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Municipal Securities
Dealers, Municipal
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Informational Notice

Category
Fair Practice

Affected Rules
[Rule G-21](#), [Rule G-40](#)

MSRB Extends Effective Date for Amendments to MSRB Rule G-21 and New MSRB Rule G-40

Overview

The Municipal Securities Rulemaking Board (MSRB) today filed a rule change with the Securities and Exchange Commission (SEC) to extend the effective date of amendments to Rule G-21, on advertising by brokers, dealers or municipal securities dealers, and the adoption of Rule G-40, on advertising by municipal advisors (together the “advertising rules”).¹ The rule change became effective upon filing pursuant to Section 19(b)(3)(A) of the Act² and Rule 19b-4(f)(6) thereunder.³

The advertising rules for brokers, dealers or municipal securities dealers (collectively, dealers) and municipal advisors were approved by the SEC on May 7, 2018, with an initial effective date of February 7, 2019.⁴ The new effective date of the advertising rules will be not more than 6 months following an announcement by the MSRB in an MSRB Notice to be published on the MSRB’s website. The MSRB expects to announce the new effective date within 60 days following the publication of today’s rule change in the Federal Register.

In setting the initial effective date of February 7, 2019, the MSRB indicated that, consistent with its goal of providing tools to enhance the ability of

¹ [File No. SR-MSRB-2019-01](#).

² 15 U.S.C. 78s(b)(3)(A).

³ 17 CFR 240.19b-4(f)(6).

⁴ [Release No. 34-83177](#) (May 7, 2018); 83 FR 21794 (May 10, 2018). *See also* File No. [MSRB SR-2018-01](#) (January 24, 2018); 83 FR 5474 (February 7, 2018); and [Release No. 34-82616](#) (February 1, 2018). The SEC also approved a technical amendment to Rule G-42, on duties of non-solicitor municipal advisors. The compliance date for this amendment to Rule G-42 would remain February 7, 2019.



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dealers and municipal advisors to comply with MSRB rules, it would provide guidance relating to:

- A municipal advisor's use of case studies and municipal advisory client lists;
- Rule G-40's content standards; and
- A municipal advisor's use of social media.

To that end, over the last year, the MSRB has

- Published [MSRB Notice 2018-14](#) – Request for Comment on Draft Frequently Asked Questions Regarding Rule G-40 and the Use of Municipal Advisory Client Lists and Case Studies
- Published [MSRB Notice 2018-19](#) – Request for Comment on Draft Frequently Asked Questions Regarding Use of Social Media under MSRB Advertising Rules
- Published [FAQs on Use of Municipal Advisory Client Lists and Case Studies](#)⁵
- Published [MSRB Notice 2018-25](#) – Request for Comment on Application of Content Standards to Advertisements by Municipal Advisors under MSRB Rule G-40
- Published [MSRB Notice 2018-32](#) – Application of Content Standards to Advertisements by Municipal Advisors under MSRB Rule G-40

Extending the effective date affords the MSRB additional time to finalize the guidance on the use of social media under MSRB advertising rules and any related rule changes and, subsequently, provides dealers and municipal advisors time to establish and implement effective policies and procedures for compliance with the amendments to Rule G-21 and new Rule G-40.

Questions concerning this notice should be directed to Pamela K. Ellis, Associate General Counsel, at 202-838-1500.

January 28, 2019

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⁵ See also [MSRB Notice 2018-24](#) – MSRB Answers FAQs Regarding Use of Municipal Advisor Client Lists and Case Studies under MSRB Rule G-40.