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[Rule G-10](#), [Rule G-8](#),  
[Rule G-9](#), [Rule D-9](#)

## Reminder for Regulated Entities of Their Annual Notification Requirements Under Rule G-10

### Introduction

The Municipal Securities Rulemaking Board (MSRB) is providing this reminder to assist brokers, dealers, and municipal securities dealers (collectively, “dealers”) and municipal advisors (collectively, “regulated entities”) in their compliance efforts<sup>1</sup> by highlighting the deadline by which regulated entities must provide certain notifications to each customer or municipal advisory client, respectively, as required under [MSRB Rule G-10](#), on Investor and Municipal Advisory Client Education and Protection.<sup>2</sup>

Rule G-10 requires regulated entities to provide, in writing, which may be made electronically,<sup>3</sup> the following notifications (“annual notice”):

- (i) that the regulated entity is registered with the U.S. Securities and Exchange Commission and the MSRB;
- (ii) the MSRB’s website address, and

<sup>1</sup> This notice is not designed to address all regulatory obligations applicable to regulated entities pursuant to each MSRB rule or under other securities laws and regulations (applicable rules) or identify an exhaustive list of considerations for ensuring compliance with Rule G-10 and other related rule requirements. This resource should be read in conjunction with the relevant rules and related guidance. It does not create new legal or regulatory requirements, or new interpretations of existing requirements, and should not be interpreted as establishing new standards of conduct.

<sup>2</sup> See [Exchange Act Release No. 79801](#) (January 13, 2017), 82 FR 7898 (January 23, 2017), File No. SR-MSRB-2016-15.

<sup>3</sup> In 1998, the Board published guidance under Rule G-32 regarding the electronic delivery and receipt of information by dealers. The Board, in part, based that guidance, which has also been extended to municipal advisors, on guidance that the SEC had provided on electronic delivery of information. See [“Notice Regarding Electronic Delivery and Receipt of Information by Brokers, Dealers and Municipal Securities Dealers”](#) (November 20, 1998).



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(iii) a statement as to the availability to the customer or municipal advisory client of a brochure available on the MSRB's website that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.<sup>4</sup>

Regulated entities are reminded that such notifications generally must be provided once every calendar year with the latest date to provide the notifications to each customer or municipal advisory client<sup>5</sup> being December 31<sup>st</sup> of each calendar year.<sup>6</sup>

Dealers should be mindful that, in addition to retail customers, institutional customers and customers that invest in municipal fund securities (*e.g.*, 529 savings plans) should be receiving the annual notice; and moreover, that the application of the rule is not limited solely to those customers holding or trading municipal securities.<sup>7</sup> Additionally, with respect to municipal advisory clients, the definition includes clients of both non-solicitor municipal advisors and solicitor municipal advisors.<sup>8</sup> The MSRB believes that all customers and municipal advisory clients should be aware of, among other things, the important protections provided by MSRB rules.

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<sup>4</sup> See "Information for Municipal Securities Investors." The MSRB provides significant protections for investors and potential investors who work with a dealer to buy or sell municipal securities; in furtherance of that effort, the investor brochure summarizes key principles of rules that are meant to protect investors and information on how to file a complaint.

<sup>5</sup> Municipal advisors must also provide the required notifications after the establishment of a municipal advisory relationship, in addition to the once every calendar year during the course of the municipal advisory relationship.

<sup>6</sup> In instances where a dealer provides notice to customers at a point in time earlier than the end of the calendar year, *e.g.*, during March, the dealer needs to ensure that any new customers receive the required notifications by the end of the calendar year. See "[FAQs on MSRB Rules on Investor and Municipal Advisory Client Education and Protection](#)," ("FAQs") Question #3 (September 2017).

<sup>7</sup> Under Rule D-9, a "customer," is defined as ". . . any person other than a broker, dealer, or municipal securities dealer acting in its capacity as such or an issuer in transactions involving the sale by the issuer of a new issue of its securities." See [FAQs](#), Questions #6 and #7 (September 2017).

<sup>8</sup> For purposes of Rule G-10, the MSRB clarifies that "solicitation of a municipal entity or obligated person" is defined in accordance with SEC Rule 15Ba1-1(n) under the Exchange Act. See 17 CFR 240.15Ba1-1(n).

Importantly, while the annual notice may be sent electronically, merely posting the annual notice on a regulated entity's website, without sending it to each customer or municipal advisory client, does not meet the rule's requirement to direct such annual notice to each customer or client individually.<sup>9</sup> Note, however, regulated entities may combine the notifications with other written materials.<sup>10</sup>

Questions about this notice may be directed to Lisa Wilhelmy, Assistant Director, or Bri Joiner, Director, Regulatory Compliance at 202-838-1500.

November 20, 2020

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<sup>9</sup> See *supra* note 2. The SEC's 1996 Interpretive Release noted that the use of a particular medium should not be so burdensome that intended recipients cannot effectively access the information provided. See [Exchange Act Release No. 37182](#) (May 9, 1996), 61 FR 24644 (May 15, 1996).

<sup>10</sup> See *supra* note 2.