

# **Bond Case Briefs**

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## **MSRB Holds First Quarterly Board Meeting of New Fiscal Year.**

The municipal market's self-regulatory organization held its first quarterly Board of Directors meeting of Fiscal Year 2022 in Washington, DC, on October 27-28, 2021. The Municipal Securities Rulemaking Board (MSRB) discussed initiatives to advance the four goals outlined in its long-term strategic plan.

"Building on years of groundwork and investment in our people, our technology and our understanding of our diverse stakeholders' needs, the MSRB is poised to have one of the most productive and impactful years in our history," said MSRB Chair Patrick Brett. "This year, we are making meaningful strides to modernize municipal market regulation, provide transparency through technology, fuel innovation through data, and uphold the public trust."

### **Market Regulation**

November is the final month of a 24-month grace period for municipal advisor principals to pass the MSRB's Series 54 professional qualification examination. The Board discussed the importance of continued outreach to municipal advisor firms to remind them of available resources and their obligation to ensure that any individual functioning in the capacity of a municipal advisor principal is properly qualified with the Series 54 exam by the compliance deadline of November 30.

The Board also received an update on regulatory initiatives underway, including the ongoing review of the library of interpretive guidance in the MSRB rule book to identify pieces of guidance that should be clarified, amended or retired to facilitate compliance.

"As part of our commitment to prudent and practical regulation, we are focused on a retrospective review not just of the rules themselves but the over 200 pieces of associated guidance," said MSRB Vice Chair Meredith Hathorn. "We will continue to make incremental but impactful progress toward reducing unnecessary compliance burdens on regulated entities and ensuring our rule book aligns with current market practices."

The Board also received an update on regulatory initiatives authorized by the Board at previous meetings, including requesting public comment on potential amendments to modernize MSRB Rule G-27 on dealer supervision.

The Board discussed potential next steps to ease challenges raised by dealers related to the implementation of new MSRB Form G-32 for filing primary market data.

### **Market Transparency**

The Board received an update on a six-month effort to reimagine the user experience and user interface of Electronic Municipal Market Access (EMMA®) website through collecting extensive input from a variety of stakeholders and producing future-state EMMA product design and functionality wireframes. This redesign will provide users with enhanced functionality and improve

data quality and customization capabilities. While the complete overhaul of EMMA is a multi-year project, this most recent stakeholder input is already informing the creation of a roadmap for near-term enhancements, such as an improved feature to make it easier for issuers to ensure their disclosure filings are associated with all the necessary individual securities within the EMMA system.

“After years of behind the scenes work, we’re ready to start rolling out powerful new cloud-based tools on EMMA that will take the transparency of our market to a new level, and transform EMMA into a more dynamic and effective tool for informed decision-making,” Brett said.

## **Market Structure and Data**

The Board discussed its data strategy and received a demonstration of a new master data management platform that will enhance the MSRB’s data governance and oversight capabilities. The Board also received an update on potential research topics to add to the MSRB’s growing library of market data analyses that shed light on trends and developments in market structure.

“Our strategic plan lays out an important focus on providing high quality market data that enables greater understanding of the market and empowers innovators to create data tools and services that serve the information needs of all market participants,” Brett said. “We are tremendously excited to invite our stakeholders to collaborate with us in test-driving data tools in our forthcoming EMMA Labs innovation hub.”

## **Public Trust**

The Board discussed several topics that benefit from ongoing stakeholder engagement, including seeking information from the public about Environmental, Social and Governance (ESG) considerations in the municipal market; efforts to advance diversity, equity and inclusion in public finance; and a comprehensive review of the MSRB’s fee model as described in the Fiscal Year 2022 Budget.

“The Board appreciates hearing from market stakeholders, especially on an evolving market trend such as ESG that lends itself to many different perspectives,” Brett said. “We look forward to providing a forum for all interested stakeholders to share information and viewpoints on ESG considerations for the municipal market through our forthcoming public request for information.”

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