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## **MSRB to Mull MA Impact Analysis, Critical Comments at Meeting.**

WASHINGTON - Municipal Securities Rulemaking Board members meeting here next week will discuss the framework for an analysis of the costs and burdens of rules affecting municipal advisors and protecting investors.

Comments from the market on the board's recent draft amendments to require CUSIP numbers for private placements will also be up for discussion at the meeting. While many of the market groups believe the MSRB's inclusion of placement agents under its Rule G34 on obtaining CUSIPs would be a change, the MSRB has said it would be more of a clarification because it has always believed that G34 applies to private placements.

Many of the groups urged the MSRB to provide an exemption from obtaining CUSIPs for participants involved in private placements for a single purchaser or a bank, its affiliates or subsidiaries if it moves forward with the amendments. Such an exemption would alleviate concerns that the changes would discourage banks from pursuing private placements and issuers from engaging placement agents and MAs because CUSIPs may signify the placement is a security and not a loan, they said.

Dealer groups praised another part of the draft amendments that would give non-dealer MAs acting in competitive deals the same responsibility to apply for CUSIPs that dealer-MAs have in competitive deals under the current rule. However, the National Association of Municipal Advisors worries that the requirement could bring non-dealer MAs closer to crossing the line into dealer activity.

The board will also review comments on a proposal to change the MSRB's advertising rule for dealers and apply comparable provisions to MAs for the first time.

NAMA, which suggested the MSRB withdraw its proposal, raised concerns that the proposal fails to adequately differentiate between the "products" that underwriters and investment advisors offer to retail customers and the "services" that MAs generally provide to their issuer clients. The group said that if the MSRB pursues the rule, it needs to properly bifurcate it to separately cover products and services.

In addition to calls for other changes, such as allowing requests for proposals and qualifications to be excluded from the definition of advertising, NAMA also wants the board to give guidance on how the rule would apply to MA websites and social media platforms.

SIFMA said it is pleased that the MSRB is proposing to level the regulatory playing field between dealers and MAs, but asked for better harmonization with existing Financial Industry Regulatory Authority requirements. One such change would mean the MSRB would abandon its "one size-fit-all" approach to the definition of advertising and instead use FINRA's three categories for communication - institutional, retail, and correspondence.

The board is also expected to weigh whether it should publish guidance on the application of various

existing MSRB rules to solicitor MAs that are not subject to MSRB Rule G42 on core duties of MAs.

That discussion is in response to solicitor MAs asking for such guidance.

## **The Bond Buyer**

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