

Bond Case Briefs

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MSRB Votes to Seek Public Comment on Enhancing Post-Trade Transparency at Quarterly Board Meeting.

Washington, DC – The Municipal Securities Rulemaking Board (MSRB) met April 26-28, 2022 for its quarterly Board of Directors meeting, where the Board determined to seek public comment on enhancing post-trade transparency and to continue to foster dialogue on environmental, social and governance (ESG) practices in the \$4 trillion municipal market, among other initiatives to advance the four goals outlined in its [long-term strategic plan](#).

The Board met with Securities and Exchange Commission (SEC) Chair Gary Gensler. The Board regularly meets with SEC officials and the leadership of other self-regulatory organizations in support of regulatory coordination and communication.

“As we fully expected at the start of the fiscal year, this Board has worked thoughtfully and collaboratively to advance one of the most impactful and consequential agendas in our history,” said MSRB Chair Patrick Brett. “At our third meeting of the year, we were honored to speak with Chair Gensler about how the policy priorities of the Commission intersect with our work to engage constructively with municipal market stakeholders to further our mission to strengthen and protect the municipal market.”

Regulatory Initiatives

The Board will seek public comment on a retrospective review of MSRB Rule G-14, the rule that since 2005 has ensured investors and the public have access to trade prices within 15 minutes of the time of trade on the free Electronic Municipal Market Access (EMMA®) website.

“As part of our focus on modernizing our rule book in light of evolving market practices and technology, we are interested in exploring whether the time might be right to consider shortening what constitutes ‘real-time’ trade reporting in our unique market,” said MSRB CEO Mark Kim. “We plan to solicit public comment from dealers, investors and other stakeholders about the benefits and challenges of potential rule amendments to enhance post-trade transparency.”

Transparency Initiatives

The Board previewed the future-state MSRB.org website, which is being redesigned with the benefit of extensive input from stakeholders to make MSRB rules, compliance resources, educational materials and other information easier and more intuitive to find. The new MSRB.org, which is planned to be implemented this year, also is designed to complement the ongoing work to modernize the EMMA website and related market transparency systems.

To help keep stakeholders informed of upcoming and longer-term EMMA enhancements, the MSRB publishes a [forward roadmap of its transparency and technology initiatives](#) on its website.

Market Structure and Data

Also at its meeting, the Board was briefed on structured data, including pending federal legislation and the emerging use of structured data in the municipal market.

“The Board was briefed on legislation and activities at the federal, state and local level to move toward open data, and we discussed the potential to showcase state and local leadership on this front, and innovate collaboratively on our EMMA Labs platform,” Brett said.

The MSRB this year launched EMMA Labs as an innovation sandbox to collaborate with market participants to advance transparency and the quality and comparability of data in the municipal securities market.

Public Trust

In support of its commitment to uphold the public trust and stay engaged with the market about evolving trends, the Board in December invited the public to share information and perspectives on [environmental, social and governance \(ESG\) practices in the municipal securities market](#).

As a next step, the MSRB plans to prepare and publish a summary of the diverse comments received on its request for information on ESG practices in the municipal market. The MSRB also plans to host a series of virtual town halls to further explore the various themes raised by commenters.

“We are pleased that so many different organizations and individuals took advantage of our 90-day comment period to share their perspectives on this evolving and growing area of our market,” said MSRB Vice Chair Meredith Hathorn. “As the Board continues to synthesize the wealth of information provided, we have many threads to pull, including specific suggestions to enhance the EMMA website. We look forward to continuing to provide forums to bring different viewpoints together for more dialogue.”

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