

Regulatory Notice

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Stakeholders
Municipal Advisors

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Professional
Qualification

Affected Rules
[Rule G-3](#)

MSRB's Series 50 Pilot Examination to be Offered January 15, 2016 – February 15, 2016

Executive Summary

The Municipal Securities Rulemaking Board's (MSRB) Municipal Advisor Representative Qualification Examination (Series 50) will be administered as a pilot examination January 15, 2016 – February 15, 2016.¹ Beginning September 21, 2015 through January 14, 2016, municipal advisors can enroll associated persons to schedule a date to take the Series 50 pilot examination. The fee to take the Series 50 pilot examination is \$265. A candidate who takes and passes the Series 50 pilot examination will be qualified as a municipal advisor representative and will not be required to take the permanent Series 50 examination.

The Series 50 pilot examination, advantages of participating in the pilot examination and the enrollment process are described in more detail below.

Background

The Securities Exchange Act of 1934 (the Act) requires the MSRB to establish professional standards for municipal advisors.² The Act also provides the MSRB with authority to classify municipal advisors and their associated persons³ and to establish competency tests for such individuals as it finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons.⁴ Earlier this year, the

¹ [On August 17, 2015, the Securities and Exchange Commission \(SEC\) appointed the Financial Industry Regulatory Authority \(FINRA\) to provide test administration services to the MSRB for the delivery of the MSRB-owned Series 50 examination.](#)

² 15 U.S.C. 78o-4(b)(2)(L)(iii).

³ 15 U.S.C. 78o-4(b)(2)(A)(i).

⁴ 15 U.S.C. 78o-4(b)(2)(A)(iii).



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Securities and Exchange Commission (SEC) approved amendments to MSRB Rule G-3, which established the qualification examination requirements for municipal advisor representative and municipal advisor principal candidates. To qualify as either a municipal advisor representative or municipal advisor principal, an individual must pass the Municipal Advisor Representative Qualification Examination (Series 50).⁵ The examination requirement under the Act is intended to protect municipal entities, obligated persons and the integrity of the municipal market by requiring municipal advisory professionals to possess the general knowledge necessary to be sufficiently qualified to perform municipal advisory activities.

Series 50 Content Outline

The MSRB developed the Series 50 examination content outline in accordance with The Standards for Educational and Psychological Testing,⁶ including the engagement of a psychometrician and a committee of industry subject-matter experts. The Series 50 examination content outline is available on the MSRB's website and describes the following five topical sections comprising the examination: (1) Understanding SEC and MSRB Rules Regarding Municipal Advisors (12 questions); (2) Understanding Municipal Finance (35 questions); (3) Performing Issuer's Credit Analysis and Due Diligence (12 questions); (4) Structuring, Pricing and Executing Municipal Debt Products (31 questions); and (5) Understanding Requirements Related to the Issuance of Municipal Debt (10 questions).⁷

The Series 50 examination content outline contains a "reference materials" section that is intended to provide candidates with a list of resources, which when used in conjunction with the Series 50 examination content outline, can assist candidates in preparing for the Series 50 examination. The reference materials were recommended by municipal advisors as having been helpful resources in carrying out the job functions of a municipal advisor. The reference materials are not intended to be all-inclusive, nor are

⁵ The Municipal Advisor Representative qualification is a prerequisite to qualification as a Municipal Advisor Principal.

⁶ See American Educational Research Association, American Psychological Association, & National Council on Measurement in Education, *The Standards for Educational and Psychological Testing* (2d ed. 2014).

⁷ The [Series 50 examination content outline](#) became effective on April 22, 2015 upon filing with the SEC. See Exchange Act Release No. 74858 (May 1, 2015), 80 FR 26310 (May 7, 2015), File No. SR-MSRB-2015-04.

the reference materials intended to specifically represent content that may be covered on the examination.

The Series 50 Pilot Examination

The administration of a pilot for the Series 50 examination will assist the MSRB in validating the examination questions and establishing the passing score. The Series 50 pilot examination will consist of 120 questions and candidates will have 240 minutes to complete the Series 50 pilot examination.⁸ Pilot examination candidates will receive notification from the MSRB of their examination results approximately three months after taking the Series 50 pilot examination.

Series 50 Pilot Exam	
Exam Window	January 15 – February 15, 2016
Enrollment Window	September 21, 2015 – January 14, 2016
Cost	\$265
Number of Questions	120
Test Time	240 minutes
Test Results	Test results will be mailed to candidates 8-12 weeks following the pilot

Advantages of Volunteering for the Pilot Examination

Any candidate who passes the pilot Series 50 examination will be qualified as a municipal advisor representative and will not be required to take the permanent Series 50 examination. A failure of the Series 50 pilot examination will not count toward one of the three opportunities available for a candidate to pass the permanent examination before having to wait a period of six months for the fourth retake. In addition, a candidate who fails the pilot examination will be permitted one free retake when the permanent examination is available. For candidates with a CRD record, a failure of the Series 50 pilot examination will not appear on a candidate's CRD record.

Enrolling in the Series 50 Pilot Examination

Municipal advisors must utilize the Financial Industry Regulatory Authority's (FINRA) Form U10 to enroll for the Series 50 pilot examination. While the Form U10 is typically used for non-CRD filers to enroll in examinations, both dealer and non-dealer municipal advisors will use Form U10 to enroll

⁸ Prior to beginning the pilot examination, candidates will receive a tutorial on how to complete the computerized examination. Candidates will be given 30 minutes to complete the tutorial in addition to the 240 minutes allowed to complete the examination.

associated persons for the Series 50 pilot examination. Step-by-step instructions can be found online at <http://www.finra.org/industry/formu10>. Please note, either the municipal advisor or candidate may complete and submit Form U10 online. If a municipal advisor is going to enroll its associated persons, the municipal advisor is required to create a separate user account for each candidate. Unless a candidate has an existing user account, a candidate will have to create a new user account to enroll in the Series 50 pilot examination.

Resources

For more information regarding the Series 50 pilot examination, please refer to the below resources available on the MSRB's website.

- [Series 50 content outline](#)
- [Latest news and resources on municipal advisor professional qualifications](#)
- [FAQs on the pilot Series 50 examination](#)
- [Presentation from the MSRB's educational webinar about the pilot Series 50 examination](#)

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