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June 4, 2015

Brent J. Fields, Secretary  
U.S. Securities and Exchange Commission  
100 F Street  
Washington, DC 20549

Re: MSRB Series 50 Examination;  
File No. SR-MSRB-2015-04

Dear Mr. Fields:

On May 28, 2015, the Investment Company Institute filed a comment letter with the Securities and Exchange Commission that strongly opposed the Commission's approval of the Municipal Securities Rulemaking Board (MSRB) using a one-size-fits-all examination (*i.e.*, the Series 50) as the exclusive means to test the competencies of municipal advisors.<sup>1</sup> In light of a rulemaking initiative of the Financial Industry Regulatory Authority (FINRA) that was published since we filed our letter with the Commission, the Institute would like to supplement the comments in that letter.

As noted above, the Institute is opposing the MSRB's adoption of the Series 50 examination as the sole means by which all municipal advisors demonstrate their competency to render municipal advice. Our opposition is based on the fact that the Series 50 examination has been designed to test the competencies of municipal advisors who will render advice on municipal securities constituting debt obligations and not those who will render advice on municipal fund securities (such as 529 plans), which are fundamentally different products requiring fundamentally different knowledge and experience. In our view, and as discussed in detail in the Institute's comment letter, another examination needs to be developed to test the competencies of those advisors who will render advice exclusively related to municipal fund securities. The Institute's letter recommends that, in lieu of the proposed Series 50 examination, municipal advisors whose business is limited to rendering advice on municipal fund securities be required to pass only the portion of the Series 50 examination that relates

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<sup>1</sup> See Letter from the undersigned to Mr. Brent J. Fields, Secretary, U.S. Securities Exchange Commission, dated May 28, 2015 relating to File No. SR-MSRB-2015-14 (the "Institute's comment letter").

to applicable rules and regulations<sup>2</sup> and either (i) FINRA's Series 6 examination, which has long been utilized by the MSRB to test the competencies and product knowledge of municipal securities dealers that offer and sell municipal fund securities,<sup>3</sup> or (ii) a new examination developed by the MSRB that is specifically tailored to municipal fund securities.

Since filing our previous letter, FINRA published for comment a concept proposal to restructure the examinations it requires of all broker-dealer representatives.<sup>4</sup> In particular, FINRA has proposed to replace its current singular examination to qualify a registered representative for the type of business it conductse with a two-part examination. These two parts will consist of (1) an essentials examination, which will test the representative's knowledge of the relevant securities laws and regulations, and (2) a substantive examination whose questions will be tailored to the type of business the representative will conduct. As explained in the FINRA Notice:

FINRA is requesting comment on a concept proposal to restructure the current representative-level qualification examination program into a format whereby all potential representative-level registrants would take a general knowledge examination and an appropriate specialized knowledge examination to reflect their particular registered role. For purposes of this proposal, the general knowledge examination will be called the Securities Industry Essentials Examination (SIE). SIE content would include knowledge fundamental to working in the securities industry, such as basic product knowledge; structure and functioning of the securities industry markets, regulatory agencies and their functions; and regulated and prohibited practices. ... Each specialized knowledge examination would correlate to a current representative examination and registration position (e.g., Series 7 and General Securities Representative) and would test content specific to that registration category or job function.<sup>5</sup>

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<sup>2</sup> According to the Content Outline published by the MSRB, the first section of the Series 50 examination, consisting of 12 of the 100 examination questions, would test applicants on the rules and regulations applicable to municipal advisors. The remaining 88 questions are focused on municipal securities that are debt obligations. The Content Outline for the Series 50 Examination is available on the MSRB's website at: <http://www.msrb.org/msrb1/pdfs/Series-50-Content-Outline.pdf>.

<sup>3</sup> In our view, the Series 6 would be an appropriate examination for municipal advisors rendering advice on municipal fund securities because the competencies relevant to rendering such advice are substantially similar to those necessary to offer and sell municipal fund securities.

<sup>4</sup> See *FINRA Requests Comment on a Concept Proposal to Restructure the Representative-Level Qualification Examination Program*, FINRA Notice 15-20 (May 2015)(the "FINRA Notice"), which is available at: [http://www.finra.org/sites/default/files/notice\\_doc\\_file\\_ref/Notice\\_Regulatory\\_15-20.pdf](http://www.finra.org/sites/default/files/notice_doc_file_ref/Notice_Regulatory_15-20.pdf).

<sup>5</sup> FINRA Notice at p. 1.

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According to the FINRA Notice, this major overhaul of its examination structure will result in “a more efficient format” that eliminates duplicative testing of general securities knowledge on each specialized examination, while continuing to ensure that representatives demonstrate those competencies relevant to their particular business.<sup>6</sup>

The Institute is filing this supplemental comment letter discussing FINRA’s proposal because we believe that FINRA’s proposed restructuring of its examination format is wholly consistent with the manner in which the Institute recommends that the MSRB revise its proposed examination to test the competencies of municipal advisors. As such, FINRA’s proposal provides further support for the recommendations in the Institute’s May letter. We believe FINRA’s proposal is particularly relevant to the MSRB’s development of a new examination in light of FINRA’s extensive experience in developing and administering qualification examinations and the effort it has put into developing a new and improved examination format.

Accordingly, we are supplementing our previous comment letter relating to the MSRB’s proposed Series 50 examination. We appreciate consideration of these additional comments.

Sincerely,

/s/

Tamara K. Salmon  
Associate General Counsel

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<sup>6</sup> FINRA Notice at p. 3. Importantly, one of the specialized knowledge examinations FINRA proposes to develop is the “Investment Company and Variable Contracts Products Representative,” which would test the competencies currently tested on FINRA’s Series 6 examination.