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Stakeholders
Municipal Advisors

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Informational Notice

Category
Professional
Qualification

Affected Rules
[Rule G-3](#)

MSRB to Launch Permanent Series 54 Examination November 12, 2019

Overview

The Municipal Securities Rulemaking Board's (MSRB) permanent Municipal Advisor Principal Qualification Examination (Series 54) will be available beginning November 12, 2019.¹ As provided for under MSRB Rule G-3, municipal advisor principals² are required to take and pass the Series 54 examination in order to become appropriately qualified to engage in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons.³ To facilitate the transition to the new exam requirement, the MSRB is providing a one-year grace period, sunsetting on November 12, 2020, during which individuals qualified with the Series 50 examination will be able to take the Series 54 examination while continuing to engage in principal-level activities.⁴ The score required to pass the Series 54 examination is 70 percent.

¹ Beginning on November 12, 2019, individuals who are not associated with a Financial Industry Regulatory Authority (FINRA) member will enroll to take the Series 54 examination using FINRA's Test Enrollment Services System (TESS), and individuals who are associated with a municipal advisor firm that is also a FINRA member will need to have their firm enroll them to take the Series 54 examination by submitting an amended Form U4 (Uniform Application for Securities Industry Registration or Transfer Form) to request the Series 54 examination.

² The term "municipal advisor principal" means a natural person associated with a municipal advisor who is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons. To become qualified as a municipal advisor principal a person must:

- as a pre-requisite take and pass the Municipal Advisor Representative Qualification Examination; and
- take and pass the Municipal Advisor Principal Qualification Examination.

³ See Exchange Act Release No. 84630 (Nov. 20, 2018), 80 FR 60927 (Nov. 27, 2018), File No. SR-MSRB-2018-07.

⁴ Rule G-3(g) provides that an individual who fails to pass a qualification examination shall be permitted to take the examination again after a period of 30 days has elapsed from the date



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The MSRB administered a pilot of the Series 54 examination from March 2019 through July 2019 in order to validate the bank of exam questions and the results of which were used to establish the passing score for the Series 54 examination. The MSRB will begin notifying each pilot participant and their firm's primary regulatory contact of whether the pilot participant passed the pilot exam.⁵

On or before November 1, 2019, the MSRB anticipates filing revisions to the Series 54 content outline for immediate effectiveness to incorporate MSRB Rule G-40, on advertising by municipal advisors, which became effective on August 23, 2019.⁶ The content outline is a guide to the subject matters tested on the Series 54 examination and prescribes the specific knowledge required in each functional area that is specific to the role and responsibilities of a municipal advisor principal.⁷ The MSRB will publish a notice announcing the filing of the revised content outline with the SEC and will post the revised outline on MSRB.org.

[Access information about the Series 54 examination on the MSRB's website.](#)

Questions about this notice may be directed to Bri Joiner, Director, Professional Qualifications, at 202-838-1500.

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of the prior examination, except that any person who fails to pass an examination three or more times in succession within a two-year period shall be prohibited from again taking the examination until a period of 180 calendar days has elapsed from the date of such person's last attempt to pass the examination. However, a failure of the Series 54 pilot examination does not count toward one of the three opportunities available for an individual to pass the permanent exam before having to wait a period of six months for a fourth retake.

⁵ While the MSRB publishes the names of individuals who become Series-50-qualified on MSRB.org, it does not plan to display whether such individuals have also become Series-54-qualified because displaying the number of qualified principals at each municipal advisor firm could result in an inference that the number of qualified principals is indicative of the efficacy of a firm's supervisory controls.

⁶ See Exchange Act Release No. 83177 (May 7, 2018), 83 FR 21794 (May 10, 2018) (File No. SR-MSRB-2018-01).

⁷ See Exchange Act Release No. 84926 (Dec. 21, 2018), 83 FR 67772 (Dec. 31, 2018) (File No. SR-MSRB-2018-10).