July 20, 2026

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, NW
Washington, DC 20005

Re: Comments on MSRB Notice 2026-03: Draft Amendments to Retire Financial Advisor Terminology and Municipal Advisor Retrospective Rule Review

Dear Mr. Smith:

The American Securities Association[1] ("ASA") submits these comments in response to MSRB Notice 2026-03, issued April 23, 2026, requesting comment on draft amendments to MSRB Rules G-1, G-3, G-20, G-23, and G-37 to retire the term "financial advisor" in favor of "municipal advisor," and soliciting input on the scope and approach of the Municipal Advisor Retrospective Rule Review ("Retrospective Review" or "RRR").

ASA represents broker-dealers and registered investment advisers of all sizes operating across the United States. Our members are active participants in the municipal securities market, and many are registered as both municipal securities dealers and municipal advisors. We have a direct and substantial interest in the clarity and coherence of MSRB's municipal advisor regulatory framework.

We offer the following comments on the Draft Amendments and the Retrospective Review.

I. Support for Terminology Modernization in Rules G-1, G-3, G-20, G-23, and G-37

ASA supports the proposed retirement of the term "financial advisor" from Rules G-1, G-3, G-20, G-23, and G-37 and its replacement with "municipal advisor." More than fifteen years after Dodd-Frank's enactment, the continued presence of pre-Dodd-Frank terminology in these rules creates genuine ambiguity for dually-registered firms. Uniformity of terminology is a reasonable and necessary step toward regulatory clarity.

With respect to Rule G-23 specifically, ASA's support is limited to the terminology substitution itself. It does not extend to the separate proposal to relocate the G-23(c) documentation requirements to Rule G-42, which raises distinct substantive concerns addressed in Section II below.

[1] ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

We note, however, that terminology modernization cannot be evaluated in a vacuum. Current MSRB guidance documents were drafted in a pre-Dodd-Frank environment and use the retiring terminology throughout. Updating rule text without concurrently updating or retiring the underlying guidance risks replacing one form of ambiguity with another. Practitioners rely on interpretive guidance to understand how rules operate in practice. If guidance continues to reference "financial advisor" after the rules have moved to "municipal advisor," the result is a mismatch that undermines the clarity the Draft Amendments are intended to achieve.

ASA therefore conditions its support for the terminology changes on the following:

- The MSRB should update all guidance documents concurrently with, or immediately following, adoption of the final amendments. Guidance that is being retired or superseded should be identified clearly, with explicit statements indicating what is no longer operative. Firms should not be required to consult a patchwork of historical guidance to determine what remains binding.
- Where the MSRB determines that certain guidance cannot be updated at the time of rule adoption, it should issue a clear interim statement identifying the relevant provisions and confirming their continued applicability.

II. <u>Opposition to Moving G-23 Documentation Requirements to G-42 at This Stage</u>

ASA opposes the proposed migration of the documentation requirements under Rule G-23(c) to Rule G-42 as part of the current Draft Amendments.

The MSRB characterizes this change as a cleanup measure intended to eliminate duplication between G-23 and G-42. We disagree with that characterization. The G-23 documentation requirement has a distinct and specific function: it governs the written record of the new issue municipal advisory relationship for a dealer acting in that capacity, and it carries unique substantive obligations, including provisions governing the deposit of funds and the utilization of fiduciary or agency services. These are not generic relationship documentation requirements that map cleanly onto G-42.

The MSRB itself acknowledges in Notice 2026-03 that it "does not currently propose to make any substantive changes" to the retained language and that potential revisions "could be considered during a future phase" of the review. That acknowledgment concedes the point: this is not a purely technical amendment. It is a restructuring of where certain obligations live in the rulebook, with downstream consequences for how those obligations are interpreted and enforced. That determination should be made through the full RRR process, with meaningful input from the market.

ASA urges the MSRB to defer the G-23 documentation restructuring to the Core Duties phase of the Retrospective Review, where it can be considered in the context of the full suite of obligations applicable to dealer municipal advisors and alongside the interplay between G-23, G-42, and SEC Rule 15Ba1 requirements.

III. The Retrospective Review Must Be Holistic

ASA strongly supports the launch of the Retrospective Review. The MSRB's municipal advisor rules were built incrementally following Dodd-Frank, layered onto a pre-existing dealer-oriented framework, and developed in parallel with SEC rulemaking that often overlaps with, but does not perfectly align with, MSRB requirements. The resulting regulatory structure is complex, and in some respects, it imposes unnecessary and duplicative burdens on regulated entities without a commensurate regulatory purpose.

We urge the MSRB to avoid the temptation to review its rules in isolation. The MSRB has the staff, expertise, and institutional knowledge to undertake a genuinely comprehensive review of how its municipal advisor rules interact with each other and with the broader regulatory environment. Now is the time to exercise that capability. Rule-by-rule analysis that does not account for cross-rule interactions, SEC overlap, and FINRA frameworks will produce incremental improvements at best and new sources of conflict at worst.

A. Cross-Regulator Coordination Is Essential

The MSRB's municipal advisor rules interact with SEC registration requirements, SEC interpretive guidance on fiduciary duty under Exchange Act Section 15B(c)(1), and, for dually-registered firms, FINRA rules that govern the broker-dealer side of the business. Changes that appear straightforward when viewed solely through an MSRB lens can create conflicts, gaps, or redundancies when layered against the broader regulatory framework that firms must navigate.

ASA urges the MSRB to conduct the Retrospective Review with a specific focus on multi-regulator coordination. The review should map, explicitly, where MSRB rules overlap with or duplicate SEC and FINRA requirements. Where such overlap exists without regulatory purpose, the MSRB should eliminate or streamline the duplicative requirement. Where MSRB and SEC requirements conflict or are unclear in their interaction, the MSRB should work with the Commission to resolve the ambiguity and issue coordinated guidance.

The costs of regulatory misalignment fall directly on market participants. Firms must maintain multiple compliance programs, train personnel on overlapping and sometimes inconsistent standards, and bear legal risk from ambiguities that the regulators themselves have not resolved. That is not a burden the market should be required to absorb indefinitely.

B. Dual-Registration Compliance Burdens Require Explicit Attention

Many of ASA's members are registered as both broker-dealers and municipal advisors. Personnel at these firms may be registered as both municipal securities representatives and associated persons of a municipal advisor. These individuals face persistent ambiguity about which set of obligations governs which activity. The ambiguity is not hypothetical. It affects hiring, supervision, training, recordkeeping, and compensation structures.

The RRR should address dual-registration compliance burdens as a primary objective. Specifically, ASA requests that the MSRB provide clear, explicit guidance on role-based obligations for personnel serving in more than one capacity. A registered representative who is also an associated person of a municipal advisor should not need to consult multiple overlapping rule sets and uncertain guidance to determine which obligations apply when she moves between activities in the course of a business day. The MSRB has the knowledge and the mandate to provide that clarity.

C. Multi-Business Line Firms Deserve Targeted Guidance

The MSRB's Notice specifically asks about the impact on compliance for firms with more than one business line. ASA welcomes that inquiry. Firms that operate across municipal advisory, broker-dealer, investment adviser, and other regulated activities face compounding compliance burdens that do not stem from any single rule, but from the interaction of multiple regulatory frameworks. No single regulator has undertaken a comprehensive review of that interaction from the firm's perspective.

ASA urges the MSRB to engage directly with multi-business line firms throughout the RRR process, including through targeted outreach prior to each phase. The MSRB should not rely solely on formal comment periods to capture the full complexity of compliance challenges facing these firms. Real-world compliance burdens are often most visible at the operational level, and the RRR will be more effective if the MSRB builds in mechanisms to capture that input systematically.

IV. Phasing and Sequencing of the Retrospective Review

ASA supports the phased structure of the Retrospective Review and appreciates the MSRB's transparency in outlining the anticipated sequence. We offer the following observations on sequencing and scope.

First, the Core Duties phase is the most consequential and the most complex. It must address the interplay between MSRB core conduct rules and the SEC's fiduciary duty framework under Section 15B(c)(1). That interaction has generated uncertainty in practice and remains an unresolved source of compliance risk for market participants. ASA urges the MSRB to treat this phase as the analytical centerpiece of the RRR and to allocate sufficient time and resources to do it properly, rather than moving through it at a pace driven by calendar targets.

Second, the Operational and Support Functions phase should not be treated as a lower priority simply because it addresses rules that are not directly related to core duties. Recordkeeping, supervision, and related operational requirements generate significant compliance costs. Firms that struggle with the operational requirements are less able to focus on their duties to clients.

Third, and most importantly, each phase of the review must be conducted with awareness of the full rule suite. The MSRB should not approach the Core Duties phase without having mapped how those rules interact with the operational rules, and vice versa. The temptation to treat each phase as a self-contained exercise must be resisted. A change that resolves an ambiguity in one rule while creating a conflict with another is not progress.

V. Conclusion

ASA supports the retirement of "financial advisor" terminology in Rules G-1, G-3, G-20, G-23, and G-37, conditioned on concurrent guidance updates. We oppose moving the G-23 documentation requirements to G-42 at this stage and urge that issue be reserved for the Core Duties phase of the RRR.

On the Retrospective Review broadly, the MSRB must use this process to examine its municipal advisor rule suite as a whole. The staff and expertise are in place. The mandate is clear. A rule-by-rule approach that ignores cross-rule dynamics, SEC overlap, and the real compliance experience of dually-registered and multi-business line firms will fall short of what this review should accomplish. ASA looks forward to participating actively across each phase of the process.

We appreciate the opportunity to comment and welcome any follow-up questions.

Sincerely,

Jessica Giroux

Jessica R. Giroux
Chief Legal Officer
American Securities Association