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MSRB Board Approves 2024 Rate Card At Its First Quarterly Meeting of FY 2024.

The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met in Washington, D.C. on October 25-26, 2023, for its first quarterly meeting of fiscal year 2024. The Board voted to approve the 2024 rate card to adjust rates for the three market activity fees assessed on municipal securities dealers and the municipal advisor professional fee. The Board also discussed the regulatory and technology initiatives underway to enhance market transparency.

2024 Rate Card

Under a new rate-setting process adopted last year, the MSRB annually adjusts fees to ensure a timelier return of any excess revenue to regulated entities and to better manage the organization's revenue needs and reserve funds. The 2024 rate card will be filed with the Securities and Exchange Commission (SEC) next month, and the new rates will be operative January 1, 2024.

"The annual rate card is designed to fund the organization with the revenue needed to deliver value to the municipal market through our regulatory protections, technology infrastructure and data services," said MSRB Chair Meredith L. Hathorn. "Importantly, any surplus beyond those funding needs is promptly returned to fee-payers in the form of reduced rates rather than accumulating in the MSRB's coffers. For 2024, the MSRB will be returning over $3 million in excess revenue collected from dealers as a result of record-high trading volume in 2023."

The MSRB provides a detailed explanation of the rate card and its funding philosophy in the FY 2024 budget, which provides transparency about projected revenues, expenses and reserve funds. As projected in the MSRB's budget, the formulaic rate-setting process will result in an increase to underwriting fees and municipal advisor professional fees to reflect less revenue assessed in FY 2023 relative to budget, and significant decreases in the transaction and trade count fees to return the surplus to regulated entities.

Market Regulation and Market Structure

The Board discussed progress toward filing proposed amendments to shorten the timeframe for trades to be reported to the MSRB from 15 minutes to as soon as practicable, but no later than one minute, subject to certain exceptions. The Board previously approved seeking SEC approval of the proposed amendments to MSRB Rule G-14 at its July 2023 meeting.

"The MSRB continues to closely coordinate with our fellow regulators on this impactful enhancement to post-trade transparency, with the goal of making a filing in the coming months," said MSRB CEO Mark Kim.

The Board also discussed comments received in response to the request for comment on MSRB Rule G-47, on time of trade disclosure, and approved submitting a rule filing with the SEC for approval. The Rule G-47 request for comment included a number of questions about potential amendments to Rule D-15, defining "sophisticated municipal market professionals," and the MSRB plans to seek

additional information from stakeholders before determining next steps in this area.

Market Transparency Products and Services

The Board received an update regarding work to modernize the Electronic Municipal Market Access (EMMA®) website and related market transparency systems, including user personalization and improvements to search and the disclosure submission process.

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