



RECAP: 4th Annual Fixed Income Legal & Compliance Roundtable

The BDA and Morgan Lewis held their 4th annual Fixed-Income Legal and Compliance Roundtable on Thursday, January 14, at Morgan, Lewis & Bockius in Philadelphia. The event featured presentations on high-priority regulatory and enforcement priorities from senior regulatory officials, in addition to discussions amongst dealers focused on fixed-income market structure and rule making initiatives.

This year's roundtable featured:

- **Cynthia Friedlander, Director, Fixed Income Regulation, FINRA.** Ms. Friedlander discussed FINRA's 2016 priorities, including enforcement of minimum denomination rules and markups, as well as FINRA coordination with MSRB on regulatory actions across fixed-income markets, especially related to the retail confirmation disclosure proposed rule. FINRA will also be focusing on Municipal Advisor exams and noted that some MAs have documentation and timing of disclosures issues, and also insufficient policies and procedures for identifying a municipal entity.
- **Gail Marshall, Associate General Counsel - Enforcement Coordination, MSRB.** Ms. Marshall discussed market structure initiatives, including best execution, shortening the settlement cycle to T+2, and MSRB Rule G-12 to shorten the close-out procedures for fails from 90 calendar days to 30 business days. Additionally, she provided an update on the Series 50 Municipal Advisor Exam and noted that 1,700 individuals will be taking the upcoming pilot exam.
- **Carl Tugberk, Assistant General Counsel, MSRB.** Mr. Tugberk's presentation included a review of MSRB's 2015 Annual Report and an overview of their ongoing priorities. He also discussed Municipal Advisor initiatives, such as G-44, G-20, and an update on the Pay-to-Play Rule G-37. Additionally, he touched on updating SMMP documentation related to Best

Execution.

- **Mark Zehner, Division of Enforcement, SEC.** Mr. Zehner stated that the third round of MCDL settlements would be released "quite soon". Again, he noted that the basis for the lines that the SEC drew for violations are based on "prosecutorial discretion" and should not be viewed as guidance on materiality. Mr. Zehner reviewed SEC priorities for 2016 and identified minimum denomination rules as a particular priority.

The roundtable concluded with a networking reception and dinner.

We hope this information is helpful. Feel free to contact the BDA with any questions or comments.

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