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**Stakeholders**

Municipal Securities  
Dealers

**Notice Type**

Informational Notice

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March 1, 2021

**Category**

Administration

**Affected Rules**

[Rule A-13](#)

## MSRB Temporarily Reduces Market Activity Fees by 40 Percent

### Overview

The Municipal Securities Rulemaking Board (MSRB) filed a proposed rule change with the U.S. Securities and Exchange Commission to reduce the rates of assessment by 40 percent for certain underwriting, transaction, and technology fees (collectively, “market activity fees”) under MSRB Rule A-13, on underwriting and transaction assessments for brokers, dealers, and municipal securities dealers (collectively, “dealers”). The reduced assessments will be effective April 1, 2021 through September 30, 2022 (the “temporary period”).<sup>1</sup> The MSRB projects that the reduction in fees paid by dealers will result in nearly \$19 million of forgone revenue, in effect returning this amount to the firms who directly contributed to the MSRB’s excess reserves position. The rates of assessment would revert to current levels upon the expiration of the temporary period on October 1, 2022.

Through the proposed rule change’s immediately effective amendments, the MSRB amended section (h) of Rule A-13 to provide for the reduction of market activity fees during the temporary period.

- Amended MSRB Rule A-13(h)(i) would provide that the underwriting assessment for certain primary offerings during the temporary period would be .00165% of the par value (\$0.0165 per \$1,000).<sup>2</sup>
- Amended MSRB Rule A-13(h)(ii) would provide that the transaction assessment during the temporary period would be .0006% of the par value (\$0.006 per \$1,000).<sup>3</sup>

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<sup>1</sup> See [File No. SR-MSRB-2020-02](#)

<sup>2</sup> This is a reduction of 40 percent from .00275% of the par value (\$.0275 per \$1,000) assessed under MSRB Rule A-13(c)(i). Underwriting assessments charged pursuant to Rule A-13(c)(ii) are not amended.

<sup>3</sup> This is a reduction of 40 percent from .001% (\$.01 per \$1,000) assessed under MSRB Rule A-13(d)(i) and MSRB Rule A-13(d)(ii).



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- Amended MSRB Rule A-13(h)(iii) would provide that the technology assessment during the temporary period would be \$0.60 per transaction.<sup>4</sup>

Dealers are typically billed for these fees after the relevant month end. Specifically, the underwriting fee is billed immediately after the respective month end, while the transaction and technology fees are billed thirty days in arrears.

The temporary reduction in fees is designed to reduce the MSRB's excess reserves position in a manner consistent with the goal of achieving a more equitable balance of fees among regulated entities and a fairer allocation of the expenses of the MSRB. During the temporary period, the Board will continue to evaluate the organization's existing fee structure in relation to the MSRB's long-term financial positioning.

March 1, 2021

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## Text of Proposed Amendments\*

### Rule A-13: Underwriting and Transaction Assessments for Brokers, Dealers and Municipal Securities Dealers

(a) – (g) No change.

(h) Temporary Fee Reduction in the Fee Rates Assessed on Activity Occurring from April 1, 2021 ~~2019~~ – September 30, 2022 ~~2019~~. Notwithstanding the rates specified elsewhere in this rule:

(i) Underwriting Assessment. For activity that occurs from April 1, 2021 ~~2019~~ through and including September 30, 2022 ~~2019~~, the underwriting assessment described in (c)(i) above shall be .00165% (~~\$.0165~~ ~~.00185%~~ ~~(\$0.0185~~ per \$1,000) of the par value.

(ii) Transaction Assessment. For activity that occurs from April 1, 2021 ~~2019~~ through and including September 30, 2022 ~~2019~~, the transaction assessment described in (d)(i) and (d)(ii) above shall be .0006% (~~\$.006~~ ~~.00067%~~ ~~(\$0.0067~~ per \$1,000) of the par value.

(iii) Technology Assessment. For activity that occurs from April 1, 2021 ~~2019~~ through and including September 30, 2022 ~~2019~~, the technology assessment described in (d)(iv)(a) and (d)(iv)(b) above shall be \$0.60 ~~\$0.67~~ per transaction.

<sup>4</sup> This is a reduction of 40 percent from \$1.00 per transaction assessed under MSRB Rule A-13(d)(iv).

\* Underlining indicates new language; strikethrough denotes deletions.