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SEC Staff Identifies Compliance Deficiencies Uncovered in Muni Advisor Examinations: Fried Frank

The SEC Division of Examinations [identified](#) common compliance deficiencies found during examinations of municipal advisors.

In a Risk Alert, SEC staff listed deficiencies related to registration, recordkeeping, supervision and disclosures. Highlighted areas included:

- **Registration:** Incomplete, inaccurate filings; failure to amend promptly; failure to pay fees;
- **Recordkeeping:** Failure to keep electronic communications, including emails sent from personal email addresses and text messages; poor financial records; failure to certify compliance as required under MSRB Rule G-44 (“Supervisory and Compliance Obligations of Municipal Advisors”); failure to keep written agreements;
- **Supervision:** Failure to have adequate written supervisory procedures; failure to conduct annual reviews of compliance; and
- **Disclosures:** Inadequate disclosure of conflicts; poor documentation of advisory relationships.

SEC staff said the deficiencies in the report were similar to those identified in its 2017 Risk Alert, a reminder that those areas continue to be the most vulnerable (see [previous coverage](#)).

The SEC staff encouraged municipal advisors to review the deficiencies identified in the alert and consider implementing programs to improve compliance.

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