

Rule A-11: Assessments for Municipal Advisor Professionals

(a) Definition of “Covered Professional.” For purposes of this rule, the term “covered professional” shall mean a person associated with a municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission an active Form MA-I as of January 31 of each year.

(b) Annual Municipal Advisor Professional Fee.[(i)] Each municipal advisor that is registered with the Commission shall pay to the Board a recurring annual fee equal to [\$1,000] the amount set forth in the Annual Rate Card as noted in Supplementary Material .01 for each covered professional [person associated with the municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission a Form MA-I as of January 31 of each year]. The annual professional fee shall be due by April 30 each year in the manner provided by the MSRB Registration Manual.

[(ii) Annual Professional Fee Due for MSRB Fiscal Year 2020. Notwithstanding subsection (a)(i) above, each municipal advisor that is registered with the Commission in MSRB Fiscal Year 2020 (October 1, 2019 to September 30, 2020) shall pay to the Board an annual fee equal to \$750 for each person associated with the municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission a Form MA-I as of January 31, 2020. This annual professional fee shall be due by April 30, 2020 in the manner provided by the MSRB Registration Manual.]

[(b)] (c) Late Fees. Any municipal advisor that fails timely to pay in full the total professional fee due under section [(a)] (b) of this rule shall pay a monthly late fee equal to twenty-five dollars for such failure, and a late fee on the total overdue balance based on the Prime Rate [as provided for in the MSRB Registration Manual,] until paid.

Supplementary Material

.01 Annual Rate Card Fee. Pursuant to Section (b) above, each municipal advisor that is registered with the Commission shall pay to the Board a fee in the amount of \$1,060 for each covered professional as of January 31, 2023. The subsequent amendment of this Annual Rate Card Fee will be determined through the Board’s Annual Rate Card Process. As further described in the Board’s Funding Policy, the Annual Rate Card Process includes, when applicable, (i) a Maximum Cap on Targeted Revenue that generally caps a year-over-year increase in the total targeted revenue for a Rate Card Fee at 10% and (ii) a Maximum Cap on Assessment Rate Increases that generally caps the maximum year-over-year increase in the assessment rate for a Rate Card Fee at 25%. The Board’s Funding Policy may be accessed at msrb.org.

[Temporary Suspension of Late Fees. Notwithstanding the late fees specified in section (b) of this rule, no late fees will be assessed on municipal advisors that fail to timely pay the annual

professional fee due under section (a) of this rule for the period of March 1, 2020 through July 31, 2020. Beginning on August 1, 2020, unpaid balances on any annual municipal advisor professional fees assessed under section (a) will become subject to late fees as specified in section (b) for the period beginning August 1, 2020 until such time as the balance is paid.]

.02 Calculation of the Prime Rate for Purposes of an Overdue Balance. In accordance with subsection (c) of this Rule A-11 regarding the imposition and calculation of late fees, the Prime Rate is the annual rate of the commercial prime rate of interest as last published in The Wall Street Journal prior to the date such charge is computed.

Rule A-12: Registration

(a) – (c) No change.

(d) Late Fees. Any broker, dealer, municipal securities dealer or municipal advisor that fails to pay any fee assessed under this rule [or Rule A-13] within 30 days of the invoice date shall pay a monthly late fee of \$25 and a late fee on the overdue balance, computed according to the Prime Rate[, as provided for in the MSRB Registration Manual,] until paid.

(e) – (l) No change.

Supplementary Material

.01 Calculation of the Prime Rate for Purposes of an Overdue Balance. In accordance with subsection (d) of this Rule A-12 regarding the imposition and calculation of late fees, the Prime Rate is the annual rate of the commercial prime rate of interest as last published in The Wall Street Journal prior to the date such charge is computed.

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

Rule A-13: Underwriting and Transaction Assessments for Brokers, Dealers and Municipal Securities Dealers

(a) Definition of “Primary Offering.” For purposes of this rule, the term “primary offering” shall be applied consistent with its definition under Securities Exchange Rule 15c2-12(f)(7) and Rule G-32(c)(viii) to include any offering of municipal securities directly or indirectly by or on behalf of an issuer of municipal securities; provided that, for purposes of Rule A-13, the term “primary offering” shall not include any such remarketing of municipal securities, but shall include such

circumstances where a broker, dealer, or municipal securities dealer acts as an agent for an issuer to arrange the placement of a new issue of municipal securities.

[(a)] (b) Underwriting Assessments – General Scope. Each broker, dealer and municipal securities dealer shall pay to the Board an underwriting fee as set forth in [subsection (c)(i)] the Annual Rate Card as noted in Supplementary Material .01 for all municipal securities purchased from an issuer by or through such broker, dealer or municipal securities dealer, whether acting as principal or agent, as part of a primary offering[,]; provided that the fee under this section shall not apply to a primary offering of securities if all such securities in the primary offering:

- (i) are commercial paper as defined in MSRB Rule G-32(d); or
- (ii) constitute municipal fund securities.

If a syndicate or similar account has been formed for the purchase of the securities, the underwriting fee shall be paid by the managing underwriter on behalf of each participant in the syndicate or similar account.

[(b)] (c) Underwriting Assessments - Certain Municipal Fund Securities. Each underwriter of a primary offering of a plan, as the terms “underwriter” and “plan” are defined under Rule G-45(d)(xiv) and Rule G-45(d)(ix), respectively, shall pay to the Board an underwriting fee [as set forth in subsection (c)(ii)] of .0005% (\$.005 per \$1,000) of the total aggregate assets for the reporting period ending December 31 each year of a municipal fund, as required to be reported on MSRB Form G-45. For the purposes of this section, if multiple underwriters of the primary offering of a plan are identified on MSRB Form G-45, the term “underwriter” shall be limited to the underwriter identified as the primary distributor in the official statement for the primary offering submitted under MSRB Rule G-32 as of December 31 of the relevant year.

[(c)] Underwriting Assessments - Amounts.

(i) For those primary offerings subject to assessment under section (a) above, the amount of the underwriting fee is .00275% (\$.0275 per \$1,000) of the par value.

(ii) For those primary offerings subject to assessment under section (b) above, the amount of the underwriting fee is .0005% (\$.005 per \$1,000) of the total aggregate assets for the reporting period ending December 31 each year, as required to be reported on MSRB Form G-45.]

(d) Transaction and [Technology] Trade Count Assessments.

(i) Transaction Fee on Inter-Dealer Sales. Each broker, dealer and municipal securities dealer shall pay to the Board a fee equal to [.001% (\$.01 per \$1,000)] the amount specified in the Annual Rate Card as noted in Supplementary Material .01 of the total par value of inter-dealer municipal securities sales that it reports to the Board under Rule G-14(b), except as provided in subsection (iii) of this section (d). For those inter-dealer transactions reported to the Board by a broker, dealer or municipal securities dealer on behalf of another broker, dealer or municipal

securities dealer, the inter-dealer transaction fee shall be paid by the broker, dealer or municipal securities dealer that reported the transaction to the Board. Such broker, dealer or municipal securities dealer may then collect the inter-dealer transaction fee from the broker, dealer or municipal securities dealer on whose behalf the transaction was reported.

(ii) Transaction Fee on Customer Sales. Each broker, dealer and municipal securities dealer shall pay to the Board a fee equal to [.001% (\$.01 per \$1,000)] the amount specified in the Annual Rate Card as noted in Supplementary Material .01 of the total par value of sales to customers that it reports to the Board under Rule G-14(b), except as provided in subsection (iii) of this section (d). The customer transaction fee shall be paid by the broker, dealer or municipal securities dealer that effected the sale to the customer.

(iii) Transactions Not Subject to Transaction Fee. Transaction fees assessed pursuant to subsection (i) or (ii) of this section (d) are not assessed on transactions in municipal securities that:

(a) have a final stated maturity of nine months or less; or

(b) are issued pursuant to a commercial paper program; or

(c) [at the time of trade, may be tendered at the option of the holder to an issuer of such securities or its designated agent for redemption or purchase at par value or more at least as frequently as every nine months until maturity, earlier redemption, or purchase by an issuer or its designated agent] have interest rate reset information reported under Rule G-34(c) as a result of meeting the definition of a “variable rate demand obligation” under Rule G-34(e)(viii), as a security in which the interest rate resets on a periodic basis with a frequency of up to and including every nine months, where an investor has the option to put the issue back to the trustee, tender agent or other agent of the issuer or obligated person at any time, typically within a notification period, and a broker, dealer or municipal securities dealer acts as a remarketing agent responsible for reselling to new investors securities that have been tendered for purchase by a holder.

(iv) [Technology] Trade Count Fee.

(a) [Technology] Trade Count Fee on Inter-Dealer Sales. Each broker, dealer and municipal securities dealer shall pay to the Board a fee equal to [\$1.00] the amount specified in the Annual Rate Card as noted in Supplementary Material .01 per transaction for each inter-dealer municipal securities sale that it reports to the Board under Rule G-14(b). For those inter-dealer transactions reported to the Board by a broker, dealer or municipal securities dealer on behalf of another broker, dealer or municipal securities dealer, the [technology] trade count fee shall be paid by the broker, dealer or municipal securities dealer that reported the transaction to the Board. Such broker, dealer or municipal securities dealer may then collect the [technology] trade count fee from the broker, dealer or municipal securities dealer on whose behalf the transaction was reported.

(b) [Technology] Trade Count Fee on Customer Sales. Each broker, dealer and municipal securities dealer shall pay to the Board a fee equal to [\$1.00] the amount specified in the Annual Rate Card as noted in Supplementary Material .01 per transaction for sales to customers that it reports to the Board under Rule G-14(b). The [technology] trade count fee shall be paid by the broker, dealer or municipal securities dealer that effected the sale to the customer.

(e) Billing Procedure. For the assessments set forth in sections [(c)(i)] (b) and (d) the Board monthly will invoice brokers, dealers and municipal securities dealers for payment of underwriting assessments and transaction and [technology] trade count assessments. For the assessments set forth in section (c)[(ii)], the Board annually will invoice the underwriter identified in section [(b)] (c) for the payment of underwriting assessments for municipal fund securities. The underwriting assessments and transaction and [technology] trade count assessments must be paid within 30 days of the sending of the invoice by the Board.

(f) Prohibition on Charging Fees Required Under this Rule to Issuers. No broker, dealer or municipal securities dealer shall charge or otherwise pass through the fees required under this rule to an issuer of municipal securities.

(g) Late Fees. Any broker, dealer, or municipal securities dealer that fails to pay any fee assessed under this rule within 30 days of the invoice date shall pay a monthly late fee of \$25 and a late fee on the overdue balance, computed according to the Prime Rate until paid. [Definition. The term “primary offering” shall have the meaning set forth in Rule G-32(d)(viii), provided that, for purposes of Rule A-13, the term “primary offering” shall not include any remarketing of municipal securities.]

[(h) Temporary Fee Reduction in the Fee Rates Assessed on Activity Occurring from April 1, 2021 – September 30, 2022. Notwithstanding the rates specified elsewhere in this rule:

(i) Underwriting Assessment. For activity that occurs from April 1, 2021 through and including September 30, 2022, the underwriting assessment described in (c)(i) above shall be .00165% (\$0.0165 per \$1,000) of the par value.

(ii) Transaction Assessment. For activity that occurs from April 1, 2021 through and including September 30, 2022, the transaction assessment described in (d)(i) and (d)(ii) above shall be .0006% (\$0.006 per \$1,000) of the par value.

(iii) Technology Assessment. For activity that occurs from April 1, 2021 through and including September 30, 2022, the technology assessment described in (d)(iv)(a) and (d)(iv)(b) above shall be \$0.60 per transaction.]

Supplementary Material

.01 Annual Rate Card Fees. The following rates of assessment shall be effective as of October 1, 2022.

(i) Underwriting Assessment. The underwriting assessment described in (b) above shall be .00297% (\$0.0297 per \$1,000) of the par value.

(ii) Transaction Assessment. The transaction assessment described in (d)(i) and (d)(ii) above shall be .00107% (\$0.0107 per \$1,000) of the par value.

(iii) Trade Count Assessment. The trade count assessment described in (d)(iv)(a) and (d)(iv)(b) above shall be \$1.10 per transaction.

The subsequent amendment of these Annual Rate Card Fees will be determined through the Board's Annual Rate Card Process. As further described in the Board's Funding Policy, the Annual Rate Card Process includes, when applicable, (i) a Maximum Cap on Targeted Revenue that generally caps a year-over-year increase in the total targeted revenue for a Rate Card Fee at 10% and (ii) a Maximum Cap on Assessment Rate Increases that generally caps the maximum year-over-year increase in the assessment rate for a Rate Card Fee at 25%. The Board's Funding Policy may be accessed at msrb.org.

[Temporary Suspension of Certain Assessments. Assessments specified in sections (c)(i), (d)(ii) and (d)(iv)(b) of this rule will be waived by the Board if such assessments result from a transaction the dealer has with the Municipal Liquidity Facility established by the Federal Reserve Board of Governors.]

.02 Calculation of the Prime Rate for Purposes of an Overdue Balance. In accordance with subsection (g) of this Rule A-13 regarding the imposition and calculation of late fees, the Prime Rate is the annual rate of the commercial prime rate of interest as last published in The Wall Street Journal prior to the date such charge is computed.