

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2022 - * 09

Amendment No. (req. for Amendments *)

Filing by Municipal Securities Rulemaking Board

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		
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Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Amend Rule G-3, on Professional Qualification Requirements, to Delete References to Certain Temporary Regulatory Relief Implemented During the Height of the Coronavirus Disease

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Bri Last Name * Joiner

Title * Director, Regulatory Compliance

E-mail * bjoiner@msrb.org

Telephone * (202) 838-1500 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Municipal Securities Rulemaking Board has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 11/16/2022 (Title *)

By Ronald W. Smith Corporate Secretary
(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

rsmith@msrb.org
rg
Digitally signed by rsmith@msrb.org
Date: 2022.11.16 12:40:38 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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MSRB-2022-09 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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MSRB-2022-09 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

MSRB-2022-09 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² the Municipal Securities Rulemaking Board (“MSRB” or “Board”) is hereby filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend Rule G-3, on professional qualification requirements, to delete references to certain temporary regulatory relief,³ implemented during the height of the coronavirus disease (“COVID-19” or “pandemic”)(the “proposed rule change”).

The MSRB has designated the proposed rule change as constituting a “non-controversial” rule change under Section 19(b)(3)(A)⁴ of the Act and Rule 19b-4(f)(6)⁵ thereunder, which renders the proposed rule change effective upon receipt of this filing by the Commission. The MSRB would have the proposed rule change become operative on December 27, 2022.

(a) The text of the proposed rule change is attached as Exhibit 5. Text proposed to be added is underlined, and text proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Board approved the proposed rule change on June 9, 2022. Questions concerning the filing may be directed to Bri Joiner, Director, Regulatory Compliance or Lisa Wilhelmy, Associate Director, Market Regulation at 202-838-1500.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

In 2020, 2021 and 2022, the MSRB provided temporary regulatory relief to brokers, dealers, and municipal securities dealers (“dealers”) and municipal advisors (collectively

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Release No. 34-88694 (April 20, 2020), 85 FR 23088 (April 24, 2020) (File No. SR-MSRB-2020-01) (the “April 2020 relief”).

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

“regulated entities”) in complying with certain obligations under MSRB rules in light of operational challenges due to the pandemic.⁶ Specifically, with respect to regulatory relief provided from certain professional qualification standards, the MSRB was guided in part by operational concerns related to Prometric Test Centers, the physical facilities used for the MSRB-owned professional qualification examinations.⁷ In March 2020, Prometric announced that, due to the pandemic, it was temporarily closing all test center locations in the United States and Canada through April 15, 2020.⁸

In response to the test center closures and in light of other operational challenges due to the pandemic, such as stay-at-home orders imposed by many states and the vast number of regulated entities operating under business continuity plans, the April 2020 relief extended the time to comply with certain professional qualification obligations, as follows:

- The date by which an individual functioning in the capacity as a principal before passing the applicable MSRB-owned principal qualification examination pursuant to Rule G-3(b)(ii)(D), G-3(b)(iv)(B)(4) and G-3(c)(ii)(D), as applicable, would be extended 120 days from the time that the MSRB announces that Prometric has resumed access to its testing centers; thereby, marking the expiration date of the temporary period.⁹
- The date by which an individual must complete their Regulatory Element component of continuing education training,¹⁰ as required by Rule G-3(i)(i)(A)(1), would be

⁶ See supra note 3. In 2020, 2021 and 2022, the MSRB provided and further extended other COVID-19 related temporary relief to regulated entities for certain compliance obligations under MSRB rules. 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, 2021) (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).

⁷ The Financial Industry Regulatory Authority (“FINRA”) has been designated to provide test administration services to the MSRB for the delivery of MSRB-owned professional qualification examinations. FINRA uses Prometric as its sole vendor for the delivery of MSRB-owned professional qualification examinations. 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).

⁸ See <https://www.prometric.com/corona-virus-update>.

⁹ See Rule G-3, Supplementary Material .10 - .12.

¹⁰ The Regulatory Element component of continuing education is a computer-based training program that focuses on dealer compliance, regulatory, ethical and sales practice

extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers; thereby, marking the expiration date of the temporary period.¹¹

- The date by which certain individuals are required to become qualified with the Municipal Advisor Principal Qualification Examination (“Series 54”) was extended until November 30, 2021. On October 11, 2019, the MSRB announced that a municipal advisor principal, as defined under Rule G-3(e),¹² had a one-year grace period, sunsetting on November 12, 2020, to pass the Series 54.¹³ The MSRB subsequently extended the grace period until March 31, 2021,¹⁴ and further extended it to November 30, 2021.¹⁵ These extensions permitted individuals qualified with the Municipal Advisor Representative Qualification Examination (Series 50) to continue to engage in principal-level activities without passing the Series 54 until November 30, 2021.¹⁶

standards with the content derived from common industry rules and regulations for dealers, as well as widely accepted standards and practices within the industry.

- ¹¹ See Rule G-3, Supplementary Material .14. This extension was only for purposes of compliance with MSRB Rule G-3(i)(i)(A)(1) and was not intended to provide regulatory relief to individuals who needed to complete Regulatory Element pursuant to the rules of another regulatory authority.
- ¹² The term "municipal advisor principal" is defined in Rule G-3(e)(i) to mean a natural person associated with a municipal advisor who is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons. To become qualified as a municipal advisor principal a person must, as a pre-requisite, take and pass the Municipal Advisor Representative Qualification Examination; and take and pass the Municipal Advisor Principal Qualification Examination.
- ¹³ See [MSRB Notice 2019-18](#) (October 21, 2019) announcing the launch of the Series 54 exam, which the SEC had approved on November 20, 2018. See Release No. 34-84630 (November 20, 2018), 80 FR 60927 (November 27, 2018) (File No. SR-MSRB-2018-07).
- ¹⁴ See Release No. 34-90621 (December 9, 2020), 85 FR 81254 (December 15, 2020) (File No. SR-MSRB-2020-09).
- ¹⁵ See Release No. 34-92938 (September 10, 2021), 86 FR 51696 (September 16, 2021) (File No. SR-MSRB-2021-05).
- ¹⁶ See Rule G-3, Supplementary Material .13.

- The Firm Element¹⁷ obligations for calendar year 2020 were deemed satisfied if completed on or before March 31, 2021.¹⁸
- The annual needs analysis and the delivery of continuing education pursuant to Rule G-3(i)(i)(B) and G-3(i)(ii), as applicable, was deemed to have been timely completed for calendar year 2020, provided that the needs analysis and the delivery of continuing education were completed on or before March 31, 2021.¹⁹

These modified obligations were reflected in Supplementary Material to Rule G-3. By their terms, Supplementary Material paragraphs .13, .15 and .16 have expired.²⁰ The MSRB stated in the April 2020 relief that it would announce an end date for the temporary relief provided under Supplementary Material .10 through .12 and .14 by a notice published on its website.²¹

Prometric fully restored access to its test centers, thus permitting individuals seeking to take an MSRB-owned professional qualification examination to visit any Prometric test center in-person to take a principal qualification examination.²² Therefore, on July 25, 2022, the MSRB published a notice (the “2022 Notice”),²³ announcing that the remaining temporary relief under Supplementary Material .10 through .12 under Rule G-3, which provisions provided temporary

¹⁷ The Firm Element component of continuing education is a firm-administered training program that requires all regulated entities to annually evaluate and prioritize their training needs based on a completed needs analysis. A needs analysis generally reflects a firm’s assessment of its unique training needs based on various factors, for example, the business activities the firm and its associated persons engage in, the level of industry experience the firm’s associated persons have and any changes to applicable rules or regulations.

¹⁸ See Rule G-3, Supplementary Material .15.

¹⁹ See Rule G-3, Supplementary Material .16.

²⁰ In an effort to provide regulated entities the opportunity to better manage and allocate resources, the MSRB modified the date by which compliance obligations were due to be completed, under certain MSRB rules, to March 31, 2021.

²¹ See supra note 3. Specifically, the MSRB stated it would publish a notice on its website announcing when Prometric resumes operations in its testing centers so regulated entities are on notice of when the 120-day period begins to toll.

²² While Prometric test centers are now open, regulated entities are reminded that, due to the uncertain nature of the ongoing pandemic, individuals are advised to continue to review Prometric’s website, at <https://www.prometric.com/> for any operational changes that may affect test center access.

²³ See [MSRB Notice 2022-05](#) (July 25, 2022) announcing the end of regulatory relief that extended certain professional qualification requirements due to COVID-19.

relief for persons designated as municipal securities principals, municipal securities limited principals, and/or municipal securities sale principals would expire on August 29, 2022. Accordingly, principals designated under Supplementary Material .10 through .12, who, under the rule provisions, were required to be qualified in a representative capacity with at least 18 months experience functioning as representatives within the preceding five-year period of such principal designation, may continue to do so until December 27, 2022, without taking and passing the appropriate principal qualification examination.

The 2022 Notice also announced that the temporary relief from Regulatory Element requirements for registered persons under Supplementary Material .14 of Rule G-3 would expire on August 29, 2022. Accordingly, persons designated under Supplementary Material .14 who are subject to the Regulatory Element must complete any Regulatory Element required under Rule G-3 (i)(i)(A)(1) within 120 days of August 29, 2022, or by December 27, 2022 — recognizing the stated regulatory relief was not intended to provide regulatory relief to individuals who may need to complete Regulatory Element pursuant to the rule of another regulatory authority; and thereby, may have completed such continuing education requirements.

The MSRB intends to have the proposed rule change become operative on December 27, 2022. This aligns with the provision of allowing 120 days from August 29, 2022, the expiration date of the temporary regulatory relief under Supplementary Material .10 through .12 and .14 under Rule G-3, for individuals to meet their regulatory obligation. Thus, upon the operative date of December 27, 2022, the expired regulatory relief will be deleted from MSRB Rule G-3. The MSRB notes that, while the temporary regulatory relief related to Supplementary Material .10 through .12 and .14 expired on August 29, 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.²⁴

(b) Statutory Basis

Section 15B(b)(2) of the Exchange Act,²⁵ provides that the Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities effected by brokers, dealers, and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers, and municipal advisors.

²⁴ The MSRB notes that while certain professional qualifications pandemic-related regulatory relief expired on August 29, 2022, other relief remains in place; specifically, the ability for dealers to continue to conduct office inspections remotely.

²⁵ 15.U.S.C. 78o-4(b)(2).

Section 15B(b)(2)(C) of the Act²⁶ provides that the MSRB’s rules shall be designed to: prevent fraudulent and manipulative acts and practices; promote just and equitable principles of trade; foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating, transactions in municipal securities and municipal financial products; remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products; and, in general, protect investors, municipal entities, obligated persons, and the public interest.

The proposed rule change to remove outdated references to the regulatory relief that is no longer applicable would ensure that rule provisions are clear, accurate, and streamlined, thereby facilitating compliance and promoting just and equitable principles of trade by clarifying the regulatory obligations of dealers and municipal advisors. The removal of expired and outdated references will promote just and equitable principles of trade by reducing the risk of potential confusion as to the current state of one or more regulatory obligations and ensuring that the existing rule provisions are accurate and understandable by all dealers and municipal advisors.

4. Self-Regulatory Organization’s Statement on Burden on Competition

Section 15B(b)(2)(C) of the Exchange Act requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.²⁷ In fact, the MSRB does not believe that the proposed rule change will have any burden on competition because the proposed rule change would apply equally to all regulated entities by deleting references to certain temporary regulatory relief implemented during the height of the pandemic for all regulated entities. Regulated entities of all size would be equitably and proportionately impacted by the proposed rule change. Therefore, the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.²⁸

Additionally, Section 15B(b)(2)(L)(iv) of the Act requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided

²⁶ 15 U.S.C. 78o-4(b)(2)(C).

²⁷ Id.

²⁸ The Board’s “Policy on the Use of Economic Analysis in MSRB Rulemaking” (“policy”), available at: <https://msrb.org/Rules-and-Interpretations/Economic-Analysis-Policy.aspx>, maintains that proposed rule changes filed for immediate effectiveness under Section 19(b)(3)(A) of the Exchange Act are not subject to the policy. With such filings, the MSRB usually focuses its economic analysis exclusively on the burden of competition to regulated entities. However, the MSRB may include further analysis based upon facts and circumstances if it believes that such analysis may inform the rulemaking process.

that there is robust protection of investors against fraud.²⁹ The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Act in that, while the proposed rule change will affect all municipal advisors, including small municipal advisors, there is no new regulatory burden that results.

5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received on the proposed rule change.

6. Extension of Time Period for Commission Action

The MSRB does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.³⁰

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Exchange Act³¹ and Rule 19b-4(f)(6) thereunder.³² The proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. In addition, the MSRB provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing the proposed rule change, or such shorter time as the Commission may designate, as specified in Rule 19b4(f)(6)(iii) under the Exchange Act.³³

The MSRB requests that the Commission designate the proposed rule change as effective upon filing but delay the operative date of the amendments to December 27, 2022.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

²⁹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

³⁰ 15 U.S.C. 78s(b)(2).

³¹ 15 U.S.C. 78s(b)(3)(A).

³² 17 CFR 240.19b-4(f)(6).

³³ 17 CFR 240.19b-4(f)(6)(iii).

Not applicable.

10. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervisions Act

Not applicable.

11. Exhibits

Exhibit 1 Completed Notice of Proposed Rule Change for Publication in the Federal Register

Exhibit 5 Text of Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-MSRB-2022-09)
Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule G-3, on Professional Qualification Requirements, to Delete References to Certain Temporary Regulatory Relief Implemented During the Height of the Coronavirus Disease

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____ the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change to amend Rule G-3, on professional qualification requirements, to delete references to certain temporary regulatory relief,³ implemented during the height of the coronavirus disease (“COVID-19” or “pandemic”) (the “proposed rule change”).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Release No. 34-88694 (April 20, 2020), 85 FR 23088 (April 24, 2020) (File No. SR-MSRB-2020-01) (the “April 2020 relief”).

The MSRB has designated the proposed rule change as constituting a “non-controversial” rule change under Section 19(b)(3)(A)⁴ of the Act and Rule 19b-4(f)(6)⁵ thereunder, which renders the proposed rule change effective upon receipt of this filing by the Commission. The MSRB would have the proposed rule change become operative on December 27, 2022.

The text of the proposed rule change is available on the MSRB’s website at <https://msrb.org/2022-SEC-Filings>, at the MSRB’s principal office, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In 2020, 2021 and 2022, the MSRB provided temporary regulatory relief to brokers, dealers, and municipal securities dealers (“dealers”) and municipal advisors (collectively “regulated entities”) in complying with certain obligations under MSRB rules in light of

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

operational challenges due to the pandemic.⁶ Specifically, with respect to regulatory relief provided from certain professional qualification standards, the MSRB was guided in part by operational concerns related to Prometric Test Centers, the physical facilities used for the MSRB-owned professional qualification examinations.⁷ In March 2020, Prometric announced that, due to the pandemic, it was temporarily closing all test center locations in the United States and Canada through April 15, 2020.⁸

In response to the test center closures and in light of other operational challenges due to the pandemic, such as stay-at-home orders imposed by many states and the vast number of regulated entities operating under business continuity plans, the April 2020 relief extended the time to comply with certain professional qualification obligations, as follows:

- The date by which an individual functioning in the capacity as a principal before passing the applicable MSRB-owned principal qualification examination pursuant to Rule G-3(b)(ii)(D), G-3(b)(iv)(B)(4) and G-3(c)(ii)(D), as applicable, would be extended 120

⁶ See supra note 3. In 2020, 2021 and 2022, the MSRB provided and further extended other COVID-19 related temporary relief to regulated entities for certain compliance obligations under MSRB rules. 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, 2021) (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).

⁷ The Financial Industry Regulatory Authority (“FINRA”) has been designated to provide test administration services to the MSRB for the delivery of MSRB-owned professional qualification examinations. FINRA uses Prometric as its sole vendor for the delivery of MSRB-owned professional qualification examinations. 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).

⁸ See <https://www.prometric.com/corona-virus-update>.

days from the time that the MSRB announces that Prometric has resumed access to its testing centers; thereby, marking the expiration date of the temporary period.⁹

- The date by which an individual must complete their Regulatory Element component of continuing education training,¹⁰ as required by Rule G-3(i)(i)(A)(1), would be extended 120 days from the time the MSRB announces that Prometric has resumed access to its testing centers; thereby, marking the expiration date of the temporary period.¹¹
- The date by which certain individuals are required to become qualified with the Municipal Advisor Principal Qualification Examination (“Series 54”) was extended until November 30, 2021. On October 11, 2019, the MSRB announced that a municipal advisor principal, as defined under Rule G-3(e),¹² had a one-year grace period, sunsetting on November 12, 2020, to pass the Series 54.¹³ The MSRB subsequently

⁹ See Rule G-3, Supplementary Material .10 - .12.

¹⁰ The Regulatory Element component of continuing education is a computer-based training program that focuses on dealer compliance, regulatory, ethical and sales practice standards with the content derived from common industry rules and regulations for dealers, as well as widely accepted standards and practices within the industry.

¹¹ See Rule G-3, Supplementary Material .14. This extension was only for purposes of compliance with MSRB Rule G-3(i)(i)(A)(1) and was not intended to provide regulatory relief to individuals who needed to complete Regulatory Element pursuant to the rules of another regulatory authority.

¹² The term "municipal advisor principal" is defined in Rule G-3(e)(i) to mean a natural person associated with a municipal advisor who is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor and its associated persons. To become qualified as a municipal advisor principal a person must, as a pre-requisite, take and pass the Municipal Advisor Representative Qualification Examination; and take and pass the Municipal Advisor Principal Qualification Examination.

¹³ See [MSRB Notice 2019-18](#) (October 21, 2019) announcing the launch of the Series 54 exam, which the SEC had approved on November 20, 2018. See Release No. 34-84630

extended the grace period until March 31, 2021,¹⁴ and further extended it to November 30, 2021.¹⁵ These extensions permitted individuals qualified with the Municipal Advisor Representative Qualification Examination (Series 50) to continue to engage in principal-level activities without passing the Series 54 until November 30, 2021.¹⁶

- The Firm Element¹⁷ obligations for calendar year 2020 were deemed satisfied if completed on or before March 31, 2021.¹⁸
- The annual needs analysis and the delivery of continuing education pursuant to Rule G-3(i)(i)(B) and G-3(i)(ii), as applicable, was deemed to have been timely completed for calendar year 2020, provided that the needs analysis and the delivery of continuing education were completed on or before March 31, 2021.¹⁹

(November 20, 2018), 80 FR 60927 (November 27, 2018) (File No. SR-MSRB-2018-07).

¹⁴ See Release No. 34-90621 (December 9, 2020), 85 FR 81254 (December 15, 2020) (File No. SR-MSRB-2020-09).

¹⁵ See Release No. 34-92938 (September 10, 2021), 86 FR 51696 (September 16, 2021) (File No. SR-MSRB-2021-05).

¹⁶ See Rule G-3, Supplementary Material .13.

¹⁷ The Firm Element component of continuing education is a firm-administered training program that requires all regulated entities to annually evaluate and prioritize their training needs based on a completed needs analysis. A needs analysis generally reflects a firm's assessment of its unique training needs based on various factors, for example, the business activities the firm and its associated persons engage in, the level of industry experience the firm's associated persons have and any changes to applicable rules or regulations.

¹⁸ See Rule G-3, Supplementary Material .15.

¹⁹ See Rule G-3, Supplementary Material .16.

These modified obligations were reflected in Supplementary Material to Rule G-3. By their terms, Supplementary Material paragraphs .13, .15 and .16 have expired.²⁰ The MSRB stated in the April 2020 relief that it would announce an end date for the temporary relief provided under Supplementary Material .10 through .12 and .14 by a notice published on its website.²¹

Prometric fully restored access to its test centers, thus permitting individuals seeking to take an MSRB-owned professional qualification examination to visit any Prometric test center in-person to take a principal qualification examination.²² Therefore, on July 25, 2022, the MSRB published a notice (the “2022 Notice”),²³ announcing that the remaining temporary relief under Supplementary Material .10 through .12 under Rule G-3, which provisions provided temporary relief for persons designated as municipal securities principals, municipal securities limited principals, and/or municipal securities sale principals would expire on August 29, 2022. Accordingly, principals designated under Supplementary Material .10 through .12, who, under the rule provisions, were required to be qualified in a representative capacity with at least 18 months experience functioning as representatives within the preceding five-year period of such

²⁰ In an effort to provide regulated entities the opportunity to better manage and allocate resources, the MSRB modified the date by which compliance obligations were due to be completed, under certain MSRB rules, to March 31, 2021.

²¹ See supra note 3. Specifically, the MSRB stated it would publish a notice on its website announcing when Prometric resumes operations in its testing centers so regulated entities are on notice of when the 120-day period begins to toll.

²² While Prometric test centers are now open, regulated entities are reminded that, due to the uncertain nature of the ongoing pandemic, individuals are advised to continue to review Prometric’s website, at <https://www.prometric.com/> for any operational changes that may affect test center access.

²³ See MSRB Notice 2022-05 (July 25, 2022) announcing the end of regulatory relief that extended certain professional qualification requirements due to COVID-19.

principal designation, may continue to do so until December 27, 2022, without taking and passing the appropriate principal qualification examination.

The 2022 Notice also announced that the temporary relief from Regulatory Element requirements for registered persons under Supplementary Material .14 of Rule G-3 would expire on August 29, 2022. Accordingly, persons designated under Supplementary Material .14 who are subject to the Regulatory Element must complete any Regulatory Element required under Rule G-3 (i)(i)(A)(1) within 120 days of August 29, 2022, or by December 27, 2022 — recognizing the stated regulatory relief was not intended to provide regulatory relief to individuals who may need to complete Regulatory Element pursuant to the rule of another regulatory authority; and thereby, may have completed such continuing education requirements.

The MSRB intends to have the proposed rule change become operative on December 27, 2022. This aligns with the provision of allowing 120 days from August 29, 2022, the expiration date of the temporary regulatory relief under Supplementary Material .10 through .12 and .14 under Rule G-3, for individuals to meet their regulatory obligation. Thus, upon the operative date of December 27, 2022, the expired regulatory relief will be deleted from MSRB Rule G-3. The MSRB notes that, while the temporary regulatory relief related to Supplementary Material .10 through .12 and .14 expired on August 29, 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.²⁴

2. Statutory Basis

²⁴ The MSRB notes that while certain professional qualifications pandemic-related regulatory relief expired on August 29, 2022, other relief remains in place; specifically, the ability for dealers to continue to conduct office inspections remotely.

Section 15B(b)(2) of the Exchange Act,²⁵ provides that the Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities effected by brokers, dealers, and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers, and municipal advisors.

Section 15B(b)(2)(C) of the Act²⁶ provides that the MSRB's rules shall be designed to: prevent fraudulent and manipulative acts and practices; promote just and equitable principles of trade; foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating, transactions in municipal securities and municipal financial products; remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products; and, in general, protect investors, municipal entities, obligated persons, and the public interest.

The proposed rule change to remove outdated references to the regulatory relief that is no longer applicable would ensure that rule provisions are clear, accurate, and streamlined, thereby facilitating compliance and promoting just and equitable principles of trade by clarifying the regulatory obligations of dealers and municipal advisors. The removal of expired and outdated references will promote just and equitable principles of trade by reducing the risk of potential confusion as to the current state of one or more regulatory obligations and ensuring that the existing rule provisions are accurate and understandable by all dealers and municipal advisors.

²⁵ 15.U.S.C. 78o-4(b)(2).

²⁶ 15 U.S.C. 78o-4(b)(2)(C).

B. Self-Regulatory Organization’s Statement on Burden on Competition

Section 15B(b)(2)(C) of the Exchange Act requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.²⁷ In fact, the MSRB does not believe that the proposed rule change will have any burden on competition because the proposed rule change would apply equally to all regulated entities by deleting references to certain temporary regulatory relief implemented during the height of the pandemic for all regulated entities. Regulated entities of all size would be equitably and proportionately impacted by the proposed rule change. Therefore, the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.²⁸

Additionally, Section 15B(b)(2)(L)(iv) of the Act requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.²⁹ The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Act in that, while the proposed rule

²⁷ Id.

²⁸ The Board’s “Policy on the Use of Economic Analysis in MSRB Rulemaking” (“policy”), available at: <https://msrb.org/Rules-and-Interpretations/Economic-Analysis-Policy.aspx>, maintains that proposed rule changes filed for immediate effectiveness under Section 19(b)(3)(A) of the Exchange Act are not subject to the policy. With such filings, the MSRB usually focuses its economic analysis exclusively on the burden of competition to regulated entities. However, the MSRB may include further analysis based upon facts and circumstances if it believes that such analysis may inform the rulemaking process.

²⁹ 15 U.S.C. 78o-4(b)(2)(L)(iv).

change will affect all municipal advisors, including small municipal advisors, there is no new regulatory burden that results.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act³⁰ and Rule 19b-4(f)(6)³¹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-MSRB-2022-

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f)(6).

09 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-MSRB-2022-09. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2022-09 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.³²

Secretary

³² 17 CFR 200.30-3(a)(12).

Rule G-3: Professional Qualification Requirements

(a)-(i) No change.

Supplementary Material

.01 - .09 No change.

[.10 Temporary Relief for Municipal Securities Principal. For a temporary period, notwithstanding the requirements of (b)(ii)(D), the requirements of (b)(ii)(A) shall not apply to any person designated a municipal securities principal who is qualified as a municipal securities representative or general securities representative with at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal, provided however that each such person shall be required to take and pass the professional qualification examination required under (b)(ii)(A) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.]

[.11 Temporary Relief for Municipal Securities Limited Principal. For a temporary period, notwithstanding the requirements of (b)(iv)(B)(4), the requirements of (b)(iv)(B)(1) and (b)(iv)(B)(2) shall not apply to any person designated a municipal fund securities limited principal who is qualified as a general securities representative or investment company/variable contracts limited representative, provided that such qualified representative has at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal or investment company/variable contracts limited principal, provided however that each such person shall be required to take and pass the qualification examination required under (b)(iv)(B)(1) and satisfy the professional qualification standards of (b)(iv)(B)(2) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.]

[.12 Temporary Relief for Municipal Securities Sales Principal. For a temporary period, notwithstanding the requirements of (c)(ii)(D), the requirements of (c)(ii)(A) shall not apply to any person designated a municipal securities sales principal who is qualified as a municipal securities representative or general securities representative, provided that such qualified representative has at least 18 months of experience functioning as a representative within the five-year period immediately preceding the principal designation, or as a general securities principal, provided however that each such person shall be required to take and pass the qualification examination required under (c)(ii)(A) within 120 days of the expiration date of the temporary period, which the MSRB will publicly announce on its website.]

[.13 Temporary Relief for Municipal Advisor Principal. Notwithstanding the requirements of subsection (e)(ii)(A)(2) of this rule, any person who is qualified as a municipal advisor representative pursuant to subsection (d)(ii)(A) of this rule may be designated a municipal advisor principal, as that term is defined under subsection (e)(i) of this rule, provided however

that each such person shall be required to take and pass the Municipal Advisor Principal Qualification Examination on or before November 30, 2021.]

[.14 Temporary Relief for Regulatory Element Standards. For a temporary period, notwithstanding the requirements of (i)(i)(A)(1), each broker, dealer or municipal securities dealer may permit any registered person to continue to, and the registered person is permitted to continue to, perform duties as a registered person without completing the requisite Regulatory Element provided that such registered person completes any Regulatory Element required under (i)(i)(A)(1) within 120 days of the MSRB publicly announcing the expiration date of the temporary period.]

[.15 Temporary Relief for Firm Element Standards. Each broker, dealer or municipal securities dealer shall be deemed to have satisfied its Firm Element obligations for calendar year 2020 if the Firm Element standards under of (i)(i)(B)(2) are completed on or before March 31, 2021.]

[.16 Temporary Relief for Municipal Advisor Continuing Education Requirements. Each municipal advisor shall be deemed to have satisfied its Continuing Education obligations for calendar year 2020 if the standards under subsection (i)(ii)(B) of this rule are completed on or before March 31, 2021.]