

2024-05

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March 21, 2024

Stakeholders

Municipal Advisors

Notice Type

Informational Notice

Effective Date

March 21, 2024

Category

Administration

Affected Rules

[Rule A-11](#)

MSRB Makes Technical Amendment to Rule A-11 on Municipal Advisor Fees

On March 21, 2024, the Municipal Securities Rulemaking Board (the “MSRB”) submitted a proposed rule change to the Securities and Exchange Commission (the “Commission”) to make a technical amendment, for immediate effectiveness, to Supplementary Material .01 to MSRB Rule A-11, on assessments for municipal advisor professionals.¹ This technical amendment clarifies that the calculation of the annual fee on municipal advisors for covered professionals² under Rule A-11(b) (the “Municipal Advisor Professional Fee”) is based on the number of covered professionals as of January 31, 2024, rather than January 31, 2023, for the fees to be assessed in 2024, and as of January 31 of each subsequent year thereafter.³

The amendment does not change the rate of the Municipal Advisor Professional Fee, which is \$1,060 for each covered professional. Rather, it changes the fixed date of January 31, 2023, previously included in the rule text to January 31 of the applicable year, beginning in 2024, in connection with the calculation each year of the Municipal Advisor Professional Fee

¹ File No. [SR-MSRB-2024-02](#).

² As defined in Rule A-11(a), “covered professional” means a person associated with a municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission an active Form MA-I as of January 31 of each year.

³ The MSRB previously included this amendment in its withdrawn proposal to amend MSRB Rules A-11 and A-13 to establish the 2024 Rate Card Fees for Dealers and Municipal Advisors. See Exchange Act Release No. 99096 (Dec. 6, 2023), 88 FR 86188 (Dec. 12, 2023), File No. SR-MSRB-2023-06 (the “2024 Rate Card Filing”). On January 29, 2024, the Commission suspended the 2024 Rate Card Filing, which had gone into effect on January 1, 2024. See Exchange Act Release No. 99444 (Jan. 29, 2024), 89 FR 7424 (Feb. 2, 2024) (File No. SR-MSRB-2023-06). On February 16, 2024, the MSRB withdrew the 2024 Rate Card Filing. See Exchange Act Release No. 99577 (Feb. 21, 2024), 89 FR 14552 (Feb. 27, 2024) (File No. SR-MSRB-2023-06).



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based on the number of covered professionals for whom a municipal advisor has on file with the Commission an active Form MA-I. As a result of this technical amendment, the Municipal Advisor Professional Fee that will become due by April 30, 2024 pursuant to Rule A-11(b) will be based on the number of covered professionals as of January 31, 2024.

Questions concerning this filing may be directed to Ernesto Lanza, Chief Regulatory and Policy Officer, Omer Ahmed, Chief Financial Officer, or Billy Otto, Assistant Director, Market Regulation, at (202) 838-1500.

March 21, 2024

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Text of Amendments*

Rule A-11: Assessments for Municipal Advisor Professionals

(a) – (c) No change.

Supplementary Material

.01 Annual Rate Card Fee. Pursuant to Section (b) above, each municipal advisor that is registered with the Commission shall pay to the Board a fee in the amount of \$1,060 for each covered professional as of January 31 of the applicable year, beginning in 2024~~, 2023~~. The subsequent amendment of this Annual Rate Card Fee will be determined through the Board's annual rate card process as further described in the Board's funding policy and be submitted to the Securities and Exchange Commission pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934, as amended. The annual rate card process includes (i) a maximum cap on targeted revenue that caps an annual increase in the total targeted revenue for a Rate Card Fee at 10% of the highest amount of such targeted revenue in the previous two annual rate cards and (ii) a maximum cap on assessment rate increases that caps the maximum increase in the assessment rate for a Rate Card Fee at 25% of the highest assessment rate in the previous two annual rate cards. The Board's funding policy may be accessed at msrb.org.

.02 Calculation of the Prime Rate for Purposes of an Overdue Balance. No change.

* Underlining indicates new language; strikethrough denotes deletions.