

2019-16

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**Stakeholders**  
Municipal Advisors

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**Affected Rules**  
Rule A-11

## MSRB Amends Professional Fee for Municipal Advisors

### Overview

To advance the goals of an equitable, sustainable financial model, on September 11, 2019, the Municipal Securities Rulemaking Board (MSRB) filed a proposed rule change with the Securities and Exchange Commission (SEC) to modify the fee charged under MSRB Rule A-11, on assessments for municipal advisor professionals.<sup>1</sup> The amendments to Rule A-11 increase the annual municipal advisor professional fee to \$1,000 from \$500 over a two-year phase-in period. MSRB fiscal year 2020 (October 1, 2019 to September 30, 2020) will be year one of the phase-in period, and the annual municipal advisor professional fee will be increased to \$750 for that fiscal year. The modified annual municipal advisor professional fee will be fully phased-in during MSRB fiscal year 2021 (October 1, 2020 to September 30, 2021), and municipal advisors will be assessed \$1,000 for that fiscal year and each year thereafter. The proposed rule change is immediately effective, although the first payment at the amended rates is not due until April 30, 2020.

Rule A-11(a) requires each municipal advisor firm that is registered with the SEC to pay to the MSRB an annual professional fee for each person associated with the municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor firm has on file with the SEC a Form MA-I as of January 31 of each year. A person is qualified in accordance with Rule G-3(d) when such person has taken and passed the Municipal Advisor Representative Qualification Examination (the Series 50 exam).

The proposed rule change's increased fees will help defray the cost of operating the MSRB, including the MSRB's regulatory activities for municipal advisors. By incrementally increasing the fee contribution of municipal advisors, the proposed rule change will advance the MSRB's goal of developing a sustainable financial model that fairly assesses fees across regulated entities and will enable the MSRB to year-over-year fulfill its



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<sup>1</sup> See [File No. SR-MSRB-2019-11](#).

statutory mandate and meet the unique responsibilities of being the self-regulatory organization for the municipal securities market.

September 11, 2019

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## Text of Amendments\*

### Rule A-11: Assessments for Municipal Advisor Professionals

(a) *Annual Municipal Advisor Professional Fee.*

- (i) Each municipal advisor that is registered with the Commission shall pay to the Board a recurring annual fee, equal to ~~\$500~~\$1,000 for each person associated with the municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission a Form MA-I as of January 31 of each year. The annual professional fee shall be due by April 30 each year in the manner provided by the MSRB Registration Manual.
- (ii) Annual Professional Fee Due for MSRB Fiscal Year 2020. Notwithstanding subsection (a)(i) above, each municipal advisor that is registered with the Commission in MSRB Fiscal Year 2020 (October 1, 2019 to September 30, 2020) shall pay to the Board an annual fee equal to \$750 for each person associated with the municipal advisor who is qualified as a municipal advisor representative in accordance with Rule G-3 and for whom the municipal advisor has on file with the Commission a Form MA-I as of January 31, 2020. This annual professional fee shall be due by April 30, 2020 in the manner provided by the MSRB Registration Manual.
- (b) *Late Fees.* Any municipal advisor that fails timely to pay in full the total professional fee due under section (a) of this rule shall pay a monthly late fee equal to twenty-five dollars for such failure, and a late fee on the total overdue balance based on the Prime Rate as provided for in the MSRB Registration Manual, until paid.

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\* Underlining indicates new language; strikethrough denotes deletions.