

Proposed Rule Change by Municipal Securities Rulemaking Board
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Amendments to Rule G-40, on electronic mail contacts, to more fully conform MSRB requirements to FINRA requirements relating to contact information.

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Jill"/>	Last Name	<input type="text" value="Finder"/>
Title	<input type="text" value="Associate General Counsel"/>		
E-mail	<input type="text" value="jfinder@msrb.org"/>		
Telephone	<input type="text" value="(703) 797-6600"/>	Fax	<input type="text" value="(703) 797-6700"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,
Municipal Securities Rulemaking Board
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date	<input type="text" value="10/16/2007"/>	
By	<input type="text" value="Ronald W. Smith"/>	<input type="text" value="Corporate Secretary"/>
	(Name)	(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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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

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) The Municipal Securities Rulemaking Board (“MSRB” or “Board”) is hereby filing with the Securities and Exchange Commission (“Commission” or “SEC”) proposed amendments to Rule G-40, on electronic mail contacts, that would more fully conform MSRB requirements to Financial Industry Regulatory Authority (“FINRA”) requirements relating to contact information. The MSRB proposes that the amendments become effective on December 31, 2007 to coincide with the effective date of recently-approved FINRA requirements.¹ The proposed rule change is as follows:²

Rule G-40: Electronic Mail Contacts

(a) – (b)(i) No change.

(ii) A broker, dealer or municipal securities dealer may change the name of its Electronic Mail Contacts or other information previously provided by electronically submitting to the MSRB an amended Form G-40. In addition, each broker, dealer or municipal securities dealer shall update its required Primary Electronic Mail Contact information promptly, but in any event not later than 30 days following any change in such information.

(c)(i) Each broker, dealer or municipal securities dealer shall [must] review and, if necessary, update information on its Primary Electronic Mail Contact and submit such information electronically to the MSRB within 17 business days after the end of each calendar year [quarter].

(ii) Any broker, dealer or municipal securities dealer that, during the 17 business-day update period, submits its initial Form G-40 or modifies or affirms information relating to its Primary Electronic Mail Contact shall be deemed to be in compliance with the annual [quarterly] update requirement applicable to the year [quarter] immediately preceding that 17 business-day update period.

(d) Each broker, dealer or municipal securities dealer shall promptly comply with any request by the appropriate regulatory agency (as defined in Section 3(a)(34) of the Act) for required Primary Electronic Mail Contact information, but in any event not later than 15 days following any such request, or such longer period that may be agreed to by the appropriate regulatory agency.

* * * * *

¹ SEC Release No. 34-56179 (August 1, 2007).

² Underlining indicates new language; [brackets] indicate deletions.

(b) Not applicable.

(c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

The proposed rule change was adopted by the MSRB at its July 19, 2007 meeting. Questions concerning this filing may be directed to Jill C. Finder, Associate General Counsel, at (703) 797-6600.

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

(a) In 2002, the MSRB adopted Rule G-40, on e-mail contacts, to establish a reliable method for electronic communication with brokers, dealers and municipal securities dealers (collectively, "dealers").³ The rule requires, among other things, that dealers use Form G-40 to appoint a "Primary Contact" for purposes of electronic communication between the dealer and the MSRB. The Primary Contact must be either a Series 53-registered municipal securities principal or a Series 51-registered municipal fund securities limited principal.⁴ Dealers are required to submit their original forms and any subsequent changes electronically through their electronic G-40 account using the appropriate user ID and password. The rule also requires that each dealer maintain an Internet electronic mail account to permit communication with the MSRB, and to review and, if necessary, update its Primary Contact information within 17 business days after the end of each calendar quarter.

Rule G-40 was based on similar NASD (now FINRA) requirements.⁵ The MSRB attempts, whenever possible, to adopt rule provisions and language similar to FINRA

³ In adopting the rule, the MSRB stated that the events of September 11, 2001 and the weeks that followed, emphasized the importance of, and need for an efficient and reliable means of official communication between regulators and the industry, and that establishing a reliable method for electronic communication was necessary to allow the MSRB to efficiently alert dealers to official communications, including time-sensitive developments, rule changes, notices, etc., as well as to facilitate dealers' internal distribution of such information. The MSRB also noted that it had discontinued publication of *MSRB Reports* in 2002 (since that time, all MSRB notices have been available exclusively on the MSRB web site at www.msrb.org). The rule was approved in SEC Release No. 34-46043 (June 6, 2002).

⁴ Dealers may also appoint an "Optional Contact" and this person does *not* have to be a registered principal.

⁵ Those NASD requirements (set forth in Article IV, Section 3 of the NASD By-Laws) required member firms to appoint and certify one "executive representative" to, among other things, serve as the official contact person

rules in order to facilitate dealer understanding of and compliance with such provisions, as well as inspection and enforcement.

The Commission recently approved a FINRA proposal, which becomes effective December 31, 2007, that: (i) changes the quarterly review/update requirement to an annual requirement; (ii) requires firms to update their required contact information promptly but not later than 30 days following any change in such information; and (iii) requires firms to comply with any FINRA request for such information promptly but not later than 15 days following such request, or such longer period that may be agreed to by FINRA staff.⁶

The MSRB has determined to similarly amend Rule G-40 to ensure a coordinated regulatory approach in this area. Thus, the proposed amendments to Rule G-40 would require dealers to: (i) promptly update any change in the required information for their

between the firm and NASD; the executive representative was required to be a member of the firm's senior management and a registered principal of the member, and was required to maintain an Internet e-mail account for communication with NASD. In addition, NASD Rule 1150 (Executive Representative) required each member firm to review and, if necessary, update its executive representative information within 17 business days after the end of the each calendar quarter.

⁶ In its filing (File No. SR-NASD-2007-034 and Amendment No. 1 thereto), NASD proposed to adopt new Rule 1160 (Firm Contact Information) regarding the reporting of designated contact information to NASD and the annual review of such information. NASD also proposed amendments to, among other things, Rule 1150 (Executive Representative) to eliminate the requirement that members review and update, at the end of each calendar quarter, the contact information required by that rule. In its filing, NASD noted that, for many firms, the designated contact persons seldom change. Thus, its proposal was designed to eliminate any unnecessary burden that firms may incur in conducting quarterly reviews of their required contact information while at the same time ensuring that such information is kept current and provided to NASD promptly upon request. In approving NASD's proposal, the Commission noted that the proposal sets forth a reasonable approach for member firms to provide and keep current required contact information, which should reduce unnecessary burdens on firms by eliminating the requirement that firms review and update the contact information on a quarterly basis; instead, firms would be required to conduct such reviews on an annual basis as well as to promptly update the information following any change. *See* SEC Release No. 34-56179 (August 1, 2007).

Primary Contact but not later than 30 days following such change; (ii) review and, if necessary, update required information on their Primary Contact within 17 business days after the end of each calendar year; and (iii) promptly comply with any request by the appropriate regulatory agency (as defined in Section 3(a)(34) of the Act) for such information but not later than 15 days following such request, or such longer period that may be agreed to by the appropriate regulatory agency.

(b) The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that MSRB 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, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that by substantially conforming Rule G-40 to comparable FINRA requirements relating to e-mail contact information, the proposed rule change will promote regulatory consistency by facilitating dealer compliance with such requirements, as well as the inspection and enforcement thereof.

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

The MSRB does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

5. Self-Regulatory Organization’s Statement on Comments Received on the Proposed Rule Change by Members, Participants, or Others

Comments were neither solicited nor received on the proposed rule change.

6. Extension of Time Period for SEC Action

The MSRB declines to consent to an extension of the time period specified in Section 19(b)(2) of the Act.

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

Not applicable.

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

The proposed rule change is based on new FINRA Rule 1160 (Firm Contact Information).

9. Exhibits

1. Federal Register Notice

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-MSRB-2007-04)

Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Amendments to Rule G-40 on E-Mail Contacts

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 16, 2007 the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is filing with the Commission a proposed rule change consisting of amendments to Rule G-40, on electronic mail contacts, that would more fully conform MSRB requirements to Financial Industry Regulatory Authority (“FINRA”) requirements relating to contact information. The MSRB proposes that the amendments become effective on December 31, 2007 to coincide with the effective date of recently-approved FINRA requirements.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ SEC Release No. 34-56179 (August 1, 2007).

The text of the proposed rule change is available on the MSRB's web site (<http://www.msrb.org>), 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

In 2002, the MSRB adopted Rule G-40, on e-mail contacts, to establish a reliable method for electronic communication with brokers, dealers and municipal securities dealers (collectively, "dealers").⁴ The rule requires, among other things, that dealers use Form G-40 to appoint a "Primary Contact" for purposes of electronic communication between the dealer and the MSRB. The Primary Contact must be either a Series 53-

⁴ In adopting the rule, the MSRB stated that the events of September 11, 2001 and the weeks that followed, emphasized the importance of, and need for an efficient and reliable means of official communication between regulators and the industry, and that establishing a reliable method for electronic communication was necessary to allow the MSRB to efficiently alert dealers to official communications, including time-sensitive developments, rule changes, notices, etc., as well as to facilitate dealers' internal distribution of such information. The MSRB also noted that it had discontinued publication of *MSRB Reports* in 2002 (since that time, all MSRB notices have been available exclusively on the MSRB web site at www.msrb.org). The rule was approved in SEC Release No. 34-46043 (June 6, 2002).

registered municipal securities principal or a Series 51-registered municipal fund securities limited principal.⁵ Dealers are required to submit their original forms and any subsequent changes electronically through their electronic G-40 account using the appropriate user ID and password. The rule also requires that each dealer maintain an Internet electronic mail account to permit communication with the MSRB, and to review and, if necessary, update its Primary Contact information within 17 business days after the end of each calendar quarter.

Rule G-40 was based on similar NASD (now FINRA) requirements.⁶ The MSRB attempts, whenever possible, to adopt rule provisions and language similar to FINRA rules in order to facilitate dealer understanding of and compliance with such provisions, as well as inspection and enforcement.

The Commission recently approved a FINRA proposal, which becomes effective December 31, 2007, that: (i) changes the quarterly review/update requirement to an annual requirement; (ii) requires firms to update their required contact information promptly but not later than 30 days following any change in such information; and (iii) requires firms to comply with any FINRA request for such information promptly but not

⁵ Dealers may also appoint an “Optional Contact” and this person does *not* have to be a registered principal.

⁶ Those NASD requirements (set forth in Article IV, Section 3 of the NASD By-Laws) required member firms to appoint and certify one “executive representative” to, among other things, serve as the official contact person between the firm and NASD; the executive representative was required to be a member of the firm’s senior management and a registered principal of the member, and was required to maintain an Internet e-mail account for communication with NASD. In addition, NASD Rule 1150 (Executive Representative) required each member firm to review and, if necessary, update its executive representative information within 17 business days after the end of the each calendar quarter.

later than 15 days following such request, or such longer period that may be agreed to by FINRA staff.⁷

The MSRB has determined to similarly amend Rule G-40 to ensure a coordinated regulatory approach in this area. Thus, the proposed amendments to Rule G-40 would require dealers to: (i) promptly update any change in the required information for their Primary Contact but not later than 30 days following such change; (ii) review and, if necessary, update required information on their Primary Contact within 17 business days after the end of each calendar year; and (iii) promptly comply with any request by the appropriate regulatory agency (as defined in Section 3(a)(34) of the Act) for such information but not later than 15 days following such request, or such longer period that may be agreed to by the appropriate regulatory agency.

⁷ In its filing (File No. SR-NASD-2007-034 and Amendment No. 1 thereto), NASD proposed to adopt new Rule 1160 (Firm Contact Information) regarding the reporting of designated contact information to NASD and the annual review of such information. NASD also proposed amendments to, among other things, Rule 1150 (Executive Representative) to eliminate the requirement that members review and update, at the end of each calendar quarter, the contact information required by that rule. In its filing, NASD noted that, for many firms, the designated contact persons seldom change. Thus, its proposal was designed to eliminate any unnecessary burden that firms may incur in conducting quarterly reviews of their required contact information while at the same time ensuring that such information is kept current and provided to NASD promptly upon request. In approving NASD's proposal, the Commission noted that the proposal sets forth a reasonable approach for member firms to provide and keep current required contact information, which should reduce unnecessary burdens on firms by eliminating the requirement that firms review and update the contact information on a quarterly basis; instead, firms would be required to conduct such reviews on an annual basis as well as to promptly update the information following any change. *See* SEC Release No. 34-56179 (August 1, 2007).

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that MSRB 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, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that by substantially conforming Rule G-40 to comparable FINRA requirements relating to e-mail contact information, the proposed rule change will promote regulatory consistency by facilitating dealer compliance with such requirements, as well as the inspection and enforcement thereof.

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

The MSRB does not believe that the proposed rule change will result in any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

Within 35 days of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds

such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

The MSRB has proposed that the amendments become effective on December 31, 2007 to coincide with the effective date of the recently-approved FINRA requirements described above.

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-2007-04 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2007-04. 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 Web site (<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 inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2007-04 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Market Regulation, pursuant to delegated authority (17 CFR 200.30-3(a)(12)).

Nancy M. Morris
Secretary