



MSRB

Municipal Securities
Rulemaking Board

Long-Range Plan for Market Transparency Products

January 27, 2012

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INTRODUCTION

The Municipal Securities Rulemaking Board (MSRB) is the federal regulatory entity with primary responsibility under the Securities Exchange Act of 1934 (Exchange Act) for rulemaking in the municipal securities market. Under the Exchange Act, the MSRB is charged with adopting rules with respect to transactions in municipal securities effected by brokers, dealers and municipal securities dealers ("dealers") and advice provided to or on behalf of municipalities or obligated persons by municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by municipal advisors.

In addition to its comprehensive body of rules governing the activities of dealers and municipal advisors, the MSRB has undertaken to create various market transparency products in furtherance of its statutory duties. Historically, the MSRB has operated information systems to collect key disclosure documents and transaction data to create a central warehouse of information that made most of these documents and data available to the marketplace through information feeds to data vendors, industry utilities and others. The MSRB has also made these resources available to the federal securities and bank regulators charged with examination and enforcement duties with respect to compliance with MSRB rules.

In recent years, the MSRB's development of its information systems dramatically accelerated and took on a broader approach to the MSRB's role in disseminating such information upon launching its [Electronic Municipal Market Access \(EMMA®\) website](#) and associated market transparency products. This acceleration resulted from a number of factors. The move to electronic dissemination of primary market disclosure information in the securities markets called for a centralized venue to provide free public access to municipal securities disclosure documents to all market participants, including non-professional investors. The decentralized system for collecting and disseminating continuing disclosures proved to be inefficient and unreliable in spite of market-wide voluntary efforts to improve its effectiveness, leading market participants and federal regulators to recognize the need for a different distribution paradigm. The financial crisis introduced significant dislocations in certain sectors of the marketplace and investors and market professionals alike found it difficult to obtain even the most basic information about key terms and features of securities that had become distressed. With the effective loss of fungibility of many municipal securities due to the collapse or downgrade of many forms of credit and liquidity support in the marketplace, market participants increasingly recognized the importance of security-specific analysis requiring efficient and timely centralized access to disclosure and trading information.

All of these factors converged to propel the rapid evolution of the MSRB's market transparency products to their current state, with the launch in quick succession over a 16-month period of

the MSRB's free EMMA public website, the EMMA Primary Market Disclosure Service, the EMMA Continuing Disclosure Service, the EMMA Trade Price Transparency Service, the Short-term Obligation Rate Transparency (SHORT) System, and the MSRB's municipal market research services. Together with the MSRB's existing Real-Time Transaction Reporting System (RTRS) and Political Contribution Disclosure Program, these new services and systems constitute the existing suite of MSRB market transparency products.

This document describes the MSRB's long-range plan for the further evolution of its existing and future market transparency products to better fulfill the MSRB's statutory duties. The vision set out in the long-range plan is intended to guide the marshalling of MSRB resources to improve its transparency products and services in the most cost-effective manner to achieve the greatest positive impact on the protection of investors, municipal entities, obligated persons and the public interest, as well as to further the MSRB's statutory charge of removing impediments to and perfecting the mechanisms of a free and open market in municipal securities and municipal financial products. The MSRB's suite of market transparency products and services are aimed at supporting the free market, continuing to serve as the central resource for the creation of private sector value-added products and customer-driven market solutions while providing the general public – particularly retail investors and state and local governments that may not have the same ready access to private sector sources of market information as do market professionals – access to these key underlying resources. In circumstances where certain market participants (particularly retail investors and smaller municipal entities) may face gaps in services, inequality of access to market information or services, unfair or deceptive practices, or other conditions raising public policy concerns – whether due to market failures or otherwise – the MSRB may act to provide tools and services for such underserved constituencies that might not otherwise be provided in an effective or reasonably accessible manner by the private sector.

In forging this vision for the future of MSRB market transparency products, the MSRB has cast a critical eye at its own existing information systems, acknowledging their successes and strengths as well as any weaknesses and gaps that need addressing. Each of the existing systems was, when created, a first of its kind, and as such these systems were developed based on good but largely unprecedented premises. In addition, each of these systems was dependent, to varying degrees, on existing third-party data collections that were originally created for purposes other than use by MSRB systems, that undertake differing levels and types of data quality and correction processes, and that in a number of cases provide related but not entirely consistent data that MSRB systems were tasked with reconciling on an automated basis. As the MSRB evolves its systems into the next generation, it looks to buttress such systems against any remaining weaknesses inherent in systems of this nature and to narrow the gaps in depth and breadth between the information needed by the market and general public and the information provided through the MSRB market transparency products and through other high-quality and reasonably accessible private sector sources.

This vision will evolve with the passage of time and is dependent on any number of factors that may have a considerable impact on the on-going desirability or viability of the specific elements of the long-range vision. New ideas, new challenges, new technologies and new realities can be

expected to arise in the coming years that will call for the reexamination of the vision as a whole or of individual elements. The MSRB is committed to undertaking a continuous critical review of all aspects of the vision to ensure that the goals enunciated by the MSRB continue to be relevant, that the execution of individual initiatives continues to be supportive of such goals, and that resources continue to be available to develop and reliably support the operation of high quality information products.

The long-range plan reflects the MSRB's careful consideration of the many suggestions it has received over the last several years from market participants and the general public through industry roundtables, MSRB outreach events, targeted meetings, formal and informal letters and other communications, and public feedback through the EMMA website. With the publication of this document, the MSRB invites further feedback from all facets of the marketplace and the general public, with the hope of making the achievement of the vision a collaborative process. To provide feedback on the long-range plan, the MSRB has established a submission form at <http://www.msrb.org/feedback.aspx?subject=Long-Range-Market-Transparency-Plan>. In addition, most of the initiatives to be undertaken in furtherance of the long-range plan will be preceded by initiative-specific notices for comment and, subsequently, by filings of MSRB proposals with the Securities and Exchange Commission (SEC). This rulemaking process will afford market participants and the general public with opportunities to express their opinions on specific initiatives to the MSRB and the SEC.

EXISTING MSRB MARKET TRANSPARENCY PRODUCTS

The MSRB's existing market transparency products and how they can currently be accessed by the public are described briefly below. More detailed descriptions of these products, together with their development history and the regulatory framework pursuant to which they were developed and are currently operated, are set forth in Appendix A.

- ***Electronic Municipal Market Access (EMMA) Public Website*** – The EMMA public website is a free on-line source for primary market disclosures, continuing disclosures, transaction data, variable rate security information, market statistics and investor education.
 - The EMMA public website can be accessed at emma.msrb.org.
- ***EMMA Primary Market Disclosure Service*** – The EMMA Primary Market Disclosure Service provides official statements, preliminary official statements, related pre-sale documents, and advance refunding documents.
 - View the most recent official statements submitted by underwriters on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentOS.aspx>
 - View the most recent preliminary official statements submitted by issuers on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentPS.aspx>
 - View the most recent advance refunding documents submitted by underwriters on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentAR.aspx>
- ***EMMA Continuing Disclosure Service*** – The EMMA Continuing Disclosure Service provides

continuing disclosure documents under Exchange Act Rule 15c2-12 as well as other voluntarily submitted continuing disclosure documents.

- View the most recent continuing disclosure documents submitted by issuers and obligated persons on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentCD.aspx>
- **Real-Time Transaction Reporting System (RTRS)/EMMA Trade Price Transparency Service** – RTRS provides information relating to prices and other related data for virtually all customer and inter-dealer transactions in municipal securities.
 - View the most recent trade reports submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentTrades.aspx>
- **Short-Term Obligation Rate Transparency (SHORT) System/EMMA Short-Term Obligation Rate Transparency Service** – The SHORT System provides a centralized, comprehensive source of current information and relevant documentation for auction rate securities (ARS) and variable rate demand obligations (VRDOs).
 - View the most recent data and documents for VRDOs submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentVRDO.aspx>
 - View the most recent data and documents for ARS submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentARS.aspx>
- **Political Contribution Disclosure Program** – The Political Contribution Disclosure Program provides quarterly disclosure filings by underwriters of political contributions made to elected governmental issuer officials, state and local political parties, and bond ballot referenda.
 - Search for political contributions disclosures submitted by dealers at http://www.msrb.org/msrb1/pcocweb/search/advanced_search.asp
- **Municipal Market Research Services** – The MSRB provides statistical data that provides to the public a more complete picture of the municipal securities market.
 - Access a broad suite of current and historical market statistics from the MSRB website at <http://www.msrb.org/Market-Disclosures-and-Data/Market-Statistics/Municipal-Market-Statistics.aspx>
 - Access daily trading statistics and other related information from the EMMA website at <http://emma.msrb.org/MarketActivity/ViewStatistics.aspx>

LONG-RANGE VISION FOR MSRB MARKET TRANSPARENCY PRODUCTS

The recent rapid development of MSRB market transparency products represented the MSRB's first efforts at integrating its various pre-existing and new products. This marked the earliest stages of an evolution toward a seamless product suite that eliminates artificial information barriers and promotes interactive use of the resources available through MSRB market transparency products with other third-party informational and analytical tools. These early evolutionary stages resulted in the initial release on March 31, 2008 of the MSRB's Electronic Municipal Market Access (EMMA®) website

platform, which was built on the following basic principle adopted by the MSRB Board of Directors during the initial planning for EMMA in 2007:

The System will be designed to serve as a comprehensive centralized on-line source for primary and secondary market disclosure documents and transaction pricing data provided free of charge to investors and the general public on a real-time basis with a specific aim of serving the needs of retail investors who are not expert in financial and investing matters and of other infrequent investors in or holders of municipal securities.

Congress adopted this approach when it enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, establishing a legislative mandate to provide free public access through the EMMA website to the documents and data submitted by state and local governments and other municipal entities, obligated persons, brokers, dealers, municipal securities dealers and municipal advisors under the rules of the MSRB and the Securities and Exchange Commission (SEC). At the same time, Congress reconfirmed the MSRB's authority to offer subscription-based feeds of such documents and data available to the marketplace at commercially reasonable charges and recognized that the dissemination by the MSRB of this information to commercial enterprises, municipal securities market professionals or the general public could be undertaken through other distribution channels or formats, including data or document-based services customized upon request of the user delivered through the Internet or any other means, charging commercially reasonable fees as approved by the SEC.

The key elements of the MSRB's vision for the next stages of its market transparency products are described below. These elements were designed to be consistent with a set of guiding principles, which are set forth in Appendix B, adopted by the MSRB for purposes of planning for the specific initiatives to achieve this vision.

Enhanced EMMA Access – "EMMA 2.0" – The core of the long-range vision is an enhanced EMMA website platform – referred to as "EMMA 2.0" – that would serve as the central public dissemination hub built upon an enhanced document and data collection process and an enhanced and diversified commercial dissemination and customized query functionality. Key elements of the enhancements provided by EMMA 2.0 consist of the following:

- ***Enhanced search functionality*** – While retaining the ability to search for specific securities information by means of a unique security identifier such as CUSIP number, EMMA 2.0 would improve plain English search capabilities and significantly expand the universe of data fields on which searches could be conducted to include many of the data elements available through the New Issue Information Dissemination System (NIIDS) of The Depository Trust and Clearing Corporation (DTCC), as well as other publicly available criteria. Additional search methodologies also would be introduced, such as geographical, step-by-step and/or hierarchical search processes, as well as enhanced searchability within documents.
- ***Broadened EMMA alerts*** – The ability of EMMA users, including submitters to EMMA, to

subscribe to receive free alerts regarding a posting of documents on EMMA for a specific security would be expanded to include a menu of alert triggers and manners of receiving such alerts. For example, users would be able to receive alerts if any of their securities traded that day, or of the rate at which their variable rate demand obligations have been reset, or whether there has been a successful auction of their auction rate securities, or if an issuer whose securities are owned by a user is issuing new bonds. In addition, users would be able to limit the specific disclosures to be received, such as by indicating that only specific categories of continuing disclosures would generate alerts while others would not. Users could continue to receive alerts on an event-by-event e-mail basis, or could choose to receive an end-of-day cumulative report of all alerts for the users' holdings. Users also could establish a personal ticker through a free EMMA user account, as described below, that would flow each alert into a "tape" that could be replayed, saved or exported to the users' own files.

- ***Integrated display of information*** – EMMA 2.0 would include several key enhancements to how the universe of data is organized for users who are not searching for a specific security but who instead wish to view information more broadly. First, the current layering of data would be extensively reworked to ensure a real-world logical flow, centered on the establishment of individual issuer home pages on EMMA arranged hierarchically to reflect actual geographic and governmental/political relationships. Each state would have its own home page, where information about state bond issues as well as other relevant statewide disclosures would be housed, together with direct navigation to counties, municipalities, agencies, authorities and districts within that state. Over time, each of those additional governmental entities would have its own home page providing easy access to information about each of its issues, entity-wide disclosures, and further navigation to any of such entity's own authorities or districts. EMMA 2.0 also could offer alternative views of its information library based on market segment or other logical divisions in the marketplace, such as more cohesive views of documents and data relating to 529 college savings plans and other municipal fund securities, the variable rate market, non-standard municipal debt, debt organized by conduit borrower, and/or municipal securities underlying other financial instruments.
- ***Expanded universe of information available*** – In stages, EMMA 2.0 would expand the universe of information made available to the public through enhancements to existing document or data collections and through introduction of new categories of information. Such enhancements would be achieved through a combination of rulemaking and voluntary submission. Enhanced or new information could include information on up-coming new issues; expanded availability of preliminary official statements; centralized complete real-time initial offering price information for new issues in the market; pricing information for pre-award conditional trading commitments; access to NIIDS indicative data; primary or continuing disclosure documents posted in interactive data formats; conflict of interest disclosures for underwriters and municipal advisors; broadened collection of refunding documents; expanded liquidity and credit support documentation; quarterly filings for asset-backed municipal securities under SEC Rule 15Ga-1; municipal derivatives disclosures; pension and other post-employment benefit disclosures; bank loan/ municipal lease disclosures; publicly available bid-offer information from market participants;

more contemporaneous real-time trade price/yield information for all municipal securities trades; expansion of SHORT interest rate reset and related information to indexed and other floating rate bonds, as well as commercial paper; and/or additional categories of voluntary continuing disclosures.

- ***New real-time central transparency platform (CTP)*** – EMMA 2.0 would incorporate a re-engineered real-time trade price system, representing the next generation of the MSRB’s existing Real-time Transaction Reporting System (RTRS), to become a central transparency platform (CTP) to provide a comprehensive, interactive and real-time display of a suite of pricing-related market data. While maintaining all execution activity in the hands of private-sector market participants through their own platforms (e.g., voice brokerage, on-line or other electronic platforms, or other processes developed by market participants in the future, collectively referred to as “market participant facilities”), the CTP would, over time, evolve to become a centralized venue providing universal public access to pre-, concurrent/real-time (“live”) and post-trade pricing information across the municipal market accumulated from primary market pricing and secondary market trade submission information required to be submitted under MSRB rules as well as live and historical bid-offer and related pre-trade information provided voluntarily by private sector CTP participants. The CTP would integrate this pricing information with security-specific disclosure and other information drawn from the full library of EMMA disclosure documents and information. The CTP also would provide a central directory of links and other contact information to all registered dealers in municipal securities, allowing navigation directly to market participant facilities of CTP participants, where such CTP participants could provide additional executable or informational bid-offer and related pre-trade information and could choose to allow live execution against posted bids and offers or to otherwise engage in execution or other marketplace activities with the public.
- ***Access to tools and utilities*** – Existing MSRB statistical information would continue to grow in breadth, depth and frequency to provide a fuller understanding of the current state of the municipal securities market and of recent trends and potential future directions, including the expansion of freely available market statistics and the development of fee-based statistical products. Data displayed in graphical, chart and tabular form would be made available to assist user analysis and could be applied to single securities, portfolios of securities, or to baskets of EMMA search results. Investors, municipal entities and other users would be able to use the enhanced EMMA search capabilities to develop their own sets of comparator securities and to effectively create customized graphical displays of personal benchmark data against which to compare the performance of their own holdings. The MSRB would work with qualifying third-party providers to create interoperability standards and functions to allow their customers to automate the export of EMMA data to tools and utilities platformed on the third-party’s own systems, in exchange for the third party agreeing to provide basic tools and utilities for use by non-professionals for free on EMMA or to permit a limited number of free or discounted uses by non-professionals of certain professional-level third-party tools and utilities. Further, where the MSRB has determined that there is a failure to provide adequate tools and utilities accessible to retail investors or smaller municipal entities at a reasonable price, the MSRB would consider

developing its own tools and utilities or partnering with third-parties to create such features for use on the EMMA website.

- **Investor education** – In addition to growing the collection of MSRB-authored investor education materials already available through the EMMA and MSRB websites, the MSRB would make such information available in a more context-sensitive manner so that clear explanations of materials found on EMMA are immediately available side-by-side with the information being viewed. The EMMA website would also begin to host a continuously updated library of links to free and priced third-party investor education resources.
- **Free public user accounts** – At no charge, public non-professional users would be able to establish user accounts on EMMA that would allow them to set personal preferences, save frequently-used search criteria, create portfolios or categories of securities, manage EMMA alert settings, track documents and data for user-created portfolios of securities through a personal ticker that would flow each selected document, data point, or other tagged event into a “tape” that could be replayed, saved or exported to the users’ own files, and conduct free basic data queries. In addition, non-professional users that establish free public user accounts would be provided access to any future professional-level fee-for-service advanced functions described below, in some cases on a reduced-fee basis.
- **Municipal entity resources** – The MSRB would introduce an EMMA account tier oriented toward the needs of municipal entities, providing such municipal entities with enhanced abilities to analyze the EMMA data and documents for such entities’ own securities and to establish a portfolio of comparator municipal entities to allow municipal entities to better track the performance of their securities and their own disclosure performance against their peers. The MSRB would provide municipal entities the option to work with the MSRB to enhance the organization and display of their information on the EMMA website for better access and usability by the public. In addition, the MSRB would work with the state and local government community toward the development of additional tools and utilities to help municipal entities to more efficiently manage their debt portfolios and to promote comprehensive and timely disclosures to the marketplace.
- **Tiered professional utilities** – While continuing to offer to professionals and private sector market data vendors and utilities the MSRB’s existing automated subscription feeds of documents and data, EMMA 2.0 would introduce tiered web-based professional accounts through which customized feeds could be accessed and customized queries conducted on a long-term subscription basis or on a fee-for-service basis. In addition to providing a more streamlined manner of receiving needed data and documents as compared to the full automated data feeds in the traditional MSRB subscription services, the EMMA professional tiered accounts would provide professionals with the ability to receive and view their fee-based data in an integrated manner along with the free public use collection offered through EMMA. As noted above, non-professional users that create free public user accounts also would be provided access to these fee-based professional utilities, in some cases on a reduced-fee basis.

Enhanced Collection Portal – The MSRB would seek to streamline its existing document and data submission process, with a strong focus on pursuing a policy of straight-through processing when reliable and cost-effective methods for doing so are available to avoid duplication of effort on the part of submitters and to improve data quality by reducing the opportunities for data entry errors. Data submitted to DTCC through NIIDS would be made available to satisfy key EMMA Primary Market Disclosure Service data submission requirements for underwriters. The MSRB would work with market participants to explore the introduction of submissions to EMMA using standard interactive data formats and the development of appropriately flexible taxonomies for the municipal securities market. The MSRB would work towards the development of a uniform tagging convention for issuers' related but dynamic groups of securities to greatly simplify the process of submitting continuing disclosures that apply to many securities. This uniform tagging convention also would allow issuers to work with the MSRB to help ensure a more complete and cohesive display on EMMA of their outstanding debt and of the disclosures and data related to such debt, and would make EMMA tools and utilities offered through the EMMA tiered accounts for municipal entities and investors significantly more effective.

Enhanced Dissemination Facility – Traditional MSRB automated subscription feeds would be joined by EMMA tiered web-based professional accounts through which customized feeds could be accessed and customized queries conducted on a long-term subscription basis or on a fee-for-service basis. In addition, enhanced user accounts with interoperable third-party data export capabilities would provide an additional venue for users to make their information flow to where they need it, and would provide non-professionals with useful access to subscription-like services.

CONCLUSION

The MSRB long-range plan described in this document seeks to lay out an evolutionary approach to establishing an integrated set of market transparency products that progress continuously toward achieving the MSRB's statutory mandate to remove impediments to and perfect the mechanisms of a free and open market in municipal securities and municipal financial products for the purpose of protecting investors, municipal entities, obligated persons and the public interest. The plan is designed to fulfill this statutory charge in an efficient and effective manner that provides the protections expected under the Exchange Act while allowing free market forces to shape marketplace activities, practices and structures. In particular, the MSRB's suite of market transparency products seek to support the free market, continuing to serve as one of the key underlying resources to the private sector in its creation of value-added products and customer-driven market solutions while providing the general public – including in particular retail investors and state and local governments that may not have the same ready access to private sector sources of market information as do market professionals – access to these key underlying resources.

As the MSRB has noted throughout this document, many factors may have a considerable impact on the execution of individual initiatives needed to achieve the long-range vision. New ideas, new challenges, new technologies and new realities can be expected to arise in the coming years that will

call for changes to the vision. The MSRB is committed to undertaking a continuous critical review of all aspects of the vision to ensure that the goals enunciated by the MSRB continue to be relevant, that the execution of initiatives in fulfillment of the vision continues to be supportive of such goals, and that resources continue to be available to develop and reliably support the operation of high quality information products. An important element in ensuring the on-going relevance of this vision and of the MSRB market transparency products will be feedback from all facets of the marketplace and the general public, with the hope of making the achievement of the vision a collaborative process.

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APPENDIX A

DESCRIPTIONS OF EXISTING MSRB MARKET TRANSPARENCY PRODUCTS

Electronic Municipal Market Access (EMMA) Public Website – The MSRB’s EMMA website is a free on-line source for key municipal market information for retail investors and other market participants. The EMMA website serves as the venue for public access to primary market disclosures, continuing disclosures, transaction data and variable rate security information, as well as market statistics and investor education, as described in greater detail below.

- The EMMA public website can be accessed at <http://emma.msrb.org>.

Development History: The EMMA system was initially launched as a pilot on March 31, 2008, at which time it served as a free integrated public display of documents and data produced by other pre-existing MSRB systems, consisting of official statements and advance refunding documents (i.e., escrow deposit agreements used in advance refundings) collected by the MSRB through its former Municipal Securities Information Library (MSIL) system as well as trade data collected by the MSRB’s Real-Time Transaction Reporting System (RTRS). Prior to this launch, the information and documents displayed on the EMMA website generally was not available to the public for free. In addition to displaying the information and documents submitted by market participants to most of the other MSRB market information systems, EMMA and the MSRB’s Securities Master serve certain data integration and organizational functions to convert the various disparate feeds of information and documents from such other systems and from key information vendors into the meaningfully interrelated data and document structure made public through the EMMA website.

Certain key milestones in the development of the EMMA website, including new services, processes and functionalities introduced into the underlying EMMA framework, are noted below:

- On March 31, 2008, the pilot EMMA website was launched, displaying documents available from the MSIL system and trade data available from RTRS, together with investor education materials.
- On January 12, 2009, the EMMA website began making current MSRB-generated statistical and research information available to the public.
- On January 30, 2009, the EMMA website began to make available to the public current interest rates and key descriptive data for auction rate securities (ARS) collected through the MSRB’s new Short-term Obligation Rate Transparency (SHORT) system, described below, and on April 1, 2009 began to also make available such information for variable rate demand obligations (VRDOs) collected through the SHORT system.
- On June 1, 2009, the official statement/advance refunding submission process, previously handled by the MSIL system, was migrated to the new EMMA Primary Market Disclosure Service, as described below.
- On July 1, 2009, the continuing disclosure submission process was integrated into EMMA

through the new EMMA Continuing Disclosure Service and the MSRB's former Continuing Disclosure Information (CDI) System, later known as CDINet, was discontinued, as described below.

- Since 2009 EMMA has been continuously updated to incorporate changes made to the various MSRB market transparency programs, as described below.

Regulatory Framework:

- **EMMA Information Facility** – Establishes legal basis and minimum requirements and related parameters for operation of the EMMA public website, including the EMMA Primary Market Disclosure Service, Continuing Disclosure Service, the Trade Price Transparency Service, Short-term Obligation Rate Transparency Service, and EMMA subscription services. See <http://www.msrb.org/Rules-and-Interpretations/Information-Facilities/EMMA-Facility.aspx>.

EMMA Primary Market Disclosure Service – The EMMA Primary Market Disclosure Service receives submissions of official statements, preliminary official statements, related pre-sale documents, and advance refunding documents, together with indexing information, from underwriters, issuers and their agents. Submissions are made through an Internet-based electronic submission interface on the EMMA website or electronic computer-to-computer streaming connections. Documents and information submitted through the EMMA Primary Market Disclosure Service are currently made available to the public, at no charge, on the Internet through the EMMA website and are also made available by subscription for a fee.

- Information about the primary market disclosure submission process is available at <http://www.msrb.org/Market-Disclosures-and-Data/Submit-Data/Primary-Market-Disclosures.aspx>.
- Information about accessing official statements is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Official-Statements.aspx> and advance refunding documents is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Advance-Refunding-Documents.aspx>.
 - View the most recent official statements submitted by underwriters on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentOS.aspx>
 - View the most recent preliminary official statements submitted by issuers on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentPS.aspx>
 - View the most recent advance refunding documents submitted by underwriters on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentAR.aspx>
 - Information about subscribing to the electronic feed from the EMMA Primary Market Disclosure Service is available at <http://www.msrb.org/Market-Disclosures-and-Data/Data-Subscription-Services/MSRB-Primary-Market-Subscription.aspx>

Development History: Prior to the launch of the EMMA Primary Market Disclosure Service, the MSRB collected official statements and advance refunding documents, together with basic

indexing information, from underwriters and made them available by paid subscription, primarily to information vendors, through the MSRB's former Municipal Securities Information Library (MSIL) system under former Rule G-36, for offerings on or after January 1, 1990.¹ All such submissions were made in paper form until January 2, 2002, at which time the MSIL system began accepting documents in electronic format through its e-OS system at the election of the underwriter. With the launch of the EMMA pilot on March 31, 2008, the historical collection of official statements and advance refunding documents collected through MSIL, as well as such documents associated with current new issues, began to be made available to the public for free through the EMMA website.

Certain key milestones in the development of the EMMA Primary Market Disclosure Service are noted below:

- On July 1, 1990, MSRB Rule G-36 became effective, requiring underwriters to submit paper copies of official statements and Form G-36 for most new issues sold on or after January 1, 1990. The MSRB also opened its Public Access Facility, through which copies of such documents could be obtained by the public.
- On July 13, 1991, MSRB Rule G-36 was amended to require underwriters to submit paper copies of advance refunding documents and Form G-36(ARD) for most new issues sold on or after January 1, 1990. The form for official statements was modified to Form G-36(OS). Copies of advance refunding documents could be obtained by the public through the Public Access Facility.
- On April 20, 1992, the MSRB's Official Statement/Advance Refunding Document (OS/ARD) subsystem of MSIL and a subscription service to receive electronic copies of such documents were launched.
- On January 2, 2002, the MSRB launched the e-OS system, allowing dealers to submit official statements, advance refunding documents and associated Forms G-36(OS) and G-36(ARD) electronically.
- On March 31, 2008, official statements and advance refunding documents became publicly available for free through the pilot EMMA website.
- On June 1, 2009, the EMMA Primary Market Disclosure Service was launched in conjunction with the effectiveness of revised Rule G-32 providing for an electronic disclosure dissemination standard for the new issue municipal market, resulting in the establishment of an all-electronic collection and dissemination methodology that accelerated the time by which an investor in a new issue is able to access critical information about such issue as provided in the official

¹ Copies of individual official statements and advance refunding documents also could be purchased from the MSRB through its Public Access Facility. Rule G-36 was replaced by Rule G-32 on June 1, 2009.

- statement and also made such information simultaneously available to the entire marketplace.²
- On February 14, 2011, the MSRB began to require underwriters to report certain information about the continuing disclosure agreements entered into by issuers or obligated persons in connection with new issues.³
- On May 23, 2011, the MSRB provided issuers with the ability to voluntarily submit preliminary official statements and other related pre-sale documents, such as notices of sale or advertisements announcing an upcoming new issue, through the EMMA Primary Market Disclosure Service for display through the EMMA website.

Regulatory Framework:

- **EMMA Information Facility** – See “Electronic Municipal Market Access (EMMA) Public Website – Regulatory Framework” above.
- **Rule G-32 – Disclosures in Connection with New Issues** – Requires underwriters in primary offerings to submit electronically to EMMA official statements, advance refunding documents and related primary market documents and information, and permits dealers to satisfy their obligation to furnish official statements to purchasing customers by providing them with a link to EMMA, unless the customer requests a paper copy or it is an offering of a municipal fund security. Also requires underwriters to confirm the existence of a continuing disclosure agreement, report the identities of obligated persons in such agreement and provide the date by which annual financials are expected to be made available on EMMA, and requires dealers in negotiated sales to furnish to customers certain information concerning underwriting arrangements. Requires submissions to be made through electronic Form G-32 on EMMA. See <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-32.aspx>.

EMMA Continuing Disclosure Service – The EMMA Continuing Disclosure Service receives submissions of continuing disclosure documents, together with related information about continuing disclosures and indexing information to allow the public to readily identify and access such documents, from issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12, as well as other voluntarily submitted continuing disclosure documents concerning municipal securities. Submissions are made through an Internet-based electronic submission interface on the EMMA website or electronic computer-to-computer streaming connections. Documents and information submitted through the

² With the launch of the EMMA Primary Market Disclosure Service, the OS/ARD subsystem of the MSIL system was retired, although certain back-office functional aspects of the system continued to operate in support of other MSRB systems, including the Political Contribution Disclosure Program described below. On June 14, 2010, the MSRB terminated its Public Access Facility through which individual physical copies of official statements and other documents could be obtained since all such documents were now available through the EMMA website.

³ This information is made available to the public through the EMMA website’s display of information from the EMMA Continuing Disclosure Service, as described below.

EMMA Continuing Disclosure Service are currently made available to the public, at no charge, on the Internet through the EMMA website and are also made available by subscription for a fee.

- Information about the continuing disclosure submission process is available at <http://www.msrb.org/Market-Disclosures-and-Data/Submit-Data/Continuing-Disclosures.aspx>.
- Information about accessing continuing disclosure documents is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Continuing-Disclosure-Documents.aspx>.
 - View the most recent continuing disclosure documents submitted by issuers and obligated persons on the EMMA website at <http://emma.msrb.org/MarketActivity/RecentCD.aspx>
 - Information about subscribing to the electronic feed from the EMMA Continuing Disclosure Service is available at <http://www.msrb.org/Market-Disclosures-and-Data/Data-Subscription-Services/MSRB-Continuing-Disclosure-Subscription.aspx>

Development History: Since July 3, 1995 and prior to the launch of the EMMA Continuing Disclosure Service on July 1, 2009, issuers and obligated persons for most new issues of municipal securities entered into continuing disclosure agreements consistent with Exchange Act Rule 15c2-12 pursuant to which certain items of continuing disclosures were to be made available to the marketplace primarily through means of submissions to certain designated nationally recognized municipal securities information repositories (NRMSIRs), as well as to the MSRB. Prior to July 1, 2009, the MSRB collected a relatively small number of material event notices under Rule 15c2-12 and made them available by paid subscription, primarily to information vendors, through the MSRB's former Continuing Disclosure Information (CDI) System, later known as CDINet, beginning in 1993.⁴ On July 1, 2009, EMMA became the designated central submission venue for continuing disclosures pursuant to SEC Rule 15c2-12.

Certain key milestones in the development of the EMMA Continuing Disclosure Service are noted below:

- On January 21, 1993, the MSRB launched a pilot of the CDI System as a subsystem of MSIL through which bond trustees could submit, by paper, fax or modem transmission, continuing disclosures and a subscription service to receive electronic copies of such documents.
- On July 3, 1995, the pilot CDI System was modified to accept material event notices to be submitted by issuers and obligated persons under the SEC's amendments to Rule 15c2-12 that established the continuing disclosure NRMSIR structure in the municipal securities market.
- On December 16, 1996, the pilot CDI System received final SEC approval and was renamed

⁴ Prior to the effectiveness of the amendments to Rule 15c2-12 in 1994 putting in place the continuing disclosure provisions of the rule, submissions of continuing disclosures to the CDI System was entirely voluntary. Following the effectiveness of such amendments, issuers and obligated persons could submit material event notices (but not annual filings) to the CDI System in lieu of submitting such notices to all NRMSIRs. The CDI System received only a small number of material event notices presumably because issuers and obligated persons still needed to make filings to the NRMSIRs of annual filings, and thus using the CDI System would increase the number of venues that issuers and obligated persons would need to use to fulfill their continuing disclosure obligations.

CDINet to reflect that submissions would now be accepted through an Internet interface.

- On June 1, 2009, the MSRB launched a continuing disclosure pilot through EMMA to provide issuers and obligated persons a short period of time to become accustomed to using the centralized MSRB venue as a substitute for the NRMSIR system.
- On July 1, 2009, the EMMA Continuing Disclosure Service was launched in conjunction with the effectiveness of revised SEC Rule 15c2-12, resulting in the establishment of an all-electronic centralized collection and dissemination methodology for continuing disclosures that made such disclosures simultaneously available to the entire marketplace. In addition to disclosures identified in Rule 15c2-12, issuers and obligated persons were able to voluntarily post additional disclosures about their securities to EMMA. Users of the EMMA website were also provided with an ability to sign up for free email alerts to receive an email notification from EMMA every time a new disclosure document is posted for a particular security.
- On December 1, 2010, the number of categories of continuing disclosures accepted through the EMMA Continuing Disclosure Service and the descriptions of several existing categories of disclosure were modified to reflect the effectiveness of revisions to SEC Rule 15c2-12.
- On February 14, 2011, EMMA began displaying, in conjunction with the other information made available through the EMMA Continuing Disclosure Service, information about the continuing disclosure agreements entered into by issuers or obligated persons in connection with new issues, including confirmation that an issuer or obligated person has undertaken to provide continuing disclosures under Rule 15c2-12, the identity of any obligated persons, and the dates set forth in continuing disclosure agreements by which annual financial and operating data are expected to be available on EMMA.
- On May 23, 2011, the EMMA Continuing Disclosure Service was expanded to provide issuers and obligated persons with the ability to post to EMMA information concerning the accounting standard used in the preparation of annual financials and timing for submission to EMMA each year of the annual financials, as well as a hyperlink to other disclosure information available on such issuer's or obligated persons website.
- On November 21, 2011, the EMMA Continuing Disclosure Service began to make available to the public through EMMA real-time credit rating information from Fitch, Inc. and Standard & Poor's Financial Services, LLC.

Regulatory Framework:

- **EMMA Information Facility** – See “Electronic Municipal Market Access (EMMA) Public Website – Regulatory Framework” above.
- **SEC Rule 15c2-12 – Municipal Securities Disclosures** – Requires underwriters for most primary

offerings to, among other things, contract with the issuer to receive an official statement and prohibits underwriters from purchasing or selling municipal securities in a primary offering unless underwriters have reasonably determined that the issuer or obligated person has agreed to provide to the MSRB in electronic format certain annual financial and event-based disclosures. See <http://taft.law.uc.edu/CCL/34ActRls/rule15c2-12.html>.

Real-Time Transaction Reporting System (RTRS)/EMMA Trade Price Transparency Service –

Information relating to prices and other related data for virtually all customer and inter-dealer transactions in municipal securities are reported to RTRS for price transparency and market surveillance purposes. Dealers may submit the transaction price data through several portals. Inter-dealer transaction price data is submitted through the Depository Trust and Clearing Corporation's (DTCC) Real-time Trade Matching (RTTM) System through electronic computer-to-computer streaming connections or the RTTM Web interface. Transaction price information for trades with customers is reported using the communications connection between DTCC's RTTM System and RTRS through electronic computer-to-computer streaming connections or through the MSRB's RTRS Web interface. RTRS trade price information is currently made available to the public, at no charge, on the Internet through the EMMA website and is also made available by subscription for a fee.

- Information about the transaction reporting process is available at <http://www.msrb.org/Market-Disclosures-and-Data/Submit-Data/Trade-Data.aspx>.
- Information about accessing transaction reporting data is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Trade-Data.aspx>.
 - View the most recent trade reports submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentTrades.aspx>
 - Information about subscribing to the electronic RTRS feed and related RTRS subscription products is available at <http://www.msrb.org/Market-Disclosures-and-Data/Data-Subscription-Services/MSRB-Transaction-Subscription.aspx>

Development History: Transaction price data for inter-dealer trades first became available, on a next-day basis, from the MSRB's former Transaction Reporting System (TRS) in January 1995, with next-day customer trade price information becoming available in March 1998. Initially disseminating information only for securities that traded four or more times on a particular day, the data elements collected and disseminated, and the universe of securities for which trade price information was disseminated, expanded in steps to allow for assessments of the impact on liquidity of increasing trade transparency until trades in all securities, including those trading only once in a day, became available beginning in June 2003. In January 2005, TRS was replaced by the RTRS, which provided real-time trade price information, in most cases within 15 minutes after the time of trade, for all securities traded through subscription services.

Certain key milestones in the development of the RTRS and the EMMA Trade Price Transparency Service are noted below:

- On November 9, 1994, dealers first became obligated to report transaction price information to the MSRB by the end of trade date on a pilot basis, using the automated comparison system for municipal securities operated by National Securities Clearing Corporation (NSCC), and the MSRB began disseminating on January 24, 1995, through a TRS subscription service, a next-day daily report of the high, low and average trade price, the total par value traded, and related information for municipal securities that traded in the inter-dealer market four or more times on that date.
- On March 1, 1998, dealers began reporting customer transactions by the end of trade date to the Customer Transaction Reporting Subsystem (CTRS) of TRS either through NSCC or directly to the MSRB, and the MSRB began disseminating on August 24, 1998, through a TRS subscription service, a next-day daily combined report of the high, low and average trade price, the total par value traded, and related information for municipal securities that traded four or more times on that date, including both inter-dealer and customer trades (“frequently traded securities”).
- In 2000, the MSRB began disseminating, through a TRS subscription service, a next-day daily transaction report providing trade price information for each individual trade in frequently traded securities, followed by a monthly historical comprehensive transaction report providing trade price information for every trade in the municipal market, including both frequently and infrequently traded securities.
- In a series of stepwise improvements beginning on November 1, 2001, the MSRB began to make the comprehensive report of all trades available more promptly after trade date and to decrease the number of trades in a day required for a municipal security to be considered a frequently traded security for which next day trade information would be disseminated. On June 23, 2003, the MSRB began making available trade price information on all trades on a next day basis, regardless of the number of trades on a given day.
- On January 31, 2005, the MSRB launched RTRS, requiring dealers to report transaction price information for most trades in municipal securities to the MSRB within 15 minutes after the time of trade and disseminating such information through an automated real-time feed, with end-of-day reporting for certain new issue securities and a three hour reporting exception available for certain dealers transacting in when-issued securities and other securities in which the dealer had not recently traded.⁵
- The three hour reporting exception was eliminated in two steps, with the final step occurring on June 30, 2008 after implementation by DTCC of its New Issue Information Dissemination System (NIIDS) allowed underwriters to fulfill their obligation under Rule G-34 to make key information necessary for trading and reporting of trades available more quickly in the new issue market.
- On March 31, 2008, the RTRS real-time trade data became available for free on the pilot EMMA website.

5 With the launch of RTRS, TRS (including CTRS) was retired.

- On June 1, 2009, the EMMA Trade Price Transparency Service was launched in conjunction with the launch of the EMMA Primary Market Disclosure Service, transitioning the free real-time display of RTRS data from the EMMA pilot to the permanent EMMA website.

Regulatory Framework:

- **RTRS Information Facility** – Establishes legal basis and minimum requirements and related parameters for operation of RTRS. See <http://www.msrb.org/Rules-and-Interpretations/Information-Facilities/RTRS-Facility.aspx>
- **EMMA Information Facility** – See “Electronic Municipal Market Access (EMMA) Public Website – Regulatory Framework” above.
- **Rule G-14 – Reports of Sales or Purchases** – Requires dealers, among other things, to report information to the MSRB or its designee regarding all transactions in municipal securities; states that such information will be made available under the Exchange Act to agencies charged with inspection for compliance with and enforcement of MSRB rules; places upon the dealer the obligation to provide transaction information promptly, accurately and completely; requires each dealer to obtain from NASDAQ Subscriber Services a unique symbol to identify its transactions for reporting purposes; establishes Transaction Reporting Procedures with which dealers must comply regarding formats and methods. See <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-14.aspx>

Short-Term Obligation Rate Transparency (SHORT) System/EMMA Short-Term Obligation Rate Transparency Service – The SHORT System provides a centralized, comprehensive source of current information for auction rate securities (ARS) and variable rate demand obligations (VRDOs). Program dealers for ARS submit through the SHORT interface current interest rates, information about ARS orders and key descriptive data as well as certain program documents for ARS. Remarketing agents for VRDOs submit through the SHORT interface current interest rates and key descriptive data as well as certain liquidity facility documents for VRDOs. Submissions to the SHORT System are made through an Internet-based electronic submission interface on the EMMA website or electronic computer-to-computer streaming connections. Documents and information submitted through the SHORT System are currently made available to the public, at no charge, on the Internet through the EMMA website and are also made available by subscription for a fee.

- Information about the short-term interest rate data and document submission process is available at <http://www.msrb.org/Market-Disclosures-and-Data/Submit-Data/Variable-Rate-Securities.aspx>.
- Information about accessing short-term interest rate data and documents is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Variable-Rate-Securities.aspx>.
 - View the most recent data and documents for VRDOs submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentVRDO.aspx>
 - View the most recent data and documents for ARS submitted by dealers at <http://emma.msrb.org/MarketActivity/RecentARS.aspx>

msrb.org/MarketActivity/RecentARS.aspx

- Information about subscribing to the electronic feed from the SHORT System is available at <http://www.msrb.org/Market-Disclosures-and-Data/Data-Subscription-Services/Variable-Rate-Securities-Subscription.aspx>

Development History: The SHORT System was initially launched in January 2009 with ARS data, followed by VRDO data in April 2009. The SHORT System was expanded to include related documents and additional data elements for both ARS and VRDO in May 2011. This collection of data and documents was not previously collected or made available to the marketplace.

Certain key milestones in the development of the SHORT System and the EMMA Short-Term Obligation Rate Transparency Service are noted below:

- On January 30, 2009, the MSRB established the SHORT System and the EMMA Short-Term Obligation Rate Transparency Service with the launch of the ARS component of the SHORT System. Program dealers for ARS were required to submit interest rate reset information and other related information to the SHORT System and such information was made available to the public through the EMMA website through the EMMA Short-Term Obligation Rate Transparency Service.
- On April 1, 2009, the MSRB launched the VRDO component of the SHORT System. Remarketing agents for VRDOs were required to submit interest rate reset information and other related information to the SHORT System and such information was made available to the public through the EMMA website through the EMMA Short-Term Obligation Rate Transparency Service.
- On September 30, 2010, the MSRB launched a subscription service for information made available through the SHORT System.
- On May 16, 2011, the SHORT System was modified to provide for the submission of additional information and documents related to ARS and VRDOs. Program dealers for ARS were required to submit bidding information and other related information, as well as program documents describing the auction and rate setting procedures, to the SHORT System. Remarketing Agents for VRDOs were required to submit additional information and liquidity facility documents to the SHORT System. Such information and documents were made available to the public through the EMMA website through the EMMA Short-Term Obligation Rate Transparency Service and through the SHORT System subscription service.

Regulatory Framework:

- **SHORT Information Facility** – Establishes legal basis and minimum requirements and related parameters for operation of the SHORT System. See <http://www.msrb.org/Rules-and-Interpretations/Information-Facilities/SHORT-Facility.aspx>

- **EMMA Information Facility** – See “Electronic Municipal Market Access (EMMA) Public Website – Regulatory Framework” above.
- **Rule G-34 – CUSIP Numbers and New Issue Requirements** – Requires dealers, among other things, to submit certain information and documents related to auction rate securities and variable rate demand obligations to the SHORT system. See <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-34.aspx>

Political Contribution Disclosure Program – On April 25, 1994, the MSRB’s pay-to-play prohibitions under MSRB Rule G-37 became effective and established a disclosure requirement for dealers to assist in maintaining the integrity of the municipal securities underwriting process. The Political Contribution Disclosure Program requires dealers that underwrite municipal securities to submit quarterly disclosure filings to the MSRB that include information about political contributions made to elected governmental issuer officials with the authority to hire the underwriter, state and local political parties, and bond ballot referendum committees, as well as information about the dealer’s primary market activities. Contribution information is required from the dealer itself, its municipal professionals, and political action committees they control. The MSRB makes all quarterly disclosures available to the public at the MSRB’s website at www.msrb.org.

- Information about the political contributions disclosure submission process is available at <http://www.msrb.org/Market-Disclosures-and-Data/Submit-Data/Political-Contribution-Disclosures.aspx>.
- Information about accessing political contributions disclosures is available at <http://www.msrb.org/Market-Disclosures-and-Data/Access-Data/Political-Contribution-Disclosures.aspx>.
 - Search for political contributions disclosures submitted by dealers at http://www.msrb.org/msrb1/pcocweb/search/advanced_search.asp

Development History: The initial submissions to the MSRB of quarterly political contribution disclosures from dealers, on paper Form G-37, were due on July 31, 1994. Disclosures received by the MSRB were processed through the MSRB’s MSIL system and were initially made available to the public only in paper form at the MSRB’s offices, with the MSRB beginning to post submitted disclosures on its website in 1997. The MSRB began accepting electronic submissions of these disclosures on June 30, 2003. Form G-37 has been modified on a number of occasions, and related Forms G-37x and G-38t were created, due to amendments in Rule G-37 and the adoption and later repeal of Rule G-38, on consultants, which required disclosures about dealers’ use of third-party consultants to obtain primary market business. Although the MSIL system was retired in 2009 for purposes of processing primary market disclosures, the functions relating to the Political Contribution Disclosure Program handled by the MSIL system continue to operate.

Certain key milestones in the development of the Political Contribution Disclosure Program are noted below:

- On July 31, 1994, initial submissions by dealers of paper Form G-37 under Rule G-37, including disclosures of political contributions to issuer officials and political parties as well as

primary market engagements, became due and functionality to process such submissions was incorporated into the MSIL system. Copies of Form G-37 were available to the public through the MSRB's Public Access Facility at its offices.⁶

- On January 17, 1996, Form G-37 was modified to become Form G-37/G-38 to include disclosures required under Rule G-38 relating to the use by dealers of consultants to obtain primary market engagements.
- By December 1997, the MSRB posted submitted Forms G-37 and G-37/G-38 on its website to provide free public access to such disclosures.
- On February 8, 1999, the MSRB created Form G-37x allowing dealers that do not engage in primary market activities to file for an exemption from Rule G-37 disclosure and recordkeeping requirements.
- On April 1, 2000, the MSRB expanded the disclosures required on Form G-37/G-38 with respect to consultants under Rule G-38 to include information regarding their political contributions.
- On June 30, 2003, the MSRB launched its eG-37 System, which provided dealers the option to submit their Forms G-37/G-38 and G-37x electronically.
- On August 29, 2005, the MSRB substantially revised Rule G-38 to prohibit the use of consultants and modified Form G-37/G-38 to again become Form G-37 with the removal of consultant information, and also created new Form G-38t to provide for certain transitional disclosures under Rule G-38. As a transitional disclosure, Form G-38t submissions could only be submitted on paper but were made available to the public electronically on the MSRB website.
- On February 1, 2010, Form G-37 was modified to include disclosures on contributions made to bond ballot campaigns.

Regulatory Framework:

- **Rule G-37 – Political Contributions and Prohibitions on Municipal Securities Business –** Prohibits dealers from engaging in municipal securities business with an issuer within two years after any contribution to an official of such issuer made by: (i) the dealer; (ii) any municipal finance professional associated with such dealer; or (iii) any political action committee controlled by the dealer or any municipal finance professional; the only exception to the prohibition on business is for certain contributions made to issuer officials by municipal finance professionals; contributions by such persons to officials of issuers would not involve application of the prohibition on business, but only if the municipal finance professional is entitled to vote for such official and provided any contributions by such municipal finance professionals do not exceed, in total, \$250 to each official, per election; the rule also includes a requirement for quarterly reporting to the

⁶ As noted above, the Public Access Facility was terminated on June 14, 2010.

MSRB by dealers of certain information regarding political and bond ballot contributions made and municipal securities business engaged in by dealers. Quarterly reports made through paper or electronic Form G-37. See <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-37.aspx>

- **Rule G-38 – Solicitation of Municipal Securities Business** – Prohibits dealers from paying persons who are not affiliated with the dealers for soliciting municipal securities business on their behalf. Limited transitional reporting regarding past use of consultants made through paper Form G-38t. See <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-38.aspx>

Municipal Market Research Services – The MSRB has increasingly served as a source for reliable statistical information important to municipal securities market participants, academics and public policymakers. Using the wealth of authoritative data collected by the MSRB through its market transparency programs in conjunction with other private sector sources of information, the MSRB has posted on the MSRB and EMMA website, and has separately published and disseminated, statistical data that provides to the public a more complete picture of the municipal securities market.

- Information about the MSRB’s municipal market research services is available at <http://www.msrb.org/Market-Disclosures-and-Data/Market-Statistics/Municipal-Market-Statistics.aspx>.
 - Access a broad suite of current and historical market statistics from the MSRB website at <http://www.msrb.org/Market-Disclosures-and-Data/Market-Statistics/Municipal-Market-Statistics.aspx>
 - Access daily trading statistics and other related information from the EMMA website at <http://emma.msrb.org/MarketActivity/ViewStatistics.aspx>

History: Certain key milestones in the publication of municipal market statistical information are noted below:

- On July 15, 1999, the MSRB published a review of official statement submissions to the MSIL system during 1998 to assess the timeliness of disclosures to investors in the new issue market and to solicit comments on ways to improve on timeliness.
- On January 19, 2000, the MSRB published statistical information on transaction patterns in municipal securities based on trade reports submitted to TRS for the period from May 1998 to April 1999.
- Beginning in June 2000, the MSRB has published monthly statistical information on transaction patterns in the municipal securities market based on trade reports submitted to TRS through January 2005 and trade reports submitted to RTRS thereafter.
- On January 12, 2009, the EMMA website became the primary venue through which current

MSRB-generated statistical and research information is made available to the public.

- On July 21, 2009, the MSRB published its first annual Fact Book, serving as a comprehensive compendium for statistical information for the prior five calendar years. The MSRB has continued to publish its Fact Book annually.
- On February 12, 2010, the MSRB published a statistical report on the issuance of and trading in Build America Bonds during 2009. This report updated the MSRB's initial statistical report published on July 2, 2009 on the early issuance and trading activities in Build America Bonds during the first few months of the program.
- On September 28, 2010, the MSRB published its first statistical report on interest rate information for auction rate securities and variable rate demand obligations collected through the SHORT System through May 2010. This report was updated on July 21, 2011 with data through April 2011.
- On May 12, 2011, the MSRB published its first quarterly statistical summary of trading, interest rate and disclosure information. The quarterly publication of this statistical summary provides more up-to-date information on much of the statistical information provided on an annual basis in the Fact Book.
- On August 25, 2011, the MSRB published its first statistical report on continuing disclosure submissions to the EMMA Continuing Disclosure Service.

APPENDIX B

FRAMEWORK FOR ON-GOING PLANNING FOR MSRB MARKET TRANSPARENCY PRODUCT DEVELOPMENT

Set out below is a series of MSRB market transparency product goals that the MSRB has adopted as guiding principles for purposes of planning for the specific initiatives to achieve the long-range vision. These guiding principles have been applied in the process of creating the vision itself and also will be applied going forward, particularly in connection with the evaluation of potential modifications to the long-range plan in light of changing market needs and opportunities.

MSRB Market Transparency Program Long-Range Planning Strategic Goals and Outcomes

Goal 1: Promote efficient operation of municipal market.

- 1.1 Proactively work to remove barriers from using industry-accepted security identifiers and promote improved identification of securities/issues/issuers
- 1.2 Facilitate access to timely and accurate security descriptive information
- 1.3 Assist third parties with and conduct market-wide research initiatives related to market structure, practices and efficiencies through analysis, data collaboration and market expertise

Goal 2: Facilitate investor access to information necessary for making informed investment decisions.

- 2.1 Provide on EMMA access to timely and appropriate market-wide and security-specific information
- 2.2 Facilitate finding securities on EMMA and identification of comparable securities/issuers

Goal 3: Establish services that protect issuers.

- 3.1 Respond to the needs of the issuer community and provide a forum for gaining a better understanding of how MSRB can further its issuer protection mission
- 3.2 Provide mechanisms that facilitate issuer monitoring of secondary market activity in their securities
- 3.3 Facilitate identification of comparable securities / issuers for evaluating cost of financings and continuing disclosure filing performance

3.4 Provide through EMMA services that facilitate issuer communication to the market

Goal 4: Ensure that the submission of information and documents to MSRB systems is efficient.

4.1 Utilize the principals of straight-through processing and incorporate timeframes for making submissions that are consistent across rules and logical with respect to market practices

4.2 Ensure business rules and system logic for MSRB systems reflect changing market practices and new products

Goal 5: Serve as a reliable and relevant source of market data and statistical information.

5.1 Provide meaningful and appropriate municipal market data and statistical information through analysis and disseminate such data in a manner that effectively communicates it to appropriate market participants

5.2 Facilitate access to and offer analysis of market data to policymakers, academics and other appropriate third parties

Goal 6: Foster compliance with and provide tools for enforcement of MSRB rules and federal laws.

6.1 Collect information and documents that allow for monitoring market activity and in a manner that allows for ready extraction of data and timely creation of custom reports

6.2 Implement mechanisms for detection of data quality-based violations of MSRB rules

6.3 Sanction regulated parties for data quality-based violations of MSRB rules