

Rule G-3: Professional Qualification Requirements

(a) – (i) No change.

Supplementary Materials .01 - .08 No change.

.09 Temporary Relief for Municipal Advisor Principal. Notwithstanding the requirements of subsection (e)(ii)(A)(2) of this rule, any person who is qualified as a municipal advisor representative pursuant to subsection (d)(ii)(A) of this rule may be designated a municipal advisor principal, as that term is defined under subsection (e)(i) of this rule, provided however that each such person shall be required to take and pass the Municipal Advisor Principal Qualification Examination on or before [March 31, 2021] November 12, 2021.

Supplementary Materials .10 - .11 No change.

.12 Temporary Relief for Municipal Advisor Continuing Education Requirements. Each municipal advisor shall be deemed to have satisfied its Continuing Education obligations for calendar year 2020 if the standards under [of] subsection (i)(ii)(B)[(2)] of this rule are completed on or before March 31, 2021.

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Rule G-16: Periodic Compliance Examination

No change.

Supplementary Material .01 Temporary Relief for Completing Periodic Compliance Examinations. Notwithstanding the requirements of this rule, a periodic compliance examination of any broker, dealer and municipal securities dealer shall be deemed to have occurred in calendar year 2020 if the initiation of such examination(s) occurs any time between January 1, 2020 and March 31, 2021.

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Rule G-27: Supervision

(a) – (g) No change.

Supplementary Material .01 Temporary Relief [for Completing Office Inspections] to Allow Remote Inspections for Calendar Year 2020 and Calendar Year 2021.

(a) Each dealer obligated to complete an inspection of an office of municipal supervisory jurisdiction, branch office or non-branch location in calendar year 2020 and calendar year 2021 pursuant to, as applicable, subsection (d)(i)(A), (B) and (C) of this rule, [shall be deemed to have satisfied such obligation if the applicable inspection(s) are completed on or before March 31, 2021.] subject to the requirements of this Supplementary Material .01, may satisfy such obligation by conducting the applicable inspection(s) remotely without an on-site visit to such office(s) or location(s). In accordance with this Supplementary Material .01, the applicable inspection(s) for calendar year 2020 must be completed on or before March 31, 2021 and inspections for calendar year 2021 must be completed on or before December 31, 2021. The temporary relief provided by this Supplementary Material .01 does not extend to a dealer's inspection requirements beyond calendar year 2021 and such inspections must be conducted in accordance with subsection (d)(i)(A), (B) and (C) of this rule. Consistent with subsection (g)(ii)(A)(7) of this rule, a temporary location established in response to the implementation of a business continuity plan is not deemed an office for purposes of complying with inspection obligations.

(b) Written Supervisory Procedures for Remote Inspections. Consistent with a dealer's obligation under subsection (c)(i) of this rule, a dealer that elects to conduct each of its calendar year 2020 or calendar year 2021 inspections remotely shall amend or supplement its written supervisory procedures as appropriate to provide for remote inspections that are reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, applicable securities laws and regulations, and with applicable Board rules. Reasonably designed procedures for conducting remote inspections of offices or locations should include, among other things: (1) a description of the methodology, including technologies permitted by the dealer, that may be used to conduct remote inspections; and (2) the use of other risk-based systems employed generally by the dealer to identify and prioritize for review those areas that pose the greatest risk of potential violations of applicable securities laws and regulations, and of applicable Board rules.

(c) Effective Supervisory System. The requirement to conduct inspections of offices and locations is one part of the dealer's overall obligation to establish and maintain a supervisory system as prescribed under paragraph (b) of this rule and therefore, the dealer must continue with its ongoing review of the activities and functions occurring at all offices and locations, whether or not the dealer conducts inspections remotely. Where a dealer's remote inspection of an office or location identifies any signs of irregularities or misconduct (i.e., "red flags"), the dealer may need to impose additional supervisory procedures for that office or location or may need to provide for more frequent monitoring of that office or location. Such monitoring may include, potentially a subsequent physical on-site visit on an announced or unannounced basis, when the dealer's operational difficulties associated with COVID-19 subside, taking into account national or locality restrictions, as appropriate, and the other business challenges a dealer is facing in light of the public health and safety concerns, make such on-site visit(s) feasible using reasonable best efforts.

(d) Documentation Requirement. In addition to the documentation requirements under subsection (d)(ii) of this rule, a dealer that elects to conduct each of its calendar year 2020 or

calendar year 2021 inspections remotely, shall make and maintain a centralized record for each of calendar year 2020 and calendar year 2021 that separately identifies: (1) all offices or locations that had inspections that were conducted remotely; and (2) any offices or locations for which the dealer determined to impose additional supervisory procedures or more frequent monitoring, as provided for under paragraph (c) of this Supplementary Material .01. A dealer's documentation of the results of a remote inspection for an office or location must identify any additional supervisory procedures or more frequent monitoring for that office or location that were imposed as a result of the remote inspection.

Supplementary Materials .02 - .03 No change

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