

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="20"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="08"/> Amendment No. (req. for Amendments *) <input type="text"/>
---	--	--

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 type="checkbox"/> 19b-4(f)(3)	<input checked="" 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"/>
---	---

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Update Cross-References to the Rules of Other Self-Regulatory Organizations, Amend Rules with Grammatical or Typographical Errors and Delete Certain Sections of MSRB Rules that are Outdated or No Longer Relevant

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 * <input type="text" value="Margaret"/>	Last Name * <input type="text" value="Blake"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="mblake@msrb.org"/>	
Telephone * <input type="text" value="(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 <input type="text" value="04/10/2019"/>	Corporate Secretary <input type="text"/>
By <input type="text" value="Ronald W. Smith"/>	<input 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 *

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, 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 thereunder,² the Municipal Securities Rulemaking Board (“MSRB” or “Board”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change (the “proposed rule change”) to amend certain MSRB rules to update cross-references to the rules of other self-regulatory organizations (SROs), to amend rules with grammatical or typographical errors and to delete certain sections of MSRB rules that are outdated or no longer relevant given the expiration or passing of time limitations set forth therein. The MSRB is filing the proposed rule change under Section 19(b)(3)(A)(iii)³ of the Act and Rule 19b-4(f)(6)⁴ thereunder, as a noncontroversial rule change that renders the proposal effective upon receipt of this filing by the Commission. The operative date of the proposed rule change will be June 3, 2019.

(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 Board approved the proposed rule change at its January 29-31, 2019 meeting. Questions concerning this filing may be directed to Margaret R. Blake, Associate General Counsel, at 202-838-1500.

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

(a) Purpose

The MSRB has been conducting a retrospective review of its rules in an effort to ensure the rules are effective in their principal goal of protecting investors, issuers and the public interest. The retrospective review also seeks to ensure that MSRB rules are not overly burdensome, are clear and harmonized with the rules of other regulators, as appropriate, and are reflective of current market practices.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

In its review, the MSRB identified several instances where cross references to the rules of other SROs are incorrect. In addition, the MSRB has identified two rule sections with date references that are no longer valid. Finally, the MSRB has identified several places where grammatical or typographical corrections are needed. The proposed rule change would make non-substantive changes to address these issues.

(1) Cross-References to Other SRO Rules

The Financial Industry Regulatory Authority (FINRA) is an SRO providing regulatory oversight of brokers and dealers doing business in the United States. It was formed by the consolidation of the member regulation, enforcement and arbitration operations of the New York Stock Exchange, NYSE Regulation, Inc. and the National Association of Securities Dealers (NASD). Prior to this consolidation, the NASD served as a predecessor SRO to FINRA. As a result, many of the MSRB's rules continue to cross-reference outdated NASD rules that have since been updated with the creation of the FINRA rulebook.⁵ The proposed rule change would update incorrect NASD rule references in the MSRB rulebook to the correct FINRA rule, by amending:

- Rule G-20, on gifts, gratuities, non-cash compensation and expenses of issuance, to change the reference in subsection (b)(iv) from NASD Rule 2830 to FINRA Rule 2341.
- Rule G-27, on supervision, to change references in subsection (g)(vi) from NASD Rules 2110, 2120, 2310, 2330, 2440, 3010 (failure to supervise only), 3310 and 3330 to FINRA Rules 2010, 2020, 2111, 2150, 2121, 3110 (failure to supervise only), 5210 and 5230, respectively.
- Rule G-35, on arbitration, to delete reference to “the Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. (“NASD”),” “NASD’s Code of Arbitration Procedure,” and “NASD” and to change these reference as follows:
 - Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. (“NASD”) would be changed to “the Financial Industry Regulatory Authority’s (FINRA) Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate,”
 - NASD’s Code of Arbitration Procedure would be changed to “FINRA’s Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate,” and

⁵ In some instances, a single NASD rule subsequently became multiple FINRA rules (e.g., NASD Rule 3010 became FINRA Rules 3110 and 3170). The proposed rule change only references those FINRA rules that are relevant to the particular MSRB rule being amended.

- NASD would be changed to “FINRA”.
- Rule G-41, on anti-money laundering compliance programs, to change the reference therein from NASD Rule 3011 to FINRA Rule 3310.

(2) Outdated Date References

There are two MSRB rules that have date references that are outdated or no longer necessary for purposes of compliance with the rules. To eliminate these outdated or unnecessary references, the proposed rule change would amend:

- Rule G-38, on solicitation of municipal securities business, to delete subsection (c) in its entirety, as this section addresses transitional payments made for solicitation activities that occurred “on or prior to August 29, 2005.” In particular, this subsection requires a filing to be made “by the last day of the month following the end of each calendar quarter during which payments for such solicitations are made or remain pending.” The MSRB has not received a Form G-38t filing for two years which would indicate payments for solicitations pursuant to subsection (c) are no longer occurring or pending. If such payments were still being made or were pending for activity occurring prior to August 29, 2005, a Form G-38t would have been filed indicating so. As a result, the MSRB believes there is no longer a need for the requirements set forth in subsection (c). The proposed rule change also would delete from section (a) reference to section (c) for consistency.
- Rule G-45, on reporting of information on municipal fund securities, to delete subsection (e), which provides a transition provision for reporting related to the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (“ABLE program”). Rule G-45 requires reporting of information on Form G-45 to the MSRB of certain primary offerings of municipal fund securities. Subsection (e) indicates that for underwriters in primary offerings of an ABLE program, the first submissions due pursuant to the rule “will be for the reporting period ending June 30, 2018.” Because this deadline has passed, the proposed rule change would delete this provision as it is no longer necessary for compliance with the rule.

(3) Typographical or Grammatical Errors

The proposed rule change would fix typographical or grammatical errors by amending:

- Rule G-12, on uniform practice, to delete duplicative language from paragraph (h)(ii)(A) on close-out by seller.
- Rule G-26, on customer account transfers, to change the word “affect” to “effect” as it appears in Supplementary Material .02 Written Procedures.

(b) Statutory Basis

The MSRB believes that the proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Act,⁶ which provides that the 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.

The proposed rule change would promote just and equitable principles of trade by ensuring that existing rule provisions are accurate and understandable. While the proposed rule change affects rules applicable to brokers, dealers and municipal securities ("dealers"), it is meant to clarify existing MSRB rules and would not impose additional burdens on dealers.

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

Section 15B(b)(2)(C) of the Exchange Act requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.⁷ The MSRB does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act because it would apply equally to all dealers.⁸

⁶ 15 U.S.C. 78o-4(b)(2)(C).

⁷ Id.

⁸ The Board's policy on the use of economic analysis limits its applications regarding those rules for which the Board seeks immediate effectiveness. The scope of the Board's policy on the use of economic analysis in rulemaking provides that:

[t]his Policy addresses rulemaking activities of the MSRB that culminate, or are expected to culminate, in a filing of a proposed rule change with the SEC under Section 19(b) of the Exchange Act, other than a proposed rule change that the MSRB reasonably believes would qualify for immediate effectiveness under Section 19(b)(3)(A) of the Exchange Act if filed as such (e.g., fee filing or facility filing) or as otherwise provided under the exception process of this Policy.

[Policy on the Use of Economic Analysis in MSRB Rulemaking](#). For those rule changes which the MSRB seeks immediate effectiveness, the MSRB usually focuses exclusively its examination on the burden of competition on regulated entities.

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.

6. Extension of Time Period for Commission Action

The MSRB does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.⁹

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 proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Exchange Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ The proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. In addition, the MSRB provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change on April 3, 2019, which is at least five business days prior to the date of filing the proposed rule change, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Exchange Act.¹²

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 Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervisions Act

Not applicable.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii).

11. Exhibits

- Exhibit 1 Completed Notice of Proposed Rule Change for Publication in the Federal Register
- Exhibit 5 Text of Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34-_____ ; File No. SR-MSRB-2019-08)

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Certain MSRB Rules to Update Cross-References to the Rules of Other Self-Regulatory Organizations, to Amend Rules with Grammatical or Typographical Errors and to Delete Certain Sections of MSRB Rules that are Outdated or No Longer Relevant

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____ the Municipal Securities Rulemaking Board (“MSRB”) filed with the Securities and Exchange Commission (“SEC” or “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 a proposed rule change to amend certain MSRB rules to update cross-references to the rules of other self-regulatory organizations (SROs), to amend rules with grammatical or typographical errors and to delete certain sections of MSRB rules that are outdated or no longer relevant given the expiration or passing of time limitations set forth therein (the “proposed rule change”). The MSRB is filing the proposed rule change under Section 19(b)(3)(A)(iii)³ of the Act and Rule 19b-4(f)(6)⁴ thereunder, as a

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

noncontroversial rule change that renders the proposal effective upon receipt of this filing by the Commission. The operative date of the proposed rule change will be June 3, 2019.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2019-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 been conducting a retrospective review of its rules in an effort to ensure the rules are effective in their principal goal of protecting investors, issuers and the public interest. The retrospective review also seeks to ensure that MSRB rules are not overly burdensome, are clear and harmonized with the rules of other regulators, as appropriate, and are reflective of current market practices.

In its review, the MSRB identified several instances where cross references to the rules of other SROs are incorrect. In addition, the MSRB has identified two rule sections with date references that are no longer valid. Finally, the MSRB has identified several places where

grammatical or typographical corrections are needed. The proposed rule change would make non-substantive changes to address these issues.

Cross-References to Other SRO Rules

The Financial Industry Regulatory Authority (FINRA) is an SRO providing regulatory oversight of brokers and dealers doing business in the United States. It was formed by the consolidation of the member regulation, enforcement and arbitration operations of the New York Stock Exchange, NYSE Regulation, Inc. and the National Association of Securities Dealers (NASD). Prior to this consolidation, the NASD served as a predecessor SRO to FINRA. As a result, many of the MSRB's rules continue to cross-reference outdated NASD rules that have since been updated with the creation of the FINRA rulebook.⁵ The proposed rule change would update incorrect NASD rule references in the MSRB rulebook to the correct FINRA rule, by amending:

- Rule G-20, on gifts, gratuities, non-cash compensation and expenses of issuance, to change the reference in subsection (b)(iv) from NASD Rule 2830 to FINRA Rule 2341.
- Rule G-27, on supervision, to change references in subsection (g)(vi) from NASD Rules 2110, 2120, 2310, 2330, 2440, 3010 (failure to supervise only), 3310 and 3330 to FINRA Rules 2010, 2020, 2111, 2150, 2121, 3110 (failure to supervise only), 5210 and 5230, respectively.

⁵ In some instances, a single NASD rule subsequently became multiple FINRA rules (e.g., NASD Rule 3010 became FINRA Rules 3110 and 3170). The proposed rule change only references those FINRA rules that are relevant to the particular MSRB rule being amended.

- Rule G-35, on arbitration, to delete reference to “the Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. (“NASD”),” “NASD’s Code of Arbitration Procedure,” and “NASD” and to change these reference as follows:
 - Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. (“NASD”) would be changed to “the Financial Industry Regulatory Authority’s (FINRA) Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate,”
 - NASD’s Code of Arbitration Procedure would be changed to “FINRA’s Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate,” and
 - NASD would be changed to “FINRA”.
- Rule G-41, on anti-money laundering compliance programs, to change the reference therein from NASD Rule 3011 to FINRA Rule 3310.

Outdated Date References

There are two MSRB rules that have date references that are outdated or no longer necessary for purposes of compliance with the rules. To eliminate these outdated or unnecessary references, the proposed rule change would amend:

- Rule G-38, on solicitation of municipal securities business, to delete subsection (c) in its entirety, as this section addresses transitional payments made for solicitation activities that occurred “on or prior to August 29, 2005.” In particular, this subsection requires a filing to be made “by the last day of the month following the end of each calendar quarter during which payments for such solicitations are made or remain

pending.” The MSRB has not received a Form G-38t filing for two years which would indicate payments for solicitations pursuant to subsection (c) are no longer occurring or pending. If such payments were still being made or were pending for activity occurring prior to August 29, 2005, a Form G-38t would have been filed indicating so. As a result, the MSRB believes there is no longer a need for the requirements set forth in subsection (c). The proposed rule change also would delete from section (a) reference to section (c) for consistency.

- Rule G-45, on reporting of information on municipal fund securities, to delete subsection (e), which provides a transition provision for reporting related to the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (“ABLE program”). Rule G-45 requires reporting of information on Form G-45 to the MSRB of certain primary offerings of municipal fund securities. Subsection (e) indicates that for underwriters in primary offerings of an ABLE program, the first submissions due pursuant to the rule “will be for the reporting period ending June 30, 2018.” Because this deadline has passed, the proposed rule change would delete this provision as it is no longer necessary for compliance with the rule.

Typographical or Grammatical Errors

The proposed rule change would fix typographical or grammatical errors by amending:

- Rule G-12, on uniform practice, to delete duplicative language from paragraph (h)(ii)(A) on close-out by seller.
- Rule G-26, on customer account transfers, to change the word “affect” to “effect” as it appears in Supplementary Material .02 Written Procedures.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Act,⁶ which provides that the 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.

The proposed rule change would promote just and equitable principles of trade by ensuring that existing rule provisions are accurate and understandable. While the proposed rule change affects rules applicable to brokers, dealers and municipal securities (“dealers”), it is meant to clarify existing MSRB rules and would not impose additional burdens on dealers.

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

Section 15B(b)(2)(C) of the Exchange Act requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.⁷ The MSRB does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act because it would apply equally to all dealers.⁸

⁶ 15 U.S.C. 78o-4(b)(2)(C).

⁷ Id.

⁸ The Board's policy on the use of economic analysis limits its applications regarding those rules for which the Board seeks immediate effectiveness. The scope of the Board's policy on the use of economic analysis in rulemaking provides that:

[t]his Policy addresses rulemaking activities of the MSRB that culminate, or are expected to culminate, in a filing of a proposed rule change with the SEC under Section 19(b) of the Exchange Act, other than a proposed rule change that the MSRB reasonably believes would qualify for immediate effectiveness under

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

Written comments were neither solicited nor received.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Exchange Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder. 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.

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-2019-08 on the subject line.

Section 19(b)(3)(A) of the Exchange Act if filed as such (e.g., fee filing or facility filing) or as otherwise provided under the exception process of this Policy.

[Policy on the Use of Economic Analysis in MSRB Rulemaking](#). For those rule changes which the MSRB seeks immediate effectiveness, the MSRB usually focuses exclusively its examination on the burden of competition on regulated entities.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

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-2019-08. 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 comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2019-08 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).

Text of Proposed Rule Change¹**Rule G-12: Uniform Practice**

(a) – (g) No change.

(h) *Close-Out*.

(i) No change.

(ii) *Close-Out by Seller*. If a seller makes good delivery according to the terms of the transaction and the requirements of this rule and the purchaser rejects delivery, the seller may close out the transaction in accordance with the following procedures:

(A) *Notice of Close-Out*. If the seller elects to close out a transaction in accordance with this paragraph (ii), the seller shall at any time not later than the close of business on the first business day following receipt by the seller of notice of the rejection, notify the purchaser via an inter-dealer communication system of the registered clearing agency through which the transaction was compared [of the purchaser's intention to close out the transaction]of the seller's intention to close out the transaction.

(1) No change.

(ii)(B) – (iv) No change.

(i) – (j) No change.

Rule G-20: Gifts, Gratuities, Non-Cash Compensation and Expenses of Issuance

(a) No change.

(b) *Definitions*.

(i) – (iii) No change.

(iv) "Offeror" means, with respect to a primary offering of municipal securities, the issuer, any adviser to the issuer (including, but not limited to, the issuer's financial advisor, municipal advisor, bond or other legal counsel, or investment or program manager in connection with the primary offering), the underwriter of the primary offering, or any person controlling, controlled by, or under common control with any of the foregoing; provided that, with respect to a primary offering of municipal fund securities, "offeror" shall also include any person

¹ Deletions are in brackets and additions are underlined.

considered an "offeror" under FINRA Rules 5110, 2320, or 2341[NASD Rule 2830] in connection with any securities held as assets of or underlying such municipal fund securities.

(v) – (vii) No change.

(c) – (g) No change.

Rule G-26: Customer Account Transfers

(a) – (l) No change.

Supplementary Material

.01 – No change.

.02 Written Procedures. Municipal securities dealers must establish, maintain and enforce written procedures to [affect]effect and supervise the transfer of municipal securities account assets pursuant to this rule that are reasonably designed to achieve compliance with applicable securities laws and regulations, including applicable Board rules.

.03 No change.

Rule G-27: Supervision

(a) – (f) No change.

(g) *Definitions.*

(i) – (v) No change.

(vi) "Disciplinary history" means a finding of violation by a registered person in the past five years by the Securities and Exchange Commission, a self-regulatory organization, or a foreign financial regulatory authority of one or more of the following rules (or comparable foreign provision): Sections 15(b)(4)(E) and 15(c) of the Act; Section 17(a) of the Securities Act of 1933; SEC Rules 10b-5 and 15g-1 through 15g-9; FINRA Rules 2010, 2020, 2111, 2150, 2121, 3110 (failure to supervise only), 5210 and 5230; [NASD Rules 2110, 2120, 2310, 2330, 2440, 3010 (failure to supervise only), 3310, and 3330;]MSRB Rules G-19, G-30, and G-37(b) and (c).

Rule G-35: Arbitration

Arbitration Involving Bank Dealers.

As of January 1, 1998, every bank dealer (as defined in rule D-8) shall be subject to the Financial Industry Regulatory Authority's (FINRA) Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate, [Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. ("NASD")]for every claim, dispute or controversy arising out of or in connection with the municipal securities activities of the bank dealer acting in its capacity as such. For purposes of this rule, each bank dealer shall be subject to, and shall abide by, FINRA's[the NASD's] Code of Arbitration Procedure for Customer Disputes and Code of Arbitration Procedure for Industry Disputes, as appropriate, including any amendments thereto, as if the bank dealer were a "member" of FINRA [the NASD].

Rule G-38: Solicitation of Municipal Securities Business

(a) *Prohibited Payments.* [Subject to section (c) of this rule, n]No broker, dealer or municipal securities dealer may provide or agree to provide, directly or indirectly, payment to any person who is not an affiliated person of the broker, dealer or municipal securities dealer for a solicitation of municipal securities business on behalf of such broker, dealer or municipal securities dealer.

(b) No change.

[(c) *Transitional Payments.*]

[(i) A broker, dealer or municipal securities dealer may make payments to a person other than an affiliated person of the broker, dealer or municipal securities dealer for a solicitation of municipal securities business on behalf of such broker, dealer or municipal securities dealer if such payment is made with respect solely to solicitation activities undertaken by such person on or prior to the effective date of this rule pursuant to a Consultant Agreement under former Rule G-38, but only if:]

[(A) such person has not solicited municipal securities business from any issuer on behalf of the broker, dealer or municipal securities dealer at any time after the effective date of this rule; and]

[(B) the broker, dealer or municipal securities dealer sends to the Board, by the last day of the month following the end of each calendar quarter during which payments to such person are made or remain pending, Form G-38t, setting forth, in the prescribed format, the information required to be disclosed to the Board pursuant to section (e) of former Rule G-38; provided that each item of municipal securities business for which payment remains pending (together with a specific dollar amount or objective formula for determining the specific dollar amount of the pending payment) must be listed on the first quarterly Form G-38t due after the effective date of this rule and on each subsequent quarterly Form G-38t until such quarter in which payment is finally made. The broker, dealer or municipal securities dealer shall send two copies of Form G-38t to the Board by certified or registered mail, or some other equally prompt means that

provides a record of sending. The Board shall make public a copy of each Form G-38t received from any broker, dealer or municipal securities dealer.]

[(ii) For purposes of this section (c), the term "effective date of this rule" means August 29, 2005, and the term "former Rule G-38" means Rule G-38 of the Board in effect on the day prior to the effective date of this rule.]

Rule G-41: Anti-Money Laundering Compliance Program

Every broker, dealer or municipal securities dealer shall establish and implement an anti-money laundering compliance program reasonably designed to achieve and monitor ongoing compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. 5311, et seq. ("BSA"), and the regulations thereunder. A broker, dealer or municipal securities dealer that establishes and implements an anti-money laundering compliance program that is in compliance with the rules, regulations or requirements governing the establishment and maintenance of anti-money laundering programs of the registered securities association of which the broker, dealer or municipal securities dealer is a member (*e.g.*, FINRA Rule 3310[NASD Rule 3011]) or the appropriate regulatory agency as defined in Section 3(a)(34) of the Act (*e.g.*, 12 C.F.R. 21.21 (OCC); 12 C.F.R. 208.63 (FRB); 12 C.F.R. 326.8 (FDIC)) or, if applicable, the Office of Thrift Supervision (12 C.F.R. 563.177) will be deemed to be in compliance with Section 5318(h)(1) of the BSA and the regulations promulgated thereunder for purposes of this Rule.

Rule G-45: Reporting of Information on Municipal Fund Securities

(a) – (d) No change.

[(e) *Transition Provision for ABLE Programs.* Notwithstanding section (a), the first submissions due under the rule by underwriters of primary offerings of interests in programs established and maintained by a state, or an agency or instrumentality thereof, to implement the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (an "ABLE program"), will be for the reporting period ending June 30, 2018.]