NATIONAL ASSOCIATION OF MUNICIPAL ADVISORS

January 30, 2023

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, NW. Suite 1100
Washington, DC. 20005

RE: MSRB Notice 2022-13, Draft Amendments to Create an Exemption for Municipal Advisor Representatives from Requalification by Examination

Dear Mr. Smith:

The National Association of Municipal Advisors (NAMA) appreciates the opportunity to comment on MSRB Notice 2022-13, **Draft Amendments to Create an Exemption for Municipal Advisor Representatives from Requalification by Examination**.

NAMA represents independent municipal advisory firms and individual municipal advisors (MAs) from across the country and is dedicated to educating and representing its members on regulatory, industry and market issues.

NAMA is supportive of the proposed amendments to Rule A-3 and believe they will achieve the MSRB's goals to allow professionals greater flexibility with their MA status and alleviate the MSRB of conducting the waiver process. Our comments below to the questions posed in the Notice reflect our support.

While NAMA supports the proposed amendments, we recommend that the MSRB develop, with industry input and comment, guidance that can further discuss the definitions and application of the proposed amendments. Such guidance would be very helpful and prevent MAs from having to undertake greater legal assistance to interpret the Rule. One area in particular that we highlight in our answers is how the amended Rule would apply to an individual MA who may establish their own firm or reestablish their former solo practitioner firm while utilizing the exemption. Guidance should also address the timing of how all of this would fall into place – completing applicable FINRA Forms (e.g., U-10), utilizing the Series 50 exemption, having to retake the Series 54 exam or using a Series 54 exemption (if developed), developing WSPs, submitting applicable MA and MA-I forms with the SEC, and other MSRB rules that have implications if the amendments are approved (e.g., Rule G-37).

Further, this Notice brings forward an opportunity to have the MSRB better explain and provide resources for how an MA not yet associated with a firm can first take the Series 50 exam, and per this Notice, reenter the MA profession all before formally joining an MA firm and completing the necessary forms for this process. Over the years, there has been back and forth on this issue and while addressed in #17 of the *FAQs on Municipal Advisor Professional Qualification and Examination Requirements*, it would be very helpful if the MSRB developed a one-page resource or guidance, to assist those who may be starting their MA career or reentering the profession.

1. Should a one-time, criteria based exemption from the requirement that an individual requalify as a municipal advisor representative after two years by retaking and passing the Series 50 exam be available to individuals?

Yes. NAMA supports allowing MAs to utilize a one-time exemption from requalifying if certain criteria are met (as described in the Notice).

2. Are the criteria to exempt to exempt individuals from the requirement to requalify as a MA representative appropriate criteria?

Yes. NAMA supports the criteria specified in the Notice. The MSRB, however should develop guidance on how the requirements can generally be met, and when an individual establishes/reestablishes their own firm and utilizes this exemption. Additionally, we suggest that the MSRB provide clarification to Section (h)(11)(F) of the amended Rule that the CE requirements to be completed must reflect the time away from the business and adhere to their new firm's CE requirements. An example, for example – *If the individual was away from the MA profession for 2 years and joined a firm with an annual 12CE requirement, the individual must acquire 24 CE.*

Further, we interpret this requirement as meaning that the individual would have to accommodate the CE hours/requirements missed, not the specific courses that the firm may have prescribed during the time. The Rule needs greater clarity to the CE requirements and should also address what is required to meet the annual G-42 training requirements under the current Rule and proposed requirements. For instance, how would a firm (including a solo practitioner firm) administer the G-42 annual training requirement when an individual is absent for many years – can it be a one-time refresher, or does the G-42 training need to reflect the numbers of years absent from the profession?

3. Would the draft amendments, on balance, achieve the objectives of providing greater flexibility and certainty for firms with respect to the requalification process under Rule G-3? Would the draft amendments be beneficial to municipal advisors in assessing the hiring of personnel? If not, how might the MSRB better achieve these objectives while still ensuring that individuals seeking to engage in municipal advisory activities meet the prescribed standards of training, experience, and competence?

The draft amendments display the criteria needed so that both the individual and firm would be aware of the requirements necessary to have the individual reengage in the profession. One area that needs clarification is under (h)(11)(F) noting how "upon associating with a municipal advisor" is defined. Additionally, the MSRB should develop applicable guidance as to how the amendments are applied when an individual establishes/reestablishes their own firm, including how the process would be documented and fulfilled.

4. Is the three-year minimum qualification requirement to be eligible for the draft exemption reasonable? If not, what are more appropriate time frames and why?

Placing the requirement in the Rule that an individual must have been a practicing MA for three consecutive years prior to their absence in order to be eligible for the draft exemption, is appropriate. The MSRB should develop guidance on how to comply with this requirement.

5. Should the requisite continuing education training for an individual seeking to have an exemption be more prescriptive? If so, please provide suggestions.

The premise for the proposed CE requirements is appropriate. However, as we comment above, guidance as to how the CE requirements would need to be met and examples to accompany the changes are needed to facilitate full understanding of the CE requirement. There should also be discussion on how an individual when establishing/reestablishing a firm and utilizing the exemption would meet CE requirements that have not existed and do not exist.

6. Is the three-year period to allow an individual to be eligible for the draft exemption the appropriate amount of time to balance issuer protection with promoting greater flexibility in hiring practices? If not, how can issuer protections be enhanced?

NAMA agrees with the proposed amendments that an individual may be away from the MA business for no longer than three years for the exemption to apply.

7. Do the draft amendments concerning a municipal advisor's obligation to provide an Affirmation Notice to the MSRB that an individual associating with the firm meets the criteria for the draft exemption present any undue burdens or challenges?

NAMA does not object to the Affirmation Notice requirement. However, the MSRB should be specific about how such Notice would be completed including by an individual who also self supervises.

8. How would the draft amendments benefit or burden market participants, particularly in terms of market competition, market efficiency, compliance burdens, or issuer protection?

NAMA does not think that there are burdens, but rather benefits for MAs with the proposed exemption. However, there could be burdens on MAs if the amendments and corresponding guidance are not clear. Guidance – that is discussed with marketplace participants and allows for public comment – is essential, especially to include how to comply when an individual establishes/reestablishes their own firm.

9. Do the criteria for the draft exemption effectively balance affording greater flexibility to municipal advisors in their hiring process while balancing issuer protection?

The exemption provides balance and flexibility to municipal advisors while maintaining integrity for issuer protections and MA hiring processes.

10. Are there studies or data available to assist the MSRB in quantifying the benefits and burdens of the draft amendments? Are the burdens of the draft amendments appropriately outweighed by the benefits?

The amendments provide benefits over burdens.

11. What are the likely direct and indirect costs associated with the draft amendments? Who might be affected by these costs and in what way? Is there data on these costs that the MSRB should consider?

Generally, NAMA cannot identify overall burdening costs associated with the amendments. However, there could be burdens if the amendments are not clear, and guidance is not developed to help MAs best understand and know how to comply with the Rule. This would be especially true for single practitioner firms.

12. Would the draft amendments reduce a burden on small municipal advisors or result in a disproportionate and/or undue burden for small municipal advisors? If so, do commenters have any suggestions to address these burdens while still promoting the objectives of the draft amendments?

We do call into question the burdens on small and single practitioner firms that could accompany the new amendments. Without greater clarification, there could be unnecessary burdens and costs associated with implementation and compliance with the Rule. This is especially true for those individuals who may want to establish their own firm while utilizing the exemption. We strongly request that the MSRB engage in discussing with market participants and developing guidance on the application of the amendments and include how they will apply especially when an individual establishes/reestablishes their own firm.

13. Would the draft amendments reduce a burden on minority and women- owned business enterprise (MWBE), veteran-owned small business enterprise (VOSB) or other special designation municipal advisor firms or would the draft amendments result in a disproportionate and/or undue burden? If so, do commenters have any suggestions to address these burdens while still promoting the objectives of the draft amendments?

We cannot identify any burdens that would specifically apply to MWBE, VOSB or other special designated firms.

14. Would the draft amendments create any undue compliance burdens unique to minority and women-owned business enterprise (MWBE), veteran-owned business enterprise (VBE), or other special designation firms? If so, please provide suggestions on how to alleviate any undue burden or impact.

We cannot identify any compliance burdens that would specifically apply to MWBE, VOSB or other special designated firms.

15. Are there any other potential considerations the MSRB should be aware of related to the draft amendments, or the exemption process outlined in Rule G-3? For example, should the MSRB consider a like exemption that would allow individuals seeking to act in the capacity of a municipal advisor principal the ability to reassociate with a municipal advisor firm without having to requalify by examination after a lapse of qualification? If so, what conditions should be imposed on someone wanting to avail themselves of an exemption and not have to requalify by taking and passing the Series 54 examination?

It is difficult to see how the exemption to the Series 50 requirements would work well without also allowing the Series 54 requirements to have a similar exemption. NAMA supports allowing an MA who

had previously held a principal status to be able to apply an exemption, with corresponding requirements, if they had been away from practicing and serving as a principal MA for up to three years. This would be especially helpful in the case of a solo practitioner who wishes to utilize the Series 50 exemption and be able to retain their principal status in order to begin their practice within the required time frame and meet other requirements. If the Series 54 receives an exemption or not, the MSRB should discuss with market participants and develop guidance on how the sequence of events would work to practically meet the Series 50 and Series 54 exemption requirements.

Additionally, we want to reiterate input you will receive from other organizations. For those municipal advisors who also serve in additional capacities where FINRA qualification rules apply, the MSRB should work to ensure that the changes to Rule G-3 sync well with the applicable FINRA rules.

We support the amendments and appreciate the opportunity to comment. However, we strongly suggest that the MSRB engage in further conversation and develop resources – with input from the community – about how the Amendments will work in practice especially for individuals wishing to establish/reestablish their own firm and utilize the exemption.

Sincerely,

Susan Gaffney
Executive Director

January 30, 2023

VIA ELECTRONIC SUBMISSION

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Re: MSRB Notice 2022-13 – Request for Comment on Draft Amendments to Create an Exemption for Municipal Advisor Representatives from Requalification by Examination

Dear Mr. Smith,

The Securities Industry and Financial Markets Association ("SIFMA")[1] appreciates this opportunity to provide input on the Municipal Securities Rulemaking Board's ("MSRB's") Request for Comment on Draft Amendments to Create an Exemption for Municipal Advisor Representatives from Requalification by Examination (the "Notice").[2] Overall, SIFMA appreciates the MSRB's goal to provide greater flexibility for individuals seeking to requalify after having stepped away from the municipal securities market and their role as a regulated municipal advisor for a period of time. SIFMA asks that the MSRB consider our comments below suggesting additional clarifications in furtherance of this goal.

I. Relief Should Be Harmonized with FINRA Rules

SIFMA members appreciate the goal of the proposed amendments to allow for registered professionals to be able to step away from the industry for a time and requalify without examination. This exemption is beneficial for firms to retain talent and beneficial for professionals who may want to spend a few years in an unregulated role or otherwise away from the industry. We agree that the flexibility these proposed changes provide supports diversity, equity and inclusion efforts in the municipal securities market by easing barriers to re-entry for

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

[2] MSRB Notice 2022-13 (December 1, 2022).

individuals who have stepped away from a regulated role for family needs, educational pursuits, or other employment.

SIFMA members, however, do believe strongly that these amendments should be harmonized with the recent changes to Rule G-3[3] covering broker dealers. Further, SIFMA members feel that Rule G-3 should be harmonized in this area with FINRA Rules 1210 and 1240 and the FINRA Maintaining Qualifications Program. There are many individuals that hold multiple registrations who are qualified as a broker dealer and broker dealer principal as well as a municipal advisor and municipal advisor principal. We feel having two completely different sets of rules for municipal advisors and broker dealers, in this instance, is unduly complicated, expensive, and burdensome both for firms and individuals seeking to requalify. For these reasons, SIFMA members do not feel it is necessary to have a different requalification process for municipal advisors and broker dealers, but instead seek to have the process be uniform to reduce the regulatory burden and increase the likelihood of compliance.

Additionally, the differing continuing education requirements for municipal advisors and broker dealers seeking to requalify should be further reviewed, as merely completing the prior 3 years of a municipal advisor's new firm's continuing education upon return to the industry may in practice be repetitive or create confusion due to outdated information.

II. Relief Should be Extended to Municipal Advisor Principals

SIFMA believes that this relief for municipal advisors should be extended to municipal advisor principals, as the relief for registered broker dealers also covers broker dealer principals. Consistency across rule sets, whenever possible, aids in compliance as well as reduces costs and regulatory risks. We do not agree that a municipal advisor's role as a fiduciary should preclude similar treatment or require more limited relief. All regulated persons in municipal securities have specific roles, duties and obligations that must be known and fulfilled. Whether an individual is a fiduciary or not doesn't change the amount of required industry knowledge, but merely requires an acknowledgement and understanding of that role.

III. Compliance Resources on Professional Qualifications Would Be Helpful

SIFMA members feel that over time, the license requirements to become a regulated individual in the municipal securities industry have become increasingly complicated, as have the rules regarding continuing education and requalification, when applicable. We ask that the MSRB consider compliance resources in this area, to aid individuals and firms seeking to comply with the rules.

* * *

Thank you for considering SIFMA's comments. Overall, SIFMA appreciates the MSRB's goals of these proposed amendments to Rule G-3 to create greater flexibility for those who have stepped away from being a municipal advisor for a period of time and seek to requalify. SIFMA

[3] 87 Fed. Reg. 56137 (Sept. 13, 2022).

asks that the MSRB consider our comments in furtherance of these goals. If a fuller discussion of our comments would be helpful, I can be reached at (212) 313-1130 or lnorwood@sifma.org.

Sincerely,

Leslie M. Norwood
Managing Director
and Associate General Counsel

cc: ***Municipal Securities Rulemaking Board***
Bri Joiner, Director, Regulatory Compliance
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December 29, 2022

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Dear Mr. Smith:

We are writing in response to the MSRB's Request for Comment described in Notice 2022-13 regarding an exemption for Municipal Advisor Representatives from requalification by examination. Wulff, Hansen & Co. is a registered municipal advisor, broker/dealer, and investment advisor.

The MSRB asks a number of questions in the Notice, some of which are addressed below:

1. *Should a one-time, criteria-based exemption from the requirement that an individual requalify as a municipal advisor representative after two years by retaking and passing the Series 50 exam be available to individuals?*
Yes; this is appropriate and does not put issuers at risk.

2. Are the criteria to exempt individuals from the requirement to requalify as a municipal advisor representative the appropriate criteria? If not, what other criteria should the MSRB consider?

We believe that most of the criteria are appropriate and reasonable, except the one requiring the individual to have refrained from providing municipal advice during the period. This would unfairly penalize persons whose occupation during the period allowed them to provide such advice using one of the available exemptions from the registration requirements. For example, we fail to see why a person whose career led her to join an underwriting firm, where her work had allowed her to provide advice using the underwriter exemption, should not be eligible for the exemption. Another person, who left a municipal advisory firm to accept a position with a government where he provided advice using the municipal entity exemption, would also be illogically denied use of the exemption. The same would apply to an attorney who did bond counsel work after leaving an advisory firm and then wished to return.

3. Would the draft amendments, on balance, achieve the objectives of providing greater flexibility and certainty for firms with respect to the requalification process under Rule G-3? Would the draft amendments be beneficial to municipal advisors in assessing the hiring of personnel? If not, how might the MSRB better achieve these objectives while still ensuring that individuals seeking to engage in municipal advisory activities meet the prescribed standards of training, experience, and competence?

The amendments would provide greater flexibility and certainty, but we would suggest retaining the ability for MSRB to grant a waiver for persons in highly exceptional circumstances who did not qualify for the exemption. Such waivers would presumably be very rare, but retaining the ability to grant one would be useful. An example of appropriate circumstances for a waiver might be a person who left a municipal advisor for four years to work for a regulator of municipal advisors and then wished to return to the industry.

4. Is the three-year minimum qualification requirement to be eligible for the draft exemption reasonable? If not, what are more appropriate time frames and why?

Yes, three years seems appropriate.

5. Should the requisite continuing education training for an individual seeking to have an exemption be more prescriptive? If so, please provide suggestions.

Given that each firm's CE is tailored to its particular business, the requirement should definitely not be more prescriptive.

6. Is the three-year period to allow an individual to be eligible for the draft exemption the appropriate amount of time to balance issuer protection with promoting greater flexibility in hiring practices? If not, how can issuer protections be enhanced?

Three years seems a reasonable and appropriate period of time.

7. Do the draft amendments concerning a municipal advisor's obligation to provide an Affirmation Notice to the MSRB that an individual associating with the firm meets the criteria for the draft exemption present any undue burdens or challenges?

Assuming that MSRB provides firms with guidance as to reasonable expectations for how dirms should document the facts underlying the Affirmation, it should not be unduly burdensome.

8. How would the draft amendments benefit or burden market participants, particularly in terms of market competition, market efficiency, compliance burdens, or issuer protection?

They would simplify the ability of persons to move in and out of the municipal advisory business, thus increasing the supply of potential advisor respresentatives, which in turn should benefit both the industry and its issuer customers.

9. Do the criteria for the draft exemption effectively balance affording greater flexibility to municipal advisors in their hiring process while balancing issuer protection?

Yes.

10. Are there studies or data available to assist the MSRB in quantifying the benefits and burdens of the draft amendments? Are the burdens of the draft amendments appropriately outweighed by the benefits?

We are not aware of such studies or data.

11. What are the likely direct and indirect costs associated with the draft amendments? Who might be affected by these costs and in what way? Is there data on these costs that the MSRB should consider?

We do not believe the amendments would increase anyone's costs in material way compared with the current regime.

12. Would the draft amendments reduce a burden on small municipal advisors or result in a disproportionate and/or undue burden for small municipal advisors? If so, do commenters have any suggestions to address these burdens while still promoting the objectives of the draft amendments?

As a small municipal advisor, we do not believe that the proposal would increase our costs.

13. Would the draft amendments reduce a burden on minority and women-owned business enterprise (MWBE), veteran-owned small business enterprise (VOSB) or other special designation municipal advisor firms or would the draft amendments result in a disproportionate and/or undue burden? If so, do commenters have any suggestions to address these burdens while still promoting the objectives of the draft amendments?

We cannot see why the amendments would reduce burdens or increase costs for such firms.

14. Would the draft amendments create any undue compliance burdens unique to minority and women-owned business enterprise (MWBE), veteran-owned business enterprise (VBE), or other special designation firms? If so, please provide suggestions on how to alleviate any undue burden or impact.

We cannot see why the amendments would create or reduce burdens or increase costs for such firms.

15. Are there any other potential considerations the MSRB should be aware of related to the draft amendments, or the exemption process outlined in Rule G-3? For example, should the MSRB consider a like exemption that would allow individuals seeking to act in the capacity of a municipal advisor principal the ability to reassociate with a municipal advisor firm without having to requalify by examination after a lapse of qualification? If so, what conditions should be imposed on someone wanting to avail themselves of an exemption and not have to requalify by taking and passing the Series 54 examination?

We would strongly support a similar exemption applying to municipal advisor principals.

Thank you for the opportunity to comment on this proposal.

Very truly yours,

Chris Charles
President