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Stakeholders
Municipal Advisors

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Professional
Qualification

Affected Rules
[Rule G-3](#)

MSRB Files Content Outline for the Municipal Advisor Principal Qualification Examination (Series 54)

Overview

Earlier this year, the Securities and Exchange Commission (SEC) approved amendments to Municipal Securities Rulemaking Board (MSRB) Rule G-3, on professional qualification requirements, to require municipal advisor principals – those who engage in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons – to pass the new Municipal Advisor Principal Qualification Examination (“Series 54 examination”) to become appropriately qualified as a municipal advisor principal.¹

The MSRB, in consultation with the MSRB’s Professional Qualification Advisory Committee and in accordance with The Standards for Educational and Psychological Testing (“APA Standard”),² developed the Series 54 examination to ensure that a person seeking to qualify as a municipal advisor principal satisfies a specified level of competency by measuring a candidate’s ability to apply the applicable federal securities laws, including MSRB rules, to the municipal advisory activities of a municipal advisor.

On December 20, 2018, the MSRB filed the [Series 54 examination content outline](#) with the SEC for immediate effectiveness.³ The Series 54

¹ See Exchange Act Release No. 84630 (November 20, 2018), 83 FR 60927 (November 27, 2018) (File No. SR-MSRB-2018-07).

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

³ The MSRB also filed the examination selection specifications for the Series 54 examination questions separately with the SEC, requesting confidential treatment by the SEC pursuant to SEC Rule 24b-2 of the Securities Exchange Act of 1934, to preserve the validity and integrity of the examination. See [File No. SR-MSRB-2018-10](#).



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examination content outline has been developed to assist municipal advisor principal candidates in preparing for the Series 54 examination and sets forth key concepts and rules to be tested on the examination and the percentage of the examination devoted to each topic area.

The Series 54 examination content outline, which is available on the [MSRB's website](#), describes the following three topical sections comprising the examination: (1) Understanding the Municipal Advisor Regulatory Framework (25 questions); (2) Supervising Municipal Advisory Activities (35 questions); and (3) Supervising Municipal Advisor Firm Operations (40 questions). Additionally, to familiarize individuals with the format of the Series 54 examination, the content outline includes sample questions similar to the type of questions that may be found on the Series 54 examination.

The content outline also contains a “reference” section that is intended to provide candidates with a list of government and self-regulatory organization websites that provide information candidates may find useful in preparing for the Series 54 examination. For example, on the MSRB and SEC websites, candidates will find information about applicable rules, as well as regulatory notices and interpretive guidance concerning amendments to the rules and announcements of new rules that may relate to the examination. The websites identified for reference are not intended to be all-inclusive, nor is the information available at these websites intended to specifically represent content that may be covered on the examination.

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

About the Series 54 Examination

The Series 54 examination consists of 100 unique computer-generated questions and an additional 10 questions that are randomly distributed throughout the Series 54 examination and do not count for scoring purposes; these 10 questions serve to pre-test questions to be used in future administration of the Series 54 examination. Individuals will be allowed 180 minutes to complete the Series 54 examination.⁴ As provided for in Rule G-3(g) and consistent with other MSRB examinations, candidates who fail to pass the Series 54 examination are permitted to take the examination again after a period of 30 days has elapsed from the date of the prior examination. Any person, however, who fails to pass the Series 54 examination three or

⁴ Individuals will also be provided with a 30-minute tutorial on the administration of the computerized exam before the examination begins.

more times in succession within a two-year period will be prohibited from taking the examination again until six months has elapsed from the date the candidate last failed the examination.

Once the permanent Series 54 examination is made available, which is planned for Fall 2019, individuals functioning in a principal capacity will have one year to take and pass the Series 54 examination. During this one-year grace period, an individual functioning as a municipal advisor principal are permitted to continue to engage in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons so long as such person is qualified with the Series 50 examination.

The MSRB will announce the effective date for the permanent Series 54 examination at a later date in a [Notice published on the MSRB's website](#).⁵

Volunteering for the Pilot Series 54 Examination

The MSRB will conduct a pilot for the Series 54 examination.⁶ Therefore, the MSRB is seeking volunteers to take the Series 54 pilot examination, which will be available from February 2019 – June 2019. Individuals interested in taking the pilot exam are encouraged to fill out [this questionnaire](#) to receive information and updates on the pilot enrollment period. Individuals can enroll from February 4, 2019 – February 15, 2019 and subsequently schedule a test date within a 120-calendar day period.⁷ The MSRB has released [a timeline](#) showing phases and dates leading up to the availability of the permanent Series 54 examination.

The Series 54 pilot examination will assist the MSRB in validating the bank of examination questions and establishing the passing score. Individuals who take and pass the examination during the pilot period will be appropriately

⁵ The effective date of the Series 54 examination will be the date the Series 54 examination becomes permanently available.

⁶ For the most up-to-date information on the Series 54 pilot examination visit the [Municipal Advisor Principal Qualification Examination webpage](#) on the MSRB's website.

⁷ During the enrollment period, individuals will be able to open an exam enrollment window by using the [Financial Industry Regulatory Authority's \(FINRA\) Test Enrollment Services System \(TESS\)](#). Once enrolled through TESS, individuals can schedule a date to take the exam at a Prometric testing center.

qualified as a municipal advisor principal once the permanent examination is available.⁸

The MSRB will host a webinar on January 24, 2019, at 3:00 p.m. EST to provide more information about the administration of the Series 54 examination and how to participate in the pilot. [Register for the webinar.](#)

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⁸ The MSRB will notify individuals who take the pilot of the Series 54 examination of their results by email in the Summer of 2019. Individuals who fail to pass the Series 54 pilot examination, consistent with MSRB Rule G-3(g), will still be permitted three attempts to pass the permanent Series 54 examination when it becomes available before having to wait a period of six months to take the examination again.