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## **MSRB: Sept. 12 is Date For Permanent MA Qualification Exam.**

WASHINGTON - Municipal advisor professionals who have not already passed the Municipal Securities Rulemaking Board's pilot qualification exam will have one year from Sept. 12 to pass the permanent exam, the self-regulator announced on Tuesday.

MAs will have to score a 71% or higher on the Series 50 exam in order to pass. They can take the test more than once. If they do not pass within the one-year grace period, they will no longer be able to practice as a municipal advisor.

The permanent exam will be modified before Sept. 12 based on the results from the MSRB's pilot qualification exam, which 1,679 individuals took between January 15 and February 15 of this year. The individuals who participated in the pilot represented roughly 41% of the MA market. More than 50% of MA firms had at least one professional take the exam. Eighty-four percent of the individuals passed.

All advisors who participated in the pilot exam, as well as the primary regulatory contact in their firms, will be notified at some point this week about whether they passed. Any MA that did not will have one free opportunity to retake the exam.

"We think the statistics in terms of the types of municipal advisors, the size of their firms, the geographic dispersions, really gave us the kind of data we needed to make sure the [permanent] exam follows all of the best practices in the industry," said Lynnette Kelly, the MSRB's executive director.

The high pass rate disproves the idea some people had that individuals were "going to just kind of walk in the door unprepared and give it a shot," said Kelly.

"I think people took it very seriously," she said. "I think people studied very hard." She added that, "the people who took the pilot exam were seasoned municipal advisor professionals so you would very much expect to see a strong showing from this group."

The MSRB will be releasing a revised Series 50 content outline on or before July 1 to reflect MA rules like G42 on core duties of municipal advisors, G20 on gifts and gratuities, and G37 on political contributions, that were not in place when the pilot exam outline was first published last year. The new outline will include topics covered on the exam, sample questions, and a list of reference materials to help the professionals prepare for the exam.

The MSRB also plans to both create continuing education requirements for MAs at some point in the future and implement a separate exam for municipal advisor principals. MSRB Rule G3 on professional qualifications defines an MA principal as a person associated with a municipal advisor who is qualified as an MA representative and is directly engaged in the management direction, or supervision of the MA activities of the firm and its associated persons.

## **The Bond Buyer**

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