

Municipal Securities Rulemaking Board

Code of Ethics and Business Conduct

The MSRB Code of Ethics and Business Conduct is a guide to ethical decision-making. This Code supplements MSRB Policies and Procedures and the Conflicts of Interest Policy. Although the standards in the Code are based primarily on laws, rules and regulations, in some cases they go beyond such legal obligations. The Code reflects the statutory obligation of the organization with respect to the municipal securities markets, which, among other things, is “to prevent fraudulent and manipulative acts and practices, to promote just and equitable principals of trade, to foster cooperation and coordination . . . to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest”*

In fulfilling this statutory mission, the Code requires Board members to act, at all times, ethically and professionally. Board members have a special responsibility to lead according to the standards in this Code, in both words and action, and to serve as an example to other industry participants with regard to compliance with both the letter and spirit of MSRB rules. Board members are responsible for making sure that their decisions and actions comply at all times with the intent of this Code. Given the pace of changes in the municipal securities industry, no set of standards should be considered the final word in all circumstances. Guidance should be sought from the General Counsel, if a Board member has doubts about the application of this Code to a particular situation. In addition, Board members have a duty to report behavior on the part of others that appears to violate this Code or any other compliance policy or procedure of the MSRB. All concerns, questions and complaints will be taken seriously and handled promptly, confidentially and professionally.

The standards in this Code may be further explained or implemented through policy memoranda, amendments to existing policies and procedures or otherwise. This Code, the Board’s Policies and Procedures, and the Conflicts of Interest Policy, are available on the Board’s intranet or by contacting the General Counsel.

The following standards of ethics and business conduct will be strictly enforced. Anyone who violates them will be subject to prompt disciplinary action, including removal from the Board.

Compliance with Laws, Including Insider Trading

Board members are required to comply with all applicable laws, rules and regulations, including the Securities Exchange Act of 1934 (the “Act”). No Board member shall willfully violate any provision of the Act, any rule or regulation of the Securities and Exchange Commission (“SEC”), or any rule of the Board. Further, no

* Exchange Act Section 15B(b)(2)(C).

Board member shall abuse his or her authority, or act or fail to act, on any matter so as to affect adversely the MSRB or its statutory mission.

In addition, in the course of their duties, Board members may be exposed to information about pending action by the Board, enforcement actions by other regulatory authorities, or information about MSRB registrants or other companies that is not available to the general public. The use of any such material, non-public or “inside” information for securities trading purposes, directly or indirectly, is strictly forbidden. Generally, federal law prohibits anyone who possesses “material” non-public information about a company to trade its stock or other securities. “Material” information is usually defined as any information that might influence a reasonable investor to buy, sell or hold stock. One example might include information about a proposed MSRB rule that would materially affect MSRB registrants. U.S. law also prohibits anyone who possesses material, non-public information from using it to tip anyone else who might trade on it.

Board members who are uncertain about these “insider trading” rules should consult the General Counsel before conducting a securities transaction or discussing Board business with others. Any Board member who violates “insider trading” rules will be subject to immediate removal from the Board.

Loans

Loans by the MSRB to, and guarantees by the MSRB of obligations of, Board members incurred for personal reasons can also present conflicts of interest. It is the MSRB’s policy that such loans will not be made to any Board member. Moreover, Board members are prohibited from borrowing from or lending to MSRB staff or one another. Finally, except in the context of Board members who may borrow from or lend to their employers pursuant to the rules of such organizations, Board members are prohibited from borrowing from or lending to MSRB regulated entities.

Gifts and Gratuities

Board members are prohibited from giving gifts or gratuities to or receiving gifts or gratuities from (a) MSRB staff; (b) MSRB registrants; (c) any person with whom MSRB transacts business; or (d) any person who may be impacted by MSRB regulation. All offers of gifts or gratuities of any kind, whether accepted or rejected, must be reported to the General Counsel. This rule does not apply (a) when, on infrequent occasions, in connection with Board business, unsolicited free food and refreshments of nominal value are offered to Board members; (b) when unsolicited advertising or promotional material of nominal value such as pens, pencils, note pads, calendars, etc. are offered to Board members; or (c) when the General Counsel, after due consideration, determines that an exception is warranted and appropriate in a particular situation.

Confidentiality Requirement

Board meetings are closed to the media and the public in order to promote free and frank discussion on all topics and to promote an environment in which impartial

judgment may be exercised. Board members must treat as confidential all Board or Committee business, and discussions and material distributed to them in connection with Board or Committee business, unless the Board requests input from market participants regarding a proposed or existing rule or practices that might impact a proposed or existing rule. If a Board member (or a Board member's employer) receives a request to produce copies of communications or documents sent to the Board member from the MSRB (*e.g.*, a subpoena, a discovery request, or a FOIA type request) the Board member must promptly inform the General Counsel of the request.

Public Speaking and Lobbying

When commenting publicly regarding the municipal securities industry, Board members must be clear that they are expressing their own views and not necessarily those of the MSRB. All official MSRB communications must be approved by the Board Chair or Executive Director and coordinated with the Chief Communications Officer.

No person may make any political contribution as a representative of the MSRB. All Board members must also avoid lobbying activities or even the appearance of lobbying any governmental body or public official or appearing before such a body or official as a representative of the MSRB without the express approval of the General Counsel.

Corporate Opportunities

Board members may not appropriate to themselves, or to any other person or organization, the benefit of any business venture, opportunity or potential opportunity that currently is or may be of interest to the MSRB without first obtaining the Board's consent. Board members owe a duty to the MSRB to advance its legitimate interests.

Protection of the MSRB's Assets

The MSRB requires a commitment on the part of all Board members to the proper use of its assets, tangible and intangible. Board members have a duty to safeguard against the loss, damage, misuse, theft or sabotage of the MSRB's assets. Board members must comply with the MSRB travel expense policy and must not submit requests for reimbursement of expenses not legitimately related to Board business.

Accurate Books and Records

The MSRB's books and records must accurately and fairly represent the Board's decision-making process and all proceedings of the Board and its Committees. Board members must comply with the MSRB record retention policy, including the policy regarding electronic communications. E-mails that Board members send to or receive from the MSRB's e-mail system are retained by the MSRB's information technology department as provided under such policy and the department's retention schedule. Any other e-mails that Board members send or receive in their capacity as members of the Board, including but not limited to e-mails sent between Board members using their

respective e-mail systems, are also considered records of the MSRB and must be retained for a period of five (5) years.

Waivers of the Code of Ethics and Business Conduct

Any request for a waiver of any standard in this Code may be granted only by the Board. The Board must not grant such waivers to Board members unless good cause is shown for doing so, and such waivers should generally be disfavored.

Compliance Review

The Board may conduct periodic reviews of its members' compliance with this Code. Allegations of potential wrongdoing will be investigated by the proper Board personnel and reported to the Board, and if necessary, to the relevant authorities. Violations of this Code may be punishable by removal from the Board. Any person who takes any action whatsoever in retaliation against any person who has in good faith raised any question or concern about compliance with this Code will be subject to serious sanctions, which may include removal from the Board.

Where to Turn for Advice

Board members who have questions about this Code of Ethics and Business Conduct should turn to the General Counsel in the first instance or, if the General Counsel is the subject of the inquiry, the Board member should contact the Executive Director or the Chair.

Acknowledgement

I acknowledge that I have received, read and understood the MSRB's Code of Ethics and Business Conduct and that my conduct as a Board member of the MSRB must at all times comply with the standards and policies set out in the Code, as well as any other legal or compliance policies or procedures of the MSRB.

Name: _____

Signature: _____

Date: _____