

2018-23

Publication Date
September 11, 2018

Stakeholders
Municipal Securities
Dealers, Municipal
Advisors, Issuers,
Investors, General
Public

Notice Type
Informational Notice

Application Deadline
September 28, 2018

Category
Administration

MSRB Expands Advisory Groups and Seeks Volunteers

Overview

In response to stakeholder feedback and the value of previous advisory groups supporting the work of the Municipal Securities Rulemaking Board (MSRB), the MSRB is expanding its advisory groups to benefit from additional outside input and provide greater opportunity for involvement in support of the organization's mission. Historically, the MSRB has convened advisory groups of industry practitioners to lead development of professional qualification exams for municipal securities dealers and municipal advisors. More recently, advisory groups have lent subject-matter expertise to the development of MSRB's MuniEdPro® courses and to investor-focused initiatives, and provided input to the Board regarding the organization's long-term strategic goal to facilitate industry understanding of and compliance with MSRB rules.

To further inform the MSRB, during the fiscal year that begins October 1, 2018, the MSRB will convene three advisory groups. In FY2019, a Retail Investor Advisory Group and a Municipal Fund Securities Group, along with the Compliance Advisory Group will be established. The MSRB is now seeking market participants and members of the public to express interest in volunteering for these FY2019 advisory groups. Complete information about volunteer requirements can be found at the end of this notice. Questions about this notice can be directed to Sara Ahmadzai at sahmadzai@msrb.org or at 202-838-1341.

Background

The Municipal Securities Rulemaking Board (MSRB) is an independent self-regulatory organization governed by a Board of Directors with broad expertise in the municipal securities market. The MSRB's activities are informed by input from and engagement with municipal market participants and other stakeholders who share the MSRB's commitment to safeguarding the integrity of the municipal securities market. This governance structure ensures that rulemaking, market transparency and other MSRB initiatives benefit from the insight of multiple experts and market participants, and



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from perspectives of those knowledgeable about the unique and often-complex nature of the municipal securities market.

The MSRB's Congressional mandate to protect investors, municipal entities and the public interest by promoting a fair and efficient municipal securities market requires ongoing engagement with stakeholders with an interest in a well-functioning market. An extensive notice-and-comment process accompanies virtually all MSRB rulemaking initiatives, as well as other initiatives that benefit from market and public input. The notice-and-comment mechanism ensures all municipal market stakeholders and the public have an opportunity to submit their feedback and provide data, expertise and insight that helps shape the policy direction of the organization.

To further draw on the expertise and perspectives of market participants, the MSRB may establish advisory groups to advise on certain municipal securities market matters and bring unique knowledge and skills that complement the knowledge and skills of MSRB Board members and staff. In addition, advisory groups may provide a forum through which the MSRB receives information directly from important constituencies in the municipal securities market regarding topics identified by the Board. Such information can assist the MSRB with ensuring access to balanced, expert market knowledge from a variety of professionals in the municipal securities market to better inform specific MSRB initiatives.

The three advisory groups for which the MSRB is seeking volunteers for FY2019 are described below, along with their objectives.

Compliance Advisory Group

The MSRB originally established the Compliance Advisory Group in FY2018 to provide outside expertise and input to the Board to help inform the organization's long-term strategic goal to facilitate industry understanding of and compliance with MSRB rules. The group provided input on regulatory guidance, advisories, best practices and educational materials for dealers and municipal advisors to assist their efforts in developing effective supervisory and compliance programs. Compliance-oriented senior executives from diverse MSRB-regulated firms on the Compliance Advisory Group also helped the MSRB prioritize areas where the industry could benefit from further guidance or tools that support compliance.

In FY2019, a new Compliance Advisory Group will continue this work and meet periodically to discuss regulatory topics that may warrant additional compliance assistance and provide input to facilitate such activities. The MSRB is seeking applicants whose input and expertise can help identify and

clarify those areas where compliance assistance is warranted and will be most effective.

Retail Investor Advisory Group

In 2016 and 2017, the MSRB convened an Investor Advisory Group to ensure the MSRB's investor protection activities—particularly the ongoing development of the Electronic Municipal Market Access (EMMA®) website—were informed by input from a diverse group of investors. It also provided the Board with access to additional expertise on municipal market practices, transparency and investor protection issues. The FY2019 Retail Investor Advisory Group will be composed of retail investors, retail brokers and others who interface with the retail investor, and can provide input to the Board on rules, practices, transparency and education as they relate to retail investor protection issues.

Municipal Fund Securities Advisory Group

In FY2019, a Municipal Fund Securities Advisory Group will provide input to the Board on municipal market rules, practices, transparency and education related to 529 college savings plans and Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (ABLE) programs. The MSRB is engaged in an effort to refine and expand data elements it collects about 529 plans and ABLE programs. The advisory group will provide technical and other assistance related to this effort as well as provide expert input regarding any regulatory guidance, transparency initiatives or educational resources relating to municipal fund securities.

Volunteer Requirements

Qualified individuals from around the country representing diverse market perspectives and organizations are encouraged to express interest in volunteering. Individuals should email their name, a resume or biography documenting their experience in the municipal securities market or other basis for knowledge of the market, along with a statement of interest in serving on an advisory group(s) to Sara Ahmadzai at sahmadzai@msrb.org. In addition, the MSRB requests that interested individuals identify topics they recommend the advisory group to address. The MSRB will consider all recommendations and determine which topics are within the scope and authority of the MSRB, and which the Board agrees to address.

The MSRB will accept volunteer submissions through Friday, September 28th, 2018 and review and assess candidates based on knowledge and experience. The MSRB also will consider such factors as diversity in geographic location, and size and type of municipal securities dealer, municipal advisor and other firms and individuals. The selection process and

announcement of members of the advisory groups will occur in October 2018 with meetings expected to commence in November 2018.

Advisory Group Service

Advisory groups will generally meet via conference call but there may also be in-person meetings. Advisory group members will be reimbursed for their travel costs related to in-person meetings but are otherwise not compensated for their time. They will be expected to maintain confidentiality of non-public information learned during their advisory group service and must be prepared to treat as confidential all MSRB and advisory group discussions and materials. Advisory group meetings are closed to the media and the public to promote free and open discussion on all topics, and to promote an environment in which impartial judgment may be exercised.

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