

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

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|---|------------------------------------|-------------------------------------|---|---|--|
| Initial <input checked="" type="checkbox"/> | Amendment <input type="checkbox"/> | Withdrawal <input type="checkbox"/> | Section 19(b)(2) <input type="checkbox"/> | Section 19(b)(3)(A) <input checked="" 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 checked="" type="checkbox"/> 19b-4(f)(6) | |

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|---|---|
| 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).

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

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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” or “Board”) is hereby filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to delete the requirement under Rule G-8, on books and records, that brokers, dealers and municipal securities dealers maintain copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. The MSRB has proposed an effective date for the proposed rule change of March 21, 2008. The proposed rule change is as follows:¹

Rule G-8: Books and Records to be Made by Brokers, Dealers and Municipal Securities Dealers.

(a) *Description of Books and Records Required to be Made.* Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i) through (xxi) No change.

[(xxii) *Records Concerning Electronic Mail Contacts.* Records reflecting copies of Form G-40 and any amended forms, as required by Rule G-40.]

(b) through (g) No change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was adopted by the Board at its January 10, 2008 meeting. Questions concerning this filing may be directed to Jill C. Finder, Associate General Counsel, at (703) 797-6600.

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

(a) Purpose

Subparagraph (a)(xxii) under Rule G-8, on books and records, requires that brokers, dealers and municipal securities dealers (“dealers”) keep records reflecting

¹ [Brackets] indicate deletions.

copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. Rule G-40 provides for electronic communication between the MSRB and dealers by imposing certain requirements on dealers.² When the rule was first adopted in 2002, dealers were required to submit their initial forms by mail. The rule was subsequently amended in 2005 to require that *all* G-40 submissions – both initial forms and any subsequent amendments – be submitted electronically to the MSRB. Dealers accomplish this through their individual electronic G-40 accounts. Because dealers are no longer required to provide any paper submissions in connection with Rule G-40, there is no reason to retain the current requirement under Rule G-8(a)(xxii) that dealers maintain copies of Form G-40 and any amended forms.³ Accordingly, the proposed rule change would delete this requirement.

(b) **Statutory Basis**

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that MSRB 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 by deleting the obsolete requirement to maintain copies of Form G-40 and any amended forms, the proposed rule change will facilitate dealer understanding and compliance with Rules G-8 and G-40, as well as the inspection and enforcement thereof.

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

² Dealers are required to use Form G-40 to appoint a “Primary Contact” who must be either a Series 53-registered municipal securities principal or a Series 51-registered municipal fund securities limited principal. The rule also requires each dealer to maintain an Internet email account, and to review and, if necessary, update its Primary Contact information within 17 business days of each calendar year. The rule is based on similar FINRA requirements; the Board attempts, whenever possible, to adopt rule provisions and language similar to FINRA rules in order to ensure a coordinated regulatory approach in areas of mutual regulation.

³ In addition to certain quarterly reports provided to FINRA and the bank regulatory agencies, the MSRB provides FINRA examiners with secure, on-line access to each dealer’s current G-40 information to assist in inspecting for dealer compliance with Rule G-40.

The MSRB does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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 for Commission Action

Not applicable.

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

The MSRB has submitted the proposed rule change pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; (C) was provided to the Commission for its review at least five business days prior to the filing date; and (D) does not become operative until March 21, 2008, which is more than thirty (30) days after the date of filing.

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-2008-01)

Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Amendment to Rule G-8, on Books and Records, to Delete Requirement to Maintain Copies of Form G-40

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 19, 2008 the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) 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 an amendment to Rule G-8, on books and records, to delete the requirement that brokers, dealers and municipal securities dealers maintain copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. The MSRB proposes that the amendment become effective on March 21, 2008.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Subparagraph (a)(xxii) under Rule G-8, on books and records, requires that brokers, dealers and municipal securities dealers ("dealers") keep records reflecting copies of Form G-40 and any amended forms as required by Rule G-40, on email contacts. Rule G-40 provides for electronic communication between the MSRB and dealers by imposing certain requirements on dealers.³ When the rule was first adopted in 2002, dealers were required to submit their initial forms by mail. The rule was

³ Dealers are required to use Form G-40 to appoint a "Primary Contact" who must be either a Series 53-registered municipal securities principal or a Series 51-registered municipal fund securities limited principal. The rule also requires each dealer to maintain an Internet email account, and to review and, if necessary, update its Primary Contact information within 17 business days of each calendar year. The rule is based on similar FINRA requirements; the Board attempts, whenever possible, to adopt rule provisions and language similar to FINRA rules in order to ensure a coordinated regulatory approach in areas of mutual regulation.

subsequently amended in 2005 to require that *all* G-40 submissions – both initial forms and any subsequent amendments – be submitted electronically to the MSRB. Dealers accomplish this through their individual electronic G-40 accounts. Because dealers are no longer required to provide any paper submissions in connection with Rule G-40, there is no reason to retain the current requirement under Rule G-8(a)(xxii) that dealers maintain copies of Form G-40 and any amended forms.⁴ Accordingly, the proposed rule change would delete this requirement.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that MSRB 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 by deleting the obsolete requirement to maintain copies of Form G-40 and any amended forms, the proposed rule change will facilitate dealer understanding and compliance with Rules G-8 and G-40, as well as the inspection and enforcement thereof.

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

The MSRB does not believe that the proposed rule change will result in any

⁴ In addition to certain quarterly reports provided to FINRA and the bank regulatory agencies, the MSRB provides FINRA examiners with secure, on-line access to each dealer's current G-40 information to assist in inspecting for dealer compliance with Rule G-40.

burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

Because the proposed rule change:

(i) does not significantly affect the protection of investors or the public interest;

(ii) does not impose any significant burden on competition; and

(iii) does not become operative for thirty (30) days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such proposed rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 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-2008-01 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-2008-01. 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, 100 F Street, NE, Washington, DC 20549. 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-2008-01 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Market Regulation, pursuant to delegated authority (17 CFR 200.30-3(a)(12)).

Nancy M. Morris
Secretary