



## Considerations for Developing an Annual Compliance Review Matrix

As part of MSRB Rule G-44, a municipal advisory firm must review, no less frequently than annually, the firm’s written supervisory and compliance procedures and policies (“WSP”) according to the procedures identified for such activity within the firm’s WSP and any additional procedures deemed reasonable or necessary.

In order to accomplish the review, the Chief Compliance Officer (“CCO”) may choose to conduct interviews with the firm’s MAs and management team. The CCO may also determine if any updates need to be made to the WSP and/or prepare additional recommendations to the firm’s management about updates to the WSP. Changes or comments on specific firm procedures related to certain rules should be indicated within the matrix.

The information below has been developed to assist Municipal Advisor Firms develop their own annual review of their WSP. The information in the matrix is to be used as considerations for a firm developing its own annual review process. This document should not be considered the only resource related to Rule G-44 that firms use to develop their annual review nor a required resource. This document is not to be considered legal advice.

Procedure Reviewed	Testing Procedures, if any, (including frequency which may be annual)	Findings Summary/Conclusions	Recommended Change/Update (Include Responsibility, Action Plan and Target Date, if applicable)	Reviewer & Date of Review (Note if ongoing just denote ongoing and do not include date unless ongoing review was for less than full year)	Review by CCO	Completion Date & Final Actions (Other Comments)
REGISTRATION ISSUES: SEC Form MA compliance (annual and material updates completed)						
REGISTRATION ISSUES. SEC Form MA-I compliance (inaccurate information updated on an ongoing basis)						
REGISTRATION ISSUES: Review of outside business activities of Firm and affected employees for updating SEC Form MA and Form MA-I						

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REGISTRATION ISSUES: Review of process for identifying required changes to SEC Form MA or MA-I						
REGISTRATION ISSUES: Review of any services provided by non-advisory personnel to determine if any non-advisory personnel need to be registered at the SEC and the MSRB.						
REGISTRATION ISSUES.: Consents to service of process on file for all employees with SEC MA-I required						
REGISTRATION ISSUES (A-12): MSRB registration compliance.						
MSRB Rule G-2 and G-3 (Professional Qualification Standards): Confirm that MA reps have passed Series 50 exam and this is correctly reflected on MSRB site						
MSRB Rule G-3 (Professional Qualification Standards): Confirm that MA Principals have passed Series 50 exam and Series 54 exams and this is correctly reflected on MSRB site						

<b>Procedure Reviewed</b>	<b>Testing Procedures, if any, (including frequency which may be annual)</b>	<b>Findings Summary/Conclusions</b>	<b>Recommended Change/Update (Include Responsibility, Action Plan and Target Date, if applicable)</b>	<b>Reviewer &amp; Date of Review (Note if ongoing just denote ongoing and do not include date unless ongoing review was for less than full year)</b>	<b>Review by CCO</b>	<b>Completion Date &amp; Final Actions (Other Comments)</b>
MSRB Rule G-3 (Professional Qualification Standards): Confirm that persons supervising MA Services or engaged in the management and direction of MA Services have passed the Series 54 exam						
MSRB Rule G-3 (Continuing Education) Has needs analysis and written training plan been completed annually?						
MSRB Rule G-3 (Continuing Education) Have covered persons completed required training?						
MSRB Rule G-5 (Hiring Practices): Have any employees been banned or otherwise limited from practicing?						
MSRB Rule G-10 (Customer Complaints): Confirm initial <b>and annual</b> distribution of brochure notice have been provided to clients.						
MSRB Rule G-10 (Customer Complaints): Confirm existence of electronic complaint log. Is process for identifying and investigating complaints working?						

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MSRB Rule G-10 (Customer Complaints): Is there a process for identifying and investigating complaints working?						
MSRB Rule G-17: Review of marketing materials for accuracy.						
MSRB Rule G-17 and Antifraud Considerations: does Firm have process to ensure that disclosure of any MA conflicts in offering document is considered and the accuracy of disclosure regarding MAs.						
MSRB Rule G-20 (Gifts and Gratuities): Has firm clearly identified 12 month period for which gifts limits are applicable (calendar, fiscal etc.).						
MSRB Rule G-20 (Gifts and Gratuities): Has gift log been appropriately maintained?						
MSRB Rule G-20 (Gifts and Gratuities) Are affected employees reporting gifts given and received? Is process and supervisory process for identifying and aggregating gifts working?						

MSRB Rule G-34 (CUSIPs): Does firm have procedures for obtaining CUSIPs in competitive sales.						
MSRB Rule G-34 (CUSIPs): Does firm have sufficient procedures for recordkeeping related to obtaining CUSIPs in competitive sales?						
MSRB Rule G-37 (Pay-to-Play): Have all quarterly G-37 filings been made in a timely manner to the MSRB?						
MSRB Rule G-37 (Pay-to-Play): Is process for soliciting information from employees working? Is firm conducting independent verification of employee reporting?						
MSRB Rule G-37 (Pay-to-Play): Are policies with respect to overall contribution limits in place and working? What about policies with respect to political parties and PACS?						
MSRB Rule G-37 (Bond Ballots): Are these contributions being reported? Are there more strict state laws or policies of the firm that are applicable?						
MSRB Rule G-40 (Advertising): Does the firm have procedures for reviewing advertising materials, including firm's website and saving records of written approval by an MA Principal?						

MSRB Rule G-40 (Advertising): Where are approved advertising materials being stored?						
MSRB Rule G-40 (Advertising): Is firm aware of social media usage by firm and firm employees that may constitute advertising? If so, have procedures been developed to either prohibit to approve this type of social media usage? See also Books and Records below.						
MSRB Rule G-42 (Conflict Disclosure and Written Agreements): Are these being created and distributed to clients or potential clients in a timely fashion?						
MSRB Rule G-42/17 Identification of Conflicts of Interest: What is firm process for identifying conflicts? Is it working?						
MSRB Rule G-42/17 Identification of Conflicts of Interest: Is the firm mitigating conflicts in an appropriate manner?						
MSRB Rule G-42 (Prohibited Conflicts): What is firm process for identifying and avoiding prohibited conflicts?						

MSRB Rule G-42: Has firm reviewed its standard scope of services? Are there any issues with such services not properly identified or not being performed?						
MSRB Rule G-42: Are there policies and procedures related to firm services and duties?						
MSRB Rule G-42 (Suitability): Review of firm processes related to suitability.						
MSRB Rule G-42 (G-42 Recommendations) Proper documentation of G-42: Is the firm maintaining documents created that were material to firm's recommendations.						
MSRB Rule G-42 (G-42 Recommendations): Proper documentation of G-42 - Is the firm maintaining documents related to its recommendations done of other party's work?						
MSRB Rule G-42 (Duty of Care): Is the firm or individuals at the firm providing services for which they have sufficient expertise? Does the firm have appropriate policies and procedures to determine sufficient level of expertise?						
MSRB Rule G-44: Has WSP been reviewed and if needed updated to reflect new regulations, business lines or compliance concerns?						

MSRB Rule G-44: Have MA Principals been designated, changed or updated?						
MSRB Rule G-44: Is there any discrepancy between internal designation of firm principals and those who have passed the Series 54 exam?						
MSRB Rule G-44: Has firm completed Annual review and CEO certificate process?						
MSRB Rule G-44 Recordkeeping: Does firm have copies of all WSPs adopted for last five years? Does firm have records of annual compliance review and CEO certifications?						
MSRB Rule G-44: Compliance with Other Internal Policies in WSP. (List separately)						
MSRB Rule G-44: Have firm supervisory procedures been reviewed, updated and implemented related to general firm compliance matters?						
MSRB Rule G-44: Have firm supervisory procedures been reviewed and updated to reflect monitoring of services offered and performed by individual MAs?						
MSRB Rules G-8-9: Books & Records Generally (Storage Requirements and Email System) Are both physical and electronic records properly backed up? Does email system						

maintain non-alterable versions of all emails?						
MSRB Rules G-8-9: Books & Records. Has firm considered or adopted policies to prohibit, limit or retain other written communication such as text messages? How are such policies working?						
MSRB Rules G-8-9: Books & Records Maintenance of Corporate Records: Review corporate record requirements and make sure you have in accessible place.						
MSRB Rules G-8-9: Books & Records Maintenance of Financial Records; Review financial record requirements and make sure you have in accessible place.						
MSRB Rules G-8-9: Books & Records Maintenance of Transactions Records (Closed Deal Files; Transaction Summaries)						
OTHER: Any new State or local laws applicable to municipal advisor practice?						
OTHER: Other Identified Risks both for the Firm and individual MAs.						

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