

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 26	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 01	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 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"/>
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Description

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

Proposed Rule Change to Provide Dealers and Municipal Advisors Additional Time to Comply with Certain Obligations for a Temporary Period of Time and Temporarily Suspend Late Fees on Payments Owed to the MSRB

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 * Gail Last Name * Marshall
 Title * Chief Compliance Officer
 E-mail * gmarshall@msrb.org
 Telephone * (202) 838-1500 Fax

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 04/13/2020 Corporate Secretary
 By Ronald W. Smith

(Name *)

rsmith@msrb.org, rsmith@msrb.org

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 *

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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 *

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

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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

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 (“Exchange Act” or “Act”),¹ and Rule 19b-4 thereunder,² the Municipal Securities Rulemaking Board (“MSRB”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described below, which Items have been prepared by the MSRB. The MSRB has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission.

(a) The text of the proposed rule change is attached as Exhibit 5. Text proposed to be added is underlined.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board on April 1, 2020. Questions concerning this filing may be directed to Gail Marshall, Chief Compliance Officer, at 202-838-1361, or Bri Joiner, Director, Professional Qualifications, at 202-838-1347.

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

(a) Purpose

The MSRB is closely monitoring the impact of the coronavirus disease (COVID-19) pandemic on municipal market participants, including brokers, dealers, municipal securities dealers (“dealers”), municipal advisors, issuers and investors. The MSRB recognizes that dealers and municipal advisors (collectively, “regulated entities”) are experiencing operational challenges with a vast number of individuals working from home, coupled with unprecedented conditions in the municipal market due to the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

COVID-19 pandemic.⁴ In an effort to provide regulated entities an opportunity to better manage and allocate resources during these exigent circumstances, the MSRB is proposing to (i) suspend late fees owed for the period of March 1, 2020 through July 31, 2020; (ii) modify the date by which compliance obligations must be completed under certain MSRB rules for a temporary period; and (iii) extend the compliance date of rule changes that have yet to be implemented.⁵

The MSRB will continue monitoring the impact of the COVID-19 pandemic and work in close coordination with other financial regulators and governmental authorities.

Temporary Suspension of Late Fees

The MSRB assesses late fees under MSRB Rule A-11, on assessments for municipal advisor professionals, and MSRB Rule A-12, on registration. The MSRB is proposing to suspend the assessment of such late fees on overdue balances that may be owed to the MSRB for a temporary period. Specifically, the proposed rule change would temporarily suspend, for the period of March 1, 2020 through July 31, 2020, the late fees assessed under:

- MSRB Rule A-11(b), for the annual municipal advisor professional fees owed by each municipal advisor pursuant to Rule A-11(a) for each person associated with the municipal advisor who is qualified as a municipal advisor representative pursuant to Rule A-11(a);
- MSRB Rule A-12(d), for the:
 - Initial registration fee owed by each dealer and municipal advisor pursuant to Rule A-12(b);
 - Annual registration fee owed by each dealer and municipal advisor pursuant to Rule A-12(c);
 - Any underwriting assessments owed by each dealer, pursuant to MSRB Rule A-13(a), for municipal securities purchased from an issuer by or through a dealer as part of a primary offering;⁶

⁴ Wall Street Journal: How the Muni Market Became the Epicenter of the Liquidity Crisis (April 2, 2020) <https://www.wsj.com/articles/how-the-muni-market-became-the-epicenter-of-the-liquidity-crisis-11585823404>

⁵ See 17 CFR 240.19b-4(f)(6).

⁶ Rule A-13, on underwriting and transaction assessments for brokers, dealers, and municipal securities dealers, section A-13(a) provides that the underwriting assessment does not apply to a primary offering of securities if all such securities

- Any underwriting assessment for a primary offering of municipal fund securities owed, pursuant to Rule A-13(b), by each underwriter of a primary offering of a plan, as the terms “underwriter” and “plan” are defined under Rule G-45(d)(xiv) and Rule G-45(d)(ix), respectively;
- Any transaction assessment owed by each dealer for certain inter-dealer municipal securities sales pursuant to Rule A-13(d)(i); and
- Any technology assessment owed by each dealer for certain sales to customers pursuant to Rule A-13(d)(ii).

Late fees are generally assessed during the last week of the month on outstanding balances subject to late fees per applicable Rule at that point in time. In this instance, beginning on August 1, 2020, outstanding balances will be subject to late fees as specified by MSRB Rule A-11(b) and MSRB Rule A-12(d), respectively. During the last week of August, outstanding balances subject to late fees under those Rules will be assessed such fees in accordance with those Rules. Late fees will not be assessed retroactively for the period of March 1, 2020 through July 31, 2020.

Extension of Time to Complete Certain Supervisory Functions

The MSRB is proposing to provide dealers additional time to complete certain annual supervisory functions under MSRB Rule G-27, on supervision. Specifically, the following supervisory obligations shall be deemed to have been timely completed for calendar year 2020, provided that such supervisory obligations are completed on or before March 31, 2021:

- An inspection of an office of municipal supervisory jurisdiction, branch office or non-branch location pursuant to Rule G-27(d)(i)(A), (B) and (C), as applicable, recognizing that, consistent with Rule G-27 (g)(ii)(A)(7), a temporary location established in response to the implementation of a business continuity plan is not deemed an office for purposes of complying inspection obligations;
- The annual compliance interview or meeting pursuant to Rule G-27(b)(vii); and
- The submission of a report from the designated principal(s) to the firm’s senior management detailing the review of the firm’s supervisory controls pursuant to Rule G-27(f)(i).

in the primary offering are commercial paper as defined in MSRB Rule G-32(d) or constitute municipal fund securities. An underwriting assessment for a primary offering of municipal fund securities is address under Rule A-13(b).

Similarly, the MSRB is also proposing to provide municipal advisors until March 31, 2021 to complete the annual certification for calendar year 2020 required pursuant to MSRB Rule G-44, on supervisory and compliance obligations of municipal advisors. Pursuant to Rule G-44(d), the chief executive officer(s) (or equivalent officer(s)) of a municipal advisor must annually certify in writing that the municipal advisor has in place processes to establish, maintain, review, test and modify written compliance policies and written supervisory procedures reasonably designed to achieve compliance with applicable rules.⁷

Extension of Previously Announced Compliance Dates

On January 31, 2020, the MSRB announced a compliance date of November 30, 2020 for the amended and restated guidance regarding the fair dealing obligations underwriters owe to issuers of municipal securities under MSRB Rule G-17, on conduct of municipal securities and municipal advisory activities (the “Revised Interpretive Notice”).⁸ The MSRB is proposing to extend the compliance date until March 31, 2021; underwriting relationships commenced by dealers on or after the revised compliance date will be subject to the Revised Interpretive Notice.⁹

On December 20, 2019, the MSRB announced a compliance date of November 30, 2020 for amendments to Form G-32.¹⁰ These amendments to Form G-32 are designed to collect new data elements from underwriters related to primary offerings of municipal securities through the MSRB’s Electronic Municipal Market Access Dataport system, the

⁷ As provided in Rule G-44(d), this requirement shall not apply to municipal advisors that are subject to a substantially similar certification requirement of the Financial Industry Regulatory Authority (FINRA) with respect to all applicable rules.

⁸ [MSRB Notice 2020-03](#) (Jan 31, 2020) announcing the effective date for the Revised Interpretive Notice, which the SEC had approved on November 6, 2019. See Release No. 34-87478 (Nov. 6, 2019), 84 FR 61660 (Nov. 13, 2019) (File No. SR-MSRB-2019-10).

⁹ As stated in the Revised Interpretive Notice, an underwriting relationship is deemed to commence at the time the obligation to deliver the first disclosure is triggered (i.e., the earliest stages of an underwriter’s relationship with an issuer with respect to an issue, such as in a response to a request for proposal or in promotional materials provided to an issuer).

¹⁰ [MSRB Notice 2019-21](#) (Dec 20, 2019) announcing the effective date for amendments to Form G-32, which the SEC had approved on June 27, 2019. See Release No. 34-86219 (June 27, 2019), 84 FR 31961 (July 3, 2019) (File No. SR-MSRB-2019- 07).

majority of which is data underwriters are presently required to input into the Depository Trust Company's New Issue Information Dissemination Service. The MSRB is proposing to extend the compliance date until March 31, 2021.¹¹

Extension of Time to Complete Certain Professional Qualification Standards

FINRA, as appointed by the Commission, provides test administration services to the MSRB for the delivery of MSRB-owned professional qualification examinations.¹² FINRA uses Prometric¹³ as its single vendor for the delivery of the professional qualification examinations that FINRA is charged with administering, including MSRB-owned professional qualification examinations. In March 2020, Prometric announced that, due to the COVID-19 pandemic, it was temporarily closing all of its test center locations in the United States and Canada through April 15, 2020.¹⁴ While, at this time, Prometric has not announced a deviation from its planned resumption of operations effective April 16, 2020, there is no certainty as to when Prometric will resume operation of its testing centers. Moreover, there is no certainty as to when individuals would be able to visit any open testing centers due to stay-at-home orders that may be in place.

For those reasons, the MSRB is proposing to provide additional time to allow firms and individuals to fulfill certain professional qualification standards established under MSRB Rule G-3, on professional qualification requirements, consistent with MSRB Rule G-2, on standards of professional qualification as follows:

- The date by which an individual functioning in the capacity as a principal before passing the applicable MSRB-owned principal qualification examination pursuant to Rule G-3(b)(ii)(D), G-3(b)(iv)(B)(4) and G-

¹¹ Consistent with its prior pronouncement, the MSRB will make the amended Form G-32 available in advance of the revised compliance date so that dealers can operationalize processes for compliance with the amended form.

¹² See, e.g., Release No. 34-75714 (Aug. 17, 2015) (Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors).

¹³ Prometric is a leading provider of technology-enabled testing and assessment solutions to many of the world's most recognized licensing and certification organizations, academic institutions, and government agencies. See <https://www.prometric.com>.

¹⁴ See <https://www.prometric.com/corona-virus-update>.

3(c)(ii)(D), as applicable, would be extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers;¹⁵

- The date by which an individual has to complete their Regulatory Element component of continuing education training, as required pursuant to Rule G-3(i)(i)(A)(1), would be extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers;¹⁶
- The date by which certain individuals are required to become qualified with the Municipal Advisor Principal Qualification Examination (Series 54) would be extended until March 31, 2021. On October 11, 2019, the MSRB announced that a municipal advisor principal,¹⁷ as defined under Rule G-3(e), would have a one-year grace period, sunsetting on November 12, 2020, to pass the Series 54.¹⁸ The MSRB is proposing to extend the grace period until March 31, 2021. As a result, individuals qualified with the Municipal Advisor Representative Qualification Examination (Series 50) will be able to continue to engage in principal-level activities without passing the Series 54 until March 31, 2021; and
- The annual needs analysis and the delivery of continuing education pursuant to Rule G-3(i)(i)(B) and G-3(i)(ii), as applicable, shall be deemed to have been timely completed for calendar year 2020, provided that the needs

¹⁵ The MSRB will publish a notice on its website announcing when Prometric resumes operations in its testing centers so regulated entities are on notice of when the 120-day period begins to toll.

¹⁶ This extension is only for purposes of compliance with MSRB Rule G-3(i)(i)(A)(1) and is not intended to provide relief to individuals who may need to complete the Regulatory Element component of continuing education pursuant to the rules of another regulatory authority.

¹⁷ The term "municipal advisor principal" means a natural person associated with a municipal advisor who is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons. To become qualified as a municipal advisor principal a person must, as a pre-requisite, take and pass the Municipal Advisor Representative Qualification Examination; and take and pass the Municipal Advisor Principal Qualification Examination.

¹⁸ [MSRB Notice 2019-18](#) (October 21, 2019) announcing the launch of the Series 54 exam, which the SEC had approved on November 20, 2018. See Release No. 34-84630 (Nov. 20, 2018), 80 FR 60927 (Nov. 27, 2018) (File No. SR-MSRB-2018-07).

analysis and the delivery of continuing education are completed on or before March 31, 2021.

(b) Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,¹⁹ 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 is designed to provide dealers and municipal advisors additional time to comply with certain underlying obligations for a temporary period of time and suspend late fees on payments owed to the MSRB; it does not relieve such regulated entities from compliance with underlying obligations that directly serve investor protection or market transparency goals. In a time when faced with unique challenges resulting from the COVID-19 pandemic, the proposed rule change will afford regulated entities the ability to more effectively allocate resources to serve and promote the protection of investors, municipal entities, obligated persons and the public interest during these unprecedented market conditions. In addition, the proposed rule change will also alleviate some of the operational challenges regulated entities may be experiencing, which will allow them to more effectively allocate resources to operations facilitate 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.

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

Section 15B(b)(2)(C) of the Act²⁰ requires that MSRB rules be designed not to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the Act. The goal of the proposed rule change is to relieve the burden on regulated entities during

¹⁹ 15 U.S.C. 78o-4(b)(2)(C).

²⁰ Id.

the exigent circumstances of the COVID-19 pandemic. The proposed rule change will only provide temporary relief for regulated entities; excluding the suspension on the assessment of late fees, regulated entities will still be required to fulfill their underlying obligations under MSRB rules.

Additionally, Section 15B(b)(2)(L)(iv) of the Act, requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.²¹ The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Act in that, while the proposed rule change will affect all municipal advisors, including small municipal advisors, there is no new regulatory burden that results, and each municipal advisor continues to be obligated to meet baseline competence standards and complete requisite supervisory functions. Small municipal advisors typically have fewer associated persons and, as a result, during the COVID-19 pandemic their resources may be more limited. As the proposed rule change is designed to provide regulated entities an opportunity to better manage and allocate resources during these exigent circumstances, the proposed rule change may be of greater benefit to small municipal advisors.

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 of 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) or Section 19(b)(7)(D)

The MSRB has designated the proposed rule change as being immediately effective upon filing pursuant to Section 19(b)(3)(A) of the Act²² and paragraph (f)(6) of Rule 19b-4 thereunder.²³ The MSRB asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, and (3) will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may

²¹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

²² 15 U.S.C. 78s(b)(3)(A).

²³ 17 CFR 240.19b-4(f)(6).

designate. In accordance with Rule 19b-4(f)(6), the MSRB provided the SEC with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change.

The MSRB requests that the Commission designate the proposed rule filing operative upon filing as the proposed rule change does not significantly alter the substantive or underlying regulatory obligations regulated entities have under MSRB rules. Rather, the proposed rule change provides a temporary extension by which compliance obligations must be completed under certain MSRB rules, extends the compliance date to operationalize rule changes that have yet to be implemented and suspends late fees during a specific time period. Moreover, the MSRB believes that the proposed rule change does not impose any significant burden on competition because the proposed rule change will provide regulated entities a reasonable additional period of time to comply with certain MSRB rules during a temporary period due to the exigent circumstances of the COVID-19 pandemic.

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

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____ ; File No. SR-MSRB-2020-01)

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide Dealers and Municipal Advisors Additional Time to Comply with Certain Obligations for a Temporary Period of Time and Temporarily Suspend Late Fees on Payments Owed to the MSRB

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 to provide dealers and municipal advisors additional time to comply with certain obligations for a temporary period of time and temporarily suspend late fees on payments owed to the MSRB (the “proposed rule change”). The MSRB has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission.

The text of the proposed rule change is available on the MSRB’s website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2020-Filings.aspx, at the MSRB’s

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

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 is closely monitoring the impact of the coronavirus disease (COVID-19) pandemic on municipal market participants, including brokers, dealers, municipal securities dealers ("dealers"), municipal advisors, issuers and investors. The MSRB recognizes that dealers and municipal advisors (collectively, "regulated entities") are experiencing operational challenges with a vast number of individuals working from home, coupled with unprecedented conditions in the municipal market due to the COVID-19 pandemic.⁴ In an effort to provide regulated entities an opportunity to better manage and allocate resources during these exigent circumstances, the MSRB is proposing to (i) suspend late fees owed for the period of March 1, 2020 through July 31, 2020; (ii) modify the date by which compliance obligations must be

⁴ Wall Street Journal: How the Muni Market Became the Epicenter of the Liquidity Crisis (April 2, 2020) <https://www.wsj.com/articles/how-the-muni-market-became-the-epicenter-of-the-liquidity-crisis-11585823404>

completed under certain MSRB rules for a temporary period; and (iii) extend the compliance date of rule changes that have yet to be implemented.⁵

The MSRB will continue monitoring the impact of the COVID-19 pandemic and work in close coordination with other financial regulators and governmental authorities.

Temporary Suspension of Late Fees

The MSRB assesses late fees under MSRB Rule A-11, on assessments for municipal advisor professionals, and MSRB Rule A-12, on registration. The MSRB is proposing to suspend the assessment of such late fees on overdue balances that may be owed to the MSRB for a temporary period. Specifically, the proposed rule change would temporarily suspend, for the period of March 1, 2020 through July 31, 2020, the late fees assessed under:

- MSRB Rule A-11(b), for the annual municipal advisor professional fees owed by each municipal advisor pursuant to Rule A-11(a) for each person associated with the municipal advisor who is qualified as a municipal advisor representative pursuant to Rule A-11(a);
- MSRB Rule A-12(d), for the:
 - Initial registration fee owed by each dealer and municipal advisor pursuant to Rule A-12(b);
 - Annual registration fee owed by each dealer and municipal advisor pursuant to Rule A-12(c);
 - Any underwriting assessments owed by each dealer, pursuant to MSRB Rule A-13(a), for municipal securities purchased from an issuer by or through a dealer as part of a primary offering;⁶

⁵ See 17 CFR 240.19b-4(f)(6).

- Any underwriting assessment for a primary offering of municipal fund securities owed, pursuant to Rule A-13(b), by each underwriter of a primary offering of a plan, as the terms “underwriter” and “plan” are defined under Rule G-45(d)(xiv) and Rule G-45(d)(ix), respectively;
- Any transaction assessment owed by each dealer for certain inter-dealer municipal securities sales pursuant to Rule A-13(d)(i); and
- Any technology assessment owed by each dealer for certain sales to customers pursuant to Rule A-13(d)(ii).

Late fees are generally assessed during the last week of the month on outstanding balances subject to late fees per applicable Rule at that point in time. In this instance, beginning on August 1, 2020, outstanding balances will be subject to late fees as specified by MSRB Rule A-11(b) and MSRB Rule A-12(d), respectively. During the last week of August, outstanding balances subject to late fees under those Rules will be assessed such fees in accordance with those Rules. Late fees will not be assessed retroactively for the period of March 1, 2020 through July 31, 2020.

Extension of Time to Complete Certain Supervisory Functions

The MSRB is proposing to provide dealers additional time to complete certain annual supervisory functions under MSRB Rule G-27, on supervision. Specifically, the following

⁶ Rule A-13, on underwriting and transaction assessments for brokers, dealers, and municipal securities dealers, section A-13(a) provides that the underwriting assessment does not apply to a primary offering of securities if all such securities in the primary offering are commercial paper as defined in MSRB Rule G-32(d) or constitute municipal fund securities. An underwriting assessment for a primary offering of municipal fund securities is address under Rule A-13(b).

supervisory obligations shall be deemed to have been timely completed for calendar year 2020, provided that such supervisory obligations are completed on or before March 31, 2021:

- An inspection of an office of municipal supervisory jurisdiction, branch office or non-branch location pursuant to Rule G-27(d)(i)(A), (B) and (C), as applicable, recognizing that, consistent with Rule G-27 (g)(ii)(A)(7), a temporary location established in response to the implementation of a business continuity plan is not deemed an office for purposes of complying inspection obligations;
- The annual compliance interview or meeting pursuant to Rule G-27(b)(vii); and
- The submission of a report from the designated principal(s) to the firm's senior management detailing the review of the firm's supervisory controls pursuant to Rule G-27(f)(i).

Similarly, the MSRB is also proposing to provide municipal advisors until March 31, 2021 to complete the annual certification for calendar year 2020 required pursuant to MSRB Rule G-44, on supervisory and compliance obligations of municipal advisors. Pursuant to Rule G-44(d), the chief executive officer(s) (or equivalent officer(s)) of a municipal advisor must annually certify in writing that the municipal advisor has in place processes to establish, maintain, review, test and modify written compliance policies and written supervisory procedures reasonably designed to achieve compliance with applicable rules.⁷

Extension of Previously Announced Compliance Dates

On January 31, 2020, the MSRB announced a compliance date of November 30, 2020 for the amended and restated guidance regarding the fair dealing obligations underwriters owe to

⁷ As provided in Rule G-44(d), this requirement shall not apply to municipal advisors that are subject to a substantially similar certification requirement of the Financial Industry Regulatory Authority (FINRA) with respect to all applicable rules.

issuers of municipal securities under MSRB Rule G-17, on conduct of municipal securities and municipal advisory activities (the “Revised Interpretive Notice”).⁸ The MSRB is proposing to extend the compliance date until March 31, 2021; underwriting relationships commenced by dealers on or after the revised compliance date will be subject to the Revised Interpretive Notice.⁹

On December 20, 2019, the MSRB announced a compliance date of November 30, 2020 for amendments to Form G-32.¹⁰ These amendments to Form G-32 are designed to collect new data elements from underwriters related to primary offerings of municipal securities through the MSRB’s Electronic Municipal Market Access Dataport system, the majority of which is data underwriters are presently required to input into the Depository Trust Company’s New Issue Information Dissemination Service. The MSRB is proposing to extend the compliance date until March 31, 2021.¹¹

Extension of Time to Complete Certain Professional Qualification Standards

⁸ [MSRB Notice 2020-03](#) (Jan 31, 2020) announcing the effective date for the Revised Interpretive Notice, which the SEC had approved on November 6, 2019. See Release No. 34-87478 (Nov. 6, 2019), 84 FR 61660 (Nov. 13, 2019) (File No. SR-MSRB-2019-10).

⁹ As stated in the Revised Interpretive Notice, an underwriting relationship is deemed to commence at the time the obligation to deliver the first disclosure is triggered (i.e., the earliest stages of an underwriter’s relationship with an issuer with respect to an issue, such as in a response to a request for proposal or in promotional materials provided to an issuer).

¹⁰ [MSRB Notice 2019-21](#) (Dec 20, 2019) announcing the effective date for amendments to Form G-32, which the SEC had approved on June 27, 2019. See Release No. 34-86219 (June 27, 2019), 84 FR 31961 (July 3, 2019) (File No. SR-MSRB-2019- 07).

¹¹ Consistent with its prior pronouncement, the MSRB will make the amended Form G-32 available in advance of the revised compliance date so that dealers can operationalize processes for compliance with the amended form.

FINRA, as appointed by the Commission, provides test administration services to the MSRB for the delivery of MSRB-owned professional qualification examinations.¹² FINRA uses Prometric¹³ as its single vendor for the delivery of the professional qualification examinations that FINRA is charged with administering, including MSRB-owned professional qualification examinations. In March 2020, Prometric announced that, due to the COVID-19 pandemic, it was temporarily closing all of its test center locations in the United States and Canada through April 15, 2020.¹⁴ While, at this time, Prometric has not announced a deviation from its planned resumption of operations effective April 16, 2020, there is no certainty as to when Prometric will resume operation of its testing centers. Moreover, there is no certainty as to when individuals would be able to visit any open testing centers due to stay-at-home orders that may be in place.

For those reasons, the MSRB is proposing to provide additional time to allow firms and individuals to fulfill certain professional qualification standards established under MSRB Rule G-3, on professional qualification requirements, consistent with MSRB Rule G-2, on standards of professional qualification as follows:

- The date by which an individual functioning in the capacity as a principal before passing the applicable MSRB-owned principal qualification examination pursuant to Rule G-3(b)(ii)(D), G-3(b)(iv)(B)(4) and G-3(c)(ii)(D), as applicable, would be

¹² See, e.g., Release No. 34-75714 (Aug. 17, 2015) (Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors).

¹³ Prometric is a leading provider of technology-enabled testing and assessment solutions to many of the world's most recognized licensing and certification organizations, academic institutions, and government agencies. See <https://www.prometric.com>.

¹⁴ See <https://www.prometric.com/corona-virus-update>.

extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers;¹⁵

- The date by which an individual has to complete their Regulatory Element component of continuing education training, as required pursuant to Rule G-3(i)(i)(A)(1), would be extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers;¹⁶
- The date by which certain individuals are required to become qualified with the Municipal Advisor Principal Qualification Examination (Series 54) would be extended until March 31, 2021. On October 11, 2019, the MSRB announced that a municipal advisor principal,¹⁷ as defined under Rule G-3(e), would have a one-year grace period, sunsetting on November 12, 2020, to pass the Series 54.¹⁸ The MSRB is proposing to extend the grace period until March 31, 2021. As a result, individuals qualified with the Municipal Advisor Representative Qualification Examination

¹⁵ The MSRB will publish a notice on its website announcing when Prometric resumes operations in its testing centers so regulated entities are on notice of when the 120-day period begins to toll.

¹⁶ This extension is only for purposes of compliance with MSRB Rule G-3(i)(i)(A)(1) and is not intended to provide relief to individuals who may need to complete the Regulatory Element component of continuing education pursuant to the rules of another regulatory authority.

¹⁷ The term "municipal advisor principal" means a natural person associated with a municipal advisor who is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons. To become qualified as a municipal advisor principal a person must, as a pre-requisite, take and pass the Municipal Advisor Representative Qualification Examination; and take and pass the Municipal Advisor Principal Qualification Examination.

¹⁸ [MSRB Notice 2019-18](#) (October 21, 2019) announcing the launch of the Series 54 exam, which the SEC had approved on November 20, 2018. See Release No. 34-84630 (Nov. 20, 2018), 80 FR 60927 (Nov. 27, 2018) (File No. SR-MSRB-2018-07).

(Series 50) will be able to continue to engage in principal-level activities without passing the Series 54 until March 31, 2021; and

- The annual needs analysis and the delivery of continuing education pursuant to Rule G-3(i)(i)(B) and G-3(i)(ii), as applicable, shall be deemed to have been timely completed for calendar year 2020, provided that the needs analysis and the delivery of continuing education are completed on or before March 31, 2021.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,¹⁹ 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 is designed to provide dealers and municipal advisors additional time to comply with certain obligations for a temporary period of time and suspend late fees on payments owed to the MSRB; it does not relieve such regulated entities from compliance with underlying obligations that directly serve investor protection or market transparency goals. In a time when faced with unique challenges resulting from the COVID-19 pandemic, the proposed rule change will afford regulated entities the ability to more effectively allocate resources to serve and promote the protection of investors, municipal entities, obligated persons and the public interest during these unprecedented market conditions. In addition, the proposed rule change will also alleviate some of the operational challenges regulated entities

¹⁹ 15 U.S.C. 78o-4(b)(2)(C).

may be experiencing, which will allow them to more effectively allocate resources to operations facilitate 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.

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

Section 15B(b)(2)(C) of the Act²⁰ requires that MSRB rules be designed not to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the Act. The goal of the proposed rule change is to relieve the burden on regulated entities during the exigent circumstances of the COVID-19 pandemic. The proposed rule change will only provide temporary relief for regulated entities; excluding the suspension on the assessment of late fees, regulated entities will still be required to fulfill their underlying obligations under MSRB rules.

Additionally, Section 15B(b)(2)(L)(iv) of the Act, requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.²¹ The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Act in that, while the proposed rule change will affect all municipal advisors, including small municipal advisors, there is no new regulatory burden that results, and each municipal advisor continues to be obligated to meet baseline competence standards and

²⁰ Id.

²¹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

complete requisite supervisory functions. Small municipal advisors typically have fewer associated persons and, as a result, during the COVID-19 pandemic their resources may be more limited. As the proposed rule change is designed to provide regulated entities an opportunity to better manage and allocate resources during these exigent circumstances, the proposed rule change may be of greater benefit to small municipal advisors.

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 Exchange Act²² and Rule 19b-4(f)(6)²³ 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-

²² 15 U.S.C. 78s(b)(3)(A).

²³ 17 CFR 240.19b-4(f)(6).

2020-01 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-2020-01. 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-2020-01 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.²⁴

Secretary

²⁴ 17 CFR 200.30-3(a)(12).

Rule A-11: Assessments for Municipal Advisor Professionals

(a) – (b) No change.

Supplementary Material .01 Temporary Suspension of Late Fees. Notwithstanding the late fees specified in section (b) of this rule, no late fees will be assessed on municipal advisors that fail to timely pay the annual professional fee due under section (a) of this rule for the period of March 1, 2020 through July 31, 2020. Beginning on August 1, 2020, unpaid balances on any annual municipal advisor professional fees assessed under section (a) will become subject to late fees as specified in section (b) for the period beginning August 1, 2020 until such time as the balance is paid.

Rule A-12: Registration

(a) – (l) No change.

Supplementary Material .01 Temporary Suspension of Late Fees. Notwithstanding the late fees specified in section (d) of this rule, no late fees will be assessed on any broker, dealer, municipal securities dealer or municipal advisor that has unpaid balances on any fee assessed under this rule or Rule A-13 for the period of March 1, 2020 through July 31, 2020. Beginning on August 1, 2020, any unpaid balances on any fees assessed under this rule or Rule A-13 that are more than 30 days past the invoice date are subject to late fees as specified in section (d) for the period beginning August 1, 2020 until such time as the balance is paid.

Rule G-3: Professional Qualification Requirements

(a) – (i) No change.

Supplementary Material .01 – .05 No change.

.06 Temporary Relief for Municipal Securities Principal. For a temporary period, notwithstanding the requirements of (b)(ii)(D), the requirements of (b)(ii)(A) shall not apply to any person designated a municipal securities principal who is qualified as a municipal securities representative or general securities representative with at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal, provided however that each such person shall be required to take and pass the professional qualification examination required under (b)(ii)(A) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.

.07 Temporary Relief for Municipal Securities Limited Principal. For a temporary period, notwithstanding the requirements of (b)(iv)(B)(4), the requirements of (b)(iv)(B)(1) and (b)(iv)(B)(2) shall not apply to any person designated a municipal fund securities limited

principal who is qualified as a general securities representative or investment company/variable contracts limited representative, provided that such qualified representative has at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal or investment company/variable contracts limited principal, provided however that each such person shall be required to take and pass the qualification examination required under (b)(iv)(B)(1) and satisfy the professional qualification standards of (b)(iv)(B)(2) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.

.08 Temporary Relief for Municipal Securities Sales Principal. For a temporary period, notwithstanding the requirements of (c)(ii)(D), the requirements of (c)(ii)(A) shall not apply to any person designated a municipal securities sales principal who is qualified as a municipal securities representative or general securities representative, provided that such qualified representative has at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal, provided however that each such person shall be required to take and pass the qualification examination required under (c)(ii)(A) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.

.09 Temporary Relief for Municipal Advisor Principal. Notwithstanding the requirements of (e)(ii)(A)(2), any person who is qualified as a municipal advisor representative pursuant to (d)(ii)(A) may be designated a municipal advisor principal, as that term is defined under (e)(i), provided however that each such person shall be required to take and pass the Municipal Advisor Principal Qualification Examination on or before March 31, 2021.

.10 Temporary Relief for Regulatory Element Standards. For a temporary period, notwithstanding the requirements of (i)(i)(A)(1), each broker, dealer or municipal securities dealer may permit any registered person to continue to, and the registered person is permitted to continue to, perform duties as a registered person without completing the requisite Regulatory Element provided that such registered person completes any Regulatory Element required under (i)(i)(A)(1) within 120 days of the MSRB publicly announcing the expiration date of the temporary period.

.11 Temporary Relief for Firm Element Standards. Each broker, dealer or municipal securities dealer shall be deemed to have satisfied its Firm Element obligations for calendar year 2020 if the Firm Element standards under of (i)(i)(B)(2) are completed on or before March 31, 2021.

.12 Temporary Relief for Municipal Advisor Continuing Education Requirements. Each municipal advisor shall be deemed to have satisfied its Continuing Education obligations for calendar year 2020 if the standards under of (i)(ii)(B)(2) are completed on or before March 31, 2021.

Rule G-27: Supervision

(a) – (g) No change.

.01 Temporary Relief for Completing Office Inspections. Each dealer obligated to complete an inspection of an office of municipal supervisory jurisdiction, branch office or non-branch location in calendar year 2020 pursuant to, as applicable, (d)(i)(A), (B) and (C) above, shall be deemed to have satisfied such obligation if the applicable inspection(s) are completed on or before March 31, 2021. Consistent with (g)(ii)(A)(7), a temporary location established in response to the implementation of a business continuity plan is not deemed an office for purposes of complying inspection obligations.

.02 Temporary Relief for Completing Annual Compliance Meeting. Each dealer obligated to have each registered representative and registered principal complete an annual compliance interview or meeting pursuant to (b)(vii) above shall be deemed to have satisfied such obligation for calendar year 2020 if such compliance interview or meeting is completed on or before March 31, 2021.

.03 Temporary Relief for Completing Annual Supervisory Testing. Each dealer obligated to complete an annual test of its supervisory control system and report such results pursuant to (f)(i) above shall be deemed to have satisfied such obligation for calendar year 2020 if such testing and reporting is completed on or before March 31, 2021.

Rule G-44: Supervisory and Compliance Obligations of Municipal Advisors

(a) – (g) No change.

Supplementary Material .01 – .09 No change.

.10 Temporary Relief for Completing Annual Certification. Each municipal advisor obligated to have its Chief Executive Officer(s)(or equivalent officer(s)) complete an annual certification that the firm has in place processes to establish, maintain, review, test and modify the municipal advisor's written compliance and supervisory policies and supervisory procedures pursuant to G-44(d) above shall be deemed to have satisfied such obligation for calendar year 2020, if such certification is completed on or before March 31, 2021.