

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 03	Amendment No. (req. for Amendments *)
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Filing 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 type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<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 checked="" type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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 action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Revise the Language of Certain Administrative Rules to Continue to Help Ensure that They Reflect MSRB Practices and Improve Consistency Among the Rules

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 action.

First Name * Michael	Last Name * Post
Title * General Counsel	
E-mail * mpost@msrb.org	
Telephone * (202) 838-1500	Fax <input type="text"/>

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.

(Title *)

Date 05/01/2018	Corporate Secretary
By Ronald W. Smith	<input style="width: 100%;" type="text"/>
(Name *)	

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 EFFF website.

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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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, security-based swap submission, or advance notice 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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 the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ and Rule 19b-4(f)(3) thereunder,² the Municipal Securities Rulemaking Board (“MSRB” or “Board”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) proposed amendments to MSRB Rule A-3, on membership on the Board, MSRB Rule A-4, on meetings of the Board, MSRB Rule A-5, on officers and employees of the Board, and MSRB Rule A-17, on confidentiality of examination reports, to revise the language of the rules to continue to help ensure that they reflect MSRB practices and improve consistency among the rules (collectively, the “proposed rule change”).

(a) The text of the proposed rule change is attached as Exhibit 5. Text proposed to be added is underlined, and text proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board at its meeting on March 16, 2018. Questions concerning this filing may be directed to Michael Post, General Counsel, James McMahon, Counsel II – Corporate & Governance, or Mallory Bucher, Manager, Corporate Governance and Board Administration, at (202) 838-1500.

The MSRB has filed the proposed rule change for immediate effectiveness. The implementation date of the proposed rule change is the date of filing.

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

(a) Purpose

The MSRB has adopted administrative rules (“A-Rules”) that pertain to the operation and administration of the Board, which are identified by the prefix A.³ The MSRB routinely reviews its A-Rules for accuracy and adherence to governance best practices. As a result of a recent review of certain A-Rules, the MSRB is proposing to amend Rules A-3, A-4, A-5 and A-17.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4(f)(3).

³ See MSRB Rule A-1.

Rule A-3(b)(i)

As part of its review of the A-Rules, the MSRB sought to improve internal consistency among its rules. The MSRB has adopted certain definitional rules which define terms used in the rules of the Board.⁴ Rule D-4 defines the term “Board” as the Municipal Securities Rulemaking Board, but in one instance Rule A-3(b)(i) refers to the “Board of Directors.” The proposed rule change would replace this reference to “Board of Directors” with the defined term “Board” for consistency.

Rule A-3(b)(iii) and (iv)

Rule A-3(b)(iii) sets forth information regarding the Board application process, including the public notices which the Nominating and Governance Committee (“Committee”) publishes and the information that applicants must provide to the Committee. In describing the information that the Committee’s public notice will require, Rule A-3(b)(iii) references “applicant recommendations.” In practice, the Committee solicits applications through an application form completed by applicants.

While applicants can recommend themselves and this phrasing is therefore not inaccurate, the proposed rule change would amend Rule A-3(b)(iii) and (iv) to better reflect the manner in which the Board conducts the application process by replacing references to “recommendations” with “applications” and making other conforming changes.

Rule A-3(d)

During the review, the MSRB noted an obsolete cross-reference in Rule A-3(d), which stems from previous amendments to Rule A-3. Specifically, on January 25, 2011, the Commission approved amendments to former Rule A-3(c) (now Rule A-3(b))⁵ to reflect changes made by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”),⁶ which amended Section 15B of the Exchange Act.⁷ Subsection (vi) of the former Rule A-3(c) (now Rule A-3(b)) was deleted, which included a requirement that the public representatives on the Board, prior to assuming office, be subject to approval by the Commission to assure that they were not disqualified as public members by reason of association with a broker, dealer or municipal securities dealer. The deletion was made as the MSRB took the process of assuring public status upon itself.

⁴ Id.

⁵ Release No. 34-63764 (January 25, 2011), 76 FR 5417 (January 31, 2011) (SR-MSRB-2010-17).

⁶ Pub. Law No. 111-203, 124 Stat. 1376 (2010).

⁷ 15 U.S.C. 78o-4.

At the time of this change, a cross-reference in another part of Rule A-3 to the Commission's approval function was inadvertently not deleted. This cross-reference is currently contained in Rule A-3(d), on vacancies, and it provides that vacancies on the Board with respect to public representatives are filled by Board vote, "subject to the Commission's power of approval referred to in section (c) of [Rule A-3]" As noted, however, after the 2011 amendments, there is no longer any Commission approval function for public representatives, as was previously described in Rule A-3(c). The cross-reference, therefore, has been without any effect. The proposed rule change would delete the obsolete cross-reference in Rule A-3(d).

Rule A-3(c) and (f)

The Dodd-Frank Act grants the MSRB broad rulemaking authority over municipal advisors and municipal advisory activities⁸ and requires that the Board include at least one individual who is associated with and representative of municipal advisors ("municipal advisor representative").⁹ As indicated above, the MSRB amended its A-Rules to reflect certain changes made by the Dodd-Frank Act. However, the more recent review of the A-Rules identified two provisions which refer generally to other Board member categories but have not been amended to address municipal advisor representatives.

On July 29, 2009, an amendment to Rule A-3 became effective to add section (g) (now Rule A-3(f)), on affiliations, which prohibits two persons associated with the same dealer from serving as members of the Board at the same time.¹⁰ The same concerns that arise from two representatives of the same dealer serving on the Board at the same time could also arise with municipal advisor representatives and, accordingly, the rationale underlying Rule A-3(f) should apply evenly to all categories of regulated representatives. Thus, the proposed rule change would amend Rule A-3(f) also to address municipal advisors, such that two persons associated with the same municipal advisor would be prohibited from serving on the Board at the same time.

Similarly, Rule A-3(c), which provides that an affirmative vote of two-thirds of the whole Board is needed to remove a member from office, requires that the vote to remove include the affirmative vote of at least one public representative, one broker-dealer representative and one bank representative. The rationale of this provision is to require the affirmative vote of at least one member of each Board category in the decision to remove a member. According to the same rationale, this provision should be extended also to require the affirmative vote of at least one municipal advisor representative to remove a Board member from office; thus, the proposed rule change would so amend Rule A-3(c).

⁸ See Section 15B(b)(2) of the Exchange Act (15 U.S.C. 78o-4(b)(2)).

⁹ Id. In addition, not less than 30 percent of the total number of regulated representatives must be municipal advisor representatives. MSRB Rule A-3 (Membership on the Board).

¹⁰ Release No. 34-60408 (July 30, 2009), 74 FR 39372 (August 6, 2009) (SR-MSRB-2009-11).

Rule A-4(d), Rule A-5(c) and Rule A-17

Lastly, the proposed rule change would amend certain provisions in Rules A-4, A-5 and A-17 to refer to the MSRB's most senior executive as "Chief Executive Officer" instead of the current title of "Executive Director" due to an intended alignment with other existing MSRB officer titles.

(b) Statutory Basis

The MSRB believes that the proposed rule change is consistent with the requirements of Section 15B(b)(2)(B) and (I) of the Act.¹¹ Section 15B(b)(2)(B) provides that the MSRB's rules shall "establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of public representatives, broker dealer representatives, bank representatives, and advisor representatives." While the proposed rule change would not alter the MSRB's Board nomination or election process, it would help to continue to ensure that the MSRB's rules reflect that process.

Section 15B(2)(I) provides that the MSRB's rules shall provide for the operation and administration of the MSRB. The proposed rule change amends provisions of the A-Rules that relate to the operation and administration of the MSRB. The MSRB also believes that the proposed rule change will further enhance the Board's governance procedures by improving descriptions of the MSRB's practices and improving internal consistency.

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

Section 15B(b)(2)(C) of the Act¹² requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB believes that the proposed rule change does not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the proposed rule change simply amends language in the A-Rules to continue to help ensure they reflect the MSRB's practices and improve consistency among MSRB rules.

5. 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 on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

¹¹ 15 U.S.C. 78o-4(b)(2)(B) and 15 U.S.C. 78o-4(b)(2)(I).

¹² 15 U.S.C. 78o-4(b)(2)(C).

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

The MSRB designates the proposed rule change as being immediately effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and Rule 19b-4(f)(3) thereunder.¹⁴ The proposed rule change is concerned solely with the administration of the MSRB in that it amends A-Rules that relate exclusively to the internal operation of the Board.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 Completed Notice of Proposed Rule Change for Publication in the Federal Register

Exhibit 5 Text of Proposed Rule Change

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(3).

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-MSRB-2018-03)

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Revise the Language of Certain Administrative Rules to Continue to Help Ensure that They Reflect MSRB Practices and Improve Consistency Among the Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) 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 filed with the Commission proposed amendments to MSRB Rule A-3, on membership on the Board, MSRB Rule A-4, on meetings of the Board, MSRB Rule A-5, on officers and employees of the Board, and MSRB Rule A-17, on confidentiality of examination reports, to revise the language of the rules to continue to help ensure that they reflect MSRB practices and improve consistency among the rules (collectively, the “proposed rule change”).

The MSRB has designated the proposed rule change as being immediately effective upon filing

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(3)⁴ thereunder. The proposed rule change is concerned solely with the administration of the MSRB in that it amends certain rules that relate exclusively to the internal operation of the Board.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2018-Filings.aspx, 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

The MSRB has adopted administrative rules ("A-Rules") that pertain to the operation and administration of the Board, which are identified by the prefix A.⁵ The MSRB routinely reviews its A-Rules for accuracy and adherence to governance best practices. As a result of a recent review of certain A-Rules, the MSRB is proposing to amend Rules A-3, A-4, A-5 and A-17.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

⁵ See MSRB Rule A-1.

Rule A-3(b)(i)

As part of its review of the A-Rules, the MSRB sought to improve internal consistency among its rules. The MSRB has adopted certain definitional rules which define terms used in the rules of the Board.⁶ Rule D-4 defines the term “Board” as the Municipal Securities Rulemaking Board, but in one instance Rule A-3(b)(i) refers to the “Board of Directors.” The proposed rule change would replace this reference to “Board of Directors” with the defined term “Board” for consistency.

Rule A-3(b)(iii) and (iv)

Rule A-3(b)(iii) sets forth information regarding the Board application process, including the public notices which the Nominating and Governance Committee (“Committee”) publishes and the information that applicants must provide to the Committee. In describing the information that the Committee’s public notice will require, Rule A-3(b)(iii) references “applicant recommendations.” In practice, the Committee solicits applications through an application form completed by applicants.

While applicants can recommend themselves and this phrasing is therefore not inaccurate, the proposed rule change would amend Rule A-3(b)(iii) and (iv) to better reflect the manner in which the Board conducts the application process by replacing references to “recommendations” with “applications” and making other conforming changes.

Rule A-3(d)

During the review, the MSRB noted an obsolete cross-reference in Rule A-3(d), which stems from previous amendments to Rule A-3. Specifically, on January 25, 2011, the

⁶ Id.

Commission approved amendments to former Rule A-3(c) (now Rule A-3(b))⁷ to reflect changes made by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”),⁸ which amended Section 15B of the Exchange Act.⁹ Subsection (vi) of the former Rule A-3(c) (now Rule A-3(b)) was deleted, which included a requirement that the public representatives on the Board, prior to assuming office, be subject to approval by the Commission to assure that they were not disqualified as public members by reason of association with a broker, dealer or municipal securities dealer. The deletion was made as the MSRB took the process of assuring public status upon itself.

At the time of this change, a cross-reference in another part of Rule A-3 to the Commission’s approval function was inadvertently not deleted. This cross-reference is currently contained in Rule A-3(d), on vacancies, and it provides that vacancies on the Board with respect to public representatives are filled by Board vote, “subject to the Commission’s power of approval referred to in section (c) of [Rule A-3]” As noted, however, after the 2011 amendments, there is no longer any Commission approval function for public representatives, as was previously described in Rule A-3(c). The cross-reference, therefore, has been without any effect. The proposed rule change would delete the obsolete cross-reference in Rule A-3(d).

⁷ Release No. 34-63764 (January 25, 2011), 76 FR 5417 (January 31, 2011) (SR-MSRB-2010-17).

⁸ Pub. Law No. 111-203, 124 Stat. 1376 (2010).

⁹ 15 U.S.C. 78o-4.

Rule A-3(c) and (f)

The Dodd-Frank Act grants the MSRB broad rulemaking authority over municipal advisors and municipal advisory activities¹⁰ and requires that the Board include at least one individual who is associated with and representative of municipal advisors (“municipal advisor representative”).¹¹ As indicated above, the MSRB amended its A-Rules to reflect certain changes made by the Dodd-Frank Act. However, the more recent review of the A-Rules identified two provisions which refer generally to other Board member categories but have not been amended to address municipal advisor representatives.

On July 29, 2009, an amendment to Rule A-3 became effective to add section (g) (now Rule A-3(f)), on affiliations, which prohibits two persons associated with the same dealer from serving as members of the Board at the same time.¹² The same concerns that arise from two representatives of the same dealer serving on the Board at the same time could also arise with municipal advisor representatives and, accordingly, the rationale underlying Rule A-3(f) should apply evenly to all categories of regulated representatives. Thus, the proposed rule change would amend Rule A-3(f) also to address municipal advisors, such that two persons associated with the same municipal advisor would be prohibited from serving on the Board at the same time.

Similarly, Rule A-3(c), which provides that an affirmative vote of two-thirds of the whole Board is needed to remove a member from office, requires that the vote to remove include the affirmative vote of at least one public representative, one broker-dealer representative and one

¹⁰ See Section 15B(b)(2) of the Exchange Act (15 U.S.C. 78o-4(b)(2)).

¹¹ Id. In addition, not less than 30 percent of the total number of regulated representatives must be municipal advisor representatives. MSRB Rule A-3 (Membership on the Board).

¹² Release No. 34-60408 (July 30, 2009), 74 FR 39372 (August 6, 2009) (SR-MSRB-2009-11).

bank representative. The rationale of this provision is to require the affirmative vote of at least one member of each Board category in the decision to remove a member. According to the same rationale, this provision should be extended also to require the affirmative vote of at least one municipal advisor representative to remove a Board member from office; thus, the proposed rule change would so amend Rule A-3(c).

Rule A-4(d), Rule A-5(c) and Rule A-17

Lastly, the proposed rule change would amend certain provisions in Rules A-4, A-5 and A-17 to refer to the MSRB's most senior executive as "Chief Executive Officer" instead of the current title of "Executive Director" due to an intended alignment with other existing MSRB officer titles.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with the requirements of Section 15B(b)(2)(B) and (I) of the Act.¹³ Section 15B(b)(2)(B) provides that the MSRB's rules shall "establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of public representatives, broker dealer representatives, bank representatives, and advisor representatives." While the proposed rule change would not alter the MSRB's Board nomination or election process, it would help to continue to ensure that the MSRB's rules reflect that process.

Section 15B(2)(I) provides that the MSRB's rules shall provide for the operation and administration of the MSRB. The proposed rule change amends provisions of the A-Rules that relate to the operation and administration of the MSRB. The MSRB also believes that the

¹³ 15 U.S.C. 78o-4(b)(2)(B) and 15 U.S.C. 78o-4(b)(2)(I).

proposed rule change will further enhance the Board's governance procedures by improving descriptions of the MSRB's practices and improving internal consistency.

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

Section 15B(b)(2)(C) of the Act¹⁴ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB believes that the proposed rule change does not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the proposed rule change simply amends language in the A-Rules to continue to help ensure they reflect the MSRB's practices and improve consistency among MSRB rules.

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 on the proposed rule change.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁵ and paragraph (f) of Rule 19b-4 thereunder.¹⁶ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such 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.

¹⁴ 15 U.S.C. 78o-4(b)(2)(C).

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f).

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-2018-03 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-MSRB-2018-03. 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 the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are

cautioned that we do not redact or 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-2018-03 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.¹⁷

Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

Rule A-3: Membership on the Board

(a) No change.

(b) *Nomination and Election of Members.*

(i) Members shall be nominated and elected in accordance with the procedures specified by this rule. The 21 member Board shall be divided into four classes, one class being comprised of six members and three classes being comprised of five members, who serve four-year terms. The classes shall be as evenly divided in number as possible between public representatives and regulated representatives. The terms will be staggered and, each year, one class shall be nominated and elected to the Board [of Directors]. The terms of office of all members of the Board shall commence on October 1 of the year in which elected and shall terminate on September 30 of the year in which their terms expire. A member may not serve consecutive terms, unless special circumstances warrant that the member be nominated for a successive term or because the member served only a partial term as a result of filling a vacancy pursuant to section (d) of this rule, and a member may not serve more than two terms consecutively. No broker-dealer representative, bank representative, or municipal advisor representative may be succeeded in office by any person associated with the broker, dealer, municipal securities dealer, or municipal advisor with which such member was associated at the expiration of such member's term except in the case of a Board member who succeeds himself or herself in office.

(ii) No change.

(iii) The Nominating and Governance Committee shall publish a notice in a financial journal having national circulation among members of the municipal securities industry and in a separate financial journal having general national circulation soliciting applicants for the positions on the Board to be filled in such year. The notice shall require that [applicant recommendations] an application be [accompanied by a statement of the position] submitted which includes the category of representative for which the person is [recommended] applying, the person's background and qualifications for membership on the Board [of the person recommended] and, if applicable, information concerning such person's association with any broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor. The Nominating and Governance Committee shall accept [recommendations] applications pursuant to such notice for a period of at least 30 days. Any interested member of the public, whether or not associated with a broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor, may submit [recommendations] an application to the Nominating and Governance Committee.

(iv) The Nominating and Governance Committee shall nominate one person for each of the Board positions to be filled and shall submit the nominees to the Board for approval.

In making such nominations, the Nominating and Governance Committee shall take into consideration such factors as, without limitation, diversity in the geographic location, size and type of brokers, dealers, municipal securities dealers, and municipal advisors represented on the Board, as well as the background, experience, and knowledge of the municipal securities markets of the public Board members. Each nomination shall [be accompanied by a statement indicating the position] include the category of representative for which such person is nominated, the nominee's qualifications to serve as a member of the Board, and information concerning the nominee's association, if any, with a broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor. The names of the nominees shall be confidential.

(v) – (vii) No change.

(c) *Resignation and Removal of Members.* A member may resign from the Board by submitting a written notice of resignation to the Chair of the Board which shall specify the effective date of such member's resignation. In no event shall such date be more than 30 days from the date of delivery of such notice to the Chair. If no date is specified, the resignation shall become effective immediately upon its delivery to the Chair. In the event the Board shall find that any member has willfully violated any provision of the Act, any rule or regulation of the Commission thereunder, or any rule of the Board or has abused his or her authority or has otherwise acted, or failed to act, so as to affect adversely the public interest or the best interests of the Board, the Board may, upon the affirmative vote of two-thirds of the whole Board (which shall include the affirmative vote of at least one public representative, one broker-dealer representative, [and] one bank representative and one municipal advisor representative), remove such member from office.

(d) *Vacancies.* Vacancies on the Board shall be filled by vote of the members of the Board[, subject to the Commission's power of approval referred to in section (c) of this rule with respect to public representatives]. Any person so elected to fill a vacancy shall serve for the term, or any unexpired portion of the term, for which such person's predecessor was elected. For purposes of this rule, the term "vacancies on the Board" shall include any vacancy resulting from the resignation of any person duly elected to the Board prior to the commencement of his or her term.

(e) No change.

(f) *Affiliations.* Two persons associated with the same broker, dealer, [or] municipal securities dealer or municipal advisor shall not serve as members of the Board at the same time.

(g) No change.

Rule A-4: Meetings of the Board

(a) – (c) No change.

(d) *Action Without a Meeting.* Action by the Board may be taken without a meeting by written consent of the Board setting forth the action so taken or by telephone or e-mail poll of all

members of the Board, provided that, in the case of action taken by telephone or e-mail poll, the Board, at a meeting, or the chairman of the Board authorizes the action to be taken by such means. The Chief Executive [Director] Officer shall transmit to each Board member, as soon as practicable after a telephone or e-mail poll is taken, a written statement setting forth the question or questions with respect to which the telephone or e-mail poll was taken and the results of the telephone or e-mail poll. Such statement shall also be entered in the minutes of the next Board meeting. In the case of action taken without a meeting by written consent, telephone or e-mail poll, an affirmative vote of a majority of the whole Board is required.

Rule A-5: Officers and Employees of the Board

(a) – (b) No change.

(c) *Executive and Administrative Staff.* The staff of the Board shall consist of [an] a Chief Executive [Director] Officer, a General Counsel, a Secretary to the Board, a Treasurer to the Board, and such other personnel as the Board shall deem necessary or appropriate. The duties and responsibilities of the Chief Executive [Director] Officer shall be as prescribed by the Board. The duties and responsibilities of all other staff shall be as prescribed by the Chief Executive [Director] Officer.

(d) No change.

Rule A-17: Confidentiality of Examination Reports

Any report of an examination or of information extracted from a report of an examination ("examination report") of a broker, dealer and municipal securities dealer furnished to the Board by the Securities and Exchange Commission pursuant to section 15(B)(c)(7)(B) of the Act and rule 15Bc7-1 thereunder shall be maintained and utilized in accordance with the following terms and conditions, in order to ensure the confidentiality of any information contained in such reports:

(1) No change.

(2) The Chief Executive [Director] Officer and General Counsel shall designate jointly the members of the staff of the Board who shall have access to the examination reports.

(3) – (4) No change.