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Stakeholders

Municipal Securities
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Announcement

Category

Administration

Affected Rules

[Rule A-12](#)

Guidance on the MSRB Municipal Advisor Registration Process

Background

Prior to engaging in municipal advisory activities, a municipal advisor (also known as a municipal advisory firm) must register with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). This notice provides guidance for municipal advisors regarding upcoming changes to the MSRB registration system.

Since October 1, 2010, it has been unlawful, under Section 15B of the Securities Exchange Act of 1934 (the Act), for municipal advisors to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person (collectively, municipal advisory activities), without first registering with the SEC. Also, by December 31, 2010, municipal advisors engaged in municipal advisory activities were required to register with the MSRB.¹ Any municipal advisor that has engaged in municipal advisory activities after December 31, 2010 without registering with the MSRB is in violation of MSRB rules.

Changes to MSRB Municipal Advisor Registration Process

The MSRB has recently simplified and consolidated its registration rules and forms. MSRB Rule A-12 is the new consolidated registration rule, and Form A-12 is the new consolidated electronic registration form. Form A-12 is now available and must be updated by all MSRB registrants (brokers, dealers and municipal securities dealers (dealers) and municipal advisors) by **August 10, 2014**.

For existing registrants, the MSRB will pre-populate information from their Forms RTRS and G-40 onto Form A-12. Effective today, registered municipal advisors and dealers are able to access Form A-12 through their MSRB Gateway account on the MSRB's website, validate the pre-populated

¹ See [MSRB Notice 2010-50 \(Nov. 15, 2010\)](#).

information, and complete the remainder of the form. All registrants must complete Form A-12 by August 10, 2014. Prior to registering with the MSRB, municipal advisors must be registered with the SEC, as the MSRB must have the municipal advisor's SEC registration number to complete the registration process.² The MSRB has prepared a new registration manual that is available on the MSRB's website (www.msrb.org), which contains screen shots of Form A-12 and guides municipal advisors and dealers through the registration process. To access the new registration manual, [click here](#). Further, the MSRB has prepared answers below to frequently asked questions regarding the MSRB's new registration process.

Importantly, the MSRB's new registration rule and electronic form are separate and distinct from the SEC's permanent registration regime for municipal advisors. For more information regarding the SEC's permanent registration regime, [click here](#). Further information about the MSRB's new electronic registration form will be communicated to registered municipal advisors and dealers through their Primary Regulatory Contact.

Questions about this notice may be directed to Lawrence P. Sandor, Deputy General Counsel, or Benjamin Tecmire, Counsel, at (703) 797-6600.

Frequently Asked Questions

Below are answers to several frequently asked questions pertaining to the MSRB's registration process.

- 1. When will electronic registration Form A-12 be available?*
Answer: May 12, 2014.
- 2. What is the deadline for current registrants to complete and submit the new registration Form A-12?*
Answer: August 10, 2014.
- 3. If our firm is already registered with the MSRB, will the firm's information on Forms RTRS and G-40 be pre-populated on new electronic Form A-12?*

² The SEC assigned municipal advisors registration numbers with an 866-prefix under its temporary municipal advisor registration regime. Under its permanent municipal advisor registration regime, when a municipal advisor's submitted Form MA is accepted by the SEC, the SEC is expected to issue a new registration number with an 867-prefix. If a municipal advisor updates its Form A-12 before it receives a registration number with an 867-prefix, it must update Form A-12 once it receives a new registration number with the 867-prefix.

Answer: The MSRB will attempt to pre-populate an existing registrant's Form A-12 with information from its Forms G-40 and RTRS, to the extent possible, but all of the information may not be transferred. Registrants should verify the accuracy of all of the information on Form A-12 to ensure that all required information has been entered and that any transferred information is correct and complete.

4. *As a small firm, can we designate the same person as the primary regulatory contact and other contacts, such as the billing contact?*

Answer: Yes, a single employee may serve in various roles. However, it is important that designated individuals meet the requirements specified in Rule A-12 and are able to perform the functions associated with the contact position assigned to them.

5. *Can a dealer or municipal advisor select multiple business activities on electronic Form A-12, if it engages in a variety of activities?*

Answer: Yes. A registrant should select all of the business activities that apply to it.

6. *If I am a municipal advisor professional and my municipal advisory firm submitted a Form MA-1 to the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system listing me as an individual engaged in municipal advisory activities on behalf of the firm, must I register with the MSRB?*

Answer: No. Only municipal advisory firms (including sole proprietorships) must register with the MSRB. Individuals who are municipal advisor professionals do not register personally with the MSRB.

7. *If my firm is registered with the SEC under the temporary municipal advisor registration regime, may I wait until my firm is registered under the SEC's final registration rules before I register it with the MSRB?*

Answer: It would be a violation of MSRB rules for a municipal advisor to wait to register with the MSRB until it is registered under the SEC's final registration rules, if it is currently engaging in municipal advisory activities.

8. *Will there be an additional fee for completing the MSRB's electronic Form A-12?*

Answer: Existing MSRB registrants will not be charged a fee for completing or updating the electronic Form A-12. Previously unregistered firms will be required to pay the initial and annual fees required of all new MSRB registrants.

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