

expects firms to make decisions on how much and what types of data to consume on the basis of the total cost of interacting with MIAX or other exchanges. Of course, the explicit data fees are only one factor in a total platform analysis. Some competitors have lower transactions fees and higher data fees, and others are vice versa. The market for this proprietary information is highly competitive and continually evolves as products develop and change.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act.¹⁴ 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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 email to rule-comments@sec.gov. Please include File Number SR-MIAX-2015-32 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-MIAX-2015-32. This file number should be included on the subject line if email 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 Web site 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 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. 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-MIAX-2015-32, and should be submitted on or before May 28, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74858; File No. SR-MSRB-2015-04]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Consisting of the Specifications for the Selection of Examination Questions and Content Outline for the Municipal Advisor Representative Qualification Examination

May 1, 2015.

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 April 22,

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

2015, 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 and II 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 the specifications for the selection of examination questions ("selection specifications") and content outline for the Municipal Advisor Representative Qualification Examination ("Series 50 examination") (the "proposed rule change").³ The MSRB is not proposing in this filing any textual changes to its rules.

The text of the proposed rule change is available on the MSRB's Web site at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2015-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

³ The MSRB is also proposing the question bank for the Series 50, but based upon instructions from the Commission staff, the MSRB is submitting SR-MSRB-2015-04 for immediate effectiveness pursuant to Section 19(b)(3)(A)(i) of the Act and Rule 19b-4(f)(6) thereunder, and is not filing the question bank for Commission review. See letter to Diane G. Klinke, General Counsel, MSRB, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000, attached as Exhibit 3b. The question bank is available for Commission review. The selection specifications for the Series 50 examination, Exhibit 3c, have been omitted and filed separately with the Commission for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

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

1. Purpose

Section 15B of the Act requires the MSRB to establish professional standards for municipal advisors.⁴ The Act further requires associated persons of municipal advisors to pass such examinations as the Board may establish to demonstrate that such individuals meet the standards as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons.⁵ A professional qualification examination is intended to determine whether an individual meets the MSRB's basic qualification standards for a particular registration category. The examination measures a candidate's knowledge of the business activities, as well as the regulatory requirements, including MSRB rules, SEC rules, rule interpretations and other federal law, applicable to a particular registration category.

On February 26, 2015, the Commission approved amendments to MSRB Rule G-3, which established the qualification examination requirements for municipal advisor representative and municipal advisor principal candidates.⁶ Individuals who engage in municipal advisory activities must qualify as municipal advisor representatives and individuals who engage in the management, direction or supervision of the municipal advisory activities of municipal advisors and their associated persons must qualify as municipal advisor principals. To qualify as either a municipal advisor representative or municipal advisor principal, an individual must pass the Series 50 examination. The examination requirement in MSRB Rule G-3(d) is intended, among other things, to increase municipal advisor representative and municipal advisor principal candidates' awareness and knowledge that they are operating in a regulated environment designed to protect municipal entities, obligated persons and the integrity of the municipal market.

The MSRB developed the Series 50 examination content outline in accordance with *The Standards for Educational and Psychological Testing*

(“APA Standard”),⁷ including the engagement of a psychometrician and a committee of industry subject matter experts. The Series 50 examination content outline has been developed to provide reasonable assurance that municipal advisor representative candidates understand their professional responsibilities, including key regulatory requirements and duties and obligations. The examination will test applicants on their general knowledge of the municipal advisory industry and the associated municipal advisor regulatory framework.⁸ To develop the examination to fulfill these purposes, the MSRB in July of 2014 completed a job analysis of municipal advisors based on a web-based survey that was sent to all MSRB-registered municipal advisors.⁹ The MSRB received 565 responses to the survey from individuals who engage in a variety of municipal advisory activities for different-sized firms in different areas of the country. The survey results provided the MSRB with certain data on municipal advisors, such as the duties, tasks, and responsibilities performed by individuals who engage in various municipal advisory activities and the level of knowledge an individual should possess to be sufficiently qualified to perform municipal advisory activities. The job analysis, coupled with focus panels, provided the empirical basis for the representation of topic areas on the Series 50 examination.

The Series 50 examination will consist of 100 multiple-choice questions. Candidates are allowed 180 minutes to complete the examination.¹⁰ Consistent with other financial regulatory qualification examinations, candidates may receive (at the option of their firm) an informational breakdown of their performance on each section of the examination and their pass/fail status at the completion of the testing session. As provided for in MSRB Rule G-3(g) and consistent with other MSRB examinations, candidates that fail to pass the Series 50 examination are permitted to take the examination again

⁷ See American Educational Research Association, American Psychological Association, & National Council on Measurement in Education, *The Standards for Educational and Psychological Testing* (2d ed. 2014).

⁸ See Series 50 examination content outline attached hereto as Exhibit 3a.

⁹ A job analysis is an assessment of the essential skills and functions that are required to complete a particular job.

¹⁰ Prior to beginning the examination, candidates will receive a tutorial on how to complete the computerized examination. Candidates will be given 30 minutes to complete the tutorial in addition to the 180 minutes allowed to complete the examination.

after a period of 30 days has elapsed from the date of the prior examination. Any person, however, who fails to pass the Series 50 examination three or more times in succession is prohibited from taking the Series 50 examination again until six months has elapsed from the date the candidate last failed the examination.

The Series 50 examination content outline has been developed to assist municipal advisor representative candidates in preparing for the Series 50 examination and will be available on the MSRB's Web site. The Series 50 examination content outline describes the following five topical sections comprising the examination: (1) Understanding SEC and MSRB Rules Regarding Municipal Advisors (12 questions); (2) Understanding Municipal Finance (35 questions); (3) Performing Issuer's Credit Analysis and Due Diligence (12 questions); (4) Structuring, Pricing and Executing Municipal Debt Products (31 questions); and (5) Understanding Requirements Related to the Issuance of Municipal Debt (10 questions).

The reference materials section of the Series 50 examination content outline is intended to provide candidates with a list of resources, which when used in conjunction with the Series 50 examination content outline, can assist candidates in preparing for the Series 50 examination. The reference materials were recommended by municipal advisors as having been helpful resources in carrying out the job functions of a municipal advisor. The reference materials are not intended to be all-inclusive, nor are the reference materials intended to specifically represent content that may be covered on the examination.

Prior to announcing the effective date of the Series 50 examination, the MSRB will conduct a pilot for the Series 50 examination. The Series 50 pilot examination will assist the MSRB in validating the bank of examination questions and establishing the passing score. The Series 50 pilot examination will consist of 120–125 questions. Candidates will have 240 minutes to complete the Series 50 pilot examination.¹¹ The Series 50 pilot examination will be available for a limited time this fall and open to all municipal advisor representative and municipal advisor principal candidates. Those candidates who take and pass the

¹¹ Prior to beginning the pilot examination, candidates will receive a tutorial on how to complete the computerized examination. Candidates will be given 30 minutes to complete the tutorial in addition to the 240 minutes allowed to complete the examination.

⁴ 15 U.S.C. 78o-4(b)(2)(L)(iii).

⁵ See Section 15B(b)(2)(A)(iii) of the Act, 15 U.S.C. 78o-4(b)(2)(A)(iii).

⁶ See Exchange Act Release No. 74384 (Feb. 26, 2015), 80 FR 11706 (Mar. 4, 2015), File No. SR-MSRB-2014-08.

Series 50 pilot examination will have the municipal advisor representative qualification and will not be required to take the permanent Series 50 examination.¹² The MSRB will notify candidates who take the Series 50 pilot examination of their results approximately three months after taking the examination. The MSRB will announce the dates and the registration process for the Series 50 pilot examination in a notice published on the MSRB's Web site no later than three months from the date of this filing and with at least thirty days advance notice.¹³ The MSRB will announce an effective date for the permanent Series 50 examination in a notice published on the MSRB's Web site no later than one year from the date of this filing and with at least 60 days advance notice.¹⁴

The selection specifications for the Series 50 examination, which the MSRB has submitted under separate cover with a request for confidential treatment to the Commission's Secretary pursuant to Rule 24b-2 under the Act,¹⁵ describe additional confidential information regarding the Series 50 examination.

2. Statutory Basis

Section 15B(b)(2)(A) of the Act authorizes the MSRB to prescribe standards of training, experience, competence, and such other qualifications for associated persons of municipal advisors as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons.¹⁶ Section 15B(b)(2)(A)(i)-(iii) of the Act also provides that the Board may appropriately classify municipal advisors and persons associated with municipal advisors and require persons in any such class to pass tests prescribed by the Board.¹⁷

¹² An individual who fails to pass the Series 50 pilot examination will, consistent with MSRB Rule G-3(g), still be allowed three attempts to pass the permanent Series 50 examination before having to wait a period of 6 months to take the permanent Series 50 examination again.

¹³ For the most up-to-date information on the Series 50 pilot examination visit the *Municipal Advisor Professional Qualifications* page on the MSRB's Web site.

¹⁴ To provide for an orderly transition to the new examination requirement for municipal advisor representatives and municipal advisor principals, the MSRB will allow municipal advisor professionals one year from the announced effective date of the Series 50 examination to pass the examination. This one-year grace period is intended to provide municipal advisor representatives and municipal advisor principals with sufficient time to study for and take the examination without causing undue business disruption.

¹⁵ 17 CFR 240.24b-2.

¹⁶ 15 U.S.C. 78o-4(b)(2)(A).

¹⁷ 15 U.S.C. 78o-4(b)(2)(A)(i)-(iii).

The MSRB believes that the Series 50 examination content outline for the Series 50 examination is consistent with the provisions of Section 15B(b)(2)(A) of the Act in that the Series 50 examination content outline is designed to ensure that individuals are sufficiently qualified to perform municipal advisory activities.

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

Section 15B(b)(2)(C) of the Act¹⁸ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In addition, Section 15B(b)(2)(L)(iv) of the Act provides that MSRB rules may "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."¹⁹

In considering these standards, the MSRB was guided by the Board's Policy on the Use of Economic Analysis.

The MSRB does not believe that the Series 50 examination content outline will impose any burdens that are not necessary or appropriate in furtherance of the purposes of the Act.

Need for Rule

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") amended Section 15B of the Exchange Act to provide for the regulation by the SEC and the MSRB of municipal advisors and to grant the MSRB certain authority to protect municipal entities and obligated persons.²⁰ The Dodd-Frank Act's legislative history indicates Congress was concerned that "[d]uring the [financial] crisis, a number of municipalities suffered losses from complex derivatives products that were marketed by unregulated financial intermediaries."²¹

Baseline

The economic baseline for the Series 50 examination content outline includes the Dodd-Frank Act which established the federal regulatory framework for municipal advisors, required the MSRB to establish standards of training, experience, competence and other qualifications for municipal advisors and their associated persons, and

required associated persons of municipal advisors to pass examinations to demonstrate that they meet the standards the Board finds necessary or appropriate in the public interest or for the protection of investors, and municipal entities or obligated persons.²² The baseline also includes MSRB Rule G-3(d), which established the municipal advisor representative qualification examination requirement for municipal advisor representative candidates.²³

Alternatives

The MSRB developed the Series 50 examination content outline in accordance with *The Standards for Educational and Psychological Testing* ("APA Standard"),²⁴ including the engagement of a psychometrician and a committee of industry subject matter experts, as is consistent with the development of other financial industry qualification examinations. This process resulted in the identification and consideration of a range of alternatives. Decisions about which alternatives to select for the final Series 50 examination content outline were made consistent with the APA Standard.

Economic Impact

Relative to the economic baseline, which includes the requirement that municipal advisors demonstrate by passing an examination that they meet standards deemed necessary or appropriate in the public interest or for the protection of investors, municipal entities and obligated persons, the MSRB believes that the economic impact of the Series 50 examination content outline is *de minimis* and no greater than what is necessary or appropriate in furtherance of the purposes of the Act.²⁵

While any examination intended to identify those individuals who meet a particular standard of competence may represent a barrier to entry, the MSRB believes that the standard that successful completion of the examination will demonstrate is necessary to protect investors and

²² See Section 15B(b)(2)(A) of the Act, 15 U.S.C. 78o-4(b)(2)(A).

²³ See *supra* note 6.

²⁴ See *supra* note 7.

²⁵ As noted above, many of the costs and burdens, including impacts on competition, associated with the Series 50 examination content outline are accounted for in the baseline which is made up, in part, by the Dodd-Frank Act. In 2013, the SEC concluded that the municipal advisory services market was competitive and not highly concentrated under a similar baseline. See Registration of Municipal Advisors, Exchange Act Release No. 70462 (Sept. 20, 2013), 78 FR 67608 at n.1723 (Nov. 12, 2013).

¹⁸ 15 U.S.C. 78o-4(b)(2)(C).

¹⁹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

²⁰ Public Law 111-203, 124 Stat. 1376 (2010).

²¹ S. Rep. No. 111-176, at 38 (2010).

municipal entities or obligated persons and will help ensure that those offering municipal advisory service do so on a level playing field. As such, the MSRB believes that the Series 50 examination content outline poses no burden on competition that is not necessary or appropriate in furtherance of the Act and may enhance the competitiveness of the market.

Based on the well-established and nationally-accepted process used by the MSRB to develop the Series 50 examination content outline, the MSRB has no reason to believe that the Series 50 examination content outline will pose any greater burden on individuals associated with smaller firms than those associated with larger firms or that the burden could be materially reduced while still achieving the purposes of the Act. While it is possible that small municipal advisors may have access to fewer resources to prepare for this examination, the MSRB does not believe this will affect the competitiveness of the market.

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

Pursuant to Section 19(b)(3)(A)²⁶ of the Act and Rule 19b-4(f)(6)²⁷ thereunder, the MSRB has designated the proposed rule change as one that effects a change that: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative until 30 days after the date of filing.²⁸ However, Rule 19b-4(f)(6)(iii)²⁹ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.³⁰ The MSRB has requested that

the Commission designate the proposed rule change operative upon filing,³¹ as specified in Rule 19b-4(f)(6)(iii),³² which would make the proposed rule change operative on April 22, 2015. The MSRB has stated that an earlier operative date would provide municipal advisor professionals with an earlier opportunity to begin preparation for the qualification requirement.³³

The Commission hereby grants the MSRB's request and believes that designating the proposed rule change operative upon filing is consistent with the protection of investors and the public interest.³⁴ According to the MSRB, the Series 50 examination content outline is designed to ensure that individuals are sufficiently qualified to perform municipal advisory activities.³⁵ The Commission believes that designating the proposed rule change operative upon filing is consistent with the protection of investors and the public interest because it will allow individuals to prepare for the Series 50 examination without delay. In addition, the proposed rule change is not proposing any textual changes to MSRB rules. Therefore, the Commission hereby designates the proposed rule change operative upon filing.

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

days prior to the date of filing, or such shorter time as designated by the Commission. The MSRB satisfied this requirement on April 14, 2015.

³¹ See SR-MSRB-2015-04.

³² 17 CFR 240.19b-4(f)(6)(iii).

³³ See *supra* note 31.

³⁴ For the purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁵ See *supra* note 31.

- Send an email to rule-comments@sec.gov. Please include File Number SR-MSRB-2015-04 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-2015-04. This file number should be included on the subject line if email 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 Web site 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 a.m. and 3:00 p.m. 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-2015-04 and should be submitted on or before May 28, 2015.

For the Commission, pursuant to delegated authority.³⁶

Brent J. Fields,

Secretary.

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²⁶ 15 U.S.C. 78s(b)(3)(A).

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ *Id.*

²⁹ 17 CFR 240.19b-4(f)(6)(iii).

³⁰ In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change, along with a brief description and text of such proposed rule change, at least five business

³⁶ 17 CFR 200.30-3(a)(12).