

**Attachment C**  
**Proposed Amendments to Proposed Rule 15Ba1-1**

**PROPOSED AMENDMENTS TO PROPOSED DEFINITIONS FOR MUNICIPAL  
ADVISOR REGISTRATION**

**§ 240.15Ba1-1 Definitions.**

As used in the rules and regulations prescribed by the Commission pursuant to Section 15B of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4):

(a) Guaranteed investment contract has the same meaning as in Section 15B(e)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(2)).

(b) The term investment strategies, as defined in Section 15B(e)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(3)), includes plans, programs or pools of assets that invest funds held by or on behalf of a municipal entity.

(c) Managing agent means any person, including a trustee, who directs or manages, or who participates in directing or managing, the affairs of any unincorporated organization or association other than a partnership.

(d) (1) Municipal Advisor has the same meaning as in Section 15B(e)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(4)).

(2) The term Municipal Advisor shall not include:

(i) A broker, dealer, or municipal securities dealer serving as an underwriter (as that term is defined in Section 2(a)(11) of the Securities Act of 1933 (15 U.S.C. 77b(a)(11))) on behalf of a municipal entity or obligated person, unless the broker, dealer or municipal securities dealer engages in municipal advisory activities while acting in a capacity other than as an underwriter on behalf of a municipal entity or obligated person.

(ii) An investment adviser registered under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) or a person associated with such registered investment adviser, unless the registered investment adviser or person associated with the investment adviser engages in municipal advisory activities other than providing investment advice that would subject such adviser or person associated with such adviser to the Investment Advisers Act of 1940.

(iii) Any commodity trading advisor registered under the Commodity Exchange Act or persons associated with a commodity trading advisor, unless the registered commodity trading advisor or persons associated with the registered commodity trading advisor engages in municipal advisory activities other than advice related to swaps (as defined in Section 1a(47) of the Commodity Exchange Act (7 U.S.C. 1a(47)) and Section 3(a)(69) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(69)), including any rules and regulations thereunder).

(iv) Any attorney, unless the attorney engages in municipal advisory activities other than the offer of legal advice or the provision of services that are of a traditional legal nature to a client of the attorney that is a municipal entity or obligated person.

(v) Any engineer, ~~unless the engineer engages in municipal advisory activities other than providing engineering advice.~~

(vi) Any accountant, unless the accountant engages in municipal advisory activities other than preparing financial statements, auditing financial statements, or issuing letters for underwriters for, or on behalf of, a municipal entity or obligated person.

(e) Engineering advice, solely for purposes of the definition of municipal advisor, shall mean any advice the provision of which otherwise would constitute municipal advisory activities, provided that such advice is accompanied by disclosure that the engineer is not acting as a municipal advisor, and the advice is limited as follows:

(1) The engineer is compensated solely for providing engineering services and does not receive compensation for providing the engineering advice; or

(2) The engineering advice is provided to a municipal entity that has retained the services of a municipal advisor in connection with a particular municipal financial product or the issuance of municipal securities for the funding of a specific proposed or active engineering project; or

(3) The engineering advice:

(i) is general, educational information:

(a) about financing options related to engineering projects generally, or

(b) incidental to a specific engineering project that the engineer proposes to perform; or

(ii) is specific information regarding financing options related to a proposed engineering project that is provided in response to:

(a) a formal request for proposal or as part of a similar process for submitting a proposal in which such information is part of the requested response, or

(b) one or more requests from a municipal advisor acting on behalf of a municipal entity.

(f) Municipal advisory activities means providing individualized advice to or on behalf of a specific municipal entity (as defined in Section 15B(e)(8) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(8)) or obligated person (as defined in Section 15B(e)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(10))) with respect regard to a particular municipal financial productsproduct or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such municipal financial products or issuesproduct or issuance of municipal securities; or solicitation of a municipal entity or obligated person for such municipal financial product or issuance of municipal securities.

(fg) Municipal derivatives means any swap (as defined in Section 1a(47) of the Commodity Exchange Act (7 U.S.C. 1a(47)) and Section 3(a)(69) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(69)), including any rules and regulations thereunder) or security-based swap (as defined in Section 3(a)(68) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(68)), including any rules and regulations thereunder) to which a municipal entity is a counterparty, or to which an obligated person, acting in its capacity as an obligated person, is a counterparty.

(gh) Municipal financial product has the same meaning as in Section 15B(e)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(5)).

(hi) Non-resident means:

(1) In the case of an individual, one who resides in or has his principal office and place of business in any place not in the United States;

(2) In the case of a corporation, one incorporated in or having its principal office and place of business in any place not in the United States; and

(3) In the case of a partnership or other unincorporated organization or association, one having its principal office and place of business in any place not in the United States.

(ij) The term obligated person, as defined in Section 15B(e)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(e)(10)), shall not include providers of municipal bond insurance, letters of credit, or other liquidity facilities.

(jk) Principal office and place of business means the executive office of the municipal advisor from which the officers, partners, or managers of the municipal advisor direct, control, and coordinate the activities of the municipal advisor.