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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-78186; File No. SR-MSRB-2016-08)

June 28, 2016

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Content Outline for the Municipal Advisor Representative Qualification Examination (Series 50)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 15, 2016 the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The MSRB has designated the proposed rule change as “constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule” under Section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission.⁵ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ See also letter to Diane G. Klinke, General Counsel, MSRB, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000, attached as Exhibit 3b.

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

The MSRB filed with the Commission proposed revisions to the content outline for the Municipal Advisor Representative Qualification Examination (Series 50) (the "proposed rule change"). The MSRB proposes to implement the revised Series 50 examination program on September 12, 2016. The proposed revisions to the content outline update the material to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by a Municipal Advisor Representative. As a result of recent changes to MSRB rules, revisions to the Series 50 content outline are necessary to indicate the current rule requirements and rule citations. In addition, the Board is proposing to make changes to the format of the content outline. The MSRB is not proposing in this filing any textual changes to its rules.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2016-Filings.aspx, 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

Section 15B(b)(2)(L)(iii) of the Act requires the MSRB to establish professional standards for municipal advisors.⁶ The Act further requires associated persons of municipal advisors to pass such examinations as the Board may establish to demonstrate that such individuals meet the standards as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons.⁷ A professional qualification examination is intended to determine whether an individual meets the MSRB's basic qualification standards for a particular registration category. The examination measures a candidate's knowledge of the business activities, as well as the regulatory requirements, including MSRB rules, SEC rules, rule interpretations and other federal law, applicable to a particular registration category.

MSRB Rule G-3(d) defines a municipal advisor representative as a natural person associated with a municipal advisor who engages in municipal advisory activities on the municipal advisor's behalf, other than a person performing only clerical, administrative, support or similar functions. Pursuant to MSRB Rule G-3(d), every Municipal Advisor Representative is required to pass the Municipal Advisor Representative Qualification Examination prior to acting in such capacity.

⁶ 15 U.S.C. 78o-4(b)(2)(L)(iii).

⁷ See Section 15B(b)(2)(A)(iii) of the Act, 15 U.S.C. 78o-4(b)(2)(A)(iii).

The Series 50 examination will consist of 100 multiple-choice questions. Candidates are allowed 180 minutes to complete the examination.⁸ Consistent with other financial regulatory qualification examinations, candidates may receive (at the option of their firm) an informational breakdown of their performance on each section of the examination and their pass/fail status at the completion of the testing session. The passing score for the Series 50 examination is 71%.

Current Content Outline

The Series 50 examination content outline has been prepared to assist municipal advisor representative candidates in preparing for the Series 50 examination and is available on the MSRB's website. The Series 50 examination content outline describes the following five topical sections comprising the examination:

- (1) Understanding SEC and MSRB Rules Regarding Municipal Advisors (12 questions);
- (2) Understanding Municipal Finance (35 questions);
- (3) Performing Issuer's Credit Analysis and Due Diligence (12 questions);
- (4) Structuring, Pricing and Executing Municipal Debt Products (31 questions); and
- (5) Understanding Requirements Related to the Issuance of Municipal Debt (10 questions).

The reference materials section of the Series 50 examination content outline is intended to provide candidates with a list of resources, which when used in conjunction with the Series 50 examination content outline, can assist candidates in preparing for the Series 50 examination. The reference materials were recommended by municipal advisors as having been helpful resources in carrying out the job functions of a municipal advisor. The reference materials are

⁸ Prior to beginning the examination, candidates will receive a tutorial on how to complete the computerized examination. Candidates will be given 30 minutes to complete the tutorial in addition to the 180 minutes allowed to complete the examination.

not intended to be all-inclusive, nor are the reference materials intended to specifically represent content that may be covered on the examination.

Proposed Revisions

As a result of recent changes to MSRB rules, revisions to the Series 50 content outline are necessary to indicate the current rule requirements and rule citations. A summary of the changes to the content outline for the Series 50 examination, detailed by major topic headings, is provided below:

Introduction

- The passing score of 71% as approved by the Board was added to the introduction section of the outline.

Function 1: Understanding SEC and MSRB Rules Regarding Municipal Advisors

1.1.3 MSRB rules governing activities of municipal advisors (e.g., professional qualification; fiduciary duty; recordkeeping)

- The rule reference to “MSRB Rule G-32 Disclosure in Connection with Primary Offerings” is being removed from the outline.
- The rule reference to “MSRB Rule G-20 Gifts, Gratuities, Non-Cash Compensation and Expenses of Issuance” is being added to the content outline to reflect the applicability of Rule G-20 to municipal advisors.
- The rule reference to “MSRB Rule G-37 Political Contributions and Prohibitions on Municipal Securities Business and Municipal Advisory Business” is being added to the content outline to reflect the applicability of Rule G-37 to municipal advisors.

- The rule reference to “MSRB Rule G-42 Duties of Non-Solicitor Municipal Advisors” is being added to the content outline to reflect the applicability of Rule G-42 to municipal advisors.

Function 2: Understanding Municipal Finance

2.1.5 Rating agencies

- The reference to “(major (three))” rating agencies is being removed from the content outline.

Sample Questions

- Sample questions 2, 3, and 4 were replaced with updated sample questions.

2. Statutory Basis

Section 15B(b)(2)(A) of the Act authorizes the MSRB to prescribe standards of training, experience, competence, and such other qualifications for associated persons of municipal advisors as the Board finds necessary or appropriate in the public interest or for the protection of investors and municipal entities or obligated persons.⁹ Section 15B(b)(2)(A)(i)-(iii) of the Act also provides that the Board may appropriately classify municipal advisors and persons associated with municipal advisors and require persons in any such class to pass tests prescribed by the Board.¹⁰

The MSRB believes that the proposed rule change is consistent with the provisions of Section 15(B)(b)(2)(A) of the Act¹¹ in that the revisions will ensure that certain key concepts and rules are tested on the Series 50 examination in order to test the competency of individuals

⁹ 15 U.S.C. 78o-4(b)(2)(A).

¹⁰ 15 U.S.C. 78o-4(b)(2)(A)(i)-(iii).

¹¹ 15 U.S.C. 78o-4(b)(2)(A).

seeking to qualify as Municipal Advisor Representatives with respect to their knowledge of MSRB rules and the municipal securities market.

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

The MSRB does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The updated Series 50 examination content outline aligns with the functions and associated tasks currently performed by Municipal Advisor Representatives and tests knowledge of the most current laws, rules, and regulations and skills relevant to those functions and associated tasks. As such, the proposed rule change would make the Series 50 examination more efficient and effective.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and paragraph (f)(1) of Rule 19b-4 thereunder.¹³ 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

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(1).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2016-08 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-2016-08. This file number should be included on the subject line if e-mail 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2016-

08 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.¹⁴

Robert W. Errett
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

