

# **Bond Case Briefs**

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## **MSRB Discusses Regulatory Initiatives to Improve Municipal Market Transparency at Quarterly Board Meeting.**

Washington, DC - The Municipal Securities Rulemaking Board (MSRB) met on January 25-26, 2023 for its second quarterly Board of Directors meeting of Fiscal Year 2023, where it discussed regulatory initiatives to improve municipal market transparency. The Board also discussed other initiatives to advance the four pillars of the self-regulatory organization's long-term strategic plan.

### **Market Regulation**

"The MSRB continues to focus on regulatory initiatives to make meaningful improvements in the transparency in our market throughout the lifecycle of a bond transaction," said MSRB Chair Meredith Hathorn. "The Board's discussions are deeply informed by dialogue with market stakeholders and data analysis."

The Board discussed the various perspectives raised by market participants in response to the MSRB's [request for comment](#) on its proposed amendments to [MSRB Rule G-14](#) to shorten the timeframe for trades to be reported. The Board intends to continue stakeholder outreach and data analysis to inform potential next steps in coordination with fellow regulators.

The Board also discussed the forthcoming publication of a previously authorized request for comment on proposed amendments to [MSRB Rule G-47](#), which would codify certain interpretive guidance and specify certain additional information that may be material and require time-of-trade disclosures to customers. This request for comment also seeks stakeholder input on proposed amendments to [Rule D-15](#), defining the term "sophisticated municipal market professional."

In support of regulatory coordination and communication, the Board regularly meets with fellow regulators. At this meeting, the Board met with Securities and Exchange Commission Chair Gary Gensler and Financial Industry Regulatory Authority (FINRA) President and CEO Robert Cook.

### **Market Transparency and Technology**

The Board received an update on the ongoing systems modernization effort, including work to modernize the Electronic Municipal Market Access (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**

The Board discussed market structure topics, including a potential pre-trade data collection initiative for the municipal securities market in coordination with fellow regulators. The Board also discussed the recently enacted Financial Data Transparency Act and its potential impact on the municipal securities market.

## Public Trust

At each meeting, the Board conducts essential oversight of MSRB governance, finances and operations to uphold the public's trust. The Board received an update from its Nominating Committee on efforts to seek a diverse pool of applicants to join the Board in FY 2024, with a particular focus on soliciting applicants with compliance, technology and data proficiency, and applicants from all regions of the United States. Interested candidates must [submit their applications by February 6, 2023](#).

In addition to prioritizing diversity and inclusion in the composition of the Board itself, the MSRB seeks to broaden its accessibility and engagement with diverse market participants so that all perspectives, concerns and expertise are heard. The Board received an update on the final roundtable in a series of roundtable discussions with minority-, women- and veteran-owned firms that the MSRB hosted in collaboration with FINRA to identify opportunities to foster greater diversity, equity and inclusion in the municipal securities market.

"Through these roundtables, the MSRB and FINRA have gained greater insight into the particular business models, challenges and pain points of diverse firms operating in the municipal market," said MSRB CEO Mark Kim. "We are very grateful for the industry's engagement to date, and we look forward to continuing to broaden and deepen our touchpoints with stakeholders."

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