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August 29, 2022

**Category**  
Professional  
Qualifications

**Affected Rules**  
[Rule G-3](#)

## MSRB to End Regulatory Relief that Extended Certain Professional Qualification Requirements Due to COVID-19

### Overview

The Municipal Securities Rulemaking Board (MSRB) is announcing the expiration date of certain pandemic-related regulatory relief. Specifically, relief that was put into place in April 2020, due to the coronavirus disease (COVID-19 or pandemic), that provided an extension from having to complete certain obligations, under Rule G-3, on professional qualification requirements.<sup>1</sup>

On April 20, 2020, the MSRB filed with the U.S. Securities and Exchange Commission (SEC or Commission) a proposed rule change that provided brokers, dealers and municipal securities dealers (collectively “dealers”) with additional time to comply with certain obligations under MSRB rules on a temporary basis. Among other things, the rule amendments set forth temporary time extensions to complete certain professional qualification requirements, to address test center closures and operational challenges due to the pandemic.

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<sup>1</sup> See Release No. 34-88694 (April 20, 2020), 85 FR 23088 (April 24, 2020) (File No. SR-MSRB-2020-01). The MSRB provided and further extended other COVID-19 related temporary relief to regulated entities for certain compliance obligations under MSRB rules in 2020, 2021 and 2022. See Release No. 34-90621 (December 9, 2020), 85 FR 81254 (December 15, 2020) (File No. SR-MSRB-2020-09), Release No. 34-93435 (October 27, 2021), 86 FR 60522 (November 2, 2022) (File No. SR-MSRB-2021-06) and Release No. 34-94383 (March 9, 2022), 87 FR 14596 (March 15, 2022) (File No. SR-MSRB-2022-01).



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In that filing, the MSRB stated that it would announce an expiration date for the pandemic-related regulatory relief by publication of a notice on MSRB.org.<sup>2</sup>

Today the MSRB is announcing that August 29, 2022, is the expiration of the professional qualifications pandemic-related regulatory relief, as discussed below. As a result, individuals associated with a dealer will have 120 calendar days from August 29, 2022, until December 27, 2022, to satisfy the professional qualification requirements under MSRB Rule G-3(b)(ii) (municipal securities principal); Rule G-3 (b)(iv)(B) (municipal fund securities limited principal); and Rule G-3(c)(ii) (municipal securities sales principal), as applicable. Likewise, registered persons of dealers will have 120 calendar days from August 29, 2022, until December 27, 2022, to complete the requirement under Rule G-3(i)(i)(A) to complete the Regulatory Element portion of continuing education (CE).

## Background

The SEC previously appointed the Financial Industry Regulatory Authority (FINRA) to provide test administration services to the MSRB for the delivery of MSRB-owned professional qualification examinations.<sup>3</sup> FINRA uses Prometric<sup>4</sup> as its sole vendor for the delivery of MSRB-owned professional qualification examinations. In March 2020, Prometric announced that, due to the COVID-19 pandemic, it was temporarily closing all test center locations in the United States and Canada through April 15, 2020.<sup>5</sup> While Prometric test centers have been open since mid-2020, the test centers continued to periodically operate under modified conditions (i.e., limiting test center capacity and occupancy) throughout 2020 and 2021. Additionally, the MSRB recognized that the two variants of COVID-19: Delta and Omicron, caused many individuals, at the height of the pandemic, to be reluctant about in-person testing at a test center.

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<sup>2</sup> The 2020 rule filing discussed other temporary relief from compliance with MSRB rule obligations that has expired by its terms on March 31, 2021.

<sup>3</sup> See, e.g., Release No. 34-75714 (August 17, 2015), 85 FR 50863 (August 21, 2015) (Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors).

<sup>4</sup> Prometric provides technology-enabled testing and assessment solutions to licensing and certification organizations, academic institutions, and government agencies. See <https://www.prometric.com>.

<sup>5</sup> See <https://www.prometric.com/corona-virus-update>.

Given the period of temporary relief, coupled with Prometric fully restoring access to its test centers, thus permitting individuals seeking to take an MSRB-owned professional qualification examination to visit any Prometric test centers in-person to take a principal qualification examination, the MSRB is sunsetting the temporary regulatory relief detailed below.

**End of Pandemic-Related Regulatory Relief Extending Period of Time for Municipal Securities Representatives to Function in a Principal Capacity**  
Under Rule G-3(b)(ii)(D), Rule G-3(b)(iv)(B)(4) and (c)(ii)(D), for the first 120 calendar days after becoming designated as a principal, an individual could function in such capacity without qualifying by examination, so long as the individual qualified in a representative-level capacity for at least 18 months within the five-year period immediately preceding the principal designation. Under Supplementary Materials .06 - .08 of Rule G-3, individuals could, after becoming designated, continue functioning in a principal-level capacity for longer than the first 120 calendar days, without taking and passing the applicable municipal securities principal qualification examination required, pursuant to Rule G-3(b)(ii) (municipal securities principal); Rule G-3 (b)(iv)(B) (municipal fund securities limited principal); and Rule G-3(c)(ii) (municipal securities sales principal), if they met certain conditions.

**End of Pandemic-Related Regulatory Relief from Regulatory Element Continuing Education**

Additionally, this Notice announces the expiration of the pandemic-related regulatory relief from Regulatory Element requirements for registered persons of dealers. Under Supplementary Material .10 of Rule G-3, registered persons who are subject to the Regulatory Element portion of continuing education (CE) have an extension of time to complete such CE requirements. Rule G-3(i)(i)(A) requires registered persons to complete Regulatory Element on the occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by the MSRB. Similarly, as with the expiration of the regulatory relief from qualifying by examination in a principal-level capacity by taking and passing the requisite examination, registered persons of a dealer firm, will have 120 calendar days from the expiration of the pandemic-related regulatory relief to complete any outstanding Regulatory Element.<sup>6</sup>

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<sup>6</sup> See Rule G-3 Supplementary Material .10. This extension of time to complete the Regulatory Element standard was only for purposes of compliance with MSRB Rule G-3(i)(i)(A)(1) and was not intended to provide relief to individuals who may need to complete the Regulatory Element component of continuing education pursuant to the rules of another regulatory authority.

As previously noted, the extension of such professional qualifications pandemic-related regulatory relief addressing principal-level qualification by examination and continuing education expires on August 29, 2022. As a result, as applicable, individuals would have 120 calendar days from that date, or until December 27, 2022, to satisfy the obligations described in the paragraphs above.

The MSRB notes that while certain professional qualifications pandemic-related regulatory relief is expiring on August 29, 2022, other relief remains in place; more specifically, the ability for dealers to continue to conduct office inspections remotely, does not sunset until December 31, 2022. The MSRB will continue to monitor the impact of the ongoing pandemic and work in close coordination with other regulatory and governmental authorities, as needed, to address any additional pandemic related issues that may arise in the future.<sup>7</sup>

Questions about this Notice may be directed to Bri Joiner, Director, Regulatory Compliance at 202-838-1500.

July 25, 2022

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<sup>7</sup> The MSRB intends to make a filing with the SEC to remove references to pandemic-related regulatory relief from its rulebook once all such relief has expired.