

Bond Case Briefs

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BDA Releases Nixon Peabody Paper on Municipal Advisor Rule: Receiving Advice from your Broker-Dealer Regarding Investments.

The Bond Dealers of America is releasing a paper prepared by outside counsel Nixon Peabody to assist the industry in better understanding the Municipal Advisor Rule, which is effective July 1, 2014.

The paper is entitled, ["The Municipal Advisor Rule: Receiving Advice from your Broker-Dealer Regarding Investments"](#) and is meant to assist state and local governments in understanding the impact that the Municipal Advisor Rule has on sales and purchases of securities through broker-dealers.

The paper addresses the following questions:

- Why does the Municipal Advisor Rule cause my broker to ask if we are investing funds that are proceeds from the issuance of municipal securities or escrow investments?
- Why is my broker concerned about being a municipal advisor?
- Why is my broker asking for me to provide an acknowledgement that the amounts we want to invest are not proceeds from the issuance of municipal securities or escrow investments?
- How do I know if the amounts we want to invest are proceeds from the issuance of municipal securities or escrow investments?
- Can my broker become a municipal advisor if it provides advice concerning investments that do not constitute proceeds from the issuance of municipal securities or escrow investments?
- If I want investment advice from my broker concerning the investment of the proceeds of municipal securities or escrow investments, what can I do?
- What would I need to do to solicit advice from brokers using the RFP exclusion?
- When would it make sense for a municipal entity or obligated person to use the IRMA exception to receive advice from brokers?
- If a broker cannot provide advice without becoming a municipal advisor, what information can the broker provide?

The paper is meant to provide a factual and concise one-stop place for your questions regarding the MA rule and investment advice.