

# Political Law

## Compliance and Investigations Update

May 5, 2026

If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Skadden contact.

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## MSRB Follows FINRA: Increases Gift Limit to \$300, Aligning Rule G-20 With FINRA Rule 3220

### Executive Summary

- **What's new:** The MSRB filed proposed amendments to Rule G-20 to align with FINRA Rule 3220, increasing the annual gift limit from \$100 to \$300 per person, per year, and updating valuation methodology and compliance procedures.
- **Why it matters:** These changes affect municipal securities dealers and municipal advisors, with compliance dates of June 1, 2026, for FINRA-member dealers and December 1, 2026, for municipal advisors and bank dealers.
- **What to do next:** Entities subject to Rule G-20 should review and update their policies and procedures for gifts, entertainment, valuation, aggregation, supervision and recordkeeping before the applicable compliance date.

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On May 1, 2026, the Municipal Securities Rulemaking Board (MSRB) filed with the Securities and Exchange Commission (SEC) its proposed amendments to Rule G-20, governing gifts, gratuities, noncash compensation and expenses of issuance by municipal securities dealers and municipal advisors. The changes are designed to bring Rule G-20 into alignment with the changes made to [Financial Industry Regulatory Authority \(FINRA\) Rule 3220](#) earlier this year. Key changes to Rule G-20 are:

- **An increased gift limit to \$300.** The annual gift limit in Rule G-20(c) and the conforming noncash compensation limit in Rule G-20(g)(i) each increase from \$100 to \$300 per person, per year.
- **Treatment of gifts incidental to normal business dealings.** A gift given during the course of a normal business dealing is expressly subject to the \$300 limit unless it qualifies as a transaction-commemorative, *de minimis*, promotional or personal gift under Rule G-20(d).
- **Updated valuation methodology.** Gifts, other than tickets to sporting or other events, are valued at cost, exclusive of tax and delivery charges, replacing the prior "higher of cost or market value" standard. Tickets to sporting or other events continue to be valued at the higher of cost or face value.
- **Procedures for compliance.** Regulated entities must maintain a supervisory system reasonably designed to achieve compliance with Rule G-20 to ensure that gifts are reported to the entity, reviewed for compliance and maintained in the entity's records, and that the associated person giving a gift is not the person determining whether the gift relates to the recipient employer's municipal securities or municipal advisory activities. Procedures must specify whether aggregation is tracked on a calendar year, fiscal year or rolling basis.

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- **Scope clarification.** Rule G-20 does not apply to gifts from a regulated entity to its own associated persons, or to gifts to individual retail customers.

The compliance dates differ by entity type. For dealers that are FINRA members, the amended MSRB rule is scheduled to become operative June 1, 2026, barring an adverse action by the SEC. Municipal advisors and dealers that are not FINRA members — *i.e.*, bank dealers — do not become subject to the amended Rule G-20 until December 1, 2026. Until then, municipal advisors and bank dealers remain subject to the existing Rule G-20 requirements, including the \$100 annual gift limit.

## Next Steps

Entities subject to Rule G-20 should review, and as necessary update, their policies and procedures for gifts, entertainment, valuation, aggregation, supervision and recordkeeping before the applicable compliance date. Firms with both FINRA-member dealer affiliates and municipal advisor or bank dealer affiliates should also account for the period between June 1 and December 1, 2026, when different gift limits may apply depending on which entity provides the gift. Finally, firms should also remember that the fair-dealing obligations of Rule G-17 remain in place, and the MSRB has cautioned that gifts permitted under Rule G-20 may still violate Rule G-17.

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