



Mr. Robert W. Errett
Deputy Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Submitted via www.regulations.gov

In regard to File Number SR-MSRB-2016-01

Dear Mr. Errett,

SIFMA¹ is pleased to provide comments on proposed changes to Municipal Securities Rulemaking Board ("MSRB" or the "Board") Rule A-3, which is currently before the Commission for review (Docket ID:SEC-2016-0185). SIFMA supports the MSRB proposal, and we urge the Commission to approve the rule changes.

The MSRB has proposed to amend Rule A-3 related to membership on the Board. The proposed amendments (the "proposal") would extend the term of Board membership from three years to four. The Proposal would also make other changes to Rule A-3 related to extending Board terms, including changing the structure of Board "classes," providing for the transition to four-year Board terms, limiting the number of consecutive terms a Board member can serve and other conforming changes.

As we argued previously to the MSRB, we believe extending board terms "would allow the MSRB to leverage the experience of board members who are two or three years into their service."² It can often take a year or more for new Board members to orient to their responsibilities, the scope of issues facing the MSRB, the rulemaking process and other relevant factors, especially for public Board members who may have had limited practical exposure to the municipal market and the municipal securities dealer and municipal advisor industries. By the time a new Board member fully acclimates to their role, they may be near the end of their term. Extending Board terms to four years would help address this issue.

We also appreciate the MSRB's recognition of our concern that retaining or recalling Board members to serve a second term under the "special circumstances" provision of paragraph (b)(i) of Rule A-3 could

¹ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly one million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit www.sifma.org.

² SIFMA letter to Ronald W. Smith, Corporate Secretary, MSRB, July 13, 2015.

result in Board members serving longer on the Board than is appropriate. We agree with the MSRB that “very long board tenures are associated with weaker corporate governance and less favorable organizational performance.” The MSRB has proposed to limit the total number of terms a Board member may serve to two, and we believe this provision represents a reasonable approach to addressing this issue.

The MSRB’s proposal to extend the term of Board membership to four years and related rule changes represents sound governance policy. We believe it will strengthen the Board’s ability to address pertinent issues and will result in a more capable Board. We urge the Commission to approve the MSRB’s proposal as submitted.

We are again pleased to offer our comments on proposed changes to MSRB Rule A-3. Please contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Decker", with a stylized, cursive script.

Michael Decker
Managing Director