

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-84837; File No. SR-MSRB-2018-09)

December 17, 2018

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to the MSRB's Facility for the Electronic Municipal Market Access System (EMMA)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 7, 2018 the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change ("proposed rule change") to the MSRB's facility for the Electronic Municipal Market Access system (EMMA®) to modernize and consolidate the information facility for the EMMA system, which consists of the EMMA Primary Market Disclosure Service, the EMMA Continuing Disclosure Service, the EMMA Trade Price Transparency Service and the EMMA Short-Term Obligation Rate Transparency Service ("EMMA IF"). The MSRB has filed the proposed rule change under Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6)⁴ thereunder, as a noncontroversial rule

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

change that renders the proposal effective upon filing. The proposed rule change would be made operative on January 10, 2019.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2018-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change consists of amendments to the EMMA IF.⁴ The EMMA IF sets forth the material aspects of the operation of the EMMA system by describing the basic functionality of, and the high-level parameters by which the MSRB operates, the EMMA system. The EMMA system is an information system for the collection and dissemination of municipal securities disclosure documents and related information. Issuers, obligated persons, brokers, dealers, municipal securities dealers, and the general public routinely interact with the EMMA

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The EMMA IF is currently available on the MSRB's website at <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/Facilities/EMMA-Facility.aspx>.

system, as it is the information system that receives, displays and disseminates information under certain MSRB rules and Exchange Act Rule 15c2-12 (“Rule 15c2-12”),⁶ as promulgated by the SEC.

For example, MSRB Rule G-32 (“Rule G-32”), on the disclosure obligations of brokers, dealers, and municipal securities dealers (collectively, “dealers”) in primary offerings, generally requires underwriters of a primary offering of municipal securities to submit the official statement for such offering to the EMMA system within one business day after receipt of the official statement from the issuer or its designee, but by no later than the closing date.⁷ Rule G-32 also requires that dealers acting as underwriters in the primary offering of municipal securities to submit information in accordance with MSRB Form G-32, such as the name of the managing underwriter and security type for each issue in the offering.⁸ Rule 15c2-12 specifies a list of events that certain dealers acting as a participating underwriter in an offering of municipal securities must reasonably determine that an issuer or an obligated person has undertaken, in a written agreement or contract for the benefit of the holders of the municipal securities, to provide to the MSRB by submission to the EMMA system.

Background

The EMMA system includes a public website, the EMMA Portal, which provides free public access to disclosures and transparency information for municipal securities. The EMMA system also includes certain paid subscription feeds, which provide access to certain documents

⁶ 17 CFR 240.15c2-12.

⁷ See MSRB Rule G-32, available at: <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-32.aspx>.

⁸ See MSRB Form G-32, available at: <http://www.msrb.org/Rules-and-Interpretations/Form-G-32.aspx>.

and information for a commercially reasonable fee in accordance with the terms of a subscription agreement between the MSRB and a subscribing counterparty.

The EMMA system began operation on March 31, 2008 as a pilot facility of the MSRB's existing Official Statement and Advance Refunding Document system of the Municipal Securities Information Library system.⁹ On December 8, 2008, the MSRB received approval from the SEC to establish the continuing disclosure service of the EMMA system effective as of July 1, 2009.¹⁰ The MSRB's most recent amendment to the EMMA IF was in August 2015, which added descriptions regarding the core operational hours for the EMMA system and the general availability of the system.¹¹

The MSRB launched the EMMA Portal (emma.msrb.org) in March 2008 as an online source of key municipal market information. The EMMA Portal continues to serve as the venue for public access to variable rate security information, transaction data, primary market disclosures and continuing disclosures. The MSRB makes available its set of official statements and advance refunding documents for free on the EMMA Portal. The EMMA system has been the centralized repository of all continuing disclosures in the municipal market pursuant to Rule 15c2-12 since July 2009. In addition to those disclosures specifically identified in Rule 15c2-12,

⁹ See Securities Exchange Act Release No. 57577 (March 28, 2008), 73 FR 18022 (April 2, 2008) (File No. SR-MSRB-2007-06) (approving operation of the EMMA pilot to provide free public access to the MSIL system collection of official statements and advance refunding documents and to the MSRB's Real-Time Transaction Reporting System historical and real-time transaction price data).

¹⁰ See Securities Exchange Act Release No. 59061 (December 5, 2008), 73 FR 75778 (December 12, 2008) (File No. SR-MSRB-2008-05) (approving the continuing disclosure service of the EMMA system with an effective date of July 1, 2009).

¹¹ See Securities Exchange Act Release No. 75602 (August 4, 2015), 80 FR 47976 (August 10, 2015) (File No. MSRB-2015-06).

the MSRB also provides issuers and obligated persons with the ability to post additional disclosures about their securities to the EMMA Portal.

The purpose of the proposed rule change is to revise the EMMA IF to harmonize its language with the recently revised Real-Time Transaction Reporting System (RTRS) information facility (“RTRS IF”),¹² as well as to modernize and consolidate the EMMA IF. Given the revisions to the RTRS IF and the SEC’s recent amendments to Rule 15c2-12,¹³ the MSRB performed a comprehensive review of the EMMA IF to evaluate whether it sufficiently and clearly describes the basic functionality and operation of the EMMA system. The MSRB believes that issuers, obligated persons, dealers, other submitters¹⁴ and subscribers¹⁵ benefit from this information being provided in a concise and organized manner.

Proposed Amendments to the RTRS Information Facility

(i) Consolidating Format and Streamlining Redundancies

The EMMA IF is currently structured such that there are separate segmented topics within the information facility, including separate sections for the EMMA Primary Market Disclosure Service, EMMA Continuing Disclosure Service, EMMA Trade Transparency Service, EMMA Short-Term Obligation Rate Transparency Service, and EMMA subscription

¹² See Securities Exchange Act Release No. 83038 (April 12, 2018), 83 FR 17200 (April 18, 2018) (File No. MSRB-2018-02).

¹³ See Securities Exchange Act Release No. 83885 (August 20, 2018), 83 FR 44700 (August 31, 2018) (File No. MSRB-S7-01-17).

¹⁴ As further described in the EMMA IF, a submitter means an issuer, obligated person, dealer, or agent acting on behalf of an issuer, obligated person, or dealer, that has been authorized to interface with the EMMA system for the purposes of submitting documents and other related information into the system.

¹⁵ Subscriber refers to an individual or entity that receives the dissemination of data from the EMMA system through an MSRB subscription service.

services. Many of these segmented topics were initially designed to stand alone and consequently include redundant information included elsewhere in the EMMA IF.

The proposed rule change would reorganize the EMMA IF by streamlining this information repeated in each topic section and incorporating it into a general introductory section. In this way, the proposed amendments would consolidate repetitive references in the EMMA IF and ensure overall consistency within the document. For example, the proposed rule change would consolidate the descriptions of the EMMA Portal, currently repeated under multiple topic segments, into a distinct description in the information facility with its own section. Similarly, the proposed amendments would consolidate information regarding the core operational hours into a single description included in the introductory section. The proposed rule change also consolidates several other repetitive references under the various topic segments in the EMMA IF.

The proposed rule change would also eliminate certain descriptions regarding the EMMA Trade Price Transparency Service and the EMMA Short-Term Obligation Rate Transparency Service that repeat technical descriptions already provided in the RTRS IF and the Short-Term Obligation Rate Transparency (SHORT) information facility (“SHORT IF”). The proposed rule change would eliminate this redundant information and replace it with shorter cross-references to the RTRS IF and SHORT IF. This amendment would promote consistent language across each of the MSRB’s information facilities and reduce the potential for conflicting descriptions of services that overlap among the EMMA IF, SHORT IF, and RTRS IF.

(ii) Consistency of Rule References

As the EMMA system is the MSRB’s facility for the collection of information about primary offering and continuing disclosures occurring in the municipal securities market, the

EMMA IF includes references to obligations under Rule 15c2-12 and Form G-32. The proposed rule change would ensure that, if regulatory language is referenced, the most current language is used in the EMMA IF. Similarly, the proposed amendments attempt to limit the need for filing future amendments to the EMMA IF by utilizing language that would remain applicable absent a material change to an existing regulatory obligation. To that end, the proposed rule change would eliminate some of the narrow detail regarding the categories and types of Rule 15c2-12 disclosure documents that the EMMA IF receives. It replaces this language with a more general statement, which accounts for the new amendments to Rule 15c2-12 related to the incurrence of a financial obligation and events related to financial obligations which reflect financial difficulties.

(iii) Improved Descriptions of EMMA Functionality

As part of its comprehensive review, the MSRB analyzed whether aspects of the EMMA IF could be enhanced to more precisely or concisely describe the EMMA system's functionality and operation, while ensuring that the EMMA IF continues to appropriately describe the basic functionality of and the high-level parameters by which the MSRB operates the EMMA system.

One area where the MSRB determined that an enhanced description of EMMA system functionality would be beneficial is in reference to the process for posting documents and information on display on the EMMA Portal and dissemination through the EMMA subscription services. The EMMA IF frequently references that the EMMA system displays and disseminates documents and information within certain timeframes upon the EMMA system's "acceptance." The term "acceptance" could be interpreted to suggest that the MSRB formally approves or otherwise reviews the substantive content of a submission prior to its display or dissemination through the EMMA Portal or that the documents and information submitted are directly

displayed or disseminated without further processing. The proposed amendments would uniformly revise this language to clarify that documents and information are posted on the EMMA Portal promptly following the processing of a submission through the EMMA system. For purposes of the EMMA IF, promptly shall mean within 15 minutes following the successful intake of the data by the EMMA system, transformation of such data for operational usability, and storage for effective retrieval for display or dissemination to users of the EMMA Portal and, as applicable, to licensed subscribers of EMMA subscription services (“processing”). This clarification better describes the EMMA system’s ministerial function of intaking, displaying and disseminating documents and information. This description also reflects the fact that, prior to display and dissemination, the EMMA system, among other things, conducts routine format checks, validates the submitter, and may timestamp the data, but does not conduct a more formal review accepting the substantive content of the documents and information submitted. Notably, this change is consistent with the recent amendments to the RTRS IF, which now states that real-time dissemination for RTRS functionality occurs “promptly following processing in RTRS.”

(iv) Removal of Certain Technical and Ancillary Information

Given that the purpose of the EMMA IF is to set forth the material aspects of the EMMA system’s operation, highly technical and ancillary information regarding the EMMA system is more appropriately provided in the EMMA User Guide and similar documents that the MSRB maintains on its publicly available website (msrb.org).

The MSRB maintains several specification documents for the EMMA system, including the EMMA User Guide, Primary Market Submission Manual, Primary Market Submission Specifications, Preliminary Official Statement Submission Specifications, Continuing Disclosure Submission Manual, Continuing Disclosure Submission Specifications, and others (collectively,

the “EMMA Reporting Specifications”). The EMMA Reporting Specifications documents are available on the MSRB’s publicly available website.¹⁶ The EMMA Reporting Specifications provide detailed information regarding, among other things, user guides for website submission interfaces and input specifications for computer-to-computer submission. Similarly, the Specifications for EMMA Primary Market Disclosure Subscription Service, the Specifications for the MSRB Continuing Disclosure Subscription Service, and other EMMA subscription specifications (collectively, the “EMMA Subscription Service Specifications”) provide specifications and requirements to access, retrieve and understand EMMA subscription services.¹⁷ The MSRB also maintains an MSRB Subscription Services Price List on its website to inform interested individuals about the pricing for EMMA subscription services.

The proposed rule change would remove certain technical and ancillary information from the EMMA IF that is presented in the EMMA Reporting Specifications, EMMA Subscription Services Specifications, and MSRB Subscription Services Price List. The removal of such information will streamline the EMMA IF by only presenting the information that is necessary to describe the material aspects of the operation of the EMMA system.

¹⁶ The EMMA Reporting Specifications are currently available on the MSRB’s website, including at: <http://www.msrb.org/Market-Transparency/Manuals.aspx>

¹⁷ The EMMA Subscription Service Specifications are currently available on the MSRB’s website at: <http://www.msrb.org/Market-Transparency/Subscription-Services-and-Products/MSRB-Continuing-Disclosure-Subscription.aspx> and <http://www.msrb.org/Market-Transparency/Subscription-Services-and-Products/MSRB-Primary-Market-Subscriptions.aspx>

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Act,¹⁸ which provides that the MSRB's rules shall:

. . . be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The proposed rule change would contribute to the MSRB's continuing efforts to improve market transparency by providing greater transparency regarding the material functionality and operations of the EMMA system. As the EMMA system disseminates information about transactions occurring in the municipal securities market, any improvement with respect to the understanding of how the EMMA system operates will further perfect the mechanism of a free and open market in municipal securities. In addition, the clarifying amendments to the EMMA IF serve to foster the cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, by making it more likely that the market is promptly provided with the latest information.

Specifically, the proposed amendments would increase the clarity and precision with respect to the description of basic EMMA system functionality and the high-level parameters by which the MSRB operates the EMMA system. The MSRB believes that issuers, obligated

¹⁸ 15 U.S.C. 78o-4(b)(2)(C).

persons, dealers, other submitters and subscribers will benefit from a clearer understanding of this information. While additional technical information regarding the EMMA system is set forth in the EMMA Reporting Specifications, the EMMA Subscription Services Specifications, and other similar documents that the MSRB maintains, the MSRB believes that it is important that material information regarding the EMMA system be clearly described in the EMMA IF. The proposed rule change serves this purpose.

B. Self-Regulatory Organization's Statement on Burden on Competition

Section 15B(b)(2)(C) of the Act¹⁹ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change consists of revisions to the EMMA IF to better align the language of the information facility to the MSRB's administration of the EMMA system. The proposed rule change seeks to clarify existing services and make minor changes of a technical nature to the information facility, including certain revisions resulting from recent amendments to Rule 15c2-12. The proposed rule change will not substantively modify the manner in which the MSRB administers the EMMA system in collecting and disseminating information about municipal securities. Accordingly, the MSRB does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the Act.

¹⁹

Id.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Board did not solicit comment on the proposed change. Therefore, there are no comments on the proposed rule change received from members, participants or others.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁰ and Rule 19b-4(f)(6) thereunder.²¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2018-09 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-MSRB-2018-09. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File Number SR-MSRB-2018-09 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.²²

Eduardo A. Aleman
Deputy Secretary

²² 17 CFR 200.30-3(a)(12).