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## SIFMA Seeks to Vacate Muni Advisor BD Exemption: Cadwalader

SIFMA [filed suit](#) seeking to vacate a recently adopted SEC temporary exemption for municipal advisors from broker-dealer registration. The exemption (which was previously covered here) permits municipal advisors to make limited solicitations to certain banks and similar entities to invest in “direct placements” of municipal issuers without being subjected to broker-dealer registration.

SIFMA stated that existing market data do not support the purported need for the exemption, which harms investors and other market competitors by “eliminating investor protections and critical reporting requirements.” SIFMA President and CEO Kenneth Bentsen Jr. asserted that “through the [exemption], the SEC allows municipal advisors to engage in broker-dealer activity without the attendant legal and regulatory requirements that apply when a broker-dealer is engaged.”

The SIFMA petition – filed for review in the D.C. Circuit Court of Appeals – has yet to be made public.

**Cadwalader Wickersham & Taft LLP** – Nihal S. Patel

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