FY 2020. To further the Board's focus on governance and the nominating process for new members, the Board has split its Nominating and Governance Committee into two separate committees.

"A standalone Governance Committee ensures a sustained emphasis on upholding the highest standards of Board accountability and transparency," said Board Vice Chair Julia Cooper. "The Nominating Committee will focus on seeking and selecting four new Board members to join the Board for FY 2022." The MSRB actively seeks out new Board members each year and widely advertises the available positions. [Read more about the Board member selection process.](#)

### **Engaging Stakeholders in Strategic Planning**

The FY 2021 Board discussed its approach for developing a long-term strategic plan for the organization and its role in an evolving market.

"As the MSRB welcomes Mark Kim as our new CEO to lead the organization into the future, now is the perfect time to renew our vision and chart a new strategy for the coming years. We look forward to engaging with staff and external stakeholders in a transparent and inclusive process to articulate the MSRB's priorities, including how we can realize the potential of the cloud to serve the market of the future," Cooper said.

[The MSRB is seeking a firm to provide facilitation and support services for its strategic planning activities.](#)

Board advisory groups are among the ways the Board taps into stakeholder perspectives and expertise. The Board determined to re-establish two advisory groups for FY 2021 – the Compliance Advisory Group and Municipal Fund Securities Advisory Group. The MSRB will solicit volunteers and topics for consideration in the coming weeks.

The Board also plans to seek input from stakeholders on how to enhance the MSRB's approach to developing and delivering education, including via MuniEdPro®, the MSRB's free online learning platform.

### **Extending COVID-Related Regulatory Relief**

The Board discussed the status of the [temporary regulatory relief](#) the MSRB provided in April 2020 as the pandemic created widespread operational challenges. The Board determined to provide an

additional extension of time for persons acting in the capacity of a municipal advisor principal to become duly qualified with the Municipal Advisor Principal Qualification Examination (Series 54). The MSRB will make a filing with the Securities and Exchange Commission (SEC) to extend the current compliance obligation timeframe to November 12, 2021 from March 31, 2021.

The Board will continue to monitor the need for further temporary regulatory relief.

### **Advancing Retrospective Rule Review**

As part of the MSRB's ongoing [retrospective rule review](#), the Board directed staff to publish a request for comment on codifying existing guidance for solicitor municipal advisors into a new draft rule to define the duties of municipal advisors that, for compensation, solicit municipal entities and obligated persons for business on behalf of certain other financial professionals.

### **Other Market Structure Topics**

The Board received an update on staff's analysis of transaction costs for fixed-rate municipal securities before, during and after the COVID-19 crisis. The MSRB actively monitors transaction costs for investors buying and selling municipal bonds and in May 2020 published initial findings from the period during the height of pandemic-driven volatility. Access the MSRB's COVID-related market data and analysis [here](#).

The Board also discussed providing MSRB data to inform the SEC's recent concept release on whether and how to change the regulatory framework for electronic trading platforms that trade municipal securities. The MSRB's free Electronic Municipal Market Access (EMMA®) website displays a special indicator for inter-dealer trades executed with or using the services of an ATS. The MSRB also publishes a [fact sheet](#) that provides data on inter-dealer transaction activity.

Finally, the Board discussed the transition away from LIBOR and to the Secured Overnight Financing Rate (SOFR) as a standard U.S. reference rate in the debt and derivatives market. [Read the MSRB's resource about the switch from LIBOR to SOFR.](#)

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