



June 2, 2021

**VIA ELECTRONIC SUBMISSION**

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005

**Re: MSRB Notice 2021-06 – Application of Regulation Best Interest to Bank Dealers**

Dear Mr. Smith,

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates this opportunity to comment on the Municipal Securities Rulemaking Board’s (“MSRB”) Notice 2021-06 (the “Notice”),<sup>2</sup> which proposes an amendment to MSRB Rule G-19 that would require bank dealers to comply with Securities Exchange Act Rule 15/-1 (“Regulation Best Interest”) when making recommendations of securities transactions or investment strategies involving municipal securities to retail customers.<sup>3</sup> SIFMA supports the proposed amendment to extend

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

<sup>2</sup> MSRB Notice 2021-06 (March 4, 2021).

<sup>3</sup> SIFMA notes that per SEC No-Action relief, "Institutional Family Offices" are not subject to Reg BI. The no-action relief defines "Institutional Family Office" as:

- 1) one or more experienced securities or financial service professionals;
- 2) total assets of \$50 million or more;
- 3) independent of the BD; and
- 4) supervision, i.e., policies and procedures/records to comply/demonstrate compliance with the relief.

See: <https://www.sec.gov/divisions/marketreg/mr-noaction/2020/sifma-122320-regbi.pdf>

SIFMA subsequently released two related forms: 1) an affirmative confirmation of status, and 2) a negative consent confirmation of status of Institutional Family Office. Both forms are available at <https://www.sifma.org/resources/general/cross-product/#isc>.

Regulation Best Interest to bank dealers, as defined in the Notice. Although our members do not normally conduct retail activity through their affiliated banks that would implicate this rule, we believe that regulatory parity among regulated entities, which this amendment achieves, is a worthwhile goal.

If any questions regarding the foregoing, please contact me at (212) 313-1130 or [lnorwood@sifma.org](mailto:lnorwood@sifma.org).

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Norwood', written in a cursive style.

Leslie M. Norwood  
Managing Director  
and Associate General Counsel