



## ***NAMA Overview: MSRB's Considerations for Assessing Supervisory Procedures for Municipal Advisors (Including the Process for New Issue Pricing)***

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The MSRB has published its *Considerations for Assessing Written Supervisory Procedures for Municipal Advisors (Including the Process for New Issue Pricing)*. The publication has been updated since the draft was released earlier this year to reflect comments from NAMA and others.

Following review, NAMA would like to emphasize to its members the following take-aways when reading the document:

1. The document focuses on MA documentation standards and WSPs. These discussions are helpful reminders that MAs should be aware of and use when reviewing your firm's policies and procedures.
2. This document is consistent with many of the comments heard during NAMA's webinars thus far this year: MAs should carefully document their municipal advisory relationship with clients. One item in particular – if you limit the scope of work or specifically state you will not perform certain work, yet perform that work, it is imperative to update the client contract/relationship in writing. Furthermore, all services provided, whether included in the Relationship Document or not, must meet the applicable standards (i.e., a duty of care for obligated person clients and both the duty of care and the duty of loyalty for municipal entity clients). If amending the contract is not an option, then the change in the scope of work should be provided to the client in writing and email could be used for this purpose provided the client acknowledges the change in scope.
3. A MA firm's Policies and Procedures should address how the MA firm will supervise and document the municipal advisory activities it performs, including those related to pricing.
4. Each firm should determine the level of documentation needed to fulfill its Supervisory and Compliance Obligations noted in Rule G-44. This includes for pricing. **It is important to note that the Resource does NOT imply or impose new standards on MAs related to complying with MSRB rules, including for pricing.** However, MA firms should be able to document or orally relay information during an Exam about the procedures the firm has in place for pricing duties it performs. MA firms should determine for themselves the level of documentation necessary to fulfill their duties under Rules G-44 and G-8 (recordkeeping).

The MSRB's Resource is available through this link –  
<https://www.msrb.org/sites/default/files/2022-11/MA-Pricing.pdf>