

# Washington Update



## MSRB RELEASES CONTENT OUTLINE FOR FIRST MUNICIPAL ADVISOR PROFESSIONAL QUALIFICATION EXAM

The Municipal Securities Rulemaking Board has released the content outline for the first qualifying examination for individuals who provide municipal advisory services to state and local governments. The outline includes the topics that will be covered on the exam, sample questions and a list of reference materials to assist municipal advisor professionals in preparing for the Municipal Advisor Representative Qualification Examination, which will be introduced as a pilot later this year. For the first time, municipal advisors will be required by a regulatory organization to demonstrate competence in their field. MSRB Executive Director Lynnette Kelly noted:

“Requiring municipal advisor professionals to demonstrate a minimum level of knowledge of the business and applicable rules will help ensure that state and local governments are advised on municipal bond transactions and financial products by qualified advisors.”

All municipal advisor representatives and principals will be required to pass the new exam, called the Series 50 examination, within one year of its launch. The MSRB expects to launch the permanent exam in 2016, which will cover the roles and responsibilities of municipal advisor professionals as well as the rules governing their activities. The Dodd-Frank Wall Street Reform and Consumer Protection Act tasked the MSRB with developing professional standards as part of a comprehensive regulatory framework for municipal advisors.

The content outline for the Municipal Advisor exam can be found at [www.msrb.org/msrb1/pdfs/Series-50-Content-Outline.pdf](http://www.msrb.org/msrb1/pdfs/Series-50-Content-Outline.pdf).

## SEC COMMISSIONER PIWOWAR COMMENTS ON MCDC AND COMPLEXITY IN THE MUNI MARKET

Speaking on behalf of the U.S. Securities and Exchange Commission at the University of South Carolina and UNC-Charlotte’s 4th Annual Fixed Income Conference last Tuesday, Commissioner Michael Piowar commented extensively on various aspects of the municipal market.



In his remarks to the group on current SEC initiatives, Piwowar noted that he continues to meet with various market participants to discuss issues related to instrument complexity in the municipal securities market. He went on to say:

“...the high degree of complexity seen in many municipal bond offerings puzzles me. At a time when liquidity and standardization in the fixed income markets generally are frequent topics of conversation, we must keep questioning whether the complex nature of many municipal bonds is truly in the best interests of issuers and investors.”

Commissioner Piwowar then addressed a very recent program, the SEC’s Municipalities Continuing Disclosure Cooperation Initiative (MCDC). Noting that the MCDC is an evolving situation, he said:

“The MCDC Initiative’s goal is to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents. The Commission received a number of voluntary submissions from both issuers and underwriters in response to this program, and it is my understanding that there will be settlements stemming from the MCDC Initiative in the near future. More importantly, however, we are already seeing the fruits of the MCDC Initiative in the area of improved disclosure. The MSRB has recently seen an uptick in submissions of continuing disclosures on its Electronic Municipal Market Access (EMMA) system, which is an extremely positive sign for investors.”

The full text of his speech can be found at [www.sec.gov/news/speech/remarks-usc-unc-fourth-annual-fixed-income-conference.html](http://www.sec.gov/news/speech/remarks-usc-unc-fourth-annual-fixed-income-conference.html).

## THE WEEK AHEAD: P3S

On Wednesday, the Senate’s Banking, Housing and Urban Affairs Subcommittee on Housing, Transportation, and Community Development will conduct a hearing on public-private partnerships. The hearing, “Exploring Opportunities for Private Investment in Public Infrastructure,” will examine how private money can be leveraged into the vast needs of state’s public infrastructure. The witnesses will be Jane Garvey, North America chairman of Meridian Infrastructure, Colleen Campbell, board member of Infrastructure Ontario, and Mr. Cal Hollis, managing executive officer for Countywide Planning and Development for the Los Angeles County Metropolitan Authority.

- [www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing\\_id=4de8b031-0d23-498f-b24b-9bba49072f8d](http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_id=4de8b031-0d23-498f-b24b-9bba49072f8d)

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