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Stakeholders

Municipal Securities
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Approval Notice

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July 25, 2018,
October 1, 2018

Category

Professional
Qualification

Affected Rules

[Rule G-3](#)

MSRB Revises Content Outlines for Professional Qualification Examinations

Overview

On Monday, June 25, 2018, the Municipal Securities Rulemaking Board (MSRB) filed a proposed rule change¹ with the Securities and Exchange Commission (SEC) to revise the content outline and selection specifications for the Municipal Securities Representative Qualification Examination (“Series 52 exam”) to remove general securities knowledge content as part of the MSRB’s modifications to its professional qualification examination program.² Additionally, the MSRB proposed revisions to the Municipal Advisor Representative Qualification Examination (“Series 50 exam”), Municipal Fund Securities Limited Principal Qualification Examination (“Series 51 exam”)³ and the Municipal Securities Principal Qualification Examination (“Series 53 exam”) to reflect changes to laws, rules and regulations covered by the examinations, as applicable, and to make technical amendments to delete or update subject-matter topics and references.

¹ See [File No. SR-MSRB-2018-05](#).

² On June 8, 2018, the MSRB filed a proposed rule change with the SEC to amend MSRB Rule G-3 to, among other things, reflect the MSRB’s intended plan to revise the Series 52 exam into a more specialized knowledge examination and recognize the Financial Industry Regulatory Authority’s (FINRA) new Securities Industry Essentials™ Examination (“SIE exam”). See Exchange Act Release No. 83483 (June 20, 2018); File No. SR-MSRB-2018-04.

³ The revisions to the Series 51 exam content outline are in response to amendments to the tax code following the enactment of the Tax Cuts and Jobs Act of 2017 (“Jobs Act”). MSRB staff reviewed, in consultation with the MSRB’s Series 52/53 Subcommittee of the Professional Qualification Advisory Committee, the Series 51 exam bank and removed or updated impacted questions relating to 529 plans and municipal fund securities to align with the Jobs Act. Thus, because of the changes to the affected examination items, corresponding revisions, among others, have been made to the Series 51 exam content outline, for example, removing the term “college” from the phrase “529 college savings plans” to reflect that the tax code now allows for money saved in a 529 plan to be used for qualified K-12 education expenses.



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The MSRB filed the revisions to the content outlines for immediate effectiveness. The implementation date for the revised Series 52 exam content outline and selection specifications will be October 1, 2018, to coincide with the modifications to the MSRB's professional qualification examination program, while the technical amendments to the content outlines for the Series 50 exam, Series 51 exam and Series 53 exam will be implemented on July 25, 2018.

Questions about this notice may be directed to Bri Joiner, Manager, Professional Qualifications, at 202-838-1500.

Municipal Securities Representative Qualification Examination – Series 52

As a result of the changes to the MSRB's professional qualification examination program, as modified, the new exam format will require candidates to take and pass the more specialized Series 52 knowledge exam in addition to the new SIE exam to be qualified as a municipal securities representative pursuant to MSRB Rule G-3.

The Series 52 exam is designed to determine whether a candidate meets the baseline knowledge required to engage in the municipal securities business by measuring a candidate's knowledge of MSRB rules and rule interpretations. The MSRB's Series 52/53 Subcommittee of the Professional Qualification Advisory Committee worked to revise the Series 52 exam question bank and content outline to reduce areas of duplication with the content to be tested on the SIE exam. The revised Series 52 exam will consist of 75 multiple-choice questions, and candidates will have two and one-half hours to complete the exam. As currently is the case, each multiple-choice question will be worth one point, and the passing score will remain 70%.

The MSRB has made available on MSRB.org the revised Series 52 content outline that corresponds to the more specialized Series 52 knowledge exam effective on October 1, 2018.⁴ Candidates who open an exam enrollment window⁵ prior to October 1, 2018 will be enrolling to take the current Series 52 exam, whereas candidates who open an exam enrollment window on or after October 1, 2018 will be enrolling to take the revised Series 52 exam as well as the SIE exam.

⁴ See [File No. SR-MSRB-2018-05](#) for details regarding the revisions to the Series 52 exam content outline.

⁵ An examination enrollment window is the timeframe between registering for a professional qualification examination and taking the examination.

Revisions to Other MSRB Content Outlines

The MSRB engages in a periodic review of its qualification examinations to determine whether revisions are necessary or appropriate in view of changes to laws, rules and regulations pertaining to the subject matter of a qualification examination. The proposed revisions to the content outlines for the Series 50 exam,⁶ Series 51 exam⁷ and Series 53 exam⁸ are technical in nature to delete or update topics to reflect current references and nomenclatures and to update current rule requirements and citations, where identified.

Additionally, the MSRB standardized certain information appearing across all content outlines for MSRB-owned examinations (the Series 50 exam, Series 51 exam, Series 52 exam and Series 53 exam). Specifically, the revisions are as follows: (i) updating of the introductory statement in the preface; (ii) streamlining of the details regarding the purpose of the examination; (iii) retiring of old sample questions and providing a new set of sample questions for each exam; and (iv) replacing the current list of reference materials with an updated list and associated webpages.

⁶ See [File No. SR-MSRB-2018-05](#) for details regarding the revisions to the Series 50 exam content outline.

⁷ See [File No. SR-MSRB-2018-05](#) for details regarding the revisions to the Series 51 exam content outline.

⁸ See [File No. SR-MSRB-2018-05](#) for details regarding the revisions to the Series 53 exam content outline.