
BDA Submits Comment Letter: MSRB Seeks Input on a Compliance Resource to Help Distinguish Advice and Recommendations (Rule G-42).

The BDA has submitted a comment letter to the MSRB concerning municipal market participants and the public on a draft compliance resource about core requirements for municipal advisors related to providing advice on, and making recommendations of, municipal securities transactions or municipal financial products. The final comment letter can be viewed here.

The letter states that while the BDA is appreciative of the opportunity to review and comment on the Notice, the BDA continues to believe that the MSRB should follow a formal interpretative guidance process for these kinds of advisories.

Specifically, the comment letter outlines that the BDA believes that:

- The scenarios presented in the Notice do not provide meaningful guidance and create ambiguities.
- The Notice needs to more clearly explain that it is not intended to interpret the SEC's FAQs or Municipal Advisor Rule.
- The MSRB should consider adding clarification that there is no concept of "implied recommendation" like that under broker-dealer rules.

Bond Dealers of America

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