This document is scheduled to be published in the
Federal Register on 02/19/2014 and available online at
http://federalregister.gov/a/2014-03566, and on **FDsys.gov**

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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-71536; File No. SR-MSRB-2014-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change Consisting of Proposed Revisions to MSRB Rule G-30, on Prices and Commissions and the Deletion of Rule G-18, on Execution of Transactions
February 12, 2014.

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 January 29, 2014, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "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 is filing with the Commission a proposed rule change consisting of proposed revisions to MSRB Rule G-30, on prices and commissions and the deletion of Rule G-18, on execution of transactions (the "proposed rule change").

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2014-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

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

Summary of Proposed Rule Change

The purpose of the proposed rule change is to codify the substance of existing fair-pricing obligations of brokers, dealers, and municipal securities dealers (collectively, "dealers") and further streamline the MSRB's Rule Book. Fair-pricing provisions are currently organized in two separate rules, Rules G-18 and G-30, with interpretive guidance under Rule G-30 as well as under a third rule, Rule G-17, on fair dealing. We note that market participants support the objective of consolidating and codifying the existing substance of these rules and interpretive guidance.

To achieve this objective, the MSRB is proposing to consolidate Rules G-18 and G-30 into a single fair-pricing rule, and to consolidate the existing interpretive guidance under Rules G-17 and G-30 and codify that guidance in the same rule. Existing Rule G-18 provides a pricing standard for agency transactions, while existing Rule G-30(a) provides a pricing standard for principal transactions, with both rules using different formulations to reflect differences between the two types of trades. As a practical matter, the investor-protection function of the two provisions does not differ, and it is appropriate to organize these standards in a single rule, as proposed. In addition, the MSRB has issued extensive interpretive guidance under MSRB Rules G-17 and G-30 discussing fair pricing in general, as well as in specific scenarios. The proposed

rule change would consolidate the substance of this guidance[3] and codify it into rule language.[4] The MSRB will archive this interpretive guidance, current as of January 1, 2013, on its website. To the extent that past interpretive guidance does not conflict with any MSRB rules or interpretations thereof, it remains potentially applicable, depending on the facts and circumstances of a particular case.

The MSRB believes the new fair-pricing rule will significantly enhance regulated entities' ability to understand and comply with their fair-pricing obligations by organizing them together in a single location. Further, the relevant information from the existing interpretive guidance will be succinctly stated in the new rule. The MSRB believes this could be particularly beneficial for new municipal market entrants, which would be in a position to focus, with respect to fair-pricing obligations, on the new, consolidated rule. In sum, the MSRB believes that the

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[3] The formal fair-pricing guidance under current Rule G-30 that is to be codified was not filed with the Commission, and is as follows: Review of Dealer Pricing Responsibilities (Jan. 26, 2004) ("2004 Notice"); Interpretive Notice on Commissions and Other Charges, Advertisements and Official Statements Relating to Municipal Fund Securities (Dec. 19, 2001); Republication of September 1980, Report on Pricing (Oct. 3, 1984); Interpretive Notice on Pricing of Callable Securities (Aug. 10, 1979); Interpretive Letter – Rules G-21, G-30 and G-32 (Dec. 11, 2001); and Factors in pricing (Nov. 29, 1993). The formal fair-pricing guidance under Rule G-17 that is to be codified that was not filed with the Commission is as follows: Guidance on Disclosure and Other Sales Practice Obligations to Individual and Other Retail Investors in Municipal Securities (Jul. 14, 2009); MSRB Reminds Firms of their Sales Practice and Due Diligence Obligations When Selling Municipal Securities in the Secondary Market (Sept. 20, 2010); and Bond Insurance Ratings – Application of MSRB Rules (Jan. 22, 2008). The formal guidance under Rule G-17 that is to be codified that was filed with the Commission is contained in Restated Interpretive Notice Regarding the Application of MSRB Rules to Transactions with Sophisticated Municipal Market Professionals (Jul. 9, 2012).

[4] The MSRB is separately proposing to consolidate its interpretive guidance under Rule G-17 related to time of trade disclosures, suitability of recommendations, and dealings with sophisticated municipal market professionals ("SMMPs") and to codify that guidance into several rules: a new time of trade disclosure rule (proposed Rule G-47), a revised suitability rule (Rule G-19), and two new SMMP rules (proposed Rules D-15 and G-48). See Securities Exchange Act Release No. 70593 (Oct. 1, 2013), 78 FR 62867 (Oct. 22, 2013), File No. SR-MSRB-2013-07.

proposed rule change will ease burdens on dealers and reduce costs by clarifying dealer obligations.

The structure of proposed Rule G-30 (rule language followed by supplementary material) is the same structure used by FINRA and other self-regulatory organizations ("SROs"). The MSRB intends generally to transition to this structure for all of its rules going forward in order to streamline the rules, harmonize the format with that of other SROs, and make the rules easier for dealers and municipal advisors to understand and follow.

Following is a summary of the provisions and the supplementary material comprising proposed Rule G-30:

Rule Language

Proposed revised Rule G-30(a) applies to principal transactions and states that a dealer can only purchase municipal securities for its own account from a customer, or sell municipal securities for its own account to a customer, at an aggregate price (including any mark-up or mark-down) that is fair and reasonable.[5]

Proposed revised Rule G-30(b) applies to agency transactions. Subsection (i) states that when a dealer executes a transaction in municipal securities for or on behalf of a customer, the dealer must make a reasonable effort to obtain a price for the customer that is fair and reasonable in relation to prevailing market conditions. Subsection (ii) states a dealer cannot purchase or sell municipal securities for a customer for a commission or service charge in excess of a fair and reasonable amount.[6]

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[5] Proposed revised Rule G-30(a) is substantially similar to the first clause of existing Rule G-30(a).

[6] Subsection (i) of proposed Rule G-30(b) is derived from current Rule G-18. Subsection (ii) is derived from the first clause of existing Rule G-30(b).

Supplementary Material

Supplementary Material .01 specifies five general principles concerning the fair-pricing requirements: (a) That a dealer, whether effecting a trade on an agency or principal basis, must exercise diligence in establishing the market value of the security and the reasonableness of the compensation received on the transaction; (b) that a dealer effecting an agency transaction must exercise the same level of care as it would if acting for its own account; (c) that a "fair and reasonable" price bears a reasonable relationship to the prevailing market price of the security; (d) that dealer compensation on a principal transaction is considered to be a mark-up or mark-down that is computed from the inter-dealer market price prevailing at the time of the customer transaction;[7] and (e) that reasonable compensation differs from fair pricing.[8]

Supplementary Material .02 provides a non-exhaustive list of relevant factors in determining the fairness and reasonableness of prices.[9]

Supplementary Material .03 provides a non-exhaustive list of relevant factors in determining the fairness and reasonableness of commissions or service charges.[10] The proposed

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[7] This language was added to address comments the MSRB received in response to its August 6, 2013 request for comment on a draft of the proposed rule change.

[8] Supplementary Material .01 is derived from the 2004 Notice.

[9] Supplementary Material .02(a) is derived from the 2004 Notice. Supplementary Material .02(b) is derived from Rule G-30(a), the 2004 Notice, the MSRB Interpretive Letter – Rule s G-21, G-30 and G-32 (Dec. 11, 2001), the MSRB Interpretive Letter – Factors in Pricing (Nov. 29, 1993), the Republication of September 1980, Report on Pricing (Oct. 3, 1984); and the Interpretive Notice on Pricing of Callable Securities (Aug. 10, 1979).

[10] Supplementary Material .03 is derived from existing Rule G-30(b), the 2004 Notice and Republication of September 1980, Report on Pricing (Oct. 3, 1984). Supplementary Material .03(a)(viii) refers to Rule 2830 of the National Association of Securities Dealers, Inc. ("NASD"), which provides a sales charge schedule for registered investment company securities, and remains in effect in the Financial Industry Regulatory Authority, Inc. rulebook. The MSRB recognizes that, due to the limitations of Section 15B(b)(2)(C) of the Act, it could not, by rule or interpretation, "impose any schedule or fix rates of

rule change makes it easier for market participants to find these relevant factors.

Supplementary Material .04 discusses the application of fair-pricing requirements to some of the situations that may create large intra-day price differentials.[11]

Finally, Supplementary Material .05 discusses the general duty under proposed revised Rule G-30(b)(i) of dealers operating alternative trading systems to act to investigate any alleged pricing irregularities on their systems brought to their attention, which duty applies equally to transactions effected for SMMPs.[12]

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,[13] 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.

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commissions, allowances, discounts, or other fees to be charged" by dealers for the sale of municipal fund securities. The MSRB believes, however, that the charges permitted by FINRA under NASD Rule 2830 may, depending upon the totality of the facts and circumstances, be a significant factor in determining whether a dealer selling municipal fund securities is charging a commission or other fee that is fair and reasonable.

[11] Supplementary Material .04 is derived from the 2004 Notice.

[12] Supplementary Material .05 is derived from interpretive guidance that was previously filed with the Commission and which is separately proposed to be generally codified in Rule G-48 based on its relevance to SMMPs. See Restated Interpretive Notice Regarding the Application of MSRB Rules to Transactions with Sophisticated Municipal Market Professionals (Jul. 9, 2012).

[13] 15 U.S.C. 78o-4(b)(2)(c).

The proposed rule change preserves the substance of the current requirement that dealers must exercise diligence in establishing the market value of a security and the reasonableness of the compensation received on a transaction. This requirement protects investors and is central to the role of a dealer in facilitating municipal securities transactions. At the same time, the MSRB believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market. The MSRB believes it will ease burdens on dealers and reduce costs by clarifying dealer obligations. Most commenters agree and believe that the proposed rule change would promote regulatory efficiency. For example, one commenter supports the adoption of the proposed rule and believes it will ease the burden on firms and market participants seeking to comply with the rule.[14] Two commenters commend the MSRB's effort to promote regulatory efficiency through its proposed consolidation of Rules G-18 and G-30 and codification of related interpretive guidance.[15] Another commenter supports the MSRB's efforts to promote regulatory efficiency and is generally supportive of this rule consolidation which preserves the substance of existing fair-pricing requirements.[16]

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

The MSRB does not believe that the proposed rule change would result in any burden on

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[14] See letter from David T. Bellaire, Esq., Executive Vice President and General Counsel, Financial Services Institute ("FSI"), dated September 20, 2013.

[15] See letter from Robert J. McCarthy, Director of Regulatory Policy, Wells Fargo Advisors, LLC ("WFA"), dated September 20, 2013 and letter from Gerald K. Mayfield, Senior Counsel, Wells Fargo & Company Law Department, Wells Fargo Securities, dated September 20, 2013.

[16] See letter from David L. Cohen, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association ("SIFMA"), dated September 20, 2013.

competition that is not necessary or appropriate in furtherance of the purposes of the Act.[17] The proposed rule change consolidates existing Rules G-18 and G-30 and codifies current interpretive guidance reasonably and fairly implied by those rules or Rule G-17. The proposed rule change makes no substantive change and, therefore, does not add any burden on competition. The MSRB believes, as discussed above, that the proposed rule change will, by contrast, ease burdens on dealers and reduce costs by clarifying dealer obligations. As noted, most commenters agree and believe that the proposed rule change would promote regulatory efficiency.

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

On August 6, 2013, the MSRB published a request for public comment on a draft of the proposed rule change.[18] The MSRB received five comment letters.[19]

Following are summaries of the comment letters:

- Support for the Proposal

COMMENTS: Four of the five commenters generally support the MSRB's initiative to consolidate and codify the fair-pricing requirements. FSI supports the adoption of the proposed rule and believes it will ease the burden on firms and

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[17] On September 26, 2013 the MSRB publicly announced its adoption of a formal policy to further integrate the use of economic analysis in MSRB rulemaking. By its terms, the policy does not apply to rulemaking initiatives, like the proposed rule change, that were initially presented to the MSRB Board of Directors before September 26, 2013. The MSRB has, however, historically taken account of the costs and burdens of its rulemaking initiatives, including those associated with the proposed rule change. Significantly, the proposed rule change would make no substantive change to existing requirements.

[18] See MSRB Notice 2013-15 (Aug. 6, 2013).

[19] Comment letters were received from: (1) FSI, (2) the Investment Company Institute ("ICI"), (3) SIFMA, (4) WFA, and (5) Wells Fargo Securities. Wells Fargo Securities' sole comment is that it strongly supports the comments specified in WFA's letter and that it urges the MSRB to strongly consider WFA's comments.

market participants seeking to comply with the rule. WFA and Wells Fargo Securities commend the MSRB's effort to promote regulatory efficiency through its proposed consolidation of Rules G-18 and G-30 and codification of related interpretive guidance. SIFMA supports the MSRB's efforts to promote regulatory efficiency and is generally supportive of this rule consolidation which preserves the substance of existing fair-pricing requirements.

MSRB RESPONSE: The MSRB believes these comments support the MSRB's statement on the burden on competition.

- Application to Municipal Fund Securities

COMMENT: ICI requests that, for the sake of clarity, the MSRB expressly limit the scope of the rule to municipal securities other than municipal fund securities that are 529 college savings plans. ICI believes that there are significant differences in the pricing and execution of transactions in municipal fund securities as compared with those involving other types of municipal securities. If, instead, the MSRB intends for the rule to apply to transactions involving municipal fund securities, ICI recommends that the MSRB clarify the rule's meaning in the context of municipal fund securities.

MSRB RESPONSE: The MSRB intends for the proposed rule to apply to transactions involving municipal fund securities. Unless an MSRB rule specifically exempts municipal fund securities, the proposed rule applies to municipal fund securities. The MSRB believes no further clarification regarding the proposed rule's application to municipal fund securities is necessary. An investor that invests in a broker-sold 529 college savings plan may pay a fee

provided to the dealer that represents the dealer's commission and any other charge. The proposed rule includes a non-exhaustive list of potentially relevant factors in determining the fairness and reasonableness of commissions and service charges, and the last listed factor in subsection (viii) pertains expressly to 529 plans.

- The Proposed Rule Should Be Revised to Include Additional Existing Guidance

COMMENTS: SIFMA and WFA request that the proposed rule include a description of the relationship between mark-up, current inter-dealer market prices, and compensation in order to avoid confusion.

MSRB RESPONSE: The MSRB agrees that the requested addition would further clarify the proposed rule and has added language drawn from its existing guidance to address the commenters' concern. The added language is in Supplementary Material .01(d).

COMMENTS: SIFMA requests that all factors discussed in existing MSRB guidance be detailed in Supplementary Material .02, including improved market conditions and trading history. WFA requests that the rule include all factors discussed in existing MSRB guidance.

MSRB RESPONSE: The MSRB does not believe that all factors discussed in existing MSRB guidance need be or should be specified in the streamlined, proposed rule. First, the MSRB believes that the factor specified in Supplementary Material .02(a) of the proposed rule sufficiently encapsulates the concept of "improved market conditions." Second, like the factors specified in the existing guidance, the factors specified in the proposed rule are not exhaustive.

The MSRB chose to include the factors that are listed in the non-exhaustive list based on its experience administering and interpreting Rules G-18 and G-30.

- The Proposed Rule Should Be Revised to Include New Guidance

COMMENT: SIFMA requests that the MSRB expressly recognize in commentary to the final rule that underlying ratings may not yet be updated by the relevant rating agency to reflect material events affecting an issuer or insurer and that dealers are neither under an obligation to determine pricing based on ratings believed to be inaccurate nor are they required to forecast ratings changes that have not yet occurred.

MSRB RESPONSE: The MSRB disagrees with this request at this time. The objective of this rulemaking initiative is to codify, not substantively change, the existing fair-pricing requirements.[20] This request goes beyond the scope of this rulemaking initiative, and the MSRB can consider this request as part of any consideration of substantive changes at a later date.

COMMENT: SIFMA believes the meaning of the term "service charge" should be clarified in the proposed rule.

MSRB RESPONSE: The MSRB disagrees with this request at this time. The objective of this rulemaking initiative is to codify, not substantively change, the existing fair-pricing requirements. This request goes beyond the scope of this rulemaking initiative, and the MSRB can consider this request as part of any consideration of substantive changes at a later date.

COMMENT: SIFMA requests that Supplementary Material .03, which lists

[20] See MSRB Notice 2013-15 (Aug. 6, 2013) (proposing to consolidate existing Rules G-18 and G-30 and "codify existing guidance regarding fair pricing"); id. (stating the proposed rule "preserves the substance of the existing fair-pricing requirements").

factors that may affect the fairness and reasonableness of a commission or service charge, include the following factor: “the presence of uniform commission arrangements disclosed to customers in advance of transacting that are considered by the dealer to be fair and reasonable.” SIFMA states that this factor should be included because the proposed rule should “acknowledge a common industry practice of having a standard pricing policy, for example, a uniform price per bond, rather than having charges vary based on the aforementioned factors.”

MSRB RESPONSE: The MSRB disagrees with this request at this time. The objective of this rulemaking initiative is to codify, not substantively change, the existing fair-pricing requirements. This request, seeking incorporation in the rule of what the commenter states is a common industry practice, goes beyond the scope of this rulemaking initiative, and the MSRB can consider this request as part of any consideration of substantive changes at a later date.

COMMENT: SIFMA states that MSRB staff has long provided informal guidance that, if a dealer cannot determine the fair market value of a municipal security after reasonable diligence and its customer needs to sell the securities, the dealer may effect the trade as an agency trade. SIFMA requests that the MSRB incorporate that informal staff guidance in this rule proposal.

MSRB RESPONSE: The MSRB disagrees with this request. The purpose of the proposed rule change is to codify existing formal MSRB guidance, not informal staff guidance. Thus, this request goes beyond the scope of this rulemaking initiative, and the MSRB can consider this request as part of any consideration of substantive changes at a later date. We note, in addition and without comment on

the merits of any particular informal guidance, that because the proposed rule change makes no substantive change, the potential for any informal staff guidance to be provided that was previously provided would likewise be unchanged.

COMMENT: WFA suggests that certain content in the proposed rule's Supplementary Material .04, on Fair-Pricing Responsibilities and Large Price Differentials, should be organized in its own supplementary section. WFA believes the guidance concerning dealer duties when transacting in illiquid municipal securities does not belong in section .04 because the fact that a municipal bond is illiquid does not, by itself, suggest there will be a large intra-day price differential.

MSRB RESPONSE: Supplementary Material .04 (Fair-Pricing Responsibilities and Large Price Differentials) is derived from Review of Dealer Pricing Responsibilities (January 26, 2004), which is interpretive guidance under Rule G-30. The guidance referenced by WFA appears under an identical heading in the existing interpretive notice (Fair-Pricing Responsibilities and Large Price Differentials). This organization does not suggest a view on the part of the MSRB that illiquidity alone suggests there will be a large price differential. Indeed, Supplementary Material .04 states that the price differential for illiquid issues "might generally" be larger.

- <u>Cross-Reference to Rule G-48</u>

COMMENT: SIFMA believes a dealer's fair-pricing requirements, in certain agency transactions, are significantly affected by the status of a customer as a sophisticated municipal market professional ("SMMP") and acknowledges that

the substance of this reduced obligation may soon be codified in proposed Rule G-48.[21] SIFMA requests that the proposed rule, at a minimum, cross reference proposed Rule G-48. SIFMA believes a cross-reference will further assist dealers and other market participants who seek to understand, comply with, and enforce fair-pricing requirements.

MSRB RESPONSE: The MSRB disagrees with this request. Rule G-48, if approved, will expressly modify dealers' pricing obligations when dealing with SMMPS, and the MSRB does not believe a cross-reference to Rule G-48 is necessary.

- Reorganization of the Proposed Rule

COMMENT: SIFMA requests that the factors under proposed Supplementary Material .02(b)(vii) relating to ratings and call features be separately listed rather than combined given that they are independent considerations.

MSRB RESPONSE: The MSRB disagrees with this request. All of the factors included under Supplementary Material .02(b)(vii) relate directly to the subject category described—"the rating and call features of the security (including the possibility that a call feature may not be exercised)." The MSRB believes the organization of the subsections is appropriate.

- Clarification Concerning Guidance that is Not in the Proposed Rule

COMMENT: SIFMA requests clarification from the MSRB as to why certain MSRB interpretive guidance concerning pricing in the primary market is missing from the proposed rule. SIFMA highlights as examples: Guidance on Disclosure

[21] See Securities Exchange Act Release No. 70593 (Oct. 1, 2013), 78 FR 62867 (Oct. 22, 2013), File No. SR-MSRB-2013-07.

and Other Sales Practice Obligations to Individual and Other Retail Investors in Municipal Securities (Jul. 14, 2009); MSRB Interpretation of December 11, 2001 (differential re-offering prices); MSRB Interpretation of March 16, 1984 (fixed-price offerings); and Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (Aug. 2, 2012).

MSRB RESPONSE: The MSRB believes that the substance of all of the interpretive guidance relating to fair-pricing under Rule G-17, which includes Guidance on Disclosure and Other Sales Practice Obligations to Individual and Other Retail Investors in Municipal Securities (Jul. 14, 2009) and Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (Aug. 2, 2012), is incorporated in the proposed rule, except for guidance that pertains to retail order periods. The rationale for this limited exception is that the MSRB is considering codifying guidance concerning retail order periods under a separate rule or rules that pertain specifically to primary offerings and retail order periods. The substance of the relevant guidance from the cited MSRB interpretive letter dated December 11, 2001 (differential re-offering prices), essentially that the resulting yield to the customer is the most important factor in determining the fairness and reasonableness of a price in any given transaction, is included in the proposed rule. The cited MSRB interpretive letter dated March 16, 1984, regarding fixed-price offerings does not contain any substantive guidance regarding fair pricing that would warrant codification. That letter addresses Rule G-11, which is a disclosure rule. Although the letter contains a one-sentence description of Rule G-30, that sentence does not contain any

substantive interpretive guidance regarding fair pricing.

- Changes to Existing Fair-Pricing Requirements

COMMENT: WFA believes that any move by the MSRB to revise its existing fair-pricing requirements should be accompanied by a demonstration that market conditions have changed in a manner that makes it necessary and appropriate to impose a different standard.

MSRB RESPONSE: The proposed rule merely codifies the substance of existing requirements and does not impose any different standard. Although no substantive change is made here, we note that substantive changes can become necessary or appropriate for reasons other than changes in market conditions.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period of up to 90 days (i) as the Commission may designate 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 or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-2014-01 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MSRB-2014-01. 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; 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-2014-01 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, pursuant to delegated authority.[22]

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-03566 Filed 02/18/2014 at 8:45 am; Publication Date: 02/19/2014]

[22] 17 CFR 200.30-3(a)(12).