

# **Bond Case Briefs**

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## **Proposed MSRB Rule G-42 Moves to Additional Phase of Rulemaking.**

**Alexandria, VA** - The Municipal Securities Rulemaking Board (MSRB) announced today that the [Securities and Exchange Commission \(SEC\) has ordered the MSRB's proposed rule to establish core standards of conduct for municipal advisors into an additional phase of the rulemaking process.](#)

Proposed MSRB Rule G-42, which the MSRB filed with the SEC for approval in April 2015, is designed to serve as the cornerstone of the MSRB's developing regulatory framework for municipal advisors that was outlined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

In 2014, the MSRB twice sought industry and public feedback on draft versions of proposed Rule G-42. Following filing with the SEC, proposed Rule G-42 was published in the Federal Register on May 8, 2015, and the SEC's initial 45-day period to approve or disapprove the proposed rule was extended an additional 45 days, until August 6, 2015.

On August 6, 2015, the SEC began an additional phase of rulemaking on the proposed rule pursuant to Section 19(b)(2)(B) of the Securities Exchange Act of 1934 (Exchange Act), which may last up to 90 days, during which time the SEC determines whether to approve or disapprove the MSRB's proposed rule. As stated in the SEC's order, this procedural step has been taken to allow for additional analysis and does not indicate the SEC has reached a conclusion or will ultimately disapprove the proposed rule. The SEC invites additional comment from interested parties for 30 days following publication of its order in the Federal Register. [View the SEC order.](#)

In the interim, the MSRB plans to respond to issues that have been raised by earlier commenters on proposed Rule G-42 in a letter to the SEC that will be made available on the MSRB's website. The MSRB will continue to inform market stakeholders as this key rule proposal proceeds through the federal rulemaking process.

The stages of the rulemaking process that apply to self-regulatory organizations are set forth in the Exchange Act and SEC implementing regulations.

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Contact: Jennifer A. Galloway, Chief Communications Officer  
(703) 797-6600  
[jgalloway@msrb.org](mailto:jgalloway@msrb.org)