

2020-03

Publication Date

January 31, 2020

Stakeholders

Municipal Securities
Dealers, Municipal
Advisors, Issuers

Notice Type

Informational Notice

Effective Date:

November 30, 2020

Category

Fair Practice

Affected Rules

[Rule G-17](#)

MSRB Establishes Compliance Date for Revised Interpretive Notice of Underwriters' Fair Dealing Obligations to Issuers

Overview

The Municipal Securities Rulemaking Board (MSRB) established a compliance date of November 30, 2020 for its amended and restated guidance regarding the fair dealing obligations underwriters owe to issuers of municipal securities under MSRB Rule G-17, on conduct of municipal securities and municipal advisory activities (the "Revised Interpretive Notice"). The U.S. Securities and Exchange Commission (SEC) approved the Revised Interpretive Notice on November 6, 2019.¹ The Revised Interpretive Notice incorporates various amendments to the MSRB's 2012 Interpretive Notice.² The MSRB reminds brokers, dealers and municipal securities dealers (collectively, "dealers") of these amendments and encourages them to review the Revised Interpretive Notice in its entirety in advance of the November 30, 2020 compliance date.³

¹ [Release No. 34-87478](#) (Nov. 6, 2019); [84 FR 61660](#) (Nov. 13, 2019) (File No. SR-MSRB-2019-10); *see also* [MSRB Notice 2019-20](#) (Nov. 8, 2019). Pursuant to the SEC approval order, the MSRB must announce a compliance date not later than 90 days after the SEC approval order is published in the Federal Register. This notice serves that purpose.

² The 2012 Interpretive Notice was approved by the SEC on May 4, 2012 and became effective on August 2, 2012 (the "2012 Interpretive Notice"). *See* [Release No. 34-66927](#) (May 4, 2012); 77 FR 27509 (May 10, 2012) (File No. SR-MSRB-2011-09); and [MSRB Notice 2012-25](#) (May 7, 2012).

³ *See* [MSRB Notice 2019-20](#) for more information about the Revised Interpretive Notice and the amendments to the 2012 Interpretive Notice approved by the SEC.



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Compliance Date for the Revised Interpretive Notice

Underwriting relationships commenced by dealers on or after the November 30, 2020 compliance date will be subject to the Revised Interpretive Notice. As stated in the Revised Interpretive Notice, an underwriting relationship is deemed to commence at the time the obligation to deliver the first disclosure is triggered (*i.e.*, the earliest stages of an underwriter's relationship with an issuer with respect to an issue, such as in a response to a request for proposal or in promotional materials provided to an issuer).

Questions about this notice may be directed to David Hodapp, Assistant General Counsel, or Gail Marshall, Chief Compliance Officer, at 202-838-1500.

January 31, 2020

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