

Resources Related to 2019 Municipal Securities Examination Priorities

The Municipal Securities Rulemaking Board (MSRB) has prepared this resource for brokers, dealers, municipal securities dealers and municipal advisors registered with the MSRB (collectively, “regulated entities”).¹ This resource highlights select MSRB rules, interpretative guidance and resources that correlate with municipal securities topics identified as 2019 examination priorities by the Office of Compliance Inspections and Examinations (OCIE) of the U.S. Securities and Exchange Commission (SEC) or the Financial Industry Regulatory Authority, Inc. (FINRA).²

OCIE’s [2019 Examination Priorities](#) previewed key areas where OCIE intends to focus its 2019 risk-targeted examinations. With respect to the municipal securities market, these areas include examining for compliance with MSRB rules regarding municipal advisor registration, fiduciary duty obligations, mark-up disclosure obligations, professional qualifications, continuing education and compliance with recently effective MSRB rules. FINRA’s [2019 Annual Risk Monitoring and Examination Priorities Letter](#) identified topics it will focus on in the coming year including, with respect to the municipal securities market, examining for compliance with mark-up disclosure obligations and suitability, including the suitability of recommendations to purchase share classes that are not in line with the customer’s investment time horizon or recommendations to hold for a period that is inconsistent with the security’s performance characteristics.

The following table lists municipal securities examination topics identified by OCIE and FINRA, and links to relevant MSRB rules, interpretive guidance and resources previously published by the MSRB that may be useful in helping regulated entities improve their understanding of the cited examination priorities.

OCIE Examination Topic	MSRB Resources
Municipal Advisor Registration and Qualification	MSRB Rule A-12 Registration MSRB Rule G-2 Standards of Professional Qualification MSRB Rule G-3 Professional Qualification Requirements Compliance Advisory for Municipal Advisors (2018) Compliance Advisory for Municipal Advisors (2017) Compliance Advisory for Municipal Advisors (2016) Understanding the Municipal Advisor Principal Qualification Examination (Series 54) (January 2018) FAQs on Municipal Advisor Professional Qualification and Examination Requirements (Series 50 Exam) (May 2018) Preparing for Regulation (2016) On-Demand MSRB, SEC, FINRA Webinar: Municipal Advisor Registration Requirements and Process

¹ This Compliance Resource should be read in conjunction with the relevant rules and related guidance. It does not create new legal or regulatory requirements, or new interpretations of existing requirements, and should not be interpreted as establishing new standards of conduct. This resource is not designed to address all regulatory obligations applicable to MSRB-regulated entities pursuant to each MSRB rule or under other securities laws and regulations (“applicable rules”) or identify an exhaustive list of considerations or resources for ensuring compliance with the applicable rules.

² By statute, both the SEC and FINRA, as well as federal bank regulators, have the authority to examine for, and enforce, compliance with MSRB rules. Given that examining authorities must examine for compliance with a broad scope of business activities extending beyond the municipal securities market, examining authorities are not limited to examining for compliance with topics highlighted in their respective examination priorities.

OCIE Examination Topic	MSRB Resources
Municipal Advisor Registration and Qualification (<i>continued</i>)	<p>On-Demand Webinar: <i>Preparing to Take the MSRB's Pilot for the Municipal Advisor Principal Qualification Examination (Series 54)</i></p> <p>On-Demand Webinar: <i>Amendments to MSRB Rule G-3 on Professional Qualification Standards for Municipal Advisors</i></p> <p>On-Demand Webinar: <i>Municipal Advisor Representative Qualification Examination (Series 50 Exam)</i></p> <p>MSRB Podcast: <i>Being a Regulated Municipal Advisor</i></p>
Municipal Advisor Continuing Education Requirements	<p><u>MSRB Rule G-3</u> Professional Qualification Requirements</p> <p><u>MSRB Rule G-8</u> Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors</p> <p><u>FAQs on Continuing Education Program Requirements for Municipal Advisors</u> (November 2017)</p> <p><u>Developing a CE Needs Analysis and Written Training Plan</u> (October 2017)</p> <p>On-Demand Webinar: <u>Amendments to MSRB Rule G-3 on Professional Qualification Standards for Municipal Advisors</u></p>
Municipal Advisor Fiduciary Duty Obligations	<p><u>MSRB Rule G-42</u> Duties of Non-Solicitor Municipal Advisors</p> <p><u>MSRB Rule G-17</u> Conduct of Municipal Securities and Municipal Advisory Activities</p> <p><u>Compliance Advisory for Municipal Advisors</u> (2018)</p> <p><u>Compliance Advisory for Municipal Advisors</u> (2017)</p> <p><u>FAQs Regarding MSRB Rule G-42 and Making Recommendations</u> (June 2018)</p> <p><u>Municipal Advisors: Understanding Standards of Conduct</u> (April 2016)</p> <p>On-Demand Webinar: <u>MSRB Rule G-42: Duties of Municipal Advisors</u></p> <p>On-Demand Compliance Workshop: <u>MSRB Rule G-42 Conflicts of Interest and Documentation of the Municipal Advisory Relationship</u></p> <p>On-Demand Compliance Workshop: <u>MSRB Rule G-42 Advice and Recommendations</u></p>
Municipal Advisor Advertising	<p><u>MSRB Rule G-40</u> Municipal Advisor Advertising</p> <p>MSRB Notice 2019-03: <u>MSRB Extends Effective Date for Amendments to MSRB Rule G-21 and New MSRB Rule G-40</u></p> <p><u>Application of Content Standards to Advertisements by Municipal Advisors under MSRB Rule G-40</u> (December 2018)</p> <p><u>FAQs on Use of Municipal Advisory Client Lists and Case Studies</u> (Sept. 2018)</p> <p>On-Demand Compliance Workshop: <u>Amended MSRB Rule G-21 on Advertising by Dealers and MSRB Rule G-40 on Advertising by Municipal Advisors</u></p>
Standards of Conduct of Municipal Advisors Obtaining CUSIPs on Behalf of the Issuers	<p><u>MSRB Rule G-34</u> CUSIP Numbers, New Issue, and Market Information Requirements</p> <p>Webinar Presentation: <u>Changes to Rules Relating to New Issue Reporting</u> (May 2013)</p>

OCIE Examination Topic	MSRB Resources
Municipal Advisor Disclosure of Conflicts of Interests	<p>MSRB Rule G-42 Duties of Non-Solicitor Municipal Advisors</p> <p>Compliance Advisory for Municipal Advisors (2018)</p> <p>Compliance Advisory for Municipal Advisors (2017)</p> <p>Municipal Advisors: Understanding Standards of Conduct (April 2016)</p> <p>On-Demand Compliance Workshop: MSRB Rule G-42 Conflicts of Interest and Documentation of the Municipal Advisory Relationship</p>

FINRA Examination Topic	MSRB Resources
Mark-up/mark-down disclosure	<p>MSRB Rule G-15 Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers</p> <p>MSRB Rule G-18 Best Execution</p> <p>MSRB Rule G-30 Prices and Commissions</p> <p>Compliance Advisory for Brokers, Dealers and Municipal Securities Dealers (2018)</p> <p>Resource on Disclosing Mark-ups and Determining Prevailing Market Price (2018)</p> <p>Confirmation Disclosure and Prevailing Market Price Guidance: Frequently Asked Questions (March 2018)</p> <p>On-Demand Webinar: Amended MSRB Rules G-15 and G-30</p>
Suitability: <ul style="list-style-type: none"> Deficient quantitative suitability determinations or related supervisory controls Recommendations to purchase share classes that are not in line with the customer's investment time horizon or hold for a period that inconsistent with the security's performance characteristics 	<p>MSRB Rule G-19 Suitability of Recommendations and Transactions</p> <p>MSRB Rule G-27 Supervision</p> <p>MSRB Notice 2018-07: Notice Regarding Transactions in the Municipal Securities of Distressed Municipalities</p> <p>MSRB Notice 2006-23: Interpretation on Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans</p> <p>MSRB Notice 2006-03: Joint Statement of the NASD and the MSRB</p> <p>MSRB Notice 2001-45: Interpretive Notice on Commissions and Other Charges, Advertisements and Official Statements Relating to Municipal Fund Securities</p> <p>Compliance Advisory for Brokers, Dealers and Municipal Securities Dealers (2018)</p> <p>Compliance Advisory for Brokers, Dealers and Municipal Securities Dealers (2016)</p>