

# **Bond Case Briefs**

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## **MSRB Seeks Approval to Implement Supervision Rule for Municipal Advisors.**

Alexandria, VA – In a major milestone in its development of a federal regulatory framework for municipal advisors, the Municipal Securities Rulemaking Board (MSRB) today [sought approval from the Securities and Exchange Commission \(SEC\) of a rule to establish supervisory and compliance obligations for municipal advisors](#). Proposed MSRB Rule G-44 is the first municipal advisor rule for which the MSRB has sought SEC approval since the SEC’s adoption of a final definition of “municipal advisor” in September 2013.

“With today’s rule filing, the MSRB is demonstrating its continued commitment to establish a comprehensive regulatory framework for those professionals who provide certain types of financial advice to state and local governments,” said MSRB Executive Director Lynnette Kelly. “We aim to ensure that municipal entities are protected by robust regulations that appropriately address practices and behaviors that are not consistent with a municipal advisor’s duties to its clients.”

Proposed MSRB Rule G-44 is aimed at ensuring appropriate supervision of municipal advisor professionals and compliance with all applicable securities laws. These types of requirements are critical to the prevention and early detection of compliance issues before significant consequences occur. The MSRB has additional rules and professional qualification standards for municipal advisors in various stages of development. The MSRB currently is seeking public comment on a revised draft rule to establish core standards of conduct for municipal advisors. Later this week, the MSRB’s Board of Directors will consider comments received and next steps on a draft rule on professional qualifications and testing requirements for municipal advisors.

The Board also is considering draft amendments to the MSRB’s existing pay-to-play rule to address the potential for pay-to-play activities by municipal advisors, as well as draft amendments to the its existing gifts rule to establish limitations on gifts given by municipal advisors in their professional capacity. Market participants and other interested persons can stay up to date on the MSRB’s municipal advisor rulemaking, outreach and education initiatives by visiting the Resources for Municipal Advisors section of the MSRB’s website.