
Proposed Amendments to MSRB Rule G-27: SIFMA Comment Letter

Summary

SIFMA 1 provided comments to the U.S. Securities and Exchange Commission (SEC) in support of the MSRB's proposal to amend MSRB Rule G-27 to exclude certain public finance activities from the term "structuring of public offerings or private placements," extend the length of the exclusion for non-primary residences from the municipal branch office designation, and make a technical update to the Rule's title. 2

Excerpt

SIFMA applauds the MSRB's forward-thinking efforts to modernize its rules to reduce undue compliance burdens on regulated entities while continuing to provide appropriate investor and issuer protections. In furtherance of this goal, the MSRB should work towards eliminating all location-based concepts of supervision, recognizing that functional-based supervision comports with how business and supervision is conducted today and how regulators operate in the current electronic workplace.2

I. The SEC Should Approve the MSRB's Draft Amendments to Rule G-27

a. The SEC Should Approve the MSRB's Proposal that Increases the Length of the Exclusion from the Municipal Branch Office Registration for Locations Other than a Primary Residence from 30 to 90 Business Days

The SEC should approve the MSRB's draft amendments that increase the 30-business day exclusion from the municipal branch office registration for locations other than a primary residence to 90 days. As stated above and discussed below in greater detail, SIFMA believes that Rule G-27 should not be location-based at all, but expanding this exclusion in any way is helpful to those that work remotely from locations other than their primary residence. SIFMA also feels strongly that the expansion of the exclusion would not reduce issuer and investor protections.

b. The SEC Should Approve the MSRB's Proposal to Define "Excluded Public Finance Activities" in Proposed Supplementary Material

SIFMA believes that this amendment, which excludes certain structuring activities from the requirement to register a location as an Office of Municipal Supervisory Jurisdiction (OMSJ), is a significant positive development. Structuring commonly occurs at a client site, while traveling, or otherwise away from an OMSJ, rendering the location-based requirement anachronistic in today's municipal securities business.

It is important for MSRB rules to be neutral as to business model or structure. SIFMA appreciates the MSRB's revision to its proposal that reflects that broker-dealers operate under a variety of business models, structures and processes, many of which impact what is deemed "final approval" of a transaction by a broker-dealer.

This action demonstrates that efficient markets can outweigh harmonization with other regulators or regulatory regimes in certain circumstances. SIFMA does, however, urge FINRA to move forward with similar rule changes updating their rules to reflect the modern workplace, and for the SEC to approve such changes.

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1. SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

2. 91 Fed. Reg. 49460 (Aug. 4, 2026).

Read the SIFMA Comment Letter.

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