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**Stakeholders**

Municipal Securities  
Dealers

**Notice Type**

Regulatory  
Announcement

**Category**

Professional  
Qualification

**Affected Rules**

[Rule G-3](#)

## MSRB Revises Content Outlines for its Professional Qualification Examinations for Municipal Securities Dealers

### Overview

The Municipal Securities Rulemaking Board (MSRB) filed a proposed rule change with the Securities and Exchange Commission (SEC) to revise the content outlines for the Municipal Fund Securities Limited Principal Qualification Examination (Series 51), Municipal Securities Representative Qualification Examination (Series 52) and the Municipal Securities Principal Qualification Examination (Series 53). The revised content outlines for the Series 51, Series 52 and Series 53 qualification examinations reflect recent changes to MSRB rules. The revisions to the content outlines are effective immediately and will be implemented on August 31, 2015, 30 days following the filing date.

### Municipal Fund Securities Limited Principal Qualification Examination - Series 51

The Municipal Fund Securities Limited Principal Qualification Examination is designed to determine whether an individual meets the MSRB's qualification standards for municipal fund securities limited principals applicable to the activities listed in Rule G-3(b)(iv).<sup>1</sup> To do this, the

<sup>1</sup> MSRB Rule G-3(b)(iv) states that the municipal fund securities limited principal has responsibility to oversee the municipal securities activities of a securities firm or bank dealer solely as such activities relate to transactions in municipal fund securities. In this capacity, the municipal fund securities limited principal manages, directs or supervises one or more of the following activities relating to municipal fund securities: underwriting, trading or selling municipal fund securities; rendering financial advisory or consultant services to issuers of municipal fund securities; research or investment advice, or communications with customers, about any of the activities named heretofore; maintaining records on activities in municipal fund securities; processing, clearing, and safekeeping of municipal fund securities; and training of principals and representatives.



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examination measures a candidate's knowledge of MSRB rules, rule interpretations and federal statutory provisions applicable to the activities listed above. It also measures the candidate's ability to apply these rules, interpretations and federal statutory provisions to given fact situations in the context of municipal fund securities activities. In addition to passing the Series 51 examination, to qualify as a municipal fund securities limited principal, a candidate must also have previously or concurrently qualified as a general securities principal or investment company/variable contracts limited principal. Candidates are allowed one and one-half hours to complete the Series 51 examination which consists of 60 multiple-choice questions.

As a result of recent changes to MSRB rules, the content outline for the Series 51 qualification examination was revised to reflect the current rule requirements and rule citations.<sup>2</sup>

## **Municipal Securities Representative Qualification Examination - Series 52**

The Municipal Securities Representative Qualification Examination is designed to determine whether an individual meets the MSRB's qualification standards for municipal securities representatives by measuring a candidate's knowledge of MSRB rules, rule interpretations and federal statutory provisions applicable to the activities listed in Rule G-3(a)(i).<sup>3</sup> The Series 52 examination also measures a candidate's ability to apply the rules and interpretations to given fact situations in the context of a representative's municipal securities activities. Candidates are allowed three and one-half hours to complete the examination which consists of 115 multiple-choice questions.

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<sup>2</sup> See [File No. SR-MSRB-2015-07](#) for details regarding the revisions to the [Series 51 content outline](#).

<sup>3</sup> MSRB Rule G-3(a)(i) states that the activities of a municipal securities representative include one or more of the following activities relating to municipal securities: underwriting, trading or selling municipal securities; financial advisory or consultant services for issuers in connection with the issuance of municipal securities; research or investment advice with respect to municipal securities; or any other activities which involve communication, directly or indirectly, with public investors in municipal securities.

As a result of recent changes to MSRB rules, the content outline for the Series 52 qualification examination was revised to reflect the current rule requirements and rule citations.<sup>4</sup>

## **Municipal Securities Principal Qualification Examination - Series 53**

The Municipal Securities Principal Qualification Examination is designed to determine whether an individual meets the MSRB's qualification standards for municipal securities principals. The Series 53 examination measures a candidate's knowledge of MSRB rules, rule interpretations and federal statutory provisions applicable to municipal securities activities. It also measures an individual's ability to apply these rules and interpretations to given fact situations.<sup>5</sup> Candidates are allowed three hours to complete the examination which consists of 100 multiple-choice questions.

As a result of recent changes to MSRB rules, the content outline for the Series 53 qualification examination was revised to reflect the current rule requirements and rule citations.<sup>6</sup>

Additionally, the weightings for five of the six major topic areas of the Series 53 content outline have changed. The first topic area, Federal Regulations, remains the same at 4 percent of the examination. The second topic area, General Supervision, is now 23 percent of the examination. The third topic area, Sales Supervision, is now 25 percent of the examination. The fourth topic area, Origination and Syndication, is now 23 percent of the

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<sup>4</sup> See [File No. SR-MSRB-2015-07](#) for details regarding the revisions to the [Series 52 content outline](#).

<sup>5</sup> MSRB Rule G-3(b)(i) states that a municipal securities principal has responsibility to oversee the municipal securities activities of a broker, dealer or municipal securities dealer. In this capacity, a municipal securities principal manages, directs or supervises one or more of the following activities associated with the conduct of municipal securities business: underwriting, trading, or selling municipal securities; rendering financial advisory or consultant services to issuers of municipal securities; research or investment advice with respect to municipal securities communications to customers about any municipal securities activities; processing, clearing, and (in the case of securities firms) safekeeping of municipal securities; maintenance of records with respect to municipal securities activities; or training of municipal securities principals or municipal securities representatives. The only examination that qualifies a municipal securities principal is the Municipal Securities Principal Qualification Examination.

<sup>6</sup> See [File No. SR-MSRB-2015-07](#) for details regarding the revisions to the [Series 53 content outline](#).

examination. The fifth topic area, Trading, is now 10 percent of the examination. The sixth topic area, Operations, is now 15 percent of the examination. These changes result from the reorganization of rules within the major topic areas; there are no substantive changes in the topic areas covered in the examination.

Questions about this notice may be directed to Loretta Jones, Director of Professional Qualifications, or Michael Cowart, Assistant General Counsel, at 703-797-6600.

July 31, 2015