

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **MSRB Requests Comment on Extending its Pay-to-Play Rule to Municipal Advisors.**

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) is [requesting comment on draft amendments to Rule G-37](#), the MSRB's landmark pay-to-play rule for municipal securities dealers, that would extend the rule to municipal advisors. The Dodd-Frank Wall Street Reform and Consumer Protection Act expanded the jurisdiction of the MSRB to include the regulation of municipal advisors and the protection of state and local governments that often rely on these professionals for advice.

"Addressing corruption, or the appearance of corruption, in the awarding of municipal advisory business is a fundamental goal of the MSRB's comprehensive regulatory framework for municipal advisors," said MSRB Executive Director Lynnette Kelly. "Applying our well-established dealer pay-to-play rule to municipal advisors will help ensure that all regulated municipal market entities and professionals are held to the same high standards of integrity."

The MSRB's draft amendments seek to curb pay-to-play activities by municipal advisors and provide greater transparency regarding their political contributions. The draft amendments would, consistent with the existing rule for dealers, generally prohibit municipal advisors from engaging in municipal advisory business with municipal entities for two years if certain political contributions have been made to officials of those entities who can influence the award of business.

Municipal advisors would be required, like dealers under the existing rule, to disclose their political contributions to officials and bond ballot campaigns for posting on the MSRB's Electronic Municipal Market Access (EMMA®) website. Public availability of this information would facilitate enforcement of the rule and promote public scrutiny of political giving and municipal advisory business.

Read the request for comment to view all proposed changes to the existing rule. Comments are due no later than October 1, 2014. The MSRB will host a webinar on the proposed changes on September 11, 2014 at 3 p.m. ET. [Register for the webinar.](#)

The draft amendments to Rule G-37 are among several new regulatory provisions for municipal advisors now in development. The MSRB recently filed its proposed municipal advisor supervision and compliance rule for Securities and Exchange Commission (SEC) approval, with comments due to the SEC by August 26, 2014. The MSRB plans to file a proposal for SEC approval to set baseline professional qualification requirements for municipal advisors. The MSRB is continuing to solicit input on its revised draft rule to create core standards of conduct for non-solicitor municipal advisors through August 25, 2014. Additionally, the MSRB plans to seek comment on amending its existing gifts rule for dealers, MSRB Rule G-20, to establish limitations on gifts given by municipal advisors in their professional capacity.

For news and resources on municipal advisor rulemaking, outreach and education initiatives, visit the Resources for Municipal Advisors section of the MSRB's website.

