

Bond Case Briefs

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MSRB Requests Comment on Continuing Education Proposal for Municipal Securities Dealers.

Alexandria, VA - Following a review of its professional qualification program for municipal securities dealers, the Municipal Securities Rulemaking Board (MSRB) today requested public comment on a proposal to require dealers to ensure that members of their staff primarily engaged in municipal securities business annually receive training in municipal securities.

The proposed change to the continuing education requirements for dealers set out in MSRB Rule G-3 would require a minimum of one hour of training focused on municipal securities for professionals primarily engaged in municipal securities activities. Currently, dealer firms are required to offer continuing education to their staff based on the firm's assessment of its overall needs, but there are no existing obligations under MSRB rules to provide targeted training on municipal securities to dealer personnel.

"The MSRB recognizes that many dealers already offer continuing education programs that include municipal securities components," said MSRB Executive Director Lynnette Kelly. "The MSRB's proposal seeks to set a minimum baseline for this type of continuing education to ensure that firms consider the particular training needs of staff responsible for understanding municipal securities products and complying with MSRB rules."

The request for comment seeks to reinforce the need for dealer staff primarily engaged in the municipal securities business to stay abreast of issues that affect their job responsibilities and informed about product and regulatory developments.

The MSRB also today provided notice of planned changes to two categories of municipal securities professional qualification. Upon approval by the Securities and Exchange Commission (SEC), the MSRB would no longer require the "Financial and Operations Principal" designation since it is a requirement imposed on dealers by other regulators and therefore duplicative of other regulation. Also, those individuals who have been qualified to engage in municipal fund securities activities, such as sales of 529 college savings plans, by passing a Limited Representative examination, would only be permitted to engage in sales-related activity, pending SEC approval.

The MSRB fosters competency of municipal market professionals and compliance with MSRB rules through professional examinations and continuing education requirements.

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