

# **Bond Case Briefs**

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## **MSRB Seeks Input on a Compliance Resource to Help Distinguish Advice and Recommendations.**

Washington, DC – The Municipal Securities Rulemaking Board (MSRB) today [requested input from municipal market participants and the public on a draft compliance resource](#) about core requirements for municipal advisors related to providing advice on, and making recommendations of, municipal securities transactions or municipal financial products.

[MSRB Rule G-42](#), on the duties of non-solicitor municipal advisors, forms the foundation of a comprehensive regulatory framework for municipal advisors developed as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The MSRB seeks to support compliance with various aspects of this key rule.

“Through our engagement with the municipal advisor industry, we have received many questions on the topic of advice versus recommendations,” said MSRB President and Executive Director Lynnette Kelly. “We are seeking further input from market participants to develop a useful compliance resource that addresses common questions and illustrates the application of the rule in scenarios that municipal advisors may encounter.”

The MSRB’s draft compliance resource is intended to enhance municipal advisors’ understanding and application of Rule G-42. The responses to frequently asked questions (FAQs) are not meant to be interpretive guidance and all proposed answers are derived directly from the rulemaking record. Though it is not routine for the MSRB formally to seek written comments on draft FAQs or similar compliance materials, the MSRB is seeking public input prior to the publication of a final document. Comments should be submitted no later than April 16, 2018.

“We have heard from stakeholders that they very much want the opportunity to further engage with the MSRB as we advance our long-term strategic goal to facilitate compliance,” Kelly said. “In this case, given that we are addressing a foundational rule for newly regulated entities, the MSRB believes market participation and public input will provide valuable insight that could improve the usefulness of the FAQs.”

Date: February 15, 2018

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