

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="21"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="03"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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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"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<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, required when Initial is checked \*).

Proposed rule change to establish a subscription to historical information and documents submitted to the MSRB's Short-Term Obligation Rate Transparency System (SHORT 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 * <input type="text" value="Leslie"/>	Last Name * <input type="text" value="Carey"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="lcarey@msrb.org"/>	
Telephone * <input type="text" value="(703) 797-6600"/>	Fax <input type="text" value="(703) 797-6700"/>

**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

(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 (required)**

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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 (required)**

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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**

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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 (the “MSRB”) is hereby filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to establish a subscription to historical information and documents submitted to the MSRB’s Short-Term Obligation Rate Transparency System (“SHORT System”). The SHORT System collects and disseminates information and documents for municipal Auction Rate Securities (“ARS”) and municipal Variable Rate Demand Obligations (“VRDOs”).

The text of the proposed rule change is set forth below, with underlining indicating additions.

\* \* \* \* \*

**SHORT-TERM OBLIGATION RATE TRANSPARENCY SYSTEM**

The Short-term Obligation Rate Transparency (“SHORT”) System is a facility of the Municipal Securities Rulemaking Board (“MSRB”) for the collection and dissemination of information and documents about securities bearing interest at short-term rates and making such information and documents publicly available through a dissemination service.

**Submissions to the SHORT System**

No change.

**SHORT System Processing**

No change.

**SHORT System Information and Document Dissemination**

No change.

**SHORT-TERM OBLIGATION RATE TRANSPARENCY SUBSCRIPTION SERVICE**

The Short-term Obligation Rate Transparency (“SHORT”) System is a facility of the Municipal Securities Rulemaking Board (“MSRB”) for the collection and dissemination of information and documents about securities bearing interest at short-term rates, which include Auction Rate Securities (“ARS”) and Variable Rate Demand Obligations (“VRDOs”). The SHORT subscription service, which is available for an annual fee of \$10,000, makes available to subscribers data streams of all information and documents

collected by the SHORT System.<sup>(11)</sup> Information and documents submitted to the SHORT System also are posted to the MSRB’s Electronic Municipal Market Access (EMMA<sup>®</sup>) web portal pursuant to the EMMA short-term obligation rate transparency service. Such information and documents will be made available to subscribers simultaneously with the availability of such information and documents to the EMMA web portal. Submitters of information and documents to the SHORT System may provide or modify such items for a particular submission in one or more sessions and any such items provided or modified will be made available to subscribers simultaneously with the availability of such items to the EMMA web portal.

Data elements with respect to the SHORT subscription service to be provided through the data stream shall be set forth in the SHORT System Subscriber Manual posted on the MSRB website. Each submission of information to the SHORT System will result in an XML data packet to be included in the subscription feed containing, to the extent applicable for each submission, some of the following data elements:

Data Element	Definition
Sequence Number	An incremental system generated number assigned to each reported transaction.
Transaction Type	Dealer-supplied transaction type to indicate that a submission is a new report, modification or cancellation.
Publication Date and Time	Date and time a submission was published.
Dealer Names	The identity of the ARS Program Dealer(s) or VRDO Remarketing Agent.
Control Number	Unique identifier used to tie transactions together in the case of a modification or cancellation.

CUSIP9	CUSIP Number for the security.
Instrument Type	Indication of whether the security is an ARS or a VRDO.
Interest Rate Reset Date and Time	ARS - Date and time that the ARS auction occurred.  VRDOs - Date and time that the VRDO interest rate was determined.
Interest Rate Period	Number of calendar days that the interest rate is applicable.
Interest Rate Posting Date and Time	ARS (only) – Date and time that the ARS auction results were communicated to ARS Program Dealers.
Effective Date of Interest Rate	VRDOs (only) - Effective date that the interest rate reset is applicable.
Interest Rate	Interest rate, in percent.
Minimum Denomination	Minimum allowable transaction size, in par amount.

<p>Rate Type</p>	<p>ARS - Indication of whether the interest rate submitted represents a maximum rate (M), all hold rate (H), or an interest rate set by the auction process (A).</p> <p>VRDOs - Indication of whether the interest rate submitted represents a maximum rate, a rate that was set by a formula, or a rate that was set by the VRDO Remarketing Agent.</p>
<p>Minimum Rate</p>	<p>ARS - Minimum interest rate, in percent, applicable at the time of the auction or if such minimum interest rate is not able to be calculated, an indication that such rate is not calculable.</p> <p>VRDOs - Minimum interest rate, in percent, applicable at the time of the interest rate reset or if such minimum interest rate is not able to be calculated, an indication that such rate is not calculable.</p>
<p>Maximum Rate</p>	<p>ARS - Maximum interest rate, in percent, applicable at the time of the auction or if such maximum interest rate is not able to be calculated, an indication that such rate is not calculable.</p> <p>VRDOs - Maximum interest rate, in percent, applicable at the time of the interest rate reset or if such maximum interest rate is not able to be calculated, an indication that such rate is not calculable.</p>

<p>Notification Period</p>	<p>VRDOs (only) - Number of calendar days that may lapse between a holder of a VRDO tendering a position in the security and a liquidity provider purchasing the tendered security in the event that the Remarketing Agent is unable to remarket the tendered security.</p>
<p>Liquidity Facility Type</p>	<p>VRDOs (only) - For each liquidity facility applicable to a VRDO, an indication of whether it is a standby bond purchase agreement, letter of credit, or a “self liquidity” program whereby liquidity is provided by the issuer, conduit borrower or affiliate.</p>
<p>Liquidity Facility Expiration Date</p>	<p>VRDOs (only) - The expiration date of each liquidity facility applicable to a VRDO.</p>
<p>Identity of Liquidity Provider</p>	<p>VRDOs (only) - For each liquidity facility applicable to the VRDO, the identity of the liquidity provider. This value reflects information available to the VRDO Remarketing Agent as of the date and time of the interest rate reset.</p>
<p>Aggregate Par Amount – Bank Bond</p>	<p>VRDOs (only) - Par amount of the VRDO, if any, held by liquidity providers (as a “Bank Bond”). This value reflects information available to the VRDO Remarketing Agent as of the date and time of the interest rate reset.</p>

<p>Aggregate Par Amount – Investors and Remarketing Agent</p>	<p>VRDOs (only) - Par amount of the VRDO, if any, held by parties other than a liquidity provider, which represents the aggregate par amounts held by the VRDO Remarketing Agent and by investors. This value reflects information available to the VRDO Remarketing Agent as of the date and time of the interest rate reset.</p>
<p>Identity of Tender Agent</p>	<p>VRDOs (only) - For each tender agent applicable to the VRDO, the identity of the tender agent. This value reflects information available to the VRDO Remarketing Agent as of the date and time of the interest rate reset.</p>
<p>Order Type</p>	<p>ARS (only) - Indication of whether an order is an order to buy, sell or hold at rate.</p>
<p>Order Interest Rate</p>	<p>ARS (only) - For orders to buy or hold at rate, the interest rate associated with such orders.</p>
<p>Order Entity</p>	<p>ARS (only) - Indication of whether an order placed or that was filled is for an investor, program dealer for its own account or issuer/conduit borrower of the ARS.</p>
<p>Order Par Amount</p>	<p>ARS (only) - The aggregate par amount submitted to the auction for each order type, interest rate for buy and hold at rate orders, and order entity.</p>



Filled Par Amount	ARS (only) - The aggregate par amount filled as a result of the auction for each order type, interest rate for buy and hold at rate orders and order entity.
Bid to Cover Ratio	ARS (only) - Ratio of the aggregate par amount of securities bid for the aggregate par amount of securities offered in an auction.

Each document submission to the SHORT System will result in an XML data packet to be included in the subscription feed. Each submission event packet will include data organized in a hierarchical data relationship generally consisting of (to the extent applicable for a particular submission event) XML containers for submission data, security data and document data. These containers will contain some, all or none of the following types of data elements, as appropriate for each submission event being disseminated:

**Submission Data:** submission ID; transaction ID; submission transaction date/time

**Security Data:** CUSIP number, ARS/VRDO instrument type identifier

**Document Data:** document ID; document type; document posting date; document status indicator

The SHORT System Subscriber Manual provides a complete, up-to-date listing of all data elements made available through the SHORT subscription service, including any additions, deletions or modifications to disseminated data elements, detailed definitions of each data element, specific data format information, and information about technical data elements to support transmission and data-integrity processes between the SHORT System and subscribers.

Subscriptions will be provided through computer-to-computer data streams utilizing XML files for data and files in a designated electronic format (consisting of PDF files) for documents. Appropriate schemas and other technical specifications for accessing the web services through which the data stream will be provided are set forth in the SHORT System Subscriber Manual posted on the MSRB website.

The MSRB makes the SHORT subscription service available on an equal and non-discriminatory basis. Subscribers shall be subject to all of the terms of the subscription agreement to be entered into between the MSRB and each subscriber, including proprietary rights of third parties in information provided by such third parties that is made available through the subscription. The MSRB is not responsible for the content of the information or documents submitted by submitters that is distributed to subscribers of the SHORT subscription service.

### **EMMA Short-Term Obligation Rate Transparency Historical Data Product**

In addition to offering the SHORT subscription service, the MSRB offers a SHORT historical data product, which consists of the same data set (including both information and documents) as provided by the SHORT subscription service up to the end of the most recent complete month. The SHORT historical data product may be purchased in any twelve consecutive complete month data sets for \$5,000 per data set.<sup>[21]</sup> No smaller data sets will be made available on an individual basis.<sup>[31]</sup> The SHORT historical data product will be made available to purchasers in electronic format using a physical medium (such as an optical disc, flash memory card or external hard drive),<sup>[41]</sup> pursuant to the terms of the MSRB Historical Transaction Data Purchase Agreement, which must be executed by purchasers prior to delivery of the data product.<sup>[51]</sup> A one-time set-up fee of \$2,000 will be charged to new purchasers of the SHORT historical data product, unless the purchaser subscribes to an MSRB Subscription Service, or previously has purchased a historical product.<sup>[61]</sup>

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<sup>[11]</sup> Subscribers to the SHORT system will be able to access historical data for the most recent six months on a daily rolling basis. Older data is available for purchase in twelve consecutive complete month data sets pursuant to the SHORT historical data product.

<sup>[21]</sup> The purchase price does not include sales tax as required by Virginia state law. The purchase price is a one-time charge for the SHORT historical data product and will not include any future additions or enhancements that may be added to the data. The MSRB could, in its discretion, waive or reduce the purchase price for not-for-profit organizations that desire the product for non-profit or research purposes consistent with their stated charitable or other public purpose.

<sup>[31]</sup> The SHORT system became effective January 30, 2009. Accordingly, a purchaser of all historical information and documents will be charged \$5,000 for each twelve consecutive month data set and a prorated amount for any remaining months of information and documents.

- <sup>[4]</sup> The MSRB will choose an appropriate physical medium for delivering the SHORT historical data product based upon the quantity of data included in a data set and technological advances in physical media.
- <sup>[5]</sup> Purchasers are subject to all of the terms of the purchase agreement to be entered into between the MSRB and each purchaser, including terms relating to the proprietary and intellectual property rights of third parties in information provided by such third parties that is made available through the product.
- <sup>[6]</sup> The MSRB could, in its discretion, waive or reduce the product set-up fee(s) for not-for-profit organizations that desire the service for non-profit or research purposes consistent with their stated charitable or other public purpose.

\* \* \* \* \*

- (b) Not applicable.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was adopted by the MSRB at its January 27–28, 2011 meeting. Questions concerning this filing may be directed to Leslie Carey, 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

In January 2009, the MSRB implemented an electronic system to collect and disseminate information about securities bearing interest at short-term rates and making such information and documents publicly available through a dissemination service (“SHORT System”). In May 2011, MSRB enhanced the SHORT System to add documents to the information collected and disseminated. Information and documents collected by the SHORT System are made available for free on the MSRB’s Electronic Municipal Market Access (EMMA) website pursuant to the EMMA short-term obligation rate transparency service.<sup>1</sup> MSRB also makes the information and documents collected by the SHORT System available through a subscription service, which is

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<sup>1</sup> See Exchange Act Release No. 59212 (January 7, 2009).

available for an annual fee of \$10,000. The proposed rule change would clarify that subscribers to the SHORT subscription service would be able to access historical data for the most recent six months on a daily rolling basis and establish purchase agreements for historical products consisting of twelve consecutive complete month data sets of the documents and related indexing information collected by the SHORT System (the “SHORT Historical Data Product”) dating to January 30, 2009.<sup>2</sup> The purpose of the proposed rule change is to provide another avenue for obtaining the information and documents provided through the SHORT subscription service, which is currently only available on a current basis through the real-time data stream.

The SHORT Historical Data Product would be made available to purchasers in electronic format using a physical medium (such as an optical disc, flash memory card or external hard drive),<sup>3</sup> pursuant to the terms of the MSRB Historical Transaction Data Purchase Agreement, which would be executed by purchasers prior to delivery of the historical data product.<sup>4</sup> The MSRB proposes to charge \$5,000 for any twelve consecutive complete month data set of information and documents collected by the SHORT System.<sup>5</sup> In general, no smaller data sets will be made available.<sup>6</sup> A one-time set-up fee of \$2,000 (the “set-up fee”) would be charged to

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<sup>2</sup> The SHORT Subscriber Manual provides a complete, up-to-date listing of all data elements made available through the SHORT Subscription Service. The information provided in the SHORT Historical Data Product are the same as those currently provided in the SHORT Subscription Service.

<sup>3</sup> The MSRB will choose an appropriate physical medium for delivering the EMMA SHORT historical data product based upon the quantity of data included in a data set and technological advances in physical media.

<sup>4</sup> Purchasers would be subject to all of the terms of the MSRB Historical Transaction Data Purchase Agreement to be entered into between the MSRB and each purchaser, including terms relating to the proprietary and intellectual property rights of third parties in information provided by such third parties that is made available through the products.

<sup>5</sup> The purchase price does not include sales tax as required by Virginia state law. The purchase price is a one-time charge for the SHORT Historical Data Products, as applicable, and will not include any future additions or enhancements that may be added to the data. The MSRB could, in its discretion, waive or reduce the purchase price for not-for-profit organizations that desire the product for non-profit or research purposes consistent with their stated charitable or other public purpose.

<sup>6</sup> The SHORT system became effective January 30, 2009. Accordingly, a purchaser of all historical information and documents will be charged \$5,000 for each twelve consecutive month data set and a prorated amount for any remaining months.

new purchasers of the SHORT Historical Data Products, unless the purchaser is a current subscriber to an MSRB Subscription Service, including, but not limited to, the MSRB Real-Time Transaction Data Subscription Service, Comprehensive Transaction Data Subscription Service, SHORT Subscription Service, Primary Market Disclosure Subscription Service, or the Continuing Disclosure Subscription Service or has previously purchased a historical product.<sup>7</sup>

(b) Statutory Basis

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Securities Exchange Act of 1934 (the “Exchange Act”), which provides that 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 and municipal financial products, 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; and

the MSRB has also adopted the proposed rule change pursuant to Section 15B(b)(3)(B)(ii) of the Exchange Act, which provides that the MSRB shall:

not be prohibited from charging commercially reasonable fees for automated subscription-based feeds or similar services, or for charging for other data or document-based services customized upon request of any person, made available to commercial enterprises, municipal securities market professionals, or the general public, whether delivered through the Internet or any other means, that contain all or part of the documents or information, subject to approval of the fees by the Commission under section 19(b).

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The proposed rule change would establish a subscription service that would make information collected by the SHORT System available to market participants as an additional avenue for obtaining information that is submitted to the EMMA short-term obligation rate transparency service. Broad access to the information collected by the SHORT System, in addition to the public access through the EMMA short-term obligation rate transparency service web portal, should further assist in preventing fraudulent and manipulative acts and practices by improving

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<sup>7</sup> The MSRB could, in its discretion, waive or reduce the product set-up fee(s) for not-for-profit organizations that desire the product for non-profit or research purposes consistent with their stated charitable or other public purpose.

the opportunity for public investors to access material information about SHORT System disclosure information. The proposed rule change also provides for commercially reasonable fees to partially offset costs associated with operating the SHORT System and producing and disseminating information products to purchasers.

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

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act since it will apply equally to all persons who choose to purchase<sup>8</sup> the SHORT Historical Data Product, and those who choose not to pay the charge may view the same information for free on the EMMA website.

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)

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.

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<sup>8</sup> The MSRB notes that purchasers may be subject to proprietary rights of third parties in information provided by such third parties that is made available through the purchase agreement.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-MSRB-2012-03)

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Rule Change Consisting of Establishment of a Subscription to Historical Information and Documents Submitted to the MSRB's Short-Term Obligation Rate Transparency System

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("the Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 27, 2012, 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 hereby filing with the Commission a proposed rule change to establish a subscription to historical information and documents submitted to the MSRB's Short-Term Obligation Rate Transparency System ("SHORT System"). The SHORT System collects and disseminates information and documents for municipal Auction Rate Securities and municipal Variable Rate Demand Obligations.

The text of the proposed rule change is available on the MSRB's website at <http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2012-Filings.aspx>, at the MSRB's principal office, and at the Commission's Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

In January 2009, the MSRB implemented an electronic system to collect and disseminate information about securities bearing interest at short-term rates and making such information and documents publicly available through a dissemination service ("SHORT System"). In May 2011, MSRB enhanced the SHORT System to add documents to the information collected and disseminated. Information and documents collected by the SHORT System are made available for free on the MSRB's Electronic Municipal Market Access (EMMA<sup>®</sup>) website pursuant to the EMMA short-term obligation rate transparency service.<sup>3</sup> MSRB also makes the information and documents collected by the SHORT System available through a subscription service, which is available for an annual fee of \$10,000. The proposed rule change would clarify that subscribers to the SHORT subscription service would be able to access historical data for the most recent six months on a daily rolling basis and establish purchase agreements for historical products consisting of twelve consecutive complete month data sets of the documents and related indexing information collected by the SHORT System (the "SHORT Historical Data Product") dating to

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<sup>3</sup> See Exchange Act Release No. 59212 (January 7, 2009).



January 30, 2009.<sup>4</sup> The purpose of the proposed rule change is to provide another avenue for obtaining the information and documents provided through the SHORT subscription service, which is currently only available on a current basis through the real-time data stream.

The SHORT Historical Data Product would be made available to purchasers in electronic format using a physical medium (such as an optical disc, flash memory card or external hard drive),<sup>5</sup> pursuant to the terms of the MSRB Historical Transaction Data Purchase Agreement, which would be executed by purchasers prior to delivery of the historical data product.<sup>6</sup> The MSRB proposes to charge \$5,000 for any twelve consecutive complete month data set of information and documents collected by the SHORT System.<sup>7</sup> In general, no smaller data sets will be made available.<sup>8</sup> A one-time set-up fee of \$2,000 (the “set-up fee”) would be charged to new purchasers of the SHORT Historical Data Products, unless the purchaser is a current

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<sup>4</sup> The SHORT Subscriber Manual provides a complete, up-to-date listing of all data elements made available through the SHORT Subscription Service. The information provided in the SHORT Historical Data Product are the same as those currently provided in the SHORT Subscription Service.

<sup>5</sup> The MSRB will choose an appropriate physical medium for delivering the EMMA SHORT historical data product based upon the quantity of data included in a data set and technological advances in physical media.

<sup>6</sup> Purchasers would be subject to all of the terms of the MSRB Historical Transaction Data Purchase Agreement to be entered into between the MSRB and each purchaser, including terms relating to the proprietary and intellectual property rights of third parties in information provided by such third parties that is made available through the products.

<sup>7</sup> The purchase price does not include sales tax as required by Virginia state law. The purchase price is a one-time charge for the SHORT Historical Data Products, as applicable, and will not include any future additions or enhancements that may be added to the data. The MSRB could, in its discretion, waive or reduce the purchase price for not-for-profit organizations that desire the product for non-profit or research purposes consistent with their stated charitable or other public purpose.

<sup>8</sup> The SHORT system became effective January 30, 2009. Accordingly, a purchaser of all historical information and documents will be charged \$5,000 for each twelve consecutive month data set and a prorated amount for any remaining months.

subscriber to an MSRB Subscription Service, including, but not limited to, the MSRB Real-Time Transaction Data Subscription Service, Comprehensive Transaction Data Subscription Service, SHORT Subscription Service, Primary Market Disclosure Subscription Service, or the Continuing Disclosure Subscription Service or has previously purchased a historical product.<sup>9</sup>

2. Statutory Basis

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Exchange Act, which provides that 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 and municipal financial products, 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; and

The MSRB has also adopted the proposed rule change pursuant to Section 15B(b)(3)(B)(ii) of the Exchange Act, which provides that the MSRB shall:

not be prohibited from charging commercially reasonable fees for automated subscription-based feeds or similar services, or for charging for other data or document-based services customized upon request of any person, made available to commercial enterprises, municipal securities market professionals, or the general public, whether delivered through the Internet or any other means, that contain all or part of the documents or information, subject to approval of the fees by the Commission under section 19(b).

The MSRB believes that the proposed rule change is consistent with the Exchange Act.

The proposed rule change would establish a subscription service that would make information collected by the SHORT System available to market participants as an additional avenue for

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<sup>9</sup> The MSRB could, in its discretion, waive or reduce the product set-up fee(s) for not-for-profit organizations that desire the product for non-profit or research purposes consistent with their stated charitable or other public purpose.

obtaining information that is submitted to the EMMA short-term obligation rate transparency service. Broad access to the information collected by the SHORT System, in addition to the public access through the EMMA short-term obligation rate transparency service web portal, should further assist in preventing fraudulent and manipulative acts and practices by improving the opportunity for public investors to access material information about SHORT System disclosure information. The proposed rule change also provides for commercially reasonable fees to partially offset costs associated with operating the SHORT System and producing and disseminating information products to purchasers.

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

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act since it will apply equally to all persons who choose to purchase<sup>10</sup> the SHORT Historical Data Product, and those who choose not to pay the charge may view the same information for free on the EMMA website.

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 45 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:

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<sup>10</sup> The MSRB notes that purchasers may be subject to proprietary rights of third parties in information provided by such third parties that is made available through the purchase agreement.

(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](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2012-03 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2012-03. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the MSRB's offices. 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-2012-03 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Elizabeth M. Murphy

Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).