



Municipal Securities Rulemaking Board

December 2, 2025

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Response to Comments on File No. SR-MSRB-2025-02

Dear Ms. Countryman,

On September 30, 2025, the Municipal Securities Rulemaking Board (“MSRB”) filed¹ with the Securities and Exchange Commission (“Commission”) a proposed rule change to establish new rates of assessment on municipal advisors under MSRB Rule A-11 and on brokers, dealers, and municipal securities dealers (collectively, “dealers”, and, together with municipal advisors, “regulated entities”) for underwriting, transaction and trade count fees under MSRB Rule A-13 pursuant to a multi-year rate card for the calendar years 2026, 2027, 2028, and 2029 (the “Multi-Year Rate Card”), and a new, multi-year rate setting model (the “Multi-Year Rate Card Process”).² The proposed rule change was published for comment in the Federal Register on October 3, 2025.³ Four comment letters were filed with the Commission.⁴

¹ See File No. SR-MSRB-2025-02 (Sept. 30, 2025) (the “2025 Rate Card Filing”), available at <https://www.msrb.org/sites/default/files/2025-09/SEC-Filing-SR-MSRB-2025-02.pdf>.

² The MSRB also proposed technical amendments to Rule A-11 and Rule A-13 designed to reflect the proposed multi-year rate card and to institute the Multi-Year Rate Card Process.

³ See Exchange Act Release No. 34-104154, (Sep. 30, 2025), 90 FR 48082 (Oct. 3, 2025), File No. SR-MSRB-2025-02.

⁴ See letter from Michael Decker, Senior Vice President, Research and Public Policy, Bond Dealers of America (“BDA”) (Oct. 24, 2025) (the “BDA Letter”); letter from Susan Gaffney, Executive Director, National Association of Municipal Advisors (“NAMA”) (Oct. 24, 2025) (the “NAMA Letter”); letter from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association (“SIFMA”) (Oct. 24, 2025) (the “SIFMA Letter”); and letter from Robert Laorno, General Counsel, ICE Bonds Securities Corporation (“ICE Bonds”) (Oct. 24, 2025) (the “ICE Bonds Letter”).

All four commenters supported⁵ or did not oppose⁶ the Multi-Year Rate Card as filed. In addition, beyond approval of the Multi-Year Rate Card as filed, most commenters supported continued dialogue between the MSRB and stakeholders on various aspects of the rate-setting and other MSRB financial processes for future consideration.⁷

Each commenter noted certain aspects of the Multi-Year Rate Card Process that it would like to have the MSRB focus on as it considers future changes to rates and charges and the process for determining them. BDA and SIFMA looked to have the MSRB reconsider the balance of fees between broker-dealers and municipal advisors and the manner of assessing municipal advisor fees,⁸ while NAMA stated that the current fee structure for municipal advisors

⁵ See BDA Letter at 1 (“BDA supports the Proposal and we encourage the Commission to approve it. While not without flaws, the Proposal is consistent with statute and generally represents a reasonable approach to a sustainable MSRB funding plan.”); ICE Bonds Letter at 1 (“ICE Bonds is supportive of the Rule A-13(d) Proposed Rule Change as we generally agree with the MSRB’s stated view that moving away from the MSRB’s current process for determining rate card fees from an annually calculated adjustment to a fixed multi-year rate schedule for rate card fees will improve the stability and predictability of rate card fees for regulated entities and remove the variability that currently exists with the year-to-year approach.”); SIFMA Letter at 1 (“SIFMA supports the SEC’s approval of the MSRB’s filing. SIFMA members recognize and appreciate that the MSRB has conducted industry outreach and responded to industry concerns.”).

⁶ See NAMA Letter at 1 (“NAMA does not oppose the Filing or the establishment of the four-year Rate Card.... NAMA continues to support the per-MA fee as the only viable solution to collect fees on municipal advisors, and appreciates MSRB’s support for this approach.”).

⁷ See BDA Letter at 1 (“We appreciate the outreach the Board has done around issues raised in the Proposal and the improved transparency around MSRB finances in general. And we appreciate the Board’s responsiveness to our concern that the previous annual Rate Card system resulted in excessive fee rate volatility. We intend to maintain a dialog with the MSRB around the Rate Card and related issues and we are encouraged by the Board’s willingness to adapt its financial policies as needed.”); NAMA Letter at 1 (“We are committed to continuing the dialogue with the MSRB about the changes in its Funding Policy and understand that the MSRB has made the same commitment.”); SIFMA Letter at 2-3 (“SIFMA appreciates the MSRB’s efforts to engage the industry in outreach during the development of its Multi-Year Rate Card.... We look forward to continuing to work with the MSRB on future incremental changes to its fee structure to achieve a more equitable balance of fees between dealer market activity fees and municipal advisor fees.”).

⁸ See BDA Letter at 1-2 (seeking further consideration on the balance between broker-dealer and municipal advisor fees for future rate cards, on the proper duration of future

should be maintained.⁹ ICE Bonds suggested that the MSRB consider alternative fee structures for alternative trading systems (ATSs) for future rate cards.¹⁰

The MSRB is committed to continuing its ongoing dialogue with stakeholders regarding the issues raised in the comment letters, including formulation of future charges, fees, and rate cards, as well as future, potential alternative fee mechanisms for certain market participants. In addition, the MSRB's Funding Policy provides that the MSRB will conduct a periodic review of its organizational reserves target and, at the mid-point of an effective Multi-Year Rate Card, will evaluate and consider corrective actions if organizational reserves exceed or fall below the established target by 20% or greater. The MSRB expects its future stakeholder outreach to encompass a broad range of relevant issues and factors beyond the baseline requirements of the Funding Policy.

The NAMA Letter also described certain language previously included in the MSRB's Funding Policy, including language relating to a goal of allocating burdens on different classes of regulated entities fairly, taking into consideration the benefits received from operating in a fair and efficient market. NAMA stated its objective is for the MSRB to remain consistent with such language.¹¹ The MSRB notes that the Funding Policy was revised, effective October 1, 2025, to remove the mechanics of the prior annual rate card process to reflect the change to a multi-year rate card process that would not depend on this prior mechanism. The changes to the Funding Policy also sought to place focus on a more effective manner of managing the MSRB's organizational reserves and on stabilizing rates within the new multi-year rate period, as well as to streamline the Funding Policy overall. The MSRB does not believe that the changes to the Funding Policy diminish any of the MSRB's baseline commitments as enunciated by the prior Funding Policy or imposed on the MSRB by statute.¹² Further, in the 2025 Rate Card Filing, the

rate cards and on formalizing periodic reviews of and industry outreach concerning MSRB revenues); SIFMA Letter at 2 (seeking further consideration on potential future market activity fees on municipal advisors and on additional transparency of municipal advisor fees).

⁹ See NAMA Letter at 1 ("NAMA continues to support the per-MA fee as the only viable solution to collect fees on municipal advisors, and appreciates MSRB's support for this approach.").

¹⁰ See ICE Bonds Letter, *passim* (seeking consideration for future rate cards of potential alternative fee structures for alternative trading systems).

¹¹ See NAMA Letter at 1.

¹² The MSRB also notes that the extensive dialogue with stakeholders described herein and in the comment letters undertaken by the MSRB on the development and filing of the 2025 Rate Card Filing was not mandated by the prior Funding Policy, and therefore the

MSRB stated that the new rate card is intended to have a fair and equitable balance of fees between all regulated entities and that it establishes fees that are reasonably and fairly designed to be proportionately distributed across regulated entities in such a way that would not harm competition among regulated entities, impede capital formation, reduce market efficiency, nor otherwise harm the functioning of the municipal securities market. Of note, while the specific language cited by NAMA no longer appears in the current Funding Policy, the current version of that policy added language at the beginning stating that the MSRB seeks to establish fees that are fair and reasonable. In addition, the notions of fairness and reasonableness are undergirded by provisions of Exchange Act Section 15B that govern MSRB rulemaking (including its rate setting).¹³

Finally, the MSRB stated in the 2025 Rate Card Filing that, with respect to municipal advisor rate card assessments, the MSRB believed that it would be appropriate, over the course of this upcoming multi-year period, to undertake a review of municipal advisory activities and any potential mechanisms for gauging levels and types of such activities that might be appropriate for use in future municipal advisor rate settings under the Multi-Year Rate Card Process. The MSRB stated, and reiterates now, that such review would entail outreach to market participants and opportunities for interested parties to provide comment on any proposed changes to the municipal advisor assessment process. The observations made by the commenters regarding municipal advisor fees will be considered during such review, and the MSRB will also consider other potential refinements to the rate card process and the fees themselves (including the suggestions from ICE Bonds) when engaging in future rulemaking on subsequent rate cards.

The MSRB believes it has undertaken a meaningful review of its fees, charges, and rate card process and has proposed substantive changes responsive to stakeholders' concerns. Accordingly, and consistent with commenters' statements in support for the Multi-Year Rate Card, the MSRB believes that the proposed rule change is consistent with the Exchange Act and should thus be approved.

changes in the Funding Policy do not alter or diminish the MSRB's commitment to engaging with stakeholders on a going-forward basis.

¹³ See e.g., Exchange Act Section 15B(b)(2)(J), with respect to the establishment of fees, require that the MSRB establish such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the MSRB; Exchange Act Section 15B(b)(2)(C), restricting the MSRB from adopting rules designed to impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act or to permit unfair discrimination among customers, municipal entities, obligated persons, municipal securities brokers, municipal securities dealers, or municipal advisors; and Exchange Act Section 15B(b)(2)(L)(iv) restricting the MSRB from imposing a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.

If you have any questions, please contact me at 202-838-1500.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Lanza', with a stylized flourish at the end.

Ernesto A. Lanza
Chief Regulatory and Policy Officer