

# **Bond Case Briefs**

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

Washington, DC – The municipal market’s self-regulatory organization held its quarterly Board of Directors meeting virtually on April 21-22, 2021. The Municipal Securities Rulemaking Board (MSRB) continued to consider and discuss input from its [public request for comment on strategic priorities](#) and stakeholder interviews as it progresses with developing a new organizational vision and long-term strategic direction. The Board anticipates adopting a strategic plan this fiscal year that will guide the organization for several years beginning in Fiscal Year 2022.

“Planning for the future of the municipal securities market requires grappling with the pressing issues of today,” said MSRB CEO Mark Kim. “Our Board recognizes that the municipal securities market can play an important role in being part of the solution for advancing a more just and equitable society.”

The Board discussed recent initiatives of market participants and financial regulators to promote transparency around Environmental, Social and Governance (ESG) factors in the municipal market.

“Our market is beginning to establish best practices for ESG disclosure, and we are seeing ESG designations and scoring systems gain traction,” Kim said. “We are committed to leveraging our EMMA website to enhance the transparency and accessibility of ESG data and information.” The MSRB’s Electronic Municipal Market Access (EMMA®) website serves as the free central repository for municipal market disclosures and trade data.

The Board also discussed the steps it will take to align the EMMA website and other MSRB resources with the Government Accounting Standards Board (GASB) proposal to rename the Comprehensive Annual Financial Report due to the similarities in the common pronunciation of the acronym to a racially offensive term in South Africa.

### **Retrospective Rule Review**

The Board regularly revisits existing rules to determine that they continue to achieve their intended purpose of enhancing market fairness and efficiency. The Board voted to begin a retrospective review of [MSRB Rule G-10](#), on investor and municipal advisory client education and protection. The MSRB will publish a request for comment on potential amendments that aim to reduce unnecessary compliance burdens imposed on dealers by providing additional clarity about which customers should receive the required annual notifications.

Also at its meeting, the Board revisited a 2018 provision of [MSRB Rule G-34](#), which was amended to address a regulatory disparity by extending the obligation to apply for CUSIP numbers in a competitive transaction on which they advise from dealer municipal advisors to all municipal advisors. The Board had previously planned to rescind the requirement for all municipal advisors, dealers and non-dealers alike. However, since the rule has been fully implemented in firms’ processes for several years and has proven to enhance market efficiency by ensuring CUSIP numbers are obtained at the earliest stage in a competitive deal, the Board determined to maintain the rule in its current form.

The Board voted to file with the Securities and Exchange Commission (SEC) housekeeping amendments to [MSRB Rule A-8](#) to update or remove outdated descriptions of the Board's procedures related to rulemaking.

## **Systems Modernization**

Lastly, the Board received an update on ongoing efforts to leverage cloud technology to modernize the MSRB's critical market transparency systems and improve the quality and utility of market data for all market participants.

"The MSRB takes its responsibility seriously to provide the public with valuable data that shines a light on municipal market trends that can have far-reaching effects on communities nationwide," Kim said. "Our investment in the cloud is enabling us to improve the quality of data and develop powerful analytical tools to answer the market's currently unanswerable questions."

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Contact: Leah Szarek, Chief External Relations Officer  
202-838-1500  
lszarek@msrb.org