



FAQs on Continuing Education Program Requirements for Municipal Advisors

The Municipal Securities Rulemaking Board (MSRB) is providing responses to frequently asked questions (FAQs) about continuing education program requirements for municipal advisors established by [MSRB Rule G-3](#), on professional qualifications. These FAQs are a compliance resource to enhance understanding of Rule G-3. The MSRB may update these questions and answers periodically. Any updates will be dated and flagged as new.¹

RESPONSES TO FREQUENTLY ASKED QUESTIONS

1. Are municipal advisors required to have conducted a needs analysis and developed a written training plan by the rule's implementation date of January 1, 2018?

No. A municipal advisor will have until December 31, 2018 to complete each part of the requirement – its needs analysis, a written training plan based on the needs analysis conducted and delivering training to comply with the annual continuing education requirements for 2018.

2. Is a municipal advisor required to provide continuing education training on the fiduciary duty obligations owed to municipal entities, if the firm doesn't have municipal entities as clients?

Yes, training on the fiduciary duty obligation owed to municipal entity clients is a required minimum component of every municipal advisors' continuing education training program. Recognizing that municipal advisor registration and professional qualifications do not limit the provision of municipal advisory services by type of client, even those firms that do not currently engage in municipal advisory activities on behalf of a municipal entity have the potential to advise a municipal entity client.

However, municipal advisors have the flexibility to determine the appropriate scope of training that their covered persons receive on the fiduciary duty obligation.

3. Is there a minimum hour requirement for a municipal advisor's continuing education training program?

No. MSRB Rule G-3 does not require a minimum hour requirement for a municipal advisor's continuing education program.

4. I am a sole proprietor. How do I implement the requirements under the rule at a cost I can afford?

Sole proprietorships, like all other municipal advisors, have great flexibility to determine the content and method of delivery (e.g., webinars, e-learning courses and podcasts) of their continuing education training program(s) that would satisfy their needs analysis. A municipal advisor does not have to develop in-house training materials and may, if it meets the firm's needs analysis, utilize existing content available in the marketplace, such as leveraging free and low-cost resources provided by trade associations and the MSRB.

5. Are all employees of the municipal advisor required to have annual continuing education training?

No. However, all covered persons – that is, municipal advisor representatives and municipal advisor principals as defined in Rule G-3 – must participate in a municipal advisor's continuing education program.

6. Can one person participate in a webinar and those materials be circulated to identified covered persons as training that satisfies the municipal advisor's continuing education program requirements?

Yes. A municipal advisor can disseminate training materials to identified covered persons from a webinar attended by one covered person. To evidence the training was delivered, as required pursuant to Rule G-3, the firm may want to require written acknowledgement of receipt and review of the information by the other covered persons.

¹ On October 12, 2017, the MSRB held a webinar on amendments to MSRB Rule G-3 to establish continuing education requirements for municipal advisors. These FAQs highlight previous pronouncement regarding provisions of the rule and reflect questions raised by webinar attendees.

7. Are municipal advisors required to provide a specific type of training to municipal advisor principals?

No. Municipal advisors are not required to provide specialized training to their municipal advisor principals. However, based on its needs analysis, a firm may determine specific training for municipal advisor principals is needed and appropriate (e.g., specific training on supervisory obligations of municipal advisors).

8. Does the person responsible for the municipal advisor's continuing education program have to be a municipal advisor principal?

No. The person responsible for administering the municipal advisor's continuing education program does not have to be a principal. For example, a municipal advisor can use a vendor for the administration of its continuing education program. However, municipal advisors need to be mindful that while the firm can outsource the function, the ultimate responsibility for its compliance obligations is retained – meaning, municipal advisors are not relieved of their obligation to comply with applicable rules and regulations by outsourcing the activity.

9. Does a dealer-municipal advisor have to conduct a separate needs analysis for its municipal advisory business?

Yes. A dealer-municipal advisor must conduct a separate needs analysis for its municipal advisory activities. However, a dealer-municipal advisor can use a single document that clearly delineates the completed needs analysis for the firm's municipal advisory activities from the firm's needs analysis for its dealer activities.

10. What type of information can a municipal advisor make and maintain to evidence completion of the firm's training programs by covered persons?

The type of information a municipal advisor could maintain to evidence completion of its training program(s) could include, for example, an attendance sign-in sheet for in-house training, each covered person's certificate of completion for web-based training or an attestation from each covered person confirming that circulated training materials (e.g., a trade association's best practice guide, an MSRB compliance resource document) have been reviewed.

11. What type of documentation should a municipal advisor maintain as to the content of its training program(s)?

MSRB Rule G-8(h)(vii) requires municipal advisors to document the content of their training program(s), such as, for example, a content outline or a copy of the training materials provided for a webinar or in-person training.

BACKGROUND AND ADDITIONAL RESOURCES

- [MSRB Rule G-3](#)
- [SEC Approves Continuing Education Requirements for Municipal Advisors \(MSRB Notice 2017-10\), May 2017](#)
- [Developing a CE Needs Analysis and Written Training Plan](#)
- [MSRB Compliance Center](#)
- [MSRB Webinar: Amendments to Rule G-3 on Professional Qualifications Standards for Municipal Advisors](#)