

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4File No.* SR - 2011 - * 19
Amendment No. (req. for Amendments *) 1Proposed Rule Change by Municipal Securities Rulemaking Board
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934Initial * ☐ Amendment * ☒ Withdrawal ☐Section 19(b)(2) * ☒ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Rule

Pilot ☐ Extension of Time Period
for Commission Action * ☐ Date Expires * ☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)Exhibit 2 Sent As Paper Document
☐Exhibit 3 Sent As Paper Document
☐**Description**

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Lawrence Last Name * Sandor
Title * Senior Associate General Counsel
E-mail * lsandor@msrb.org
Telephone * (703) 797-6600 Fax (703) 797-6700**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

Municipal Securities Rulemaking Board

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 12/12/2011

By Ronald W. Smith
(Name *)

Corporate Secretary

(Title *)

NOTE: Clicking the button at right will digitally sign and lock
this form. A digital signature is as legally binding as a physical
signature, and once signed, this form cannot be changed.

Ronald Smith, rsmith@msrb.org

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For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information (required)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change (required)

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

☐

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

The Municipal Securities Rulemaking Board (“MSRB”) is filing this partial amendment (“Amendment No. 1”) to File No. SR-MSRB-2011-19, originally filed with the Securities and Exchange Commission (“Commission”) on October 13, 2011, with respect to a proposed rule change (the “original proposed rule change”) consisting of amendments to Rule G-16, on periodic compliance examination, and Rule G-9, on preservation of records. This Amendment No. 1 would partially amend the original proposed rule change by requesting that the Commission approve the amendments to Rule G-9 with an effective date that is six months from the date of the Commission approval order. In all other respects, the original proposed rule change remains as originally filed.

The MSRB proposed amendments to Rule G-9 to extend the record retention period from three years to four years for certain records listed in Rule G-9, in order to accommodate the proposed amendments to Rule G-16, which would permit the Financial Industry Regulatory Authority (“FINRA”) to examine MSRB registered brokers, dealers and municipal securities dealers (“dealers”) that are FINRA members at least every four calendar years. The MSRB amends the original proposed rule change to reflect a new proposed effective date for the four year retention period under Rule G-9. Originally, the proposed rule change to Rule G-9 would have become effective as of the date of the Commission approval order. However, in a letter in response to the proposal, the Securities Industry and Financial Markets Association (“SIFMA”) commented that changes to a regulatory scheme take time to implement properly and that dealers should be provided with at least one year to develop, test, and implement supervisory policies and procedures, as well as systems and controls, before the changes to Rule G-9 become effective.¹

While the MSRB does believe it appropriate to provide dealers with time to revise their policies and procedures, systems and controls to accommodate the longer retention period, the MSRB believes that such changes can be accomplished in a shorter time frame. The modest extension of the retention period for certain records does not warrant such a delayed effective date as requested by SIFMA. Rather, the MSRB believes, in light of the clear importance of preserving records for the entire period between FINRA examination cycles, and the modest increase in the current retention period, six months is an appropriate period to permit dealers to modify their policies and systems to comply with the rule change. Since FINRA members already retain records for three years, four years (for customer complaint records under a FINRA rule change that went into effect on December 5, 2011), six years, or the life of the enterprise, the MSRB does not believe that a modification of dealer record retention schedules from three years to four years for certain records will impose an undue burden on dealers. Hence, six months is an appropriate preparatory period to comply with the new record retention requirements. For these reasons, the MSRB requests that the Commission approve the amendments to Rule G-16 with an effective date as of the date of the Commission approval order and approve the amendments to Rule G-9 with an effective date that is six months from the date of the Commission approval order.

¹ The MSRB has submitted a separate letter to the Commission in response to the comment letters submitted by SIFMA and the Investment Company Institute.