

**Rule G-3: Professional Qualification Requirements**

No change.

(a) No change.

(i) No change.

(ii) Qualification Requirements.

(A) – (B) No change.

(C) Any person who ceases to be associated with a broker, dealer or municipal securities dealer (whether as a municipal securities representative or otherwise) for two or more years at any time after having qualified as a municipal securities representative in accordance with subparagraph (a)(ii)(A) or (B) shall again meet the requirements of subparagraph (a)(ii)(A) or (B) of this rule prior to being qualified as a municipal securities representative, unless such person has maintained his or her qualification status in accordance with Rule G-3(i)(i)(C) or as otherwise permitted by the Board.

(b) No change.

(i) No change.

(ii) Qualification Requirements.

(A) - (B) No change.

(C) Any person who ceases to act as a municipal securities principal for two or more years at any time after having qualified as such shall meet the requirements of subparagraphs (b)(ii)(A) and (B) of this rule prior to being qualified as a municipal securities principal, unless such person has maintained his or her qualification status in accordance with Rule G-3(i)(i)(C) or as otherwise permitted by the Board.

(D) No change.

(iii) No change.

(iv) No change.

(A) – (B) No change.

(1) – (2) No change.

(3) Any person who ceases to act as a municipal fund securities limited principal for two or more years at any time after having qualified as such shall meet the requirements of clauses (b)(iv)(B)(1) and (2) of this rule prior to being qualified as a municipal fund securities limited principal, unless such person has maintained his or her qualification status in accordance with Rule G-3(i)(i)(C) or as otherwise permitted by the Board.

(4) No change.

(C) – (D) No change.

(c) No change.

(i) No change.

(ii) No change.

(A) – (B) No change.

(C) Any person who ceases to act as a municipal securities sales principal for two or more years at any time after having qualified as such shall meet the requirements of subparagraphs (c)(ii)(A) and (B) of this rule prior to being qualified as a municipal securities sales principal, unless such person has maintained his or her qualification status in accordance with Rule G-3(i)(i)(C) or as otherwise permitted by the Board.

(D) No change.

(d) – (g) No change.

(h) Waiver of Qualification Requirements.

(i) The requirements of paragraphs (a)(ii), [(a)(iii),] (b)(ii), (b)(iv)(B) and (c)(ii) may be waived in extraordinary cases for any associated person of a broker, dealer or municipal securities dealer who demonstrates extensive experience in a field closely related to the municipal securities activities of such broker, dealer or municipal securities dealer or as permitted pursuant to Supplementary Material .04 of this rule. Such waiver may be granted by

(A) – (B) No change.

(ii) No change.

(i) Continuing Education Requirements

(i) *Continuing Education Requirements for Brokers, Dealers, and Municipal Securities Dealers*—This paragraph prescribes requirements regarding the continuing education of [certain] specified registered persons subsequent to their initial qualification and registration with a registered securities association with respect to a person associated with a member of such association, or the appropriate regulatory agency as defined in Section 3(a)(34) of the Act with respect to a person associated with any other broker, dealer or municipal securities dealer ("the appropriate enforcement authority"). The requirements shall consist of a Regulatory Element and a Firm Element as set forth below. This subsection of this rule also sets forth a continuing education program through which specified persons may maintain their qualification in a representative or principal registration category following the termination of that registration category.

(A) *Regulatory Element.*

(1) – *Requirements* – No broker, dealer or municipal securities dealer shall permit any registered person to continue to, and no registered person shall continue to, perform duties as a registered person, unless such person has complied with the requirements of subparagraph (i)(i)(A) hereof.

Each [registered] covered person qualified in a representative or principal category immediately preceding January 1, 2023, shall complete the Regulatory Element [on the occurrence of their second anniversary registration anniversary date and] for each applicable registration category annually by December 31, 2023, and by December 31 of every [three] year[s] thereafter in which the person remains registered, or as otherwise prescribed by the Board.

Each covered person registering with the appropriate enforcement authority in a representative or principal registration category for the first time on or after January 1, 2023 shall complete the Regulatory Element for each applicable registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes registered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the Board. Nothing in this subparagraph (A)(1) shall prohibit a broker, dealer, or municipal securities dealer from requiring its covered persons to complete their Regulatory Element for each applicable registration category at any time during the calendar year. [On each occasion, the Regulatory Element must be completed within 120 days after the person’s registration anniversary date. A person’s initial registration date, also known as the “base date,” shall establish the cycle of anniversary dates for purposes of this subparagraph (i)(i)(A).] The content of the Regulatory Element shall be determined by the Board [for each registration category of persons subject to the rule] and shall be appropriate to each representative or principal registration category. A covered person shall complete Regulatory Element content for each

applicable registration category that such person holds. The content of the Regulatory Element for a covered person designated as eligible for a waiver pursuant to Supplementary Material .04 shall be determined based on the person's most recent registration(s), and the Regulatory Element shall be completed based on the same annual cycle had the person remained registered.

(2) *Failure to Complete*—Unless otherwise determined by the Board, as provided in this paragraph (i)(i)(A)(2), any [registered] covered person[s], other than a covered person designated as eligible for a waiver pursuant to Supplementary Material .04, who has[ve] not completed the Regulatory Element within the prescribed [time frames] calendar year in which the Regulatory Element is due will have [their] such person's registration(s) deemed inactive until such time as [the requirements of the program have been satisfied] such person completes all required Regulatory Element, including any Regulatory Element that becomes due while such person's registration(s) [are] is deemed inactive.

Any covered person, other than a covered person designated as eligible for a waiver pursuant to Supplementary Material .04, whose registration(s) has been deemed inactive under this clause (i)(i)(A)(2) shall cease all activities as a registered person and is prohibited from performing any duties and functioning in any capacity requiring registration. Such covered person may not receive any compensation for transactions in municipal securities, however, such covered person may receive trails, residual commissions or like compensation resulting from such transactions completed before the covered person's inactive status, unless the dealer with which the covered person is associated has a policy prohibiting such trails, residual commissions or like compensation.

A registration that [is] remains inactive for a period of two consecutive years will be administratively terminated by the appropriate enforcement authority. A person whose registration(s) is so terminated or who otherwise fails to complete the required Regulatory Element for two consecutive years may reactivate the registration(s) only by reapplying for registration and meeting the qualification requirements of the applicable provisions of this rule. The two-year period under this clause (i)(i)(A)(2) is calculated from the date a person's registration(s) is deemed inactive. If a covered person designated as eligible for a waiver pursuant to Supplementary Material .04 fails to complete the Regulatory Element within the prescribed time frames, the person shall no longer be eligible for such a waiver. The appropriate enforcement authority may, upon written application, with supporting documentation, and a showing of good cause, allow for additional time for a [registered] covered person to satisfy the [program] Regulatory Element requirements.

(3) *Disciplinary Actions*— [Unless otherwise determined] A covered person, other than a covered person designated as eligible for a waiver pursuant to Supplementary Material .04, may be required to complete assigned continuing education as prescribed by the appropriate enforcement authority[, a registered person will be required to retake the Regulatory Element and satisfy all of its requirements] in the event such person:

(a) - (b) No change.

(c) is ordered as a sanction in a disciplinary action to [retake the Regulatory Element] complete continuing education by any securities governmental agency, the appropriate enforcement authority or securities self-regulatory organization.

[The retaking of the Regulatory Element shall commence with participation] Such covered person must complete any continuing education required under subparagraph (A)(3) of this rule within 120 days of the [registered] covered person becoming subject to the statutory disqualification, in the case of clause (a) above, or the completion of the sanction or the disciplinary action becomes final, in the case of clause (b) or clause (c) above. [The date that the disciplinary action becomes final will be deemed the person's new base date for purposes of subparagraph (i)(i)(A).]

(4) [Reassociation] Re-registration - Any [registered] covered person who re-registers with the appropriate enforcement authority in a representative or principal registration category shall complete [who has terminated association with a broker, dealer or municipal securities dealer and who has, within two years of the date of termination, become reassociated in a registered capacity with a broker, dealer or municipal securities dealer shall participate in] the Regulatory Element content for each applicable registration category [at such intervals that apply (second registration anniversary and every three years thereafter) based on the initial registration anniversary date rather than based on the date of reassociation in a registered capacity.] annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes re-registered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the appropriate enforcement authority, provided that such person has already completed the Regulatory Element content for that registration category for the calendar year in which such person is re-registering; such person is re-registering by having passed an examination for that registration category; or such person is re-registering by having obtained an unconditional examination waiver for that registration category.

Any covered person who is re-registering with the appropriate enforcement authority in a representative or principal registration category without having completed any Regulatory Element content for that registration category for the calendar year in which such person is re-registering or without having passed an examination for that registration category or without having obtained an unconditional examination waiver for that registration category shall complete the Regulatory Element content for that registration category annually by December 31 of the calendar year in which such person re-registers and by December 31 of every year thereafter in which such person remains registered, or as otherwise prescribed by the Board.

If a covered person has not completed any Regulatory Element content for a registration category in the prior calendar year(s) to re-registering, such persons would need to either: (i) complete the requisite Regulatory Element content; (ii) pass an examination for that registration category; or (iii) obtain an unconditional examination waiver for that registration category, as applicable, for purposes of the appropriate enforcement authority to consider approving the registration request.

Nothing in this paragraph (A)(4) shall prohibit a broker, dealer or municipal securities dealer from requiring its covered persons, other than a covered person designated as eligible for a waiver pursuant to Supplementary Material .04, to complete their Regulatory Element for their registration categories at any time during the calendar year.

*(5) Definition of [Registered] Covered Person*—For purposes of this subparagraph, the term "[registered] covered person" means any person registered or registering with the appropriate enforcement authority as a municipal securities representative, municipal securities principal, municipal fund securities limited principal or municipal securities sales principal [or financial and operations principal], including any person who is permissively registered as such pursuant to Supplementary Material .03, and any person who is designated as eligible for a waiver pursuant to Supplementary Material .04.

*(6) Delivery of the Regulatory Element*—The [continuing education] Regulatory Element [program will] shall be administered through Web-based delivery or such other technological manner and format as specified by the Board.

*(B) Firm Element*

*(1) Persons Subject to the Firm Element*—The requirements of this subparagraph shall apply to any person registered or registering with a broker, dealer or municipal securities dealer, including any person who is

permissively registered as a representative or principal pursuant to Supplementary Material .03 of this rule and who qualified as a representative or principal in accordance with this rule or as a general securities principal and who regularly engages in or supervises municipal securities activities [(collectively, "covered registered persons")].

(2) *Standards for the Firm Element*

(a) Each broker, dealer and municipal securities dealer must maintain a continuing and current education program for its [covered] registered persons to enhance their securities knowledge, skill, and professionalism. At a minimum, each broker, dealer and municipal securities dealer shall at least annually evaluate and prioritize its training needs, develop a written training plan, and conduct training annually on municipal securities for [covered] registered persons. The plan must take into consideration the broker, dealer and municipal securities dealer's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of [covered] registered persons in the Regulatory Element.

(b) Minimum Standards for Training Programs—Programs used to implement a broker, dealer or municipal securities dealer's training plan must be appropriate for the business of the broker, dealer or municipal securities dealer and, at a minimum must cover training topics related to the role, activities or responsibilities of the registered person [in ethics] and to professional responsibility. [and the following matters concerning municipal securities products, services and strategies offered by the broker, dealer or municipal securities dealer:]

[(i) General investment features and associated risk factors;]

[(ii) Suitability and sales practice considerations; and]

[(iii) Applicable regulatory requirements.]

(c) Administration of Continuing Education Program—A broker, dealer or municipal securities dealer must administer its continuing education programs under this subparagraph (B) in accordance with its annual evaluation and written plan and must maintain records documenting the content of the programs and completion of the programs by [covered] registered persons.

(d) Participation in Other Required Training - A broker, dealer or municipal securities dealer may consider a registered person's

participation in the broker, dealer or municipal securities dealer's anti-money laundering compliance training as required by a registered securities association of which the broker, dealer or municipal securities dealer is a member or the appropriate regulatory agency; and a registered person's participation in such broker, dealer or municipal securities dealer's annual compliance training as required by a registered securities association towards satisfying the registered person's continuing education requirement under this subparagraph (B).

(3) Participation in the Firm Element— [Covered r]Registered persons included in a broker, dealer or municipal securities dealer's plan under this subparagraph (B) must take all appropriate and reasonable steps to participate in continuing education programs as required by the broker, dealer or municipal securities dealer.

(4) Specific Training Requirements—The appropriate enforcement authority may require a broker, dealer or municipal securities dealer, individually or as part of a larger group, to provide specific training to its [covered] registered persons in such areas the appropriate enforcement authority deems appropriate. Such a requirement may stipulate the class of [covered] registered persons for which it is applicable, the time period in which the requirement must be satisfied and, where appropriate, the actual training content.

*(C) Continuing Education Program for Persons Maintaining Their Qualification Following the Termination of a Registration Category*

A person who terminates any of his or her representative or principal registration categories with the appropriate enforcement authority may maintain qualification for any of the terminated registration categories for a period of five years following the termination of the registration category, subject to the following conditions:

(1) The person was registered in the registration category for at least one year immediately preceding the termination of the registration category and the person was not subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act during the registration period;

(2) Prior to entering, or during the course of, the CE Program, the person does not have a continuing education deficiency with respect to his or her Regulatory Element for two consecutive years as provided in subclause (i)(i)(A)(2) of this rule under this subparagraph (C);

(3) The person does not become subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act following the termination



of his or her registration category or while participating in the program under this subparagraph (C); and

(4) The person completes annually by December 31 of the calendar year in the manner specified, all prescribed continuing education during such person's participation in the program under this subparagraph (C).

A person must elect to participate in the continuing education program under this subparagraph (C) within two years from the termination of such person's registration category, provided that if the person commences participation at a later date, the person shall complete within two years from the termination of such person's registration category any continuing education that was due under the program between the date of termination of such person's registration category and the later date such person commences participation in the program.

(ii) No change.

### **Supplementary Material**

**.01 - .03** No change.

**.04 Waiver from Requalification by Examination for Individuals Working for a Financial Services Industry Affiliate of a Broker, Dealer or Municipal Securities Dealer.** The requirement to requalify by examination for a lapsed qualification pursuant to subparagraphs (a)(ii)(C), (b)(ii)(C) and (b)(iv)(B)(3) of this rule shall be waived upon request to the proper registered securities association or the appropriate regulatory agency consistent with paragraph (h) of this rule for an individual if the following conditions are satisfied:

(1) No change.

(2) The waiver request is made within seven years of the individual's initial designation[.];

(3)-(5) No change.

As used under this Supplementary Material, the term "financial services industry affiliate of a broker, dealer or municipal securities dealer" means any legal entity that controls, is controlled by or is under common control with a broker, dealer or municipal securities dealer and is regulated by the SEC, CFTC, state securities authorities, federal or state banking authorities, state insurance authorities, or substantially equivalent foreign regulatory authorities.

On or after March 15, 2022, individuals are no longer able to be designated as an FSA-eligible individual for the waiver program set forth under this Supplementary Material .04 of this rule.

**.05 Eligibility of Other Persons to Participate in the Continuing Education Program.** A person qualified in a representative or principal registration category with the MSRB within two years immediately preceding March 15, 2022, shall be eligible to participate in the continuing

education program under subparagraph (i)(i)(C), provided that such person satisfies the conditions set forth in subparagraph (i)(i)(C)(1) through (5) of this rule. In addition, a person who previously obtained a waiver from requalification by examination by participating in the Financial Services Affiliate Waiver Program under Supplementary Material .04 immediately preceding March 15, 2022, shall be eligible to participate in the continuing education program under subparagraph (i)(i)(C), provided that such person satisfies the conditions set forth in subparagraph (i)(i)(C)(3), and (C)(5) through (C)(6) of this rule.

Persons eligible under this Supplementary Material .05 shall make their election to participate in the continuing education program under subparagraph (i)(i)(C) of this rule. If such persons elect to participate in the continuing education program, such persons must comply with the requirements of the registered securities association, with respect to the timeframe for making such an election.

**.06 Re-Eligibility to Participate in the Continuing Education Program.** A person who previously participated in the continuing education program pursuant to subparagraph (i)(i)(C) of this rule may become re-eligible to participate in the program if such person re-registers with a member of a registered securities association or appropriate regulatory agency and subsequently satisfies the conditions set forth in subparagraph (i)(i)(C)(1) and (C)(3) of this rule. In such an event, the person may elect to again participate in the program subject to satisfying the remaining conditions set forth in subparagraph (i)(i)(C) of this rule.

**.07 All Registered Representatives and Principals Must Satisfy the Regulatory Element of Continuing Education.** If a registered person has a continuing education deficiency with respect to that registration as provided under Rule G-3(i)(i)(A), such persons shall not be permitted to be qualified in another registration category under Rule G-3 until such persons have satisfied the deficiency.

**.08 Extension of Time Period to Complete Continuing Education Under the CE Maintenance Program.** If a person is unable to complete the prescribed continuing education, as provided under Rule G-3(i)(i)(C) by December 31 of the required calendar year, such person may apply for an extension of time by submitting a written application with supporting documentation to the registered securities association.

**.0[5]9 Status of Qualified Persons Serving in the Armed Forces of the United States**

(a) – (c) No change.

**.0[6]10 Temporary Relief for Municipal Securities Principal.**

**.0[7]11 Temporary Relief for Municipal Securities Limited Principal.**

**.0[8]12 Temporary Relief for Municipal Securities Sales Principal.**

**.0[9]13 Temporary Relief for Municipal Advisor Principal.**

**.1[0]4 Temporary Relief for Regulatory Element Standards.**

**.1[1]5 Temporary Relief for Firm Element Standards.**

**.1[2]6 Temporary Relief for Municipal Advisor Continuing Education Requirements.**