pfm

1735 Market Street
42nd Floor
Philadelphia, PA, 19103
215-567-6100

pfm.com

July 20, 2026

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

RE: MSRB Notice 2026-03: Request for Comment on Draft Amendments to MSRB Rules to Retire Financial Advisor Terminology Pursuant to the MSRB's Municipal Advisor Retrospective Rule Review

Dear Mr. Smith:

On behalf of PFM Financial Advisors LLC ("PFM" or "we"), we welcome and appreciate the opportunity to comment on the Municipal Securities Rulemaking Board's (the "MSRB" or the "Board") Request for Comment on Draft Amendments to MSRB Rules to Retire Financial Advisor Terminology Pursuant to the MSRB's Municipal Advisor Retrospective Rule Review, as set forth in MSRB Notice 2026-03 (the "Notice" or the "Request for Comment"), as revised by MSRB Notice 2026-05.[1] PFM Financial Advisors LLC is one of the nation's leading independent municipal advisors, having served hundreds of municipal entities, obligated persons, and other public clients across all fifty states for over fifty years. Our broad national municipal market presence gives us a meaningful perspective on the effects that MSRB rulemaking has on market participants, including non-dealer municipal advisory firms such as ourselves and the public-sector clients we serve.

We appreciate the MSRB's transparent and collaborative approach in undertaking this retrospective rule review, and PFM supports the Board's efforts in this regard. To begin, we believe that replacement should be undertaken as part of the full retrospective rule review, with the term "financial advisor" replaced at the same time that any other changes to a given rule may be proposed, so that all changes to each applicable rule can be considered in context and at one time. As described in the Notice, the Draft Amendments to Rules G-1, G-3, G-20, G-23, and G-37 (the "Draft Amendments") are intended to eliminate the pre-Dodd-Frank term "financial advisor" or "financial advisory and consultant services" in those rules applicable to dealers, replacing them with the now-uniform term "municipal advisor" to reflect the statutory framework established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010[2] ("Dodd-Frank"). PFM generally ***supports*** the substance of the Draft Amendments, subject to the sequencing observation noted above. At the same time, we respectfully caution the MSRB against using the retrospective rule review as an

[1] MSRB Notice 2026-03, Request for Comment on Draft Amendments to MSRB Rules to Retire Financial Advisor Terminology Pursuant to the MSRB's Municipal Advisor Retrospective Rule Review (2026), as revised by MSRB Notice 2026-05 (2026).
[2] Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, § 975, 124 Stat. 1376 (2010) (codified at 15 U.S.C. § 78o-4).

occasion to comprehensively rewrite its rules. In our experience, the existing municipal advisor regulatory regime is generally working well, and the review would be most productive if directed toward targeted refinements around the edges and the provision of additional clarity and guidance, rather than wholesale revision. In weighing any material changes to the rules, we further urge the MSRB to remain aware of and focused on the regulatory burden, both in personnel and financial terms, that such changes impose on all municipal advisors. In particular, we believe that attention and consideration are paramount with respect to the disproportionate impact material changes would have on solo and small independent municipal advisory firms — which constitute the substantial majority of the industry, as approximately 74% of independent municipal advisor firms are composed of solo practitioners or two-to-five individuals, while only approximately 6% have more than twenty-one individuals as of January 1, 2026.[3] Material changes that do not yield benefits to issuers or investors, or whose burdens outweigh any such benefits, fall most heavily on these businesses. We offer the following comments and observations on the specific rules, several of the particular questions posed by the MSRB, and the broader retrospective review process.

I. CONCEPTUAL SUPPORT FOR THE DRAFT AMENDMENTS

The retirement of legacy "financial advisor" terminology is a practical modernization of MSRB rules. We concur with the MSRB's representations that the Draft Amendments do not result in substantive changes to the scope or operation of these rules as currently applied. We encourage the MSRB to reinforce this intent through its interpretive guidance and the explanatory materials accompanying any final rulemaking, so that regulated entities are not left to question whether the terminology change carries substantive regulatory implications beyond what is described in the Notice. More fundamentally, we encourage the MSRB to treat the change of a rule's terminology and a thorough review of all interpretive guidance issued under that rule as a single, integrated undertaking — with any conforming updates to that guidance proposed and finalized concurrently, rather than as a subsequent step or piecemeal steps — so that the substantive standards embodied in the existing guidance are carried forward without ambiguity and provide for a more comprehensive review by registrants of their respective corresponding systems of compliance. We also encourage the MSRB to recognize that certain governmental entity clients are subject to applicable state and local laws — and maintain corresponding "shelf" or template documents — that continue to reference municipal advisors by the historical term "financial advisor."[4] Because these legal and documentary frameworks cannot be updated as readily as the MSRB's own rules, we encourage the Board to make clear that retiring the "financial advisor" terminology from its rules does not disturb or call into question the continued use of that term where it persists in such client authorities and materials.

II. RULE-BY-RULE COMMENTS

A. Rule G-1 (Separately Identifiable Department or Division of a Bank)

The Draft Amendment to Rule G-1[5] would delete "financial advisory and consultant services for issuers in connection with the issuance of municipal securities" as one of the activities defining a bank's municipal securities dealer separately identifiable department ("MSD SID"), while simultaneously clarifying that a bank may maintain both an MSD SID and a municipal advisor separately identifiable department ("MA SID"), and that such departments may, but are not required to, be the same organizational unit.

[3] First Tryon Advisors, *MA Hot Topics*, Presentation at the National Association of Municipal Advisors 2026 Annual Conference, slide 8 (2026), https://municipaladvisors.org/wp-content/uploads/2026/05/mahottopicsFinal.pdf.
[4] See, for instance, Pennsylvania Local Government Unit Debt Act, Title 53 Part VII of Act 177 of 1996, as Amended, https://www.palegis.us/statutes/consolidated/view-statute?txtType=HTM&ttl=53&div=0&chapter=80.
[5] MSRB Rule G-1 (Separately Identifiable Department or Division of a Bank).

We support this amendment. The clarification that a bank's MSD SID and MA SID may be the same unit but need not be is a practical and welcome acknowledgment of how banks organize their municipal securities and municipal advisory functions in the current regulatory environment. PFM notes that, although not relevant to PFM's operational structure, this clarification should provide meaningful guidance to bank dealers who operate in both capacities and who may have previously faced uncertainty about whether their existing departmental structures satisfied applicable requirements.

B. Rule G-3 (Professional Qualification Requirements)

The Draft Amendment to Rule G-3[6] would remove "financial advisory or consultant services for issuers in connection with the issuance of municipal securities" as a covered activity triggering the requirement to be qualified as a municipal securities representative (Series 52) or principal (Series 53). As the Notice explains, Dodd-Frank established separate registration classifications and qualification exams — the Series 50 and 54 — for individuals engaged in municipal advisory activities, rendering the existing Series 52/53 reference to financial advisory activities redundant and potentially confusing.

PFM supports this amendment. The current language in Rule G-3 implies that dealer personnel engaged solely in municipal advisory activities (and who have accordingly obtained Series 50 and 54 qualifications) might also be required to hold the Series 52 or 53 qualifications applicable to municipal securities dealers. Although the ambiguity that currently exists for dealer personnel engaged solely in municipal advisory services is not applicable to PFM's operational structure, we believe that removing this ambiguity is consistent with the post-Dodd-Frank regulatory architecture and will provide clarity to firms and their associated persons on applicable registration requirements.

C. Rule G-20 (Gifts, Gratuities, Non-Cash Compensation and Expenses of Issuance)

Before speaking to the changes to Rule G-20 set forth in the Draft Amendments, PFM offers an observation regarding Rule G-20 that illustrates the sequencing concern expressed at the outset of this letter. Rule G-20 was itself the subject of a separate and recent amendment — increasing the gift limit from $100 to $300, together with conforming and technical renumbering changes — for which municipal advisors have a compliance date of December 1, 2026 (although municipal advisors can opt to voluntarily comply earlier).[7] The present Draft Amendment to retire the "financial advisor" terminology from the definition of "offeror" would revise the same rule through a separate rulemaking and on a separate timeline. Even where each change is, in isolation, straightforward and unobjectionable — as both are here — the sequencing of overlapping amendments to a single rule through distinct proceedings and separate notices and, in both cases, multiple notices for corrections or clarifications related to the same set of changes, can create confusion as to which version of the rule governs at a given time, and it unnecessarily imposes iterative compliance burdens by requiring municipal advisors to revisit and revise their Rule G-20 policies,

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[6] MSRB Rule G-3 (Professional Qualification Requirements). The municipal securities representative and principal qualifications (Series 52 and Series 53) and the municipal advisor representative and principal qualifications (Series 50 and Series 54) are administered under Rule G-3.

[7] See MSRB Notice 2026-04 (May 1, 2026), MSRB Amends Rule G-20 to Increase Gift Limit, Consistent with Recent FINRA Amendments (announcing the filing of a proposed rule change, File No. SR-MSRB-2026-02, to amend Rule G-20 to increase the gift limit from $100 to $300 to conform to the amendments to FINRA Rule 3220 and to make technical amendments renumbering certain provisions of the rule, with an operative date of June 1, 2026 for dealers that are FINRA members and a separate compliance date of December 1, 2026 for all municipal advisors and dealers that are not FINRA members (i.e., bank dealers)); MSRB Notice 2026-07 (July 2, 2026), Notice on Voluntary Early Compliance by Municipal Advisors and Bank Dealers With Recent Rule G-20 Amendments Before December 1, 2026 (confirming that municipal advisors and bank dealers are permitted to come into compliance with amended Rule G-20 in its entirety ahead of the December 1, 2026 compliance date).

procedures, and recordkeeping systems more than once in close succession. PFM accordingly reiterates that, to the extent practicable, the MSRB should address all component changes to a given rule — including the retirement of legacy terminology — as part of its comprehensive, rule-by-rule retrospective review, so that all amendments to a particular rule are proposed, considered, and implemented together rather than through separate and overlapping rulemakings.

The Draft Amendment to Rule G-20[8] would delete "the issuer's financial advisor" from the definition of "offeror" in Rule G-20(b)(iv), retaining "municipal advisor" as the applicable term. As the Notice explains, both terms currently appear in the definition, creating duplicative and potentially confusing language.

PFM supports the elimination of this duplicative reference. Because Rule G-20 applies to non-dealer municipal advisors — as the term "municipal advisor" in the definition already encompasses them — this change directly affects firms like PFM. We appreciate that the amendment is straightforward and that no substantive change to obligations under Rule G-20 is intended or effected.

D. Rule G-23 (Activities of [Financial Advisors] Dealers Providing New Issue Municipal Advisory Services)

The proposed amendments to Rule G-23[9] represent the most substantive aspects of the Draft Amendments, even though, as the MSRB emphasizes, no changes to the underlying regulatory obligations are intended. The Draft Amendments would rename the rule "Activities of Dealers Providing New Issue Municipal Advisory Services," introduce the defined term "new issue municipal advisory services" to replace "financial advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities," replace "financial advisory relationship" with "new issue municipal advisory relationship," and move the basic relationship documentation requirement from Rule G-23(c) to a cross-reference to Rule G-42(c)[10], while retaining language specific to the deposit of funds with or the utilization of fiduciary or agency services offered by the dealer or its affiliates.

PFM supports the renaming of the rule and the terminology updates in general, to update terminology currently out of step with post-Dodd-Frank regulatory parlance, and we believe that the new terminology is clearer and more consistent across the MSRB's overall regulatory framework. We note, however, two points specific to changes to Rule G-23 that warrant the MSRB's attention. First, the Draft Amendment to the rule introduces two newly coined terms — "new issue municipal advisory services" and "new issue municipal advisory relationship" — that have no antecedent in the MSRB rulebook or in Dodd-Frank[11]; because the introduction of new terms of art could potentially itself be substantive, we encourage the MSRB to confirm, with specificity, that these terms are equivalent to the current rule language in every respect,

[8] MSRB Rule G-20 (Gifts, Gratuities, Non-Cash Compensation and Expenses of Issuance). The definition of "offeror" appears at Rule G-20(b)(iv).
[9] MSRB Rule G-23 (Activities of Financial Advisors).
[10] MSRB Rule G-42 (Duties of Non-Solicitor Municipal Advisors); see Rule G-42(c) (documentation of the municipal advisory relationship).
[11] The newly coined terms do not appear in the MSRB's existing interpretive guidance to Rule G-23; the guidance issued under Rule G-23 that comes closest employs the predecessor "financial advisor" and "financial advisory relationship" terminology in reference to "new issue" municipal securities, and the newly coined terms otherwise appear in no other MSRB rule. See *Electronic Delivery and Receipt of Information by Brokers, Dealers and Municipal Securities Dealers*, MSRB Interpretation (Nov. 20, 1998), https://www.msrb.org/Electronic-Delivery-and-Receipt-Information-Brokers-Dealers-and-Municipal-Securities-Dealers; *Financial Advisory Relationship: Private Placements*, MSRB Interpretation (Oct. 5, 1999), https://www.msrb.org/Financial-Advisory-Relationship-Private-Placements; and *Sales of Municipal Fund Securities in the Primary Market*, MSRB Interpretation (Jan. 18, 2001), https://www.msrb.org/Sales-Municipal-Fund-Securities-Primary-Market.

and to consider whether a more direct formulation keyed to the existing Exchange Act "municipal advisor" definition would achieve the intended modernization with less risk of unintended substantive change. Second, because the defined term turns on the provision of advice by a "municipal advisor" — a definition from which underwriters are excluded under the Exchange Act — we encourage the MSRB to confirm that the new language does not permit a dealer to characterize its advisory activity as falling outside Rule G-23 by claiming underwriter status, a result that would be inconsistent with the substance-based approach reflected in the rule's existing interpretive guidance.

Regarding the partial migration of Rule G-23(c)'s documentation requirement to Rule G-42(c), we support reducing duplicative obligations but urge the MSRB to ensure that the relationship between the two rules remains unambiguous. Specifically, because Rule G-42 is the more recently adopted and comprehensive framework for municipal advisor relationship documentation, and applies broadly to all municipal advisors, the cross-reference approach is sensible. However, we encourage the MSRB to consider whether any companion guidance or conforming clarifications to the 2011 Rule G-23 Interpretation[12] would further reduce any potential for confusion as the rule's terminology is updated.

The Notice raises a specific question as to whether the retained language in Rule G-23(c) regarding the deposit of funds with or the utilization of fiduciary or agency services of the dealer or its affiliates remains relevant to current market practices and whether it should be extended to all municipal advisors. PFM observes that this retained language is specific to dealer contexts and relates to potential conflicts of interest that arise when a dealer acting as a municipal advisor also provides banking or fiduciary services connected to the issuance. We encourage the MSRB to consider this question as part of a future phase of the retrospective review, where it can receive focused attention and comment.

E. Rule G-37 (Political Contributions and Prohibitions on Municipal Securities Business and Municipal Advisory Business)

The Draft Amendment to Rule G-37[13] would remove "the provision of financial advisory or consultant services to or on behalf of a municipal entity with respect to a primary offering of municipal securities in which the dealer was chosen to provide such services on other than a competitive bid basis" from the definition of "municipal securities business" in Rule G-37(g)(xii), along with a conforming change to Form G-37. As the Notice explains, this activity is already captured within the definition of "municipal advisory business" applicable to dealers that act as municipal advisors, such that dually registered dealers currently face duplicative reporting obligations on Form G-37.

PFM supports this amendment. The elimination of duplicative reporting requirements is a meaningful, tangible benefit to market participants and will reduce administrative burdens without any corresponding loss of regulatory transparency. The same engagement is currently reported twice on Form G-37 by a dealer that also acts as a municipal advisor — once as municipal securities business and once as municipal advisory business. We view this as a practical benefit of the retrospective review process and encourage the MSRB to look for similar opportunities to eliminate redundancy in future phases. At the same time, because this deletion rests on the premise that the activity remains fully captured within the definition of "municipal advisory business," we encourage the MSRB to confirm, with specificity, that the change does

[12] MSRB Notice 2011-29 (May 31, 2011) (interpretive guidance concerning Rule G-23); see Order Approving Proposed Rule Change, Exchange Act Release No. 34-64564, 76 Fed. Reg. 32248 (June 3, 2011) (effective for new issues after Nov. 27, 2011).

[13] MSRB Rule G-37 (Political Contributions and Prohibitions on Municipal Securities Business and Municipal Advisory Business). The definition of "municipal securities business" appears at Rule G-37(g)(xii); see also MSRB Form G-37.

not create a gap for any dealer that provides new issue advisory services to issuers but does not separately register as a municipal advisor, or that otherwise falls within an exclusion or exemption from the municipal advisor definition, so that the pay-to-play protections on which issuers rely remain fully intact.

III. OBSERVATIONS ON THE MSRB'S RETROSPECTIVE RULE REVIEW

PFM is encouraged by the MSRB's commitment to undertaking a comprehensive retrospective review of its municipal advisor regulatory framework, and we commend the Board for approaching this review through an open and collaborative process that explicitly invites broad stakeholder input. As a firm that has been engaged in the municipal market throughout the development of the current regulatory regime, PFM has a direct and long-standing interest in the outcome of this review. We offer the following observations on the scope and direction of the retrospective review. As a threshold matter, and consistent with our observation above, we respectfully suggest that the retirement of the "financial advisor" terminology would be most effectively accomplished as an integrated component of the MSRB's comprehensive, rule-by-rule review — with the terminology updated at the same time as any other amendments proposed for a given rule along with corresponding interpretive guidance applicable to such rule — rather than as a discrete first phase, so that each rule's changes and applicable interpretive guidance may be evaluated together and in context.

First, we encourage the MSRB to prioritize clarifications that reduce regulatory complexity for non-dealer independent municipal advisory firms. While many aspects of the current MSRB municipal advisor framework were drafted with dealer registrants in mind, and were adapted from existing dealer rules, independent non-dealer municipal advisors such as PFM have distinct business models, client relationships, and compliance profiles. Regulatory requirements that fit the dealer model may impose disproportionate compliance burdens on non-dealer advisors without commensurate investor or issuer protection benefits. We encourage the MSRB, in the course of the review, to seek specific input from independent municipal advisors on areas where the current regulatory framework creates friction or ambiguity in a non-dealer context, and to identify opportunities for proportionate tailoring where appropriate. At the same time, PFM emphasizes that the municipal advisor rules should apply uniformly to all municipal advisors: a firm's obligations when engaged in municipal advisory activities should be the same whether the firm is a non-dealer municipal advisor or a dealer that also acts as a municipal advisor. Regulatory requirements should attach to the municipal advisory activity itself, rather than to the registration status or organizational form of the firm performing it, so that all municipal advisors operate on a level regulatory footing and issuers receive the same protections regardless of which type of firm they engage.

Second, consistent with the objectives outlined in the Notice, we strongly support the MSRB's stated goal of examining the consistency and interoperability of substantive terms across the suite of municipal advisor rules, and in particular the prospect of enhanced coordination between MSRB and SEC rules and guidance. Overlapping or inconsistent terminology between MSRB rules and SEC registration requirements has at times created unnecessary confusion, and we welcome any steps that improve alignment between the two regulatory regimes.

Third, we encourage the MSRB to consider, as part of subsequent phases of the retrospective review, whether aspects of the current framework applicable to the municipal advisor engagement and relationship documentation requirements under Rules G-42 and G-17[14], and the associated interpretive guidance, can be modernized or streamlined to better reflect current market practices in municipal advisory relationships. The existing framework, while well-intentioned, was developed in the early post-Dodd-Frank period and

[14] MSRB Rule G-17 (Conduct of Municipal Securities and Municipal Advisory Activities).

may benefit from refinement in light of over a decade of practical experience by market participants and regulators.

Fourth, we encourage the MSRB to explore and, where appropriate, provide guidance regarding the role of technology in the municipal securities industry and specifically in the municipal advisor rules. In particular, as tools such as artificial intelligence increasingly become part of everyday use cases and are embedded in technology targeted specifically for managing municipal entities' financial matters, we encourage the MSRB to contemplate what rulemaking, interpretive guidance, or other insight may be warranted with respect to their use. This would extend to requirements for registration as a municipal advisor and application of fiduciary duty, so that the regulatory framework keeps pace with technological developments while continuing to protect issuers and investors and supporting responsible innovation by municipal advisors.

Fifth, in conducting this and each future phase of the retrospective rule review process, PFM encourages the MSRB to develop deliberate methods and opportunities for stakeholders and industry groups to engage proactively — and particularly for issuers, who are among the principal intended beneficiaries of the municipal advisor regulatory framework. Such participation can foster incorporation of the perspectives of those the rules are designed to protect into the outcome of the review. As the Government Finance Officers Association also advocates, the MSRB staff should look for systematic input from advisory groups and other outlets of various market participants including issuers and investors, an objective fully consonant with the MSRB's own stated value of "engaging with [MSRB] stakeholders."[15]

Finally, PFM respectfully requests that the MSRB continue to provide ample opportunity for written comment at each phase of the retrospective review before any proposed rule amendments are submitted to the SEC for approval. The rulemaking process is most effective when regulated entities and the public clients they serve have a genuine opportunity to engage with draft proposals before they are finalized. We commit to remaining active and constructive participants throughout this process.

IV. RESPONSES TO SPECIFIC QUESTIONS POSED BY THE MSRB

The Notice poses several specific questions on the Draft Amendments and on the retrospective review. Below, PFM provides brief responses to selected questions:

1. Are there any reasons to retain financial advisory terminology in one or more of the rules?

PFM is not aware of any substantive reason to retain the "financial advisor" or "financial advisory and consultant services" terminology in the affected rules. As described above, the proposed updated terminology is consistent with Dodd-Frank and post-Dodd-Frank rulemaking, and we do not believe that the retirement of the legacy terminology would introduce any substantive gap or confusion if accompanied by appropriate conforming updates to existing interpretive guidance. As noted above, however, we encourage the MSRB to confirm that retiring the term from its own rules does not call into question, or result in a violation of MSRB rules based on, the continued use of "financial advisor" where used contextually or where it persists in state and local laws and in the template documents governed by them, which cannot be updated as readily as the MSRB's rules.

2. Do the Draft Amendments effectively achieve the purpose of retiring the term financial advisor without resulting in substantive changes to the operation of the affected rules?

[15] MSRB, *Vision, Mission and Values*, https://www.msrb.org/MSRB-News/MSRB-Vision-Mission-and-Values (last visited July 20, 2026).

Yes, in our view the Draft Amendments as proposed are appropriately drafted to achieve a terminology modernization without substantive regulatory change. We note that the MSRB's stated intent to revise the language of the 2011 Rule G-23 Interpretation to reflect the new terminology, without changing its substantive provisions, is critical to preserving the existing analytical framework applicable to dealers providing advisory services in new issues and should be carried through carefully in the final rule package. We add one qualification specific to Rule G-23: because that rule introduces newly coined defined terms with no antecedent and its standards rest on a substantial body of interpretive guidance, the revision of the 2011 Rule G-23 Interpretation and any related guidance should be developed and finalized concurrently with the rule change — and expressly mapped to the scenarios that guidance addresses — rather than left to a subsequent step or fractional steps, so that the result is genuinely free of substantive change.

3. Would the change in terminology result in the unintended expansion or narrowing of the scope of persons or activities covered?

PFM does not believe the terminology change, as drafted, would result in an unintended expansion or narrowing of scope, provided that the interpretive guidance relating to the rules is updated consistently with the final rulemaking. We particularly encourage the MSRB to confirm that the definition of "new issue municipal advisory services" in the amended Rule G-23 is clearly understood to carry forward the same activity-based scope limitations that currently apply to Rule G-23 — i.e., that it applies only to dealer activity with respect to new issues of municipal securities, and not to other types of municipal advisory activities such as advice on municipal derivatives or paid solicitations.

5. Are the changes that reduce duplicative obligations appropriate?

Yes. As noted above with respect to Rules G-23 and G-37, the elimination of duplicative documentation and reporting obligations is a meaningful benefit to regulated entities and is consistent with sound regulatory policy. PFM supports these specific changes and encourages the MSRB to pursue additional opportunities to reduce redundancy as the retrospective review proceeds.

6. Is it appropriate to partially move the documentation requirement under Rule G-23 to Rule G-42 as part of the Draft Amendments, or should that be reserved to a future phase?

PFM recognizes that moving the basic documentation cross-reference to Rule G-42 would eliminate duplication while maintaining the integrity of dealer-specific provisions in Rule G-23. Consistent with the sequencing position expressed above, however, PFM believes that this partial migration would be more appropriately addressed as part of the MSRB's comprehensive, rule-by-rule retrospective review, so that the relationship between Rules G-23 and G-42 may be evaluated together with any other amendments proposed for those rules and considered in context. A more substantive re-examination of the Rule G-23 documentation framework and its relationship to Rule G-42 should be reserved for a dedicated rule-by-rule retrospective review phase where those questions can receive thorough consideration and specific comment.

V. CONCLUSION

PFM supports the objective of the Draft Amendments and the modernization they would achieve in the MSRB's municipal advisor regulatory framework. As discussed above, however, we respectfully encourage the MSRB to incorporate the retirement of the "financial advisor" terminology into its comprehensive, rule-by-rule retrospective review — replacing the term at the same time as any other amendments proposed for a given rule — rather than advancing it as a standalone first phase, so that all proposed changes to each affected rule, as well as corresponding interpretive guidance, may be considered together in context. The retirement of legacy "financial advisor" terminology will bring clarity and consistency to MSRB rules applicable to dealers acting in a municipal advisory capacity, and the targeted elimination of duplicative obligations is a practical benefit to regulated entities. We are committed to continuing to engage constructively as the retrospective review proceeds through its subsequent phases, and we thank the MSRB for the opportunity to provide these comments. In particular, and as detailed above, we encourage the MSRB to give the proposed Rule G-23 changes the fuller consideration their substantive dimensions warrant — including the newly coined terms, their interaction with the Exchange Act's exclusion of underwriters from the "municipal advisor" definition, and the need for concurrent review and, as warranted, revision of all applicable interpretive guidance — whether within this rulemaking or as part of the dedicated rule-by-rule review.

PFM remains available to discuss any of the foregoing at the MSRB's convenience.

Respectfully submitted,

PFM Financial Advisors LLC

Cheryl Maddox
Chief Legal and Compliance Officer

cc: Natasha Holiday, Chair, MSRB Board
Wendell Gaertner, Vice Chair, MSRB Board
Mark Kim, President and Chief Executive Officer, MSRB