July 20, 2026

VIA ELECTRONIC SUBMISSION
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 Retire Financial Advisor Terminology

Dear Mr. Smith,

SIFMA[1] appreciates the opportunity to comment on MSRB Notice 2026-03 (the "Notice"), which requests input on draft amendments to MSRB Rules G-1, G-3, G-20, G-23, and G-37 to replace legacy references to "financial advisor" with the term "municipal advisor."

SIFMA and its members strongly support the MSRB's retrospective review initiative and its efforts to modernize the rulebook to better align with the statutory and regulatory framework established under the Dodd-Frank Act. As the MSRB notes, the continued use of both "financial advisor" and "municipal advisor" terminology may introduce ambiguity and unnecessary compliance burdens.

Overall, SIFMA supports the MSRB's objective of promoting clarity and consistency in terminology, provided that the amendments do not inadvertently alter the scope or application of existing requirements.

[1] SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

I. General Comments

SIFMA agrees that harmonizing terminology across MSRB rules to reflect the "municipal advisor" construct established under the Exchange Act would improve clarity and reduce the risk of inconsistent interpretations. However, we urge the MSRB to ensure that:

- The amendments do not expand the substantive scope of any rule, particularly with respect to dealer obligations;
- Existing distinctions between dealer and municipal advisor activity are preserved; and
- Interpretive guidance is updated comprehensively to avoid uncertainty.

We also encourage the MSRB to explicitly reaffirm, in any adopting release, that these changes are not intended to modify existing regulatory expectations or create new compliance obligations, consistent with the Notice's stated intent.

II. Rule-Specific Comments

A. Rule G-1

SIFMA supports the proposed deletion of "financial advisory and consultant services" from the municipal securities dealer separately identifiable department or division definition, provided this change is purely conforming.

As set forth by the MSRB, MSRB Rule G-1 defines the term "separately identifiable department or division of a bank," ("SID"). This term is used in Exchange Act to allow a bank that engages in the business of buying and selling municipal securities within a well-defined internal unit to register such unit separately, rather than the bank as a whole, with the SEC as a municipal securities dealer ("MSD SID") under Exchange Act Section 15B(a)(2). The MSD SID definition in Rule G-1 includes, as part of the municipal securities dealer activities to be conducted within such MSD SID, "financial advisory and consultant services for issuers in connection with the issuance of municipal securities." Thus, if a bank has an MSD SID and it engages in such financial advisory activities, it must conduct it within the MSD SID to maintain its ability to use the MSD SID designation.

After enactment of Dodd-Frank, the SEC adopted a separate definition of "separately identifiable department or division" of a bank under Exchange Act Rule 15Ba1- 1(d)(4) for purposes of the SEC's registration requirements for municipal advisors ("MA SID"). The MA SID definition consists of the unit of a bank which conducts all of the municipal advisory activities of the bank (which includes, but is not limited to, the type of advice to issuers in connection with the issuance of municipal securities currently covered by the definition of MSD SID in Rule G-1). The SEC rule does not require that an MA SID also be an MSD SID. The MSRB amended Rule G-1 to acknowledge the separate SEC definition of MA SID with respect to the municipal advisory activities of banks.

We agree with the MSRB's clarification that a bank may maintain separate MSD and municipal advisor SIDs. To avoid operational ambiguity, the MSRB should confirm that no restructuring of existing SID frameworks is required as a result of this clarification.

B. Rule G-3

SIFMA supports removing financial advisory activities from the scope of Series 52 and Series 53 qualification requirements to eliminate confusion regarding applicable licensing regimes. We agree that personnel engaging in municipal advisory activities should be qualified through Series 50 and Series 54 examinations, as applicable.

C. Rule G-20

SIFMA supports deleting the term "financial advisor" from the definition of "offeror" to remove duplicative terminology. We do not believe this change raises substantive concerns

D. Rule G-23

SIFMA supports the substitution of the term "municipal advisor" for the term "financial advisor" in Rule G-23, as this amendment would clarify that the exceptions from the definition of "municipal advisor" would apply to Rule G-23 just as they apply to the SEC's Municipal Advisor Registration Rule[2] ("SEC MA Rule") itself. For example, a firm that relies upon the issuer's retention of an independent registered municipal advisor pursuant to the SEC's MA Rule would not be considered a municipal advisor and could therefor serve as an underwriter or placement agent without violating Rule G-23, just as is the case under the SEC's MA Rule.

SIFMA feels strongly that the MSRB should add a definition of "new issue" to these amendments to clarify the new Rule G-23 terminology "new issue municipal advisory services" and "new issue municipal advisory relationship." SIFMA suggests that the MSRB define "new issue" to mean "primary offering." The term "primary offering" is well known and understood in the industry as opposed to the term "new issue," which may be subject to potential ambiguity and interpretation.

Further, SIFMA generally supports the MSRB undertaking a future comprehensive retrospective review of Rule G-23 and Rule G-42. SIFMA agrees with the MSRB that Rule G-23 includes redundant documentation requirements with Rule G-42. We would support the MSRB streamlining the overlapping obligations and consolidating the duties of non-solicitor municipal advisors into Rule G-42. As part of that effort, we urge the MSRB to carefully consider which provisions in Rule G-23, particularly those relating to documentation and affiliated services, remain necessary in their current form.

[2] *See*, 17 CFR § 240.15Ba1-1 et. seq.

E. Rule G-37

SIFMA strongly supports eliminating potentially confusing disclosure requirements under Rule G-37 and Form G-37 for dealers that are also municipal advisors.

III. Economic Analysis

SIFMA agrees with the MSRB's assessment that the proposed amendments are unlikely to impose significant costs and should generate modest efficiency gains over time, particularly through reduced duplicative reporting and enhanced clarity. However, we recommend that the MSRB:

- Reassess whether implementation timelines will allow firms sufficient time to update policies, procedures, and supervisory systems; and
- Provide clear transition guidance to minimize operational disruption.

IV. Retrospective Rule Review

SIFMA appreciates the MSRB's broader retrospective review initiative and supports a phased approach that first addresses terminology and, in the future, will consider substantive issues, particularly relating to overlapping requirements in Rule G-23 and Rule G-42. We encourage the MSRB, in a future phase, to:

- Evaluate areas where municipal advisor and dealer obligations overlap or create inefficiencies;
- Consider opportunities for further streamlining reporting and documentation requirements;
- Consolidate and streamline rulemaking for non-solicitor advisors into Rule G-42; and
- Engage extensively with market participants to ensure that any substantive changes are well calibrated and operationally feasible.

V. Conclusion

SIFMA supports the MSRB's efforts to modernize its rulebook and promote consistency with the post–Dodd-Frank regulatory framework. We believe the draft amendments are an incremental step forward to enhance clarity, reduce unnecessary burdens, and improve regulatory efficiency. We appreciate the opportunity to comment and would be pleased to discuss these issues further with the MSRB. If a fuller discussion of our comments would be helpful, I can be reached at (212) 313-1130.

Respectfully submitted,

Leslie M. Norwood
Managing Director and Associate General Counsel
Head of Municipal Securities

cc: ***Municipal Securities Rulemaking Board***
Ernesto A. Lanza, Chief Regulatory and Policy Officer