

September 14, 2015  
2015 Edition, Issue XXII

If you have any questions regarding the matters discussed in this memorandum, please call one of the following representatives in the Political Law Group (Washington, D.C. office) or your regular Skadden contact.

**Kenneth A. Gross**  
Partner | 202.371.7007  
[kenneth.gross@skadden.com](mailto:kenneth.gross@skadden.com)

**Ki P. Hong**  
Partner | 202.371.7017  
[ki.hong@skadden.com](mailto:ki.hong@skadden.com)

**Matthew Bobys**  
Counsel | 202.371.7739  
[matthew.bobys@skadden.com](mailto:matthew.bobys@skadden.com)

**Melissa Miles**  
Counsel | 202.371.7836  
[melissa.miles@skadden.com](mailto:melissa.miles@skadden.com)

**Patricia Zweibel**  
Counsel | 202.371.7089  
[patricia.zweibel@skadden.com](mailto:patricia.zweibel@skadden.com)

**Shayla Parker**  
Associate | 202.371.7534  
[shayla.parker@skadden.com](mailto:shayla.parker@skadden.com)

**Charles Ricciardelli**  
Associate | 202.371.7573  
[charles.ricciardelli@skadden.com](mailto:charles.ricciardelli@skadden.com)

**Tyler Rosen**  
Associate | 202.371.7035  
[tyler.rosen@skadden.com](mailto:tyler.rosen@skadden.com)

**Kelvin Reese**  
Head Political Reports Analyst  
202.371.7498  
[kelvin.reese@skadden.com](mailto:kelvin.reese@skadden.com)

*This memorandum is provided by Skadden, Arps, Slate, Meagher & Flom LLP and its affiliates for educational and informational purposes only and is not intended and should not be construed as legal advice. This memorandum is considered advertising under applicable state laws.*

## Recent MSRB Developments: Board Proposes Amendments to Gift Rule G-20, Schedules Municipal Advisor Pilot Exam

The following is an update regarding two recent actions by the Municipal Securities Rulemaking Board (MSRB).

### Proposed Amendments to MSRB Rule G-20

On September 2, 2015, the MSRB filed with the Securities and Exchange Commission (SEC) proposed amendments to Rule G-20, with conforming changes to related recordkeeping Rules G-8 and G-9 (the Proposed Rule).<sup>1</sup> Our November 3, 2014, mailing summarized the draft amendments to Rule G-20. Other than as noted below, the Proposed Rule is largely similar to the draft amendments, primarily making technical or clarifying changes to them. Comments on the Proposed Rule are due to the SEC 21 days after publication in the Federal Register.

The Proposed Rule extends to municipal advisors Rule G-20's prohibition on providing gifts and gratuities over \$100 per year to any person in relation to the covered business activities of the employer. Unlike the draft amendments, the Proposed Rule does not extend to municipal advisors Rule G-20's prohibition on non-cash compensation in connection with the sale and distribution of a primary offering of municipal securities. The MSRB noted that it intends to monitor the activities of municipal advisors and may revisit this issue at a future date.

In addition, the Proposed Rule:

- Codifies and consolidates prior MSRB and Financial Industry Regulatory Authority guidance relating to (1) exemptions for normal business dealings that are deductible business expenses, transaction-commemorative gifts (e.g., Lucite tombstones), *de minimis* gifts, promotional items of nominal value, and bereavement and personal gifts, and (2) valuation and aggregation of gifts.
- Adds a provision prohibiting broker-dealers and municipal advisors from requesting or obtaining reimbursement from the proceeds of a municipal securities offering for entertainment expenses. There is an exemption for ordinary and reasonable expenses for meals hosted by the broker-dealer or municipal advisor directly related to the offering for which it was retained.
- Clarifies that Rule G-20 is not intended to supersede any more restrictive provisions of applicable state or other laws.

The MSRB is requesting that the Proposed Rule take effect six months after SEC approval.

<sup>1</sup> The Proposed Rule is available at <http://www.msrb.org/~media/Files/SEC-Filings/2015/MSRB-2015-09.ashx?la=en>.

### **MSRB Municipal Advisor (Series 50) Pilot Exam Date**

On September 8, 2015, the MSRB announced that it will administer the Municipal Advisor Representative Qualification Exam (Series 50) pilot exam from January 15, 2016, to February 15, 2016. Candidates may register for the exam from September 21, 2015, through January 14, 2016. The MSRB said that any candidate who takes and passes the Series 50 pilot exam will be qualified as a municipal advisor representative and will not be required to take the permanent Series 50 Exam.<sup>2</sup>

---

<sup>2</sup> MSRB Regulatory Notice 2015-15, which announces the dates and provides links to materials including the content outline for the examination, is available at <http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2015-15.ashx?n=1>.