

Proposed Rule Change by Municipal Securities Rulemaking Board
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Proposed rule change to Rule G-34, on CUSIP numbers and new issue requirements, to require underwriter registration and testing with Depository Trust and Clearing Corporation's New Issue Information Dissemination System

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 Last Name
 Title
 E-mail
 Telephone Fax

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
 By Corporate Secretary
 (Name)

(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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information

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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

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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

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

Add Remove View

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

Add Remove View

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.

1. Text of Proposed Rule Change

(a) The Municipal Securities Rulemaking Board (“MSRB”) hereby files with the Securities and Exchange Commission (“Commission”) a proposed rule change consisting of an amendment to Rule G-34, on CUSIP Numbers and New Issue Requirements (referred to hereafter as “proposed rule change”). The proposed rule change would require underwriters to register and conduct tests with the Depository Trust and Clearing Corporation’s New Issue Information Dissemination System. The text of the proposed rule change is set forth below. New language is underlined.

Rule G-34: CUSIP Numbers and New Issue Requirements

(a) through (c) No change.

(d) NIIDS Registration and Testing Requirements. NIIDS is an automated, electronic system that receives comprehensive new issue information on a market-wide basis for the purposes of establishing depository eligibility and immediately re-disseminating such information to information vendors supplying formatted municipal securities information for use in automated trade processing systems. It is operated by Depository Trust and Clearing Corporation (DTCC), a securities clearing agency registered with the Securities and Exchange Commission providing depository services for municipal securities.

(i) NIIDS Registration. Prior to acting as underwriter for a new issue of municipal securities with nine months or greater effective maturity, each broker, dealer or municipal securities dealer must register to use NIIDS with DTCC.

(ii) NIIDS Testing.

(A) NIIDS Web Interface. Prior to acting as underwriter for a new issue of municipal securities with nine months or greater effective maturity, each broker, dealer or municipal securities dealer shall test its capability to use NIIDS by successfully submitting two test new issues using the NIIDS Web Interface.

(B) NIIDS Autofeed Interface. Prior to acting as underwriter for a new issue of municipal securities with nine months or greater effective maturity, each broker, dealer or municipal securities dealer that plans to establish computer-to-computer connections with NIIDS (either directly or through a vendor) shall test its capability to use NIIDS by successfully submitting two test new issues using computer-to-computer connections.

(iii) NIIDS Start-Up. Each broker, dealer or municipal security dealer that has acted at any time after September 30, 2007 and plans to continue to act as

an underwriter for a new issue of municipal securities with nine months or greater effective maturity shall complete the requirements of this section (d) by no later than September 15, 2008.

* * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was adopted by the MSRB at its April 3, 2008 meeting. Questions concerning this filing may be directed to Justin R. Pica, Uniform Practice Policy Advisor, at 703-797-6716.

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

(a) Purpose

The proposed rule change would require underwriters to register and conduct tests with the Depository Trust and Clearing Corporation's ("DTCC") New Issue Information Dissemination System ("NIIDS"). The proposed rule change would help ensure that dealers are prepared for the September 30, 2008 effective date of other changes to MSRB rules to require underwriters to participate in NIIDS.¹ Accordingly, the proposed rule change would require all brokers, dealers and municipal securities dealers (collectively "dealers") that have acted as underwriter² in the last year on a new issue of municipal securities with nine months or greater effective maturity to register to use NIIDS with DTCC and successfully test NIIDS prior to September 15, 2008.³ On an ongoing basis the proposed rule change would require dealers to register to use NIIDS with DTCC and

¹ See Securities Exchange Act Release No. 57750 (May 1, 2008), 73 FR 25815 (May 7, 2008).

² Rule G-34 defines "underwriter" very broadly to include a dealer acting as a placement agent as well as any dealer purchasing new issue securities from the issuer as principal. If there is an underwriting syndicate, the lead manager is considered to be the "underwriter" for purposes of Rule G-34.

³ Many underwriters have already registered with DTCC and initiated NIIDS testing. The proposed rule change would place a deadline on underwriters to register with DTCC and complete NIIDS testing. Underwriters that have already satisfied the requirements of the proposed rule change prior to SEC approval are not required to re-register or re-test.

successfully test NIIDS prior to acting as underwriter on a new issue of municipal securities with nine months or greater effective maturity.

DTCC NIIDS IMPLEMENTATION PLAN

NIIDS is a centralized system for collecting and communicating new issue securities information. NIIDS will act as a central collection point for standardized electronic files of new issue information provided by underwriters that will be disseminated in real-time to information vendors. NIIDS is a component of a larger initiative at DTCC to implement an updated system for making new issues depository eligible (“UW SOURCE”). While NIIDS will provide an improved mechanism for disseminating the new issue information necessary for trade processing, information submitted into NIIDS also will be used in UW SOURCE for making new issues depository eligible.

Beginning September 2, 2008, DTCC will require underwriters to use NIIDS in connection with the filing of an application for depository eligibility in UW SOURCE for new issues of municipal securities.⁴ To allow underwriters to gain experience with UW SOURCE in advance of September 2, 2008, DTCC has made UW SOURCE available on an optional basis to allow all registered underwriters to test their ability to use UW SOURCE, including the NIIDS component. DTCC has developed educational training materials on UW SOURCE and NIIDS that are available on DTCC’s web site.

MSRB NIIDS REGISTRATION REQUIREMENT

Under the proposed rule change, all dealers that underwrite municipal securities with nine months or greater effective maturity would be required to register to use NIIDS with DTCC. Registration with DTCC is required in order for an underwriter to gain access to UW SOURCE to test NIIDS.

MSRB NIIDS TESTING REQUIREMENT

Once an underwriter has completed DTCC NIIDS registration requirements, the underwriter is allowed to submit test data into NIIDS. DTCC has published a test plan that underwriters can use to gain familiarity with NIIDS. DTCC’s UW SOURCE Testing and Implementation Plan is available on DTCC’s web site.

DTCC’s UW SOURCE Testing and Implementation Plan includes the capability for underwriters to test the submission of information for several different types of securities. The proposed rule change only requires underwriters to test submitting information about securities with nine months or greater effective maturity since the changes to MSRB rules to require underwriter participation with NIIDS that become

⁴ See Securities Exchange Act Release No. 57768 (May 2, 2008), 73 FR 26181 (May 8, 2008).

effective on September 30, 2008 provide an exception for short-term instruments with less than nine months in effective maturity.

Two methods of inputting new issue information into NIIDS are provided by DTCC: i) NIIDS Web Interface and ii) NIIDS “Autofeed” Interface. The NIIDS Web Interface allows underwriters to input information about a new issue using an internet portal manually or by uploading a formatted Excel spreadsheet. The proposed rule change would require all underwriters to submit two test new issues using the NIIDS Web Interface.

The NIIDS Autofeed Interface allows underwriters to establish computer-to-computer connections with DTCC either directly or through a vendor to submit automated files directly to NIIDS. For underwriters planning to use the NIIDS Autofeed Interface, the proposed rule change would require underwriters to submit two test new issues using computer-to-computer connections.

DTCC will monitor underwriter testing and provide status updates to the MSRB. For purposes of determining whether an underwriter has successfully tested the NIIDS Web Interface or the NIIDS Autofeed Interface, underwriters must be able to submit a test new issue in NIIDS and achieve “Trade Eligibility” status in less than two hours. To assist in monitoring whether a test was successful, underwriters should enter a “Time of Formal Award” in NIIDS that reflects the time that the underwriter begins submitting data into NIIDS so that the Time of Formal Award can be compared with the time at which Trade Eligibility status is achieved.

(b) Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Securities Exchange Act of 1934 (the “Act”), which provides that the MSRB’s rules shall:

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

The MSRB believes that the proposed rule change is consistent with the Act because it will allow the municipal securities industry to produce more accurate trade reporting and transparency.

4. Self-Regulatory Organization’s Statement on Burden on Competition

The MSRB does not believe the proposed rule change will impose any burden on competition since it would apply equally to all brokers, dealers and municipal securities dealers.

5. Self-Regulatory Organization’s Statement on Comments Received on the Proposed Rule Change by Members, Participants, or Others.

Written comments were neither solicited nor received on the proposed rule change.

6. Extension of Time Period of Commission Action

The MSRB declines to consent to an extension of the time period specified in Section 19(b)(2) of the Act.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2).

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

1. Federal Register Notice

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. **SR-MSRB-2008-04**]

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change to MSRB Rule G-34, CUSIP Numbers and New Issue Requirements, to Require Underwriter Registration and Testing with Depository Trust and Clearing Corporation's New Issue Information Dissemination System.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1), and Rule 19b-4, 17 C.F.R. 240.19b-4, notice is hereby given that on May 9, 2008, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in items I, II, and III below, which items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The MSRB is filing with the Commission a proposed rule change consisting of changes to Rule G-34, CUSIP Numbers and New Issue Requirements. The proposed rule change would require underwriters to register and conduct tests with the Depository Trust and Clearing Corporation's New Issue Information Dissemination System. The text of

the proposed rule change is available on the MSRB's Web site (<http://www.msrb.org>), at the MSRB's principal office, and at the Commission's Public Reference Room.

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

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

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

1. Purpose

The proposed rule change would require underwriters to register and conduct tests with the Depository Trust and Clearing Corporation's ("DTCC") New Issue Information Dissemination System ("NIIDS"). The proposed rule change would help ensure that dealers are prepared for the September 30, 2008 effective date of changes to other MSRB rules to require underwriters to participate in NIIDS.¹ Accordingly, the proposed rule change would require all brokers, dealers and municipal securities dealers (collectively

¹ See Securities Exchange Act Release No. 57750 (May 1, 2008), 73 FR 25815 (May 7, 2008).

“dealers”) that have acted as underwriter² in the last year on a new issue of municipal securities with nine months or greater effective maturity to register to use NIIDS with DTCC and successfully test NIIDS prior to September 15, 2008.³ On an ongoing basis the proposed rule change would require dealers to register to use NIIDS with DTCC and successfully test NIIDS prior to acting as underwriter on a new issue of municipal securities with nine months or greater effective maturity.

DTCC NIIDS IMPLEMENTATION PLAN

NIIDS is a centralized system for collecting and communicating new issue securities information. NIIDS will act as a central collection point for standardized electronic files of new issue information provided by underwriters that will be disseminated in real-time to information vendors. NIIDS is a component of a larger initiative at DTCC to implement an updated system for making new issues depository eligible (“UW SOURCE”). While NIIDS will provide an improved mechanism for disseminating the new issue information necessary for trade processing, information submitted into NIIDS also will be used in UW SOURCE for making new issues depository eligible.

² Rule G-34 defines “underwriter” very broadly to include a dealer acting as a placement agent as well as any dealer purchasing new issue securities from the issuer as principal. If there is an underwriting syndicate, the lead manager is considered to be the “underwriter” for purposes of Rule G-34.

³ Many underwriters have already registered with DTCC and initiated NIIDS testing. The proposed rule change would place a deadline on underwriters to register with DTCC and complete NIIDS testing. Underwriters that have already satisfied the requirements of the proposed rule change prior to SEC approval are not required to re-register or re-test.

Beginning September 2, 2008, DTCC will require underwriters to use NIIDS in connection with the filing of an application for depository eligibility in UW SOURCE for new issues of municipal securities.⁴ To allow underwriters to gain experience with UW SOURCE in advance of September 2, 2008, DTCC has made UW SOURCE available on an optional basis to allow all registered underwriters to test their ability to use UW SOURCE, including the NIIDS component. DTCC has developed educational training materials on UW SOURCE and NIIDS that are available on DTCC's web site.

MSRB NIIDS REGISTRATION REQUIREMENT

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The NIIDS Autofeed Interface allows underwriters to establish computer-to-computer connections with DTCC either directly or through a vendor to submit automated files directly to NIIDS. For underwriters planning to use the NIIDS Autofeed Interface, the proposed rule change would require underwriters to submit two test new issues using computer-to-computer connections.

DTCC will monitor underwriter testing and provide status updates to the MSRB. For purposes of determining whether an underwriter has successfully tested the NIIDS Web Interface or the NIIDS Autofeed Interface, underwriters must be able to submit a test new issue in NIIDS and achieve “Trade Eligibility” status in less than two hours. To assist in monitoring whether a test was successful, underwriters should enter a “Time of Formal Award” in NIIDS that reflects the time that the underwriter begins submitting

data into NIIDS so that the Time of Formal Award can be compared with the time at which Trade Eligibility status is achieved.

2. Statutory Basis

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

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

The MSRB believes that the proposed rule change is consistent with the Act because it will allow the municipal securities industry to produce more accurate trade reporting and transparency.

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

The MSRB does not believe the proposed rule change will impose any burden on competition since it would apply equally to all brokers, dealers and municipal securities dealers.

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

Written comments were neither solicited nor received on the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number **SR-MSRB-2008-04** on the subject line.

Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number **SR-MSRB-2008-04**. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only

information that you wish to make available publicly. All submissions should refer to File Number **SR-MSRB-2008-04** and should be submitted on or before within [insert date twenty-one days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Nancy M. Morris

Secretary

⁵ 17 CFR 200.30-3(a)(12).