

PREPARE | PARTICIPATE | PUT INTO PRACTICE

Participating in the Rulemaking Process

A GUIDE FOR
MUNICIPAL ADVISORS



Produced by the
Municipal Securities Rulemaking Board



Participating in the Rulemaking Process: A Guide for Municipal Advisors

The Municipal Securities Rulemaking Board (MSRB) develops rules for municipal advisors to promote a fair, transparent and efficient municipal securities market. These rules protect state and local governments and other municipal entities that engage the services of a municipal advisor when, for instance, financing public projects through the issuance of municipal bonds. Information and insights from a variety of stakeholders help inform the development of rules that efficiently and effectively protect against fraud and other unfair practices, establish professional qualifications, support market transparency and apply uniform practices to the industry. The MSRB solicits input from municipal market participants and the public at multiple points in the rulemaking process and is providing this resource to assist municipal advisors in actively participating in this process.

Three Ways to Participate



Comment on Rule Proposals

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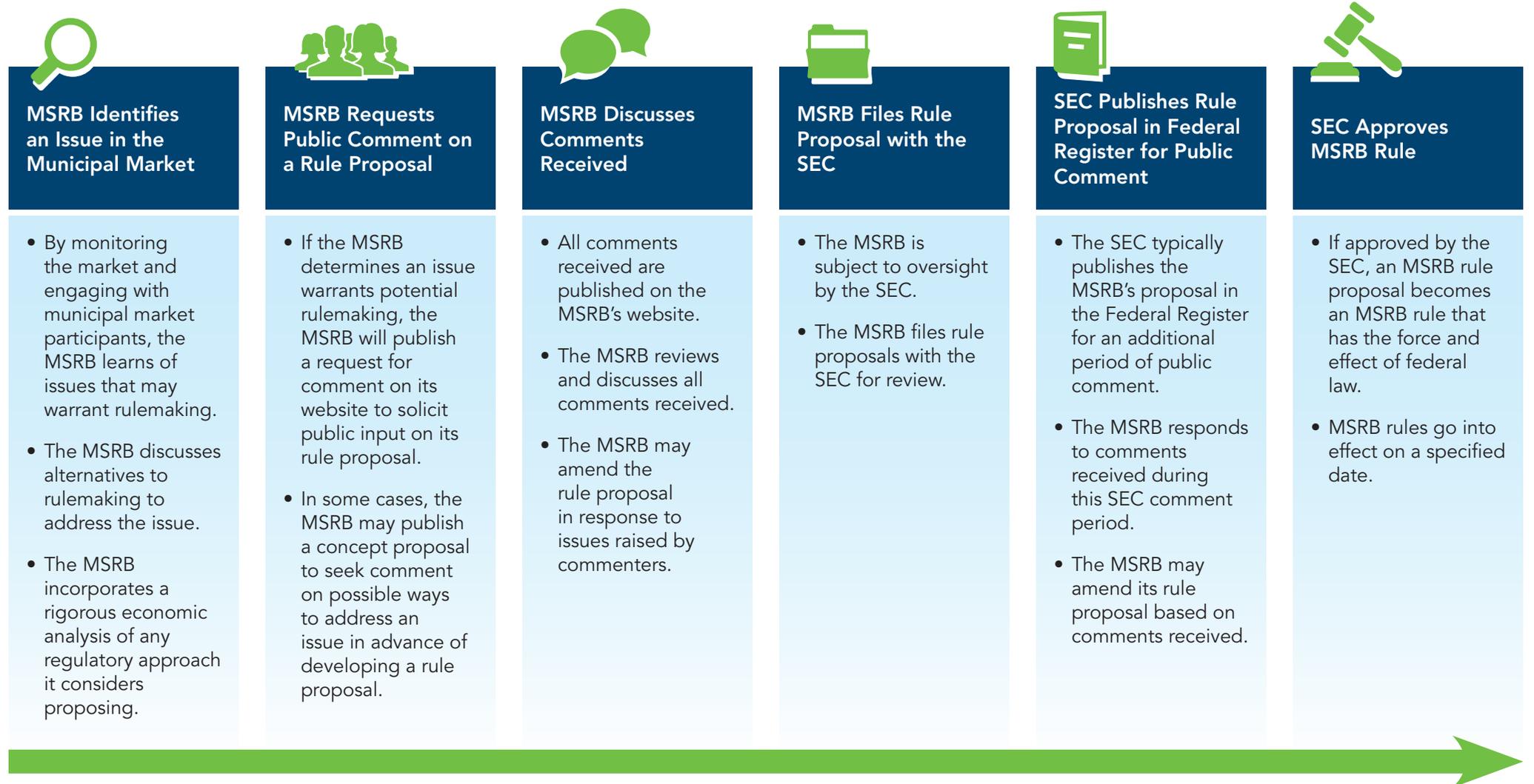


Contact the MSRB

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Overview of the MSRB Rulemaking Process

The MSRB rulemaking process provides market stakeholders with a number of opportunities to participate. The rulemaking process may vary depending on factors such as the nature of the rule proposal, input from market stakeholders and decisions of the Securities and Exchange Commission (SEC), the federal agency responsible for oversight of the MSRB. However, municipal advisors typically can anticipate that the rulemaking process will involve the following steps.



[Read more about the rulemaking process and the structure and format of MSRB rules.](#)



Commenting on MSRB Rule Proposals

At the earliest stages of the rulemaking process, the MSRB incorporates a rigorous economic analysis of a rule proposal and assessment of reasonable alternatives. The MSRB then solicits public input on the proposal, typically by publishing a [request for comment](#) on the MSRB's website as a [regulatory notice](#). Requests for comment also are sent by email to the primary contact at each registered firm. Additional employees of a registered firm may subscribe to [MSRB email updates](#) on the MSRB's website to ensure they also are notified of requests for comment and other regulatory notices.

An MSRB request for comment provides background on the regulatory issue and a summary of the rule proposal. The MSRB describes the municipal market conduct the rule proposal seeks to address and articulates the justification for regulatory action. The MSRB outlines the proposed new or amended obligations for affected regulated entities and indicates how it believes the proposed obligations contribute to market fairness, efficiency, transparency or the MSRB's other objectives.

A request for comment often includes specific questions for municipal market participants to consider addressing in their comment letters, such as the burdens the proposal may impose on regulated entities, the expected benefits to the fairness and efficiency of the market the proposal may create, and how the proposal supports the MSRB's mission to protect municipal securities investors and issuers. Municipal advisors can help

the MSRB better understand these issues by including specific examples of the potential implications of the proposal, particularly related to potential costs and benefits, as well as any available supporting data. Municipal advisors should however feel free to provide comments on all issues related to the proposal beyond those specifically referenced in the notice.

The MSRB may issue what is called a concept proposal in advance of publishing a request for comment. Concept proposals typically are more general in nature than a request for comment and help the MSRB collect preliminary public input on an issue under consideration for a potential rulemaking. Concept proposals assist the MSRB in fully evaluating a potential area of rulemaking before proceeding with developing a rule proposal.

For both concept proposals and requests for comment, the comment period is open to the general public, in addition to regulated entities. Generally, the comment period is 30 calendar days and often significantly longer. The [Requests for Comment](#) page of the MSRB's website displays all requests for comment and concept proposals in chronological order. The "Comments" column includes links to submit comments electronically and to view all comments received. The MSRB publishes the full text of all comment letters received, including any identifying information. Comments received electronically or by mail are typically made available on the website within 24 hours of receipt.

The MSRB reviews all comment letters and may revise the rule proposal in light of comments received. The MSRB may solicit additional public comment on a revised proposal as appropriate. The rule proposal is then filed with the Securities and Exchange Commission (SEC) for its review and approval. The rule proposal filed with the SEC contains each comment letter received and the MSRB's response to each significant comment, providing a high

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level of accountability in the MSRB's process of addressing issues raised by commenters. The SEC publishes the MSRB filing in the Federal Register for an additional period of public comment, which generally lasts 21 days. The MSRB notifies the primary email contact at each registered firm of this additional opportunity for public comment and responds to each significant comment received by the SEC. The MSRB may amend its rule proposal in response to comments received.

In the final step of the rulemaking process, the SEC determines whether to approve the rule. MSRB rules approved by the SEC take effect on a specified date and have the force and effect of federal law.



Engaging with the MSRB

In addition to formal requests for comment, the MSRB engages in ongoing dialogue with municipal market participants through outreach events and education activities. Municipal advisors can review the [Upcoming Events](#) page of the MSRB's website for details on scheduled outreach events around the country. The MSRB hosts its own events and also makes presentations at events hosted by municipal market organizations. These events allow MSRB staff to speak directly with regulated professionals about rulemaking initiatives and other issues of interest to the market.

The MSRB also periodically hosts webinars on various topics as a way of conducting outreach and obtaining feedback. Municipal advisors can expect opportunities to participate in MSRB webinars on future rule proposals. These webinars are announced as rule proposals are developed.

The MSRB's website is a key resource for municipal advisors interested in participating in the rulemaking process. The [Municipal Advisors](#) page of the website is regularly updated with news and resources.

Municipal advisors may also subscribe to [MSRB email updates](#) on the MSRB's website to ensure they receive news and information from the MSRB.



Filing a Complaint

Ongoing examination and enforcement for compliance with MSRB rules is in many cases as important as rulemaking. While other regulatory authorities are responsible for enforcing the MSRB's rules, the MSRB refers potential enforcement matters to the appropriate authority for possible investigation and discipline. Municipal advisors also may become aware of violations of MSRB rules governing professional conduct. The MSRB provides information on how to [file a complaint online](#). Complaints may be made anonymously.



Contacting the MSRB

The MSRB also welcomes direct calls, emails and letters from the municipal advisory community and other market participants on its regulatory proposals and other municipal market issues.

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