**2018 SIFMA Municipal Master Agreement Among Underwriters (Negotiated Offerings) Implementation Process**

1. **Implementation Dates**

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| July 2018 | Publication of 2018 SIFMA Master Agreement Among Underwriters for Negotiated Offerings of Municipal Securities (“2018 MMAAU”) and start of collection of acceptance letters |
| July 16, 2018 | Press release announcing document publication and teleconference |
| July 18, 2018 | Industry teleconference from 11 am to Noon E.T.  Registration link: [**http://dpregister.com/10122395**](http://dpregister.com/10122395) |
| September 4, 2018 | Initial 2018 MAAU effective date |

1. **Summary**

The 2018 SIFMA Master Agreement Among Underwriters for Negotiated Offerings of Municipal Securities (“2018 MMAAU”) implements a new multilateral structure for the 2018 MMAAU for municipal securities. The new structure is intended to facilitate transparency as to which broker dealers have accepted, or agreed to adhere to the 2018 MMAAU, and to reduce compliance burdens on firms who will no longer need to execute and store signature pages for every syndicate member. Participating firms will sign an acceptance letter to sign on to the 2018 MMAAU, and SIFMA will publish and maintain a list of firms that have accepted the terms of the 2018 MMAAU on its website. The 2018 MMAAU is a master contract designed to govern the relationship of underwriting syndicate members for municipal securities underwriting transactions.

There were 10,584 new publicly offered municipal securities issuance transactions in the US in 2017. In nearly all those transactions involving an underwriting syndicate, the relationship among underwriting syndicate members was governed by a SIFMA form of Municipal Master Agreement Among Underwriters. SIFMA has fully revised the 2018 MMAAU for the first time in 16 years. While SIFMA is responsible for drafting and maintaining the 2018 MMAAU, we are not a party to any municipal syndicate agreement.

When entering into an underwriting syndicate for municipal securities under our former documents, it was necessary for municipal securities syndicate members or others involved in an issuance transaction to verify that other firms in the syndicate had executed the 2002 SIFMA Master Agreement Among Underwriters for Municipal Securities (“2002 MMAAU”) bilaterally, which can entail time and labor. If the firms have not executed the 2002 MMAAU with each other, then they either needed to do so or execute the 1997 SIFMA Agreement Among Underwriters on a transaction-specific basis.

SIFMA is instituting a service to collect and catalog acceptance letters for the new 2018 MMAAU, allowing syndicate members to quickly and easily determine that other firms have accepted the terms of the 2018 MMAAU. Features of the service include:

• SIFMA will store conformed copies of executed 2018 MAAU acceptance letters on its Web site at [www.sifma.org/mmaau](http://www.sifma.org/mmaau), along with other pertinent information, such as the effective date of acceptance. The 2018 MMAAU acceptance letters will be accessible publicly without charge and without the need for an account or password.

• SIFMA will charge a fee of $1000 per acceptance letter for this service, which will be available to all municipal securities underwriters. The fee covers storage of the 2018 MMAAU acceptance letter for as long as that version of the 2018 MMAAU is in use and is intended to offset SIFMA’s legal costs related to the 2018 MMAAU.

• There is no charge to withdraw from the MAAU by delivery of a 2018 MMAAU withdrawal letter.

• The 2018 MMAAU acceptance letters on the SIFMA website include the names of the executing firms but would not include personally identifiable information associated with any individual, including the officer who signed the 2018 MMAAU acceptance letter, unless a firm would like to post relevant contact information. For identifying purposes, the acceptance letters would also include a firm’s legal entity identifier, if they have one and provide it on their 2018 MMAAU acceptance letter.

• Electronic copies of the signed 2018 MMAAU acceptance letters will be available only to SIFMA staff. If a user wants to view the actual signed copy, that request would be addressed by SIFMA staff in consultation with the relevant signatory firm.

• The initial effective date will be September 4. We encourage firms to sign up as early as possible, as this will facilitate information dissemination to providers of syndicate systems and potential syndicate members.

1. **Updates to the 2018 MMAAU From the 2002 MMAAU**

In summary, the principal changes to the 2018 MMAAU from the 2002 MMAAU include the following:

• Establishing SIFMA as a central repository for acceptance and withdrawal letters. Each participating underwriter will only send an acceptance letter to SIFMA, rather than to all other participating underwriters. Withdrawal will be handled in the same fashion, with SIFMA as a central repository. SIFMA will establish a separate website where conformed copies of acceptance and withdrawal letters will be posted and available to the public.

• Adding language specifically addressing retail orders and authorizing the manager to reallocate retail orders that are not viewed as bona fide.

• Adding language to reflect changes in MSRB Rules, particularly G-11.

• Adding G-17 language applicable to the manager and the underwriters.

• Adding language relating to compliance with Rule G-38.

• Authorizing the manager and the underwriters to establish third-party distribution networks.

• Giving customer orders priority.

• Adding language regarding indemnity for failure to comply with representations made or deemed to be made.

• Adding provisions allowing for the appointment of syndicate counsel, the settlement of claims or actions and the replacement of the manager in certain circumstances.

• Adding issue price language (from the SIFMA issue price riders, although split among 3 locations; the issue price language in the revised 2018 MMAAU is consistent with SIFMA’s Issue Price Riders 2.0 that can be found here: <http://www.sifma.org/issuepricedocs>).

• Expanding the language dealing with qualification of the securities for sales in the various domestic and international jurisdictions.

• Expanding the governing law provision to provide for venue in the courts in NYC and waiving jury trial.

• Expanding the items to be included in the initial wire and the pricing wire.

• Providing that the blue sky and legal investment memoranda may be delivered to the underwriters in summary form.

• Stating explicitly that the manager or the underwriter who is party to a third-party distribution agreement is liable for the failure of the broker-dealer party to such agreement to comply with the terms of the offering including complying with the requirements for establishing issue price of the securities.

• Confirming that, as among the underwriters participating in an account, an underwriter who fails to comply with the requirements for establishing issue price of the securities (or an underwriter who is party to a third-party distribution agreement in which the broker-dealer fails to comply) will indemnify the other underwriters in the account for any liability or payment made to the issuer, notwithstanding any broader liability provision that may be included for the benefit of the issuer in the purchase contract.

1. **2018 MMAAU Implementation Process**

*Step 1 – Review document and sign Acceptance Letter (2018 MMAAU* *Annex B)*

Two separate copies of the 2018 MMAAU acceptance letter are to be submitted in PDF format via email to [munis@sifma.org](mailto:munis@sifma.org).

• The first PDF file should contain the signature of the duly authorized individual that executed the 2018 MMAAU acceptance letter on behalf of the firm.

• The second PDF file should contain a conformed copy of the 2018 MMAAU acceptance letter.

• The effective date of the acceptance letter should be clearly marked on the top left portion of the 2018 MMAAU acceptance letter

• SIFMA highly encourages use of a legal entity identifier on the signature page.

*Step 2 – Payment*

When SIFMA receives an acceptance letter, an acknowledgement will be sent back to the email address from which we received the acceptance letter.

• The email will be the acknowledgement that the acceptance letter has been received.

• SIFMA’s fee is $1000 per acceptance letter for this service.

• The fee may be paid by check sent via U.S. Postal Service or paid via credit card at the SIFMA Store at: <https://crm.mbrservices.net/profile/login.aspx?OrgCode=10&eventid=5526>. If the payor does not already have an account with SIFMA, an account will need to be established to pay via credit card. If any issues arise with this process, please email [munis@sifma.org](mailto:munis@sifma.org).

• 2018 MMAAU acceptance letters will be posted on SIFMA’s website within 48 hours after receipt of both copies of the acceptance letter and payment. The 2018 MMAAU acceptance letter effective date will be noted on SIFMA’s website. The effective date of the acceptance letter shall not be prior to SIFMA’s receipt of both copies of the acceptance letter and payment.

*Step 3 – Withdrawal*

When SIFMA receives a 2018 MMAAU withdrawal letter, an acknowledgement will be sent back to the email address from which we received the withdrawal letter. Two separate copies of the 2018 MMAAU withdrawal letter are to be submitted in PDF format via email to [munis@sifma.org](mailto:munis@sifma.org).

• The first PDF file should contain the signature of the duly authorized individual that executed the 2018 MMAAU withdrawal letter on behalf of the firm.

• The second PDF file should contain a conformed copy of the 2018 MMAAU withdrawal letter.

• The effective date of the 2018 MMAAU withdrawal letter should be clearly marked on the top left portion of the 2018 MMAAU withdrawal letter

• SIFMA highly encourages use of a legal entity identifier on the signature page.

• There is no fee for a 2018 MMAAU withdrawal letter.

• 2018 MMAAU withdrawal letters will be posted on SIFMA’s website within 48 hours after receipt of the 2018 MMAAU withdrawal letter. The 2018 MMAAU withdrawal letter effective date will be noted on SIFMA’s website.