

Municipal Securities Initiatives

The Office of Municipal Securities coordinates the Commission's municipal securities activities. The staff provides expertise to the Commission and staff, assists on municipal securities enforcement cases, coordinates disclosure rules and other ongoing municipal regulatory initiatives, and addresses new issues that arise in the municipal area. In addition, the office provides assistance in legislative matters and works directly with the municipal finance community on issues relating to municipal securities.

What We Did

- Coordinated the First Annual Municipal Market Roundtable.
- Continued to coordinate the Commission's efforts to end pay-to-play practices in the municipal securities markets.
- Provided technical assistance in municipal securities investigations and enforcement proceedings.
- Continued to educate municipal market participants in the implementation of and compliance

with amendments to rule 15c2-12, which requires secondary market disclosure.

Municipal Market Roundtable

In October 1999, the Office of Municipal Securities (OMS) coordinated the First Annual Municipal Market Roundtable. During the roundtable, a series of panels composed of issuers, underwriters, lawyers, financial advisers, investors, and SEC staff discussed current issues in the municipal securities market. This dialog with the municipal securities market will continue on an annual basis through such roundtables.

Municipal Securities Disclosure and Outreach

The municipal securities staff continued to educate municipal market participants in the implementation of, and compliance with, amendments to rule 15c2-12, which requires secondary market disclosure. The staff also provided guidance to market participants regarding recent SEC enforcement decisions that apply the antifraud provisions of the federal securities laws to municipal securities.

OMS staff assisted state and local government groups in preparing materials to educate municipal market participants, coordinating educational efforts targeting small issuers together with the National League of Cities, Government Finance Officers Association, and The Bond Market Association.

OMS met periodically with numerous organizations representing participants involved in the municipal finance industry. Such organizations included the Government Finance Officers Association, National League of Cities, National Association of Counties, U.S. Conference of Mayors, Council of Infrastructure Financing Authorities, Bond Market Association, the National Association of Bond Lawyers and a variety of regional and local municipal government educational groups. These meetings focused on methods of improving compliance with existing regulations. OMS acted as a point of contact for municipal bond issuers and provided them access to the Commission.

Technical Assistance

Pay-to-Play Practices

OMS continued to coordinate the Commission's efforts to end pay-to-play practices in the municipal securities markets, promoting education and compliance with related Municipal Securities Rulemaking Board (MSRB) rules and encouraging voluntary action by national and local bar associations to end the practice. In March 1999, leading independent financial advisers signed a voluntary ban similar to that signed by municipal securities dealers in 1993. In August, the American Bar Association (ABA) House of Delegates voted down a recommended new ethics rule barring pay-to-play by attorneys. The measure was resubmitted to the House at the ABA winter meeting.

Other Municipal Securities Issues

The OMS staff worked with various SEC divisions and offices and municipal market participants on numerous issues, some of which follow:

- various issues surrounding the implementation of amendments to rule 15c2-12;
- interpretation and implementation of MSRB rules G-36, G-37, and G-38;
- recent SEC enforcement decisions that apply the antifraud provisions of the federal securities laws to municipal securities;
- municipal bankruptcy and other municipal securities matters;
- oversight concerning municipal securities regulations;
- various compliance inspections and examinations training programs;
- issues pertaining to individual investors municipal securities price transparency; and
- enforcement cases involving municipal securities and the municipal securities markets.