



MSRB Series 54: Principals Qualification Examination OVERVIEW

The MSRB has released information about the Series 54 Municipal Advisors Principals Qualification Exam. This exam is developed under the MSRB's authority under the *1934 Exchange Act* 15b(b)(2)(A) and is intended to ensure appropriate standards of training, experience and competence are in place for the protection of municipal entities and the public interest. The exam promotes professional qualification standards to "demonstrate a specified level of competency in the regulatory requirements and application thereof to the firm's MA activities."

The information below has been developed to assist Municipal Advisor Firms understand key features of the rulemaking for and the Series 54 exam itself and should not be considered to be all encompassing information about Rule G-3 and the Series 54 exam, nor is this legal advice.

Series 54 Exam

- Link to MSRB Notice/Series 54 Outline:
<http://msrb.org/~media/Files/Regulatory-Notices/Announcements/2018-33.ashx??n=1>
- Link to MSRB Series 54 Resource Page:
<https://msrb.org/Regulated-Entities/~link.aspx?id=5DF38B3F7ED84F3A871DBF9EAA72D3FE&z=z>
- Link to MSRB Notice 2018-30: SEC Approves Amendments to MSRB Rule G-3 to Establish a Municipal Advisor Principal Qualification Examination
<http://msrb.org/~media/Files/Regulatory-Notices/Announcements/2018-30.ashx??n=1>
- Link to MSRB Rule G-3: <http://msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-3.aspx>

Who Takes the Exam

Municipal Advisor Principal is defined under MSRB Rule G-3(e)(i), as a "natural person associated with a municipal advisor [firm] who is qualified as a MA representative [having passed the Series 50 exam] and is directly engaged in the management, direction or supervision of the municipal advisory activities of the municipal advisor [firm] and its associated persons [MA-Is in the firm]." Each firm must have at least one designated principal within their firm.

MA firms should identify those individuals in their firm who meet this criteria and update their written supervisory procedures (WSP) to reflect this designation. While MA firms may provide employees with various titles within their firm, it is important to clearly differentiate between these internal firm designations and those in the firm that meet the "principal" criteria according to MSRB Rule G-3(e)(i).

It is also important to note that when a new individual is hired to serve as a principal or the firm elevates a person within their firm to a principal status ("principal" as defined by MSRB), that person has 120 days from the time they begin performing supervisory duties to take the Series 54 exam. Once an individual takes and passes the Series 54 exam, they can maintain that status even if they depart the firm/join a new firm.ⁱ

Preparing for the Exam

NAMA is aware of two test preparation companies that will develop Series 54 materials. These include:

Solomon <https://solomonexamprep.com/pages/series54news>
STC <https://www.stcusa.com>

ⁱ If a Series 54 holder is not associated with a firm for more than 2 years, they must retake the exam. See MSRB Notice 2018-30