

proposed rule change will help DTC maintain adequate liquidity resources and therefore should help assure DTC's ability to safeguard securities and funds.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of section 17A of the Act and the rules and regulations thereunder applicable.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-2003-08) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48136; File No. SR-MSRB-2003-05]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Electronic Mail Contacts

July 8, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and rule 19b-4 thereunder² notice is hereby given that on July 1, 2003, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change (File No. SR-MSRB-2003-05). The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. 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 Board is filing herewith a proposed rule change relating to technical amendments to Form G-40, on electronic mail contacts. The proposed rule change will become operative on

August 4, 2003. Below is the text of the proposed rule change. Proposed new language is italicized; proposed deletions are in brackets.

* * * * *

Form G-40

Electronic Mail Contacts

MSRB Registration Number _____

Check one:

☐ Original Form

☐ Amended Form

Name of Dealer: _____

Date: _____

The dealer named above designates (name) _____ as its Primary Electronic Mail Contact for purposes of electronic communications with the MSRB. This Primary Contact person is *either a Series 53-registered municipal securities principal or a Series 51-registered municipal fund securities limited principal* with the dealer.

E-Mail Address of Primary Contact: _____

Phone Number of Primary Contact: _____

Individual CRD Number of Primary Contact (NASD member firms only): _____

(Optional): The dealer named above designates (name) _____ as its Optional Electronic Mail Contact.

E-mail Address of Optional Contact: _____

Phone Number of Optional Contact: _____

Name and title of person preparing this Form: _____

Signature: _____

Telephone number: _____

New Forms Must be Mailed to

MSRB, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

[Updates to the Form Shall be Submitted] *Forms May Be Amended Electronically [Via the G-40 Log-In On] By Logging on to the MSRB'S Web Site (www.msrb.org) and Using the Primary Contact's User ID and Password to Change Information Relating to That Person, or Using the Optional Contact's User ID and Password To Change Information Relating to That Person.*

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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 texts 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

On June 6, 2002, the SEC approved MSRB Rule G-40, on electronic mail ("E-mail") contacts, and Form G-40, as well as related amendments to Rule G-8, on books and records, and Rule G-9, on preservation of records.³ Rule G-40 requires each broker, dealer and municipal securities dealer (collectively referred to as "dealers") to use Form G-40 to appoint an E-mail contact to serve as the official contact person for purposes of electronic communication between the dealer and the MSRB (the "Primary Contact"). This E-mail contact must be a registered municipal securities principal with the dealer.⁴

Previously, the MSRB provided that dealers whose only municipal securities activities consisted of transactions in municipal fund securities (Section 529 college savings plans and local government investment pools) could appoint either a general securities principal (Series 24) or an investment company/variable contracts limited principal (Series 26) as their Primary Contact until March 31, 2003.⁵ In addition to serving as a Primary Contact pursuant to Rule G-40, a Series 24 or 26 principal was permitted, pursuant to Rule G-3, to supervise the dealer's activities with respect to municipal fund securities until March 31, 2003. This transition period was meant to accommodate such dealers until the new Series 51 examination for municipal fund securities limited principals became available.⁶ As of April 1, 2003, every dealer is required, pursuant to Rule G-3 on professional qualifications, to have either a municipal fund securities limited principal (Series 51) or a municipal securities principal (Series 53), as appropriate, even if the dealer's only municipal securities activities consist of transactions in municipal fund securities. In addition, every dealer is required to have either a Series 51 or Series 53 principal as their Primary Contact. The proposed rule change

³ Release No. 34-46043 (June 6, 2002) 67 FR 40762. The Rule became effective on September 4, 2002.

⁴ Dealers also have the option of appointing a second contact person (the "Optional Contact").

⁵ See MSRB Notices 2003-1 (January 9, 2003) and 2003-6 (February 28, 2003).

⁶ The Series 51 examination has been available since January 2, 2003, and is administered through NASD's PROCTOR system.

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.