

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56946, File No. SR-MSRB-2007-04)

December 12, 2007

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order
Approving Proposed Rule Change Relating to Amendments to Rule G-40 on E-Mail
Contacts

On October 16, 2007, the Municipal Securities Rulemaking Board (“MSRB”), filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² 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 proposed an effective date for this proposed rule change of December 31, 2007 to coincide with the effective date of recently-approved FINRA requirements.³ The proposed rule change was published for comment in the Federal Register on November 9, 2007.⁴ The Commission received no comment letters regarding the proposal. This order approves the proposed rule change.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 56179 (August 1, 2007), 72 FR 44203 (August 7, 2007) (SR-NASD-2007-034).

⁴ See Securities Exchange Act Release No. 56736 (November 2, 2007), 72 FR 63633 (November 9, 2007) (“Commission’s Notice”).

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. A full description of the proposal is contained in the Commission's Notice.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB⁵ and, in particular, the requirements of Section 15B(b)(2)(C) of the Act⁶ and the rules and regulations thereunder. Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules 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.⁷ In particular, the Commission finds that the proposed rule change is consistent with the Act because substantially conforming Rule G-40 to comparable FINRA requirements relating to e-mail contact information will promote regulatory consistency by facilitating dealer

⁵ In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78o-4(b)(2)(C).

⁷ Id.

compliance with such requirements, as well as the inspection and enforcement thereof.

The proposal will be effective December 31, 2007, as requested by the MSRB.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-MSRB-2007-04) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Florence E. Harmon
Deputy Secretary

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).