



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-6-2014**  
**January 31, 2014**

## Registration of Municipal Advisors – Final Rule

**Summary:** Section 975 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Act), Pub. L. 111-203, amended Section 15B(a) of the Securities Exchange Act of 1934 to make it unlawful for "municipal advisors," as defined in the Act, to provide certain advice to or solicit municipal entities or certain other persons without registering with the U.S. Securities and Exchange Commission (SEC). On September 20, 2013, the SEC issued a final rule, 17 C.F.R. § 240.15Ba1-1-8, implementing the Act and establishing a permanent registration system for municipal advisors. In a separate release, the SEC extended the expiration date of the temporary registration system under Rule 15Ba2-6T until December 31, 2014, to provide a transition period between the temporary and permanent registration systems. The final rule is effective on July 1, 2014.

**Statement of Applicability to Institutions Under \$1 Billion in Total Assets:** This Financial Institution Letter applies to any FDIC-supervised financial institution that meets the definition of "municipal advisor."

### Suggested Distribution:

FDIC-Supervised Banks (Commercial and Savings)

### Suggested Routing:

Chief Executive Officer  
Trust Officer  
Municipal Securities Dealer Division  
Capital Markets Division  
Compliance Officer

### Related Topics:

[FIL-63-2010, October 1, 2010, Temporary Registration of Municipal Advisors](#)

### Attachments:

[78 FR 67467, November 12, 2013 – Registration of Municipal Advisors – Final Rule](#)

[Interim Temporary Final Rule Release No. 34-70468, Extension of Temporary Registration of Municipal Advisors](#)

[Municipal Advisor Registration - FAQs](#)

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### Note:

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### Highlights:

- "Municipal advisor" is defined as any person who is not a municipal entity or an employee of a municipal entity who provides advice to or on behalf of a municipal entity or obligated person regarding municipal financial products or the issuance of municipal securities.
- Banks are not considered municipal advisors to the extent they provide advice concerning:
  - Deposit accounts and other deposit instruments;
  - Extensions of credit, including the purchase of municipal securities for a municipality's own accounts;
  - Any funds held in a sweep account; or
  - Any investment made when acting as an indenture trustee or similar fiduciary capacity.
- "Municipal financial products" is defined as municipal derivatives, guaranteed investment products, and investment strategies, including plans and programs for the investment of the proceeds of municipal securities offerings, recommendations, and brokerage of municipal escrow investments.
- New municipal advisors whose activities commence before September 30, 2014, must submit an application for temporary registration under Rule 15Ba2-6T.
- New municipal advisors whose activities commence after September 30, 2014, must file an application under the permanent registration system provided for in Rule 15Ba1-1-8.
- The permanent registration system provides for staggered compliance dates based on the advisor's temporary registration number.
- Municipal advisors registered under the temporary system must register under the permanent system when the permanent registration period begins in July.