NATIONAL ASSOCIATION OF MUNICIPAL ADVISORS

Overview of Amendments to MSRB Rule G-20
Considerations for Compliance

This document serves as a resource for NAMA members to be aware of recent amendments to MSRB Rule G-20. Firms should consult counsel or make their own determinations on how best to proceed with each item. This document should not be solely relied on for compliance purposes, nor does it constitute legal advice.

MA firms must implement changes to their WSP related to gifts no later than December 1, 2026 to comply with the amended Rule, and may implement changes before that. Firms may choose to implement the changes before that date as long as all components of the Rule are updated in the Firm's WSP. (See MSRB Notice 2026-07)

It is important for firms to review the updated Rule **HERE**, and understand the updates to supervisory standards, and definitions used within the Rule. Firms should strongly consider utilizing their supervisory framework to include robust processes and procedures for determining, giving and tracking gifts. If a firm determines to maintain the $100 gift limit in their WSP and not increase it to $300, the firm must still incorporate the other Rule changes in the firm's WSP by December 1.

Rule Highlights and *Compliance Considerations* -

· New limitation on value of gifts and gratuities is $300.

· New Supplementary Material Section .06, Supervision and Recordkeeping relates to firms developing a "reasonably designed" supervisory system to achieve compliance with Rule G-20." Key items include:

o Gifts given related to MA activity/business must be: reported, reviewed for compliance with the Rule, and maintained in the firm's records. *Firms should consider how they will determine when a gift must comply with Rule G-20 or is a permitted exclusion of the Rule*.

o An employee of the firm other than the person giving the gift must determine if the gift is related to MA business and thus falls under Rule G-20 and meets the gift rule requirements. Sole proprietor firms do not need to comply with this segment of the Rule per Rule G-44, Supplementary Material .03, but should review their documentation and gift rule policies and procedures per the reporting, reviewing and maintaining records standards. *The person determining if the gift falls under Rule G-20 can be any employee of the Firm, and does not need to be a Firm Principal. Firms should determine a reasonable manner to implement this oversight process that is appropriate for their firm.*

- o Gifts excluded from the Rule ((sections (c) and (d), and Supplementary Materials .03 and .05 related to normal business dealings (entertainment), personal gifts, transaction-commemorative gifts, de minimis gifts, promotional gifts) are not subject to record keeping requirements or included in determining the aggregate value of gifts given during the year. *NAMA recommends that firms review their policies and procedures related to the supervisory aspects of determining these exclusions and consider recordkeeping for supervisory compliance.*

- o Firms must determine and state whether the aggregation of gifts is done on a calendar year, fiscal year, or rolling basis (starting when a gift was given).

· Personal gifts are excluded from Rule G-20 requirements with the additional variable "provided the gifts are reasonable and customary." (Section (d)(vi)). *Firms should consider how they will determine if a personal gift, excluded from Rule G-20 also meets the "reasonable and customary" criteria.*

· Gifts given during "business entertainment or normal business dealings" (which are excluded from Rule G-20) are still considered gifts, and must adhere to Rule G-20 unless it qualifies under another Rule exception. (Section (d)(1)). *Firms need to consider having a process for evaluating and determining if gifts given during excluded business entertainment or normal business dealings, fall under the Rule.*

· When valuing gifts, the definition has been changed to only use the cost of the item. The language stating "the higher of cost or market value" has been deleted. (Supplementary Material .01)

· Bereavement gifts - that are reasonable and customary - have always been excluded from G-20. The Rule now emphasizes that bereavement gifts are excluded "because such gifts are not considered to be in relation to the business of the employer of the recipient." (Section (d)(v)) *MAs should determine if they should review bereavement gifts given to clients to ensure they are "reasonable and customary."*

· The de minimis gift exclusion now includes "the value of the gift must be substantially below the $300 limit," in addition to the established examples given in section (d)(iii) – "(e.g., pens, notepads, or modest desk ornaments)." *Firms should determine the threshold for being "substantially below $300" and be able to justify that amount in an exam.*

· The Rule excludes contributions related to federally declared disaster efforts from Rule G-20. Such contributions have no limitations or recordkeeping requirements under Rule G-8. (new Supplementary Material .05).