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**Affected Rules**

[Rule G-3](#), [Rule G-8](#),  
[Rule G-12](#), [Rule G-14](#),  
[Rule G-16](#), [Rule G-17](#),  
[Rule G-20](#), [Rule G-23](#),  
[Rule G-33](#), [Rule G-37](#),  
[Rule G-38](#)

## MSRB to Retire Select Interpretive Guidance for Dealers and Municipal Advisors

### Overview

The MSRB is undertaking a retrospective review of the catalogue of interpretive guidance in its rule book. The goal of this comprehensive review is to streamline and modernize the rule book by clarifying, amending and/or retiring guidance that no longer achieves its intended purposes. The MSRB believes that this multi-year initiative will complement the MSRB's other retrospective rule review initiatives and will be an impactful way to support compliance and reduce unnecessary costs and burdens for regulated entities, while fulfilling the MSRB's regulatory obligation to protect investors, municipal entities, obligated persons, and the public interest.

As an initial step, the MSRB is retiring 15 pieces of guidance from the MSRB rule book effective May 10, 2021.<sup>1</sup> Such guidance will be archived on the MSRB Archived Interpretive Guidance page of the MSRB.org website, where it can be accessed for its historical value. This retirement date affords an opportunity for any stakeholders to contact the MSRB with any specific comments, questions or concerns. In addition, interested stakeholders may join the MSRB for a free educational webinar about its interpretive guidance review initiative. The webinar will take place from 3:00 p.m. to 4:00 p.m. ET on February 24, 2021. Register for the webinar [here](#).

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<sup>1</sup> In addition, as discussed below, the MSRB is removing an additional two pieces of guidance from the rule book that were previously rescinded or revoked.

The MSRB rule book includes all MSRB rules and the relevant interpretive guidance interpreting those rules. It is updated annually on October 1 and is available, in portable document format (PDF), at [www.msrb.org/rules-and-interpretations/msrb-rules.aspx](http://www.msrb.org/rules-and-interpretations/msrb-rules.aspx). Changes to the rules and interpretive guidance made between rule book editions are reflected in the online rule text and interpretive guidance, also available at [www.msrb.org/rules-and-interpretations/msrb-rules.aspx](http://www.msrb.org/rules-and-interpretations/msrb-rules.aspx).



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## Background

The MSRB recognizes that, to be effective, its rules must be responsive to changes in the municipal securities market and in the policymaking, economic, stakeholder and technological environments. As a result, evaluating the efficiency and effectiveness of its rules is a core rulemaking function. Interpretive guidance plays an important role in the efficiency and effectiveness of MSRB rules, including facilitating regulated entity understanding of their obligations under MSRB rules.

The MSRB currently has a large library of interpretive guidance, the majority of which is older than 20 years old. Because interpretive guidance is necessarily reflective of the rule and the particular facts and circumstances at the time of its publication, there is greater potential for older guidance to become stale or outdated over time as market practices evolve and even the rule text itself may be amended.<sup>2</sup> Dated guidance generally has been retained in the rule book to provide historical understanding of the development of the rules. However, in light of subsequent developments to the rules, the MSRB believes that it would improve understanding of the rules and better facilitate compliance if interpretive guidance that is dated and no longer achieves its intended purposes is either clarified, amended or retired.

In furtherance of this initiative, the MSRB may determine to:

- Retire outdated guidance;
- Amend guidance to reflect subsequent amendments to relevant rules or in light of changed market practices;
- Add new labels and explanatory statements to categorize content and more appropriately convey the MSRB's intent (*e.g.*, better distinguish interpretive guidance from other content);
- Consolidate certain guidance that pertains to the same subject;
- Reorganize the display of certain interpretive guidance in the MSRB rule book;<sup>3</sup> and/or

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<sup>2</sup> Similarly, interpretive letters provided by the MSRB to a regulated entity are also reflective of the rule and the relevant facts and circumstances presented to the MSRB in connection with such guidance. As a result, such guidance is not necessarily evergreen. Any change in facts or circumstances, including subsequent amendments to the relevant rule(s), may require a different response.

<sup>3</sup> For example, MSRB guidance interpreting a broker, dealer or municipal securities dealer's time-of-trade disclosure obligation (as described below) would be removed from the guidance that appears after MSRB Rule G-17, on conduct of municipal securities and

- Codify certain guidance into the rule text.

Throughout this multi-year initiative, the MSRB will be seeking industry and public comment in connection with proposals to amend and/or codify guidance. The MSRB also anticipates seeking public comment to help inform its identification and assessment of guidance that may warrant reconsideration, such as guidance that may impose a burden on competition that is no longer necessary or guidance that is no longer necessary in light of its original intended purpose.

### Retirement of Select Guidance

As noted, the MSRB is retiring 15 pieces of guidance from the MSRB rule book as an initial step in this initiative. The following guidance will be removed from the MSRB rule book on May 10, 2021 and will be archived by relocating it to a dedicated MSRB Archived Interpretive Guidance page where such archived guidance can be accessed for its historical value.<sup>4</sup> Each of the notices will be clearly labeled with its date of archival.

## I. OUTDATED GUIDANCE

The MSRB is retiring the following guidance on the grounds that each is outdated. The MSRB believes the retirement of each will remove the risk of potential confusion arising from guidance that does not appear to be consistent with the current state of the related rule.

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municipal advisory activities. Instead, such guidance would be relocated to appear with the interpretive guidance that appears after MSRB Rule G-47, on time of trade disclosure. The time-of-trade disclosure obligation requires brokers, dealers and municipal securities dealers to disclose to customers at or prior to the time of trade all material information known about the transaction and material information about the security that is reasonably accessible to the market. This obligation initially arose as a fair dealing obligation under MSRB Rule G-17. However, the MSRB subsequently codified this obligation into a standalone rule, Rule G-47. In connection with this codification, the MSRB explained that all statements in any MSRB interpretive guidance that refer to Rule G-17 in connection with the time-of-trade disclosure obligation should be read instead to refer to Rule G-47. See MSRB Notice 2014-07, SEC Approves MSRB Rule G-47 on Time-of-Trade Disclosure Obligations, MSRB Rules D-15 and G-48 on Sophisticated Municipal Market Professionals, and Revisions to MSRB Rule G-19 on Suitability of Recommendations and Transactions (March 12, 2014).

<sup>4</sup> The MSRB Archived Interpretive Guidance page is available at: [www.msrb.org/Rules-and-Interpretations/Archived-Guidance-Rule-Book-Review.aspx](http://www.msrb.org/Rules-and-Interpretations/Archived-Guidance-Rule-Book-Review.aspx).

**1. MSRB Rule G-3 guidance, [dated February 17, 1978](#), regarding apprenticeship (the “1978 G-3 notice”)**

Rule G-3, on professional qualifications requirements, establishes professional qualification and continuing education requirements for, and specifies the number of supervisory personnel who must be associated with, brokers, dealers, municipal securities dealers (collectively, “dealers”) and municipal advisors. Previously, Rule G-3 required a municipal securities representative<sup>5</sup> to serve an apprenticeship period of 90 days before transacting business with any member of the public or receiving compensation for such activities. The 1978 G-3 notice clarifies the applicability of the apprenticeship requirement to municipal securities representatives previously qualified as a general securities representative. Rule G-3 was amended in 2015 and the apprenticeship requirement was deleted from the rule.<sup>6</sup> As a result, the MSRB believes that the 1978 Rule G-3 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**2. MSRB Rule G-8, [dated May 12, 1989](#), regarding syndicate records and sole underwriters (the “G-8 notice”)**

Rule G-8, on books and records to be made by brokers, dealers, and municipal securities dealers and municipal advisors, requires dealers and municipal advisors to make and keep certain specified records. The G-8 notice explains that Rule G-8(a)(viii), which at the time of the notice pertained to records of syndicate transactions, does not apply to sole underwritings. However, in 2009, Rule G-8(a)(viii) was amended—among other things—to add a new paragraph that now expressly applies to sole

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<sup>5</sup> The term “municipal securities representative” means a natural person associated with a dealer, other than a person whose functions are solely clerical or ministerial, whose activities include one or more of the following: (1) underwriting, trading or sales of municipal securities; (2) financial advisory or consultant services for issuers in connection with the issuance of municipal securities; (3) research or investment advice with respect to municipal securities; or (4) any other activities which involve communication, directly or indirectly, with public investors in municipal securities; *provided, however*, that the activities enumerated in items (3) and (4) above are limited to such activities as they relate to the activities enumerated in items (1) and (2) above. See Rule G-3(a)(i)(A).

<sup>6</sup> See MSRB Notice 2015-04, MSRB to Amend Rules to Create Professional Qualification Standards for Municipal Advisors (March 2, 2015), available at: <http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2015-04.ashx??n=1>.

underwritings.<sup>7</sup> As a result, the MSRB believes that the G-8 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**3. MSRB Rule G-12 guidance, [dated November 1, 1978](#), regarding the settlement of syndicate accounts (the “G-12 notice”)**

Rule G-12, on uniform practice, establishes uniform industry practices for the processing, clearance and settlement of transactions between dealers in municipal securities. When the G-12 notice was issued in 1978, Rule G-12 included a requirement to settle syndicate accounts within 60 days following the date all securities were delivered to syndicate members. The G-12 notice explains that there is no provision in Rule G-12 for extending the 60-day time period under the circumstances described in the notice. In 2008, the 60-day settlement requirement was moved from Rule G-12 to Rule G-11, on Primary Offering Practices<sup>8</sup> and in 2009, the MSRB shortened the 60-day time period to 30 days.<sup>9</sup> As a result, the MSRB believes that the G-12 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.<sup>10</sup>

**4. MSRB Rule G-14 guidance, [dated June 18, 2004](#), regarding the reporting of transactions arising from repurchase agreements (the “June 2004 G-14 notice”)**

Rule G-14, on reports of sales or purchases, generally prohibits dealers from distributing or publishing reports of purchases or sales of municipal securities unless the report is made with knowledge or reason to believe that the transaction was affected. The rule also requires dealers to report to the

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<sup>7</sup> See MSRB Notice 2010-26, Priority of Orders in Primary Offerings Proposed Rule Change Approved (August 15, 2010), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2010/2010-26.aspx?n=1>.

<sup>8</sup> See MSRB Notice 2008-32, Amendments Approved to Rules G-11, G-1 and G-8 (July 22, 2008), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2008/2008-32.aspx?n=1>.

<sup>9</sup> See MSRB Notice 2009-55, Amendments Approved to Rules G-11 and G-12 Regarding Settlement Dates and Payments of Designations (September 30, 2009), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2009/2009-55.aspx?n=1>.

<sup>10</sup> The MSRB notes that there is similar guidance included in a notice on syndicate settlement practice violations which currently appears behind Rule G-11 in the MSRB rule book. See MSRB, Syndicate Settlement Practice Violations Noted (July 1, 1981). The MSRB is not retiring that notice at this time, although it may revisit it in the future.

MSRB information about each purchase and sale transaction effected in municipal securities in accordance with certain specified procedures. The 2004 G-14 notice provides transitional guidance regarding the reporting of transactions arising from repurchase agreements to the Real-Time Transaction Reporting System (RTRS) and its predecessor, the Transaction Reporting Program. Generally, the June 2004 G-14 notice instructs dealers not to report transactions arising from repurchase agreements to the MSRB (for transactions that pre-date the operation of RTRS) or to report such transactions only optionally (for transactions that occur between January 2005 and the effective date of certain amended RTRS specifications). Following subsequent amendments to those specifications, dealers currently are required to report such transactions to EMMA, using a special condition indicator.<sup>11</sup> As a result, the MSRB believes that the June 2004 G-14 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**5. MSRB Rule G-14 guidance, [dated December 10, 2004](#), regarding “list offering price” and the three-hour exception for real-time transaction reporting (the “December 2004 G-14 notice”)**

As described above, among other things, Rule G-14 requires dealers to report to the MSRB information about each purchase and sale transaction effected in municipal securities. Pursuant to Rule G-14, most transactions are required to be reported within fifteen minutes of the time of trade execution. The December 2004 G-14 notice provides guidance on certain exceptions to the fifteen-minute reporting requirement. Specifically, the notice summarizes an exception for certain “list offering price” transactions, but notes that no similar exception exists for takedown transactions. The December 2004 G-14 notice also describes a three-hour exception that, by the express terms of the notice, includes a sunset clause. In 2006, the MSRB amended Rule G-14 to specifically provide that the list-offering price exception described in the December 2004 G-14 notice also applied to specifically defined “takedown transactions.”<sup>12</sup> Additionally, the three-hour exception discussed in the 2004

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<sup>11</sup> See Rule G-14 RTRS Procedures Section (b)(iv) and Specifications for Real-Time Reporting of Municipal Securities Transactions, Version 4.0 (October 2019), available at: <http://www.msrb.org/~media/pdfs/msrb1/RTRS/RTRS-Specifications.ashx?la=en>. See also Reporting of Transactions in Certain Special Trading Situations: Rule G-14 (January 2, 2008), available at: [http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-14.aspx?tab=2#\\_FF5157F1-F982-47BB-B261-4A94B30D7622](http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-14.aspx?tab=2#_FF5157F1-F982-47BB-B261-4A94B30D7622).

<sup>12</sup> See MSRB Notice 2006-28, Amendments Approved to Rule G-14 RTRS Procedures Relating to “List Offering Price” and “Takedown” Transactions (October 19, 2006), available at:

notice sunset in 2006.<sup>13</sup> As a result, the MSRB believes that the December 2004 G-14 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**6. MSRB Rule G-23 guidance, [dated July 30, 1981](#), regarding blanket issuer consents for a dealer to act as dealer and financial advisor with respect to the same issuance of municipal securities (the “1981 G-23 notice”)**

Rule G-23, on activities of financial advisors, generally requires dealers to evidence in writing their financial advisory relationships and prohibits dealers from role switching by serving as financial advisor for an issue and then underwriter on the same issue. A prior version of the rule permitted a dealer to engage in such role switching upon the satisfaction of certain conditions, including a condition requiring the issuer’s express written consent. The 1981 G-23 notice provides guidance on obtaining issuer consent to satisfy that particular condition under Rule G-23. The ability to obtain issuer consent was deleted from the rule in 2011 when the MSRB determined that the apparent conflict of interest in role switching was too great to be cured by issuer consent.<sup>14</sup> As a result, the MSRB believes that the 1981 G-23 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**7. MSRB Rule G-23 guidance, dated [April 10, 1984](#), regarding issuer consent (included in official statements and notices of sale) for a dealer**

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<http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2006/2006-28.aspx?n=1>.

<sup>13</sup> See MSRB Notice 2006-35, Real-Time Transaction Reporting Update: Upcoming Changes in Rule G-14 and RTRS and Reminders on Existing Requirements Under Rule G-14 (December 6, 2006), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2006/2006-35.aspx?n=1>. The three-hour exception for certain when-issued transactions ultimately expired in 2008. See MSRB Notice 2008-27, “Reminder of Upcoming Sunset of the Three Hour Exception” (June 13, 2008), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2008/2008-27.aspx?n=1>. The MSRB notes that subsequent guidance restates guidance included in the December 2004 G-14 notice regarding the “list offering price” indicator. See Reminder Notice on Use of “List Offering Price/Takedown” Indicator: Rule G-14 (January 19, 2007).

<sup>14</sup> See MSRB Notice 2011-29, Securities and Exchange Commission Approves Amendments to MSRB Rule G-23 Relating to the Activities of Financial Advisors (May 31, 2011), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2011/2011-29.aspx>.

**to act as dealer and financial advisor with respect to the same issuance of municipal securities (the “1984 G-23 notice”)**

As discussed above, Rule G-23 previously permitted a dealer to engage in role switching from financial advisor to underwriter on the same issue of municipal securities upon the satisfaction of certain conditions, including a condition requiring the issuer’s express written consent. The 1984 G-23 notice provides guidance on obtaining issuer consent to satisfy that particular condition under Rule G-23. The ability to obtain issuer consent was deleted from the rule in 2011.<sup>15</sup> As a result, the MSRB believes that the 1984 G-23 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**8. MSRB Rule G-33 guidance, [dated May 31, 1984](#), regarding changes in the calculation rule (the “1984 G-33 notice”)**

Rule G-33, on calculations, generally prescribes standard formulas for the computation of accrued interest and dollar price and, among other things, establishes day-counting methods.

At the time of its adoption, Rule G-33 also included two transitional provisions regarding the calculation of dollar price.<sup>16</sup> However, by their terms, these transitional provisions were set to expire on January 1, 1984.<sup>17</sup> The 1984 G-33 notice, published only a few months following the expiration of these transitional provisions, reminds stakeholders that the effectiveness of both of these provisions has lapsed. In 1990, the MSRB formally removed these temporary provisions from the text of Rule G-33.<sup>18</sup> As a result, the MSRB believes that the 1984 G-33 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

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<sup>15</sup> *See id.*

<sup>16</sup> These provisions generally permitted the use of dollar price interpolation and permitted the use of the dollar price “100,” rather than the actual computed result of the formulas set forth in Rule G-33 for transactions where the yield price equaled the coupon rate of the securities.

<sup>17</sup> *See* MSRB Reports, Volume 2, Number 2 (February 1982) available at: [February1982-Volume2-Number2.ashx](#) (msrb.org).

<sup>18</sup> *See* Release No. 34-28019 (May 1, 1990), 55 FR 21283 (May 23, 1990) (File No. SR-MSRB-90-1).

**9. MSRB Rule G-36 guidance, [dated January 30, 1998](#), regarding multiple underwriters (the “G-36 notice”)**

Rule G-36 currently is a reserved rule. Before it was rescinded, Rule G-36, on delivery of official statements, advance refunding documents and Forms G-36(OS) and G-36(ARD), generally required underwriters for most primary offerings to send the official statement and submit Form G-36(OS) to the MSRB within certain time frames set forth in the rule. In addition, it required underwriters of advance refunding issues to submit Form G-36(ARD) to the MSRB. The G-36 notice interprets certain Rule G-36 and related books and records obligations in cases where there are multiple underwriters with respect to the same issuance.<sup>19</sup> In 2009, the MSRB amended and consolidated then Rule G-32 and Rule G-36 into a consolidated Rule G-32.<sup>20</sup> As a result, the MSRB believes that the G-36 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**10. MSRB Rule G-38 guidance, [dated June 12, 2007](#), regarding disclosure to the MSRB of transitional payments to consultants/solicitors previously permitted under Rule G-38 (the “G-38 notice”)**

Rule G-38, on solicitation of municipal securities business, generally prohibits dealers from paying persons who are not affiliated with the dealers for a

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<sup>19</sup>The substance of the G-36 notice is also restated in a notice that currently appears behind Rule G-32. See Interpretation on the Application of Rules G-32 and G-36 to New Issue Offerings Through Auction Procedures (March 26, 2001) (the “2001 notice”). The MSRB is not retiring the 2001 notice at this time, although it may revisit this notice in the future.

In addition, the MSRB will relocate and expressly extend to the analogous interpretive issues under current Rule G-32 existing Rule G-36 guidance, dated August 8, 1991, regarding current refundings (the “1991 notice”). The 1991 notice will be relocated to appear behind Rule G-32 guidance on the msrb.org website and in the PDF version of the MSRB rule book along with the following notation: “In 2009, the MSRB amended and consolidated Rule G-36, on delivery of official statements, advance refunding documents and forms G-36(OS) and G36(ARD) and Rule G-32, on disclosures in connection with new issues into Rule G-32, on disclosures in connection with primary offerings. See Release No. 34-59966 (May 21, 2009), 102 FR 25790 (May 29, 2009). Effective May 10, 2021, this notice expressly shall apply to analogous interpretive issues under Rule G-32, on disclosures in connection with primary offerings.”

<sup>20</sup>See MSRB Notice 2009-22, MSRB Receives Approval to Launch Primary Market Disclosure Service of MSRB’s Electronic Municipal Market Access (EMMA) Systems for Electronic Dissemination of Official Statements (May 2, 2009), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2009/2009-22.aspx?n=1>.

solicitation of municipal securities business on their behalf. Rule G-38 previously included a transitional provision, which required disclosure to the MSRB of transitional payments made for solicitation activities that occurred on or prior to August 29, 2005. The G-38 notice interprets this provision, which was deleted in 2019, along with the ability to make such transitional payments pursuant to Rule G-38.<sup>21</sup> As a result, the MSRB believes that the G-38 notice is outdated and has determined to retire it. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

## II. SUPERFLUOUS GUIDANCE

The MSRB is retiring the following guidance due to the substantially diminished utility of each piece of guidance. While at the time of publication, their content was designed to address a novel or frequently asked question, for the reasons described below, the MSRB believes that each has limited utility as a piece of interpretive guidance today.

### 1. MSRB Rule G-3 guidance, [dated October 6, 1986](#), regarding the regulation of taxable municipal securities (the “1986 G-3 notice”)

As noted above, Rule G-3 generally establishes professional qualification and continuing education requirements for dealers and municipal advisors. The 1986 G-3 notice explains that MSRB rules (including Rule G-3) apply to transactions effected by dealers in all municipal securities, including taxable municipal securities. The MSRB understands that this guidance was issued following changes in federal tax law which placed additional restrictions on the issuance of tax-exempt municipal securities, resulting in a potential increase in taxable municipal securities issuance. Accordingly, it appears that the 1986 G-3 notice was a direct response to those changes in tax law. While the content of the 1986 G-3 notice remains equally true today, the 1986 G-3 notice does not create any new obligations, but rather acts as a reminder of a principle that is now very well established. Additionally, that principle—that MSRB rules apply to transactions effected by dealers in taxable municipal securities—can be located elsewhere in the MSRB rule book as well as other MSRB publications.<sup>22</sup> As a result, the MSRB has determined to

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<sup>21</sup> See MSRB Notice 2019-11, MSRB Updates Rule book with Nonsubstantive, Technical Amendments (April 10, 2019), available at: <http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2019-11.ashx??n=1>.

<sup>22</sup> See MSRB Reports, Volume 6, Number 5, “Taxable Securities Questions and Answers” (October 1986) at page 5, available at: <http://www.msrb.org/~media/Files/MSRB-Reports/1986/October1986-Volume6-Number5.ashx?la=en>; see also Notice Concerning

retire the 1986 G-3 notice. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**2. MSRB Rule G-14 guidance, [dated December 16, 1996](#), regarding executing broker symbols (the “1996 G-14 notice”)**

Among other things, Rule G-14 currently requires each dealer to obtain a unique broker symbol from NASDAQ Subscriber Services. The 1996 G-14 notice restates this obligation and provides the contact information for NASDAQ Subscriber Services. The MSRB does not believe that the 1996 G-14 notice provides unique guidance with respect to the applicability of the rule and that it is more appropriate to include this information in the MSRB’s Real-Time Transaction Reporting System (RTRS) User’s Manual.<sup>23</sup> As a result, the MSRB has determined to retire the 1996 G-14 notice. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**3. MSRB Rule G-16 guidance, [dated February 17, 1978](#), regarding periodic compliance examinations (the “G-16 notice”)**

Rule G-16 sets forth the minimum scope and frequency of periodic compliance examinations of dealers by a registered securities association and bank regulators. The G-16 notice explains that Rule G-16 applies to all dealers (including bank dealers) and requires that all such organizations be examined at least once each two calendar years. In 2011, the MSRB amended Rule G-16 to facilitate the establishment of a risk-based compliance examination program for dealers that are FINRA members.<sup>24</sup> Consequently, Rule G-16 currently provides that a dealer that is a member of a registered securities association (*i.e.*, FINRA) must be examined at least once every four calendar years. Additionally, the current text of Rule G-16 makes expressly clear that the rule applies to bank dealers as it also specifies that “each municipal securities dealer that is a bank or subsidiary or department or division of a

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Transactions in Municipal Collateralized Mortgage Obligations: Rule G-15 (April 8, 1992) (stating that “the Board reminds dealers that transactions in municipal securities are subject to Board rules whether those securities are taxable or tax-exempt.”)

<sup>23</sup> While the 1996 notice refers to “executing broker symbols,” Rule G-14 currently requires dealers to obtain a “unique broker symbol.” The MSRB understands these terms to refer to the same symbol. See MSRB Notice 2004-13, Real-Time Transaction Reporting: Notice of Filing of Proposed Rule Change to Rules G-14 and G-12(f) (June 1, 2004).

<sup>24</sup> See MSRB Notice 2011-69, SEC Approves Amendments to MSRB Rule G-16 to Facilitate Risk-Based Compliance Examinations and Amendments to MSRB Rule G-9, on Preservation of Records (December 19, 2011), available at: <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2011/2011-69.aspx?n=1>.

bank” must be examined at least once every two calendar years. As a result, the MSRB has determined to retire the G-16 notice. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**4. MSRB Rule G-20 guidance, [dated March 19, 1980](#), regarding the definition of “person” as used in Rule G-20 (the “G-20 notice”)**

Rule G-20 generally prohibits dealers and municipal advisors from giving gifts or providing services in excess of \$100 to another person in relation to the municipal securities activities of such person’s employer and limits the giving and acceptance of non-cash compensation by dealers, subject to exceptions. The G-20 notice explains that the term “person” as used in Rule G-20 refers to a natural person. In 2015, the MSRB amended Rule G-20 to extend it to municipal advisors. In connection with that amendment, the MSRB also codified in its entirety the substantive principle espoused in the G-20 notice.<sup>25</sup> As a result, the MSRB has determined to retire the G-20 notice. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

**5. MSRB Rule G-37 guidance, [dated September 28, 2011](#), regarding the application of Rule G-37 to federal election campaigns of issuer officials (the “2011 G-37 notice”)**

Rule G-37, on political contributions and prohibitions on municipal securities business and municipal advisory business, generally prohibits dealers from engaging in municipal securities business and municipal advisors from engaging in municipal advisory business with municipal entities if certain contributions have been made to officials of such municipal entities within the preceding two-year period, and requires dealers and municipal advisors to disclose certain political contributions and other information. The 2011 G-37 notice generally discusses the application of Rule G-37 to contributions given to an official of an issuer who seeks election to federal office. The 2011 G-37 notice is substantively identical to Rule G-37 guidance, dated September 11, 2008, but for an introductory paragraph added to the 2011 G-37 guidance.<sup>26</sup> The introductory paragraph in the 2011 G-37 notice explains

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<sup>25</sup> See MSRB Notice 2015-21, SEC Approves Amendments to MSRB Rule G-20 on Gifts, Gratuities and Non-Cash Compensation and Related Amendments to MSRB Rule G-8 (November 9, 2015), available at: <http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2015-21.ashx??n=1>.

<sup>26</sup> Possibly due to an administrative error, the introductory paragraph appears only in the PDF version of the MSRB rule book, and not on the msrb.org website. As a result, the online versions of the 2008 and 2011 guidance are 100% substantively identical.

that the MSRB wishes to remind dealers of the previous MSRB guidance issued in 2008 in view of the commencement of fundraising efforts of candidates for various federal elected offices. Because the two notices are otherwise substantively identical, the MSRB does not believe that there is continued value in retaining the 2011 G-37 notice. As a result, the MSRB has determined to retire the 2011 G-37 notice. As of May 10, 2021, it will be archived on the MSRB Archived Interpretive Guidance webpage.

### III. ARCHIVAL OF PREVIOUSLY DELETED GUIDANCE

In addition to the guidance described above, the MSRB also will remove from the rule book and archive the following guidance that was previously expressly rescinded by the MSRB.

#### 1. Rule G-17 guidance, [dated December 22, 1987](#), regarding the priority of orders for new issue securities (the “1987 G-17 notice”)

Rule G-17 generally requires dealers and municipal advisors, in connection with their municipal securities or municipal advisory activities, to deal fairly with all persons and not to engage in any deceptive, dishonest or unfair practice. The 1987 G-17 notice provides guidance on a dealer’s fair dealing obligation in connection with the priority of orders for new issue securities. In 2010, the MSRB deleted the 1987 G-17 notice and replaced it with new interpretive guidance that updated the guidance provided in the 1987 G-17 notice.<sup>27</sup> The 1987 G-17 notice currently appears in the MSRB rule book with a clear notation that it was revoked. However, the MSRB believes that it would be more appropriate to remove it from the rule book and archive it on the MSRB Archived Interpretive Guidance webpage.

#### 2. MSRB Rule G-33 guidance, [dated June 6, 1983](#), regarding use of formulas and annual interest securities (the “1983 G-33 notice”)

As noted above, Rule G-33, generally prescribes standard formulas for the computation of accrued interest and dollar price and, among other things, establishes day-counting methods. The rule previously set forth a formula that included a presumption that interest-bearing municipal securities with periodic interest payments and more than six months to redemption pay interest on a semi-annual basis. In the 1983 G-33 notice, the MSRB responds

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<sup>27</sup> See MSRB Notice 2010-26, Priority of Orders in Primary Offerings Proposed Rule Change Approved (August 15, 2010), available at: [http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2010/2010-26.aspx?n=1#\\_ftn3](http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2010/2010-26.aspx?n=1#_ftn3); see also Interpretation on Priority of Orders for Securities in a Primary Offering Under Rule G-17 (October 12, 2010) and Release No. 34-26715 (August 13, 2010), 75 FR 51128 (August 18, 2010).

to a stakeholder suggestion to modify the relevant formula, ultimately declining to do so on the basis that the mandated formula was designed to accommodate the more limited technologies and calculators then available. In 2016, the MSRB amended Rule G-33 and the relevant formula in light of subsequent advances in technology.<sup>28</sup> In connection with that amendment, the MSRB explained that it will delete the 1983 G-33 notice from the MSRB rule book.<sup>29</sup> As the 1983 G-33 notice has yet to be removed from the rule book, the MSRB will remove and archive it on the MSRB Archived Interpretive Guidance webpage.

February 11, 2021

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<sup>28</sup> See MSRB Notice 2016-08, MSRB Amends its Rule Regarding Calculations for Bonds that Do Not Pay Interest Semi-Annually (February 23, 2016), available at: <http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2016-08.ashx??n=1>.

<sup>29</sup> See *id.*