

Bond Case Briefs

Municipal Finance Law Since 1971

MSRB: Advancing Municipal Advisor Regulation.

The MSRB is advancing a regulatory framework for municipal advisors that includes rules for professional conduct, professional qualification examination requirements as well as education and outreach to municipal advisors. In light of the September 18, 2013 final registration rule from the Securities and Exchange Commission (SEC) defining who is a municipal advisor, which takes effect January 13, 2014, the MSRB has prioritized the development of municipal advisor rules in five key areas. They are: fiduciary duty and fair dealing standards of conduct of municipal advisors to municipal entities and obligated persons; supervision requirements for municipal advisory firms and their employees; rules to address the potential for pay-to-play activities by municipal advisors; limitations on gifts and gratuities to employees of municipal securities issuers and other market participants; and duties of solicitors.

The MSRB will seek public comment before proposing rules to the SEC for approval. The MSRB also is continuing to work with the municipal advisory industry to develop a professional qualification exam to establish standards of competency for municipal advisors.