

111TH CONGRESS  
1ST SESSION

# H. R. 2550

To amend the Securities Exchange Act of 1934 to require the registration  
of municipal financial advisers.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2009

Mr. DRIEHAUS (for himself, Mr. AL GREEN of Texas, Mr. FRANK of Massachusetts, Mr. BACA, Mr. CLEAVER, Mr. MORAN of Virginia, Mr. ANDREWS, and Mr. CONNOLLY of Virginia) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Securities Exchange Act of 1934 to require  
the registration of municipal financial advisers.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Municipal Advisers  
5       Regulation Act”.

1 **SEC. 2. MUNICIPAL FINANCIAL ADVISER REGISTRATION**  
2 **REQUIREMENT.**

3 (a) IN GENERAL.—The Securities Exchange Act of  
4 1934 is amended by inserting after section 15E (15  
5 U.S.C. 78o–7) the following new section:

6 **“SEC. 15F. MUNICIPAL FINANCIAL ADVISER REGISTRATION**  
7 **REQUIREMENT.**

8 “(a)(1) It shall be unlawful for any person that is  
9 either a person other than a natural person or a natural  
10 person not associated with a municipal financial adviser  
11 which is a person other than a natural person to make  
12 use of the mails or any means or instrumentality of inter-  
13 state commerce to act as a municipal financial adviser un-  
14 less such person is registered as a municipal financial ad-  
15 viser in accordance with subsection (b).

16 “(2) The Commission, by rule or order, as it deems  
17 consistent with the public interest and the protection of  
18 investors, may conditionally or unconditionally exempt  
19 from paragraph (1) of this section any municipal financial  
20 adviser or class of municipal financial advisers specified  
21 in such rule or order.

22 “(b)(1) A municipal financial adviser may be reg-  
23 istered by filing with the Commission an application for  
24 registration in such form and containing such information  
25 and documents concerning such municipal financial ad-  
26 viser and any persons associated with such municipal fi-

1 nancial adviser as the Commission, by rule, may prescribe  
2 as necessary or appropriate in the public interest or for  
3 the protection of investors. Within 45 days of the date of  
4 the filing of such application (or within such longer period  
5 as to which the applicant consents), the Commission  
6 shall—

7           “(A) by order grant registration, or

8           “(B) institute proceedings to determine whether  
9 registration should be denied. Such proceedings shall  
10 include notice of the grounds for denial under con-  
11 sideration and opportunity for hearing and shall be  
12 concluded within 120 days of the date of the filing  
13 of the application for registration. At the conclusion  
14 of such proceedings, the Commission, by order, shall  
15 grant or deny such registration. The Commission  
16 may extend the time for conclusion of such pro-  
17 ceedings for up to 90 days if it finds good cause for  
18 such extension and publishes its reasons for so find-  
19 ing or for such longer period as to which the appli-  
20 cant consents.

21 The Commission shall grant such registration if the  
22 Commission finds that the requirements of this sec-  
23 tion are satisfied. The Commission shall deny such  
24 registration if it does not make such a finding or if  
25 it finds that if the applicant were so registered, its

1 registration would be subject to suspension or rev-  
2 ocation under paragraph (4).

3 “(2) An application for registration of a municipal  
4 financial adviser to be formed or organized may be made  
5 by a municipal financial adviser to which the municipal  
6 financial adviser to be formed or organized is to be the  
7 successor. Such application, in such form as the Commis-  
8 sion, by rule, may prescribe, shall contain such informa-  
9 tion and documents concerning the applicant, the suc-  
10 cessor, and any persons associated with the applicant or  
11 the successor, as the Commission, by rule, may prescribe  
12 as necessary or appropriate in the public interest or for  
13 the protection of investors. The grant or denial of registra-  
14 tion to such an applicant shall be in accordance with the  
15 procedures set forth in paragraph (1) of this subsection.  
16 If the Commission grants such registration, the registra-  
17 tion shall terminate on the 45th day after the effective  
18 date thereof, unless prior thereto the successor shall, in  
19 accordance with such rules and regulations as the Com-  
20 mission may prescribe, adopt the application for registra-  
21 tion as its own.

22 “(3) Any provision of this title (other than section  
23 5 and subsection (a) of this section) which prohibits any  
24 act, practice, or course of business if the mails or any  
25 means or instrumentality of interstate commerce is used

1 in connection therewith shall also prohibit any such act,  
2 practice, or course of business by any registered municipal  
3 financial adviser or any person acting on behalf of such  
4 a municipal financial adviser, irrespective of any use of  
5 the mails or any means or instrumentality of interstate  
6 commerce in connection therewith.

7 “(4) The Commission, by order, shall censure, place  
8 limitations on the activities, functions, or operations of,  
9 suspend for a period not exceeding 12 months, or revoke  
10 the registration of any municipal financial adviser if it  
11 finds, on the record after notice and opportunity for hear-  
12 ing, that such censure, placing of limitations, suspension,  
13 or revocation is in the public interest and that such munic-  
14 ipal financial adviser, whether prior or subsequent to be-  
15 coming such, or any person associated with such municipal  
16 financial adviser, whether prior or subsequent to becoming  
17 so associated—

18 “(A) has willfully made or caused to be made  
19 in any application for registration or report required  
20 to be filed with the Commission or with any other  
21 appropriate regulatory agency under this title, or in  
22 any proceeding before the Commission with respect  
23 to registration, any statement which was at the time  
24 and in the light of the circumstances under which it  
25 was made false or misleading with respect to any

1 material fact, or has omitted to state in any such  
2 application or report any material fact which is re-  
3 quired to be stated therein;

4 “(B) has been convicted within 10 years pre-  
5 ceding the filing of any application for registration  
6 or at any time thereafter of any felony or mis-  
7 demeanor or of a substantially equivalent crime by  
8 a foreign court of competent jurisdiction which the  
9 Commission finds—

10 “(i) involves the purchase or sale of any  
11 security, the taking of a false oath, the making  
12 of a false report, bribery, perjury, burglary, any  
13 substantially equivalent activity however de-  
14 nominated by the laws of the relevant foreign  
15 government, or conspiracy to commit any such  
16 offense;

17 “(ii) arises out of the conduct of the busi-  
18 ness of a municipal financial adviser, broker,  
19 dealer, municipal securities dealer, government  
20 securities broker, government securities dealer,  
21 investment adviser, bank, insurance company,  
22 fiduciary, transfer agent, nationally recognized  
23 statistical rating organization, foreign person  
24 performing a function substantially equivalent  
25 to any of the above, or entity or person required

1 to be registered under the Commodity Ex-  
2 change Act (7 U.S.C. 1 et seq.) or any substan-  
3 tially equivalent foreign statute or regulation;

4 “(iii) involves the larceny, theft, robbery,  
5 extortion, forgery, counterfeiting, fraudulent  
6 concealment, embezzlement, fraudulent conver-  
7 sion, or misappropriation of funds, or securities,  
8 or substantially equivalent activity however de-  
9 nominated by the laws of the relevant foreign  
10 government; or

11 “(iv) involves the violation of section 152,  
12 1341, 1342, or 1343 or chapter 25 or 47 of  
13 title 18, or a violation of a substantially equiva-  
14 lent foreign statute;

15 “(C) is permanently or temporarily enjoined by  
16 order, judgment, or decree of any court of competent  
17 jurisdiction from acting as a municipal financial ad-  
18 viser, investment adviser, underwriter, broker, deal-  
19 er, municipal securities dealer, government securities  
20 broker, government securities dealer, transfer agent,  
21 nationally recognized statistical rating organization,  
22 foreign person performing a function substantially  
23 equivalent to any of the above, or entity or person  
24 required to be registered under the Commodity Ex-  
25 change Act or any substantially equivalent foreign

1 statute or regulation, or as an affiliated person or  
2 employee of any investment company, bank, insur-  
3 ance company, foreign entity substantially equivalent  
4 to any of the above, or entity or person required to  
5 be registered under the Commodity Exchange Act or  
6 any substantially equivalent foreign statute or regu-  
7 lation or from engaging in or continuing any con-  
8 duct or practice in connection with any such activity,  
9 or in connection with the purchase or sale of any se-  
10 curity;

11 “(D) has willfully violated any provision of the  
12 Securities Act of 1933, the Investment Advisers Act  
13 of 1940, the Investment Company Act of 1940, the  
14 Commodity Exchange Act, this title, the rules or  
15 regulations under any of such statutes, or is unable  
16 to comply with any such provision;

17 “(E) has willfully aided, abetted, counseled,  
18 commanded, induced, or procured the violation by  
19 any other person of any provision of the Securities  
20 Act of 1933, the Investment Advisers Act of 1940,  
21 the Investment Company Act of 1940, the Com-  
22 modity Exchange Act, this title, the rules or regula-  
23 tions under any of such statutes, or has failed rea-  
24 sonably to supervise, with a view to preventing viola-  
25 tions of the provisions of such statutes, rules, and



1 regulations, another person who commits such a vio-  
2 lation, if such other person is subject to his super-  
3 vision. For the purposes of this subparagraph, no  
4 person shall be deemed to have failed reasonably to  
5 supervise any other person, if—

6 “(i) there have been established proce-  
7 dures, and a system for applying such proce-  
8 dures, which would reasonably be expected to  
9 prevent and detect, insofar as practicable, any  
10 such violation by such other person, and

11 “(ii) such person has reasonably dis-  
12 charged the duties and obligations incumbent  
13 upon him by reason of such procedures and sys-  
14 tem without reasonable cause to believe that  
15 such procedures and system were not being  
16 complied with;

17 “(F) is subject to any order of the Commission  
18 barring or suspending the right of the person to be  
19 associated with a municipal financial adviser;

20 “(G) has been found by a foreign financial reg-  
21 ulatory authority to have—

22 “(i) made or caused to be made in any ap-  
23 plication for registration or report required to  
24 be filed with a foreign financial regulatory au-  
25 thority, or in any proceeding before a foreign fi-

1           nancial regulatory authority with respect to reg-  
2           istration, any statement that was at the time  
3           and in the light of the circumstances under  
4           which it was made false or misleading with re-  
5           spect to any material fact, or has omitted to  
6           state in any application or report to the foreign  
7           financial regulatory authority any material fact  
8           that is required to be stated therein;

9           “(ii) violated any foreign statute or regula-  
10          tion regarding transactions in securities, or con-  
11          tracts of sale of a commodity for future deliv-  
12          ery, traded on or subject to the rules of a con-  
13          tract market or any board of trade;

14          “(iii) aided, abetted, counseled, com-  
15          manded, induced, or procured the violation by  
16          any person of any provision of any statutory  
17          provisions enacted by a foreign government, or  
18          rules or regulations thereunder, empowering a  
19          foreign financial regulatory authority regarding  
20          transactions in securities, or contracts of sale of  
21          a commodity for future delivery, traded on or  
22          subject to the rules of a contract market or any  
23          board of trade, or has been found, by a foreign  
24          financial regulatory authority, to have failed  
25          reasonably to supervise, with a view to pre-

1 venting violations of such statutory provisions,  
2 rules, and regulations, another person who com-  
3 mits such a violation, if such other person is  
4 subject to his supervision; or

5 “(H) is subject to any final order of a State se-  
6 curities commission (or any agency or officer per-  
7 forming like functions), State authority that super-  
8 vises or examines banks, savings associations, or  
9 credit unions, State insurance commission (or any  
10 agency or office performing like functions), an ap-  
11 propriate Federal banking agency (as defined in sec-  
12 tion 3 of the Federal Deposit Insurance Act (12  
13 U.S.C. 1813(q))), or the National Credit Union Ad-  
14 ministration, that—

15 “(i) bars such person from association with  
16 an entity regulated by such commission, author-  
17 ity, agency, or officer, or from engaging in the  
18 business of securities, insurance, banking, sav-  
19 ings association activities, or credit union activi-  
20 ties; or

21 “(ii) constitutes a final order based on vio-  
22 lations of any laws or regulations that prohibit  
23 fraudulent, manipulative, or deceptive conduct.

24 “(5) Pending final determination whether any reg-  
25 istration under this subsection shall be revoked, the Com-

1 mission, by order, may suspend such registration, if such  
2 suspension appears to the Commission, after notice and  
3 opportunity for hearing, to be necessary or appropriate in  
4 the public interest or for the protection of investors. Any  
5 registered municipal financial adviser may, upon such  
6 terms and conditions as the Commission deems necessary  
7 or appropriate in the public interest or for the protection  
8 of investors, withdraw from registration by filing a written  
9 notice of withdrawal with the Commission. If the Commis-  
10 sion finds that any registered municipal financial adviser  
11 is no longer in existence or has ceased to do business as  
12 a municipal financial adviser, the Commission, by order,  
13 shall cancel the registration of such municipal financial  
14 adviser.

15       “(6)(A) With respect to any person who is associated,  
16 who is seeking to become associated, or, at the time of  
17 the alleged misconduct, who was associated or was seeking  
18 to become associated with a municipal financial adviser,  
19 the Commission, by order, shall censure, place limitations  
20 on the activities or functions of such person, or suspend  
21 for a period not exceeding 12 months, or bar such person  
22 from being associated with a municipal financial adviser,  
23 if the Commission finds, on the record after notice and  
24 opportunity for a hearing, that such censure, placing of

1 limitations, suspension, or bar is in the public interest and  
2 that such person—

3 “(i) has committed or omitted any act, or is  
4 subject to an order or finding, enumerated in sub-  
5 paragraph (A), (D), or (E) of paragraph (4) of this  
6 subsection;

7 “(ii) has been convicted of any offense specified  
8 in subparagraph (B) of such paragraph (4) within  
9 10 years of the commencement of the proceedings  
10 under this paragraph; or

11 “(iii) is enjoined from any action, conduct, or  
12 practice specified in subparagraph (C) of such para-  
13 graph (4).

14 “(B) It shall be unlawful—

15 “(i) for any person as to whom an order under  
16 subparagraph (A) is in effect, without the consent of  
17 the Commission, willfully to become, or to be, associ-  
18 ated with a municipal financial adviser in contraven-  
19 tion of such order; or

20 “(ii) for any municipal financial adviser to per-  
21 mit such a person, without the consent of the Com-  
22 mission, to become or remain, a person associated  
23 with the municipal financial adviser in contravention  
24 of such order, if such municipal financial adviser

1       knew, or in the exercise of reasonable care should  
2       have known, of such order.

3       “(7) No registered municipal financial adviser shall  
4       act as such unless it meets such standards of operational  
5       capability and such municipal financial adviser and all  
6       natural persons associated with such municipal financial  
7       adviser meet such standards of training, experience, com-  
8       petence, and such other qualifications as the Commission  
9       finds necessary or appropriate in the public interest or for  
10      the protection of investors. The Commission shall establish  
11      such standards by rules and regulations, which may—

12           “(A) specify that all or any portion of such  
13           standards shall be applicable to any class of munic-  
14           ipal financial advisers and persons associated with  
15           municipal financial advisers;

16           “(B) require persons in any such class to pass  
17           tests prescribed in accordance with such rules and  
18           regulations, which tests shall, with respect to any  
19           class of partners, officers, or supervisory employees  
20           (which latter term may be defined by the Commis-  
21           sion’s rules and regulations) engaged in the manage-  
22           ment of the municipal financial adviser, include  
23           questions relating to bookkeeping, accounting, super-  
24           vision of employees, maintenance of records, and  
25           other appropriate matters; and

1           “(C) provide that persons in any such class  
2           other than municipal financial advisers and partners,  
3           officers, and supervisory employees of municipal fi-  
4           nancial advisers, may be qualified solely on the basis  
5           of compliance with such standards of training and  
6           such other qualifications as the Commission finds  
7           appropriate.

8   The Commission, by rule, may prescribe reasonable fees  
9   and charges to defray its costs in carrying out this para-  
10 graph, including, but not limited to, fees for any test ad-  
11 ministered by it or under its direction.

12       “(c)(1)(A) No municipal financial adviser shall make  
13 use of the mails or any means or instrumentality of inter-  
14 state commerce in connection with which such municipal  
15 financial adviser engages in any fraudulent, deceptive, or  
16 manipulative act or practice or violates such rules and reg-  
17 ulations regarding conflicts of interest or fair practices,  
18 including but not limited to rules and regulations related  
19 to political contributions, as the Commission shall pre-  
20 scribe in the public interest or for the protection of inves-  
21 tors or to maintain fair and orderly markets.

22       “(B) The Commission shall, for the purposes of this  
23 paragraph as the Commission finds necessary or appro-  
24 priate in the public interest or for the protection of inves-  
25 tors, by rules and regulations define, and prescribe means

1 reasonably designed to prevent, such acts and practices  
2 as are fraudulent, deceptive, or manipulative.

3       “(2) If the Commission finds, after notice and oppor-  
4 tunity for a hearing, that any person subject to the provi-  
5 sions of this section or any rule or regulation thereunder  
6 has failed to comply with any such provision, rule, or regu-  
7 lation in any material respect, the Commission may pub-  
8 lish its findings and issue an order requiring such person,  
9 and any person who was a cause of the failure to comply  
10 due to an act or omission the person knew or should have  
11 known would contribute to the failure to comply, to com-  
12 ply, or to take steps to effect compliance, with such provi-  
13 sion or such rule or regulation thereunder upon such  
14 terms and conditions and within such time as the Commis-  
15 sion may specify in such order.

16       “(d) Every registered municipal financial adviser  
17 shall establish, maintain, and enforce written policies and  
18 procedures reasonably designed, taking into consideration  
19 the nature of such municipal financial adviser’s business,  
20 to prevent the misuse in violation of this title, or the rules  
21 or regulations thereunder, of material, nonpublic informa-  
22 tion by such municipal financial adviser or any person as-  
23 sociated with such municipal financial adviser. The Com-  
24 mission, as it deems necessary or appropriate in the public  
25 interest or for the protection of investors, shall adopt rules



1 or regulations to require specific policies or procedures  
2 reasonably designed to prevent misuse in violation of this  
3 title (or the rules or regulations thereunder) of material,  
4 nonpublic information.

5 “(e) A municipal financial adviser and any person as-  
6 sociated with such municipal financial adviser shall be  
7 deemed to have a fiduciary duty to any municipal securi-  
8 ties issuer for whom such municipal financial adviser acts  
9 as a municipal financial adviser. A municipal financial ad-  
10 viser may not engage in any act, practice, or course of  
11 business which is not consistent with a municipal financial  
12 adviser’s fiduciary duty. The Commission shall, for the  
13 purposes of this paragraph, by rules and regulations de-  
14 fine, and prescribe means reasonably designed to prevent,  
15 such acts, practices, and courses of business as are not  
16 consistent with a municipal financial adviser’s fiduciary  
17 duty to its clients.”.

18 (b) DEFINITION.—Section 3(a) of the Securities Ex-  
19 change Act of 1934 (15 U.S.C. 78c(a)) is amended by  
20 adding at the end the following new paragraph:

21 “(65) MUNICIPAL FINANCIAL ADVISER.—

22 “(A) The term ‘municipal financial adviser’  
23 means a person who, for compensation, engages  
24 in the business of—

1 “(i) providing advice to a municipal  
2 securities issuer with respect to—

3 “(I) the issuance or proposed  
4 issuance of securities, including any  
5 remarketing of municipal securities  
6 directly or indirectly by or on behalf  
7 of a municipal securities issuer;

8 “(II) the investment of proceeds  
9 from securities issued by such munic-  
10 ipal securities issuer;

11 “(III) the hedging of any risks  
12 associated with subclauses (I) or (II),  
13 including advice as to swap agree-  
14 ments (as defined in section 206A of  
15 the Gramm-Leach-Bliley Act regard-  
16 less of whether the counterparties  
17 constitute eligible contract partici-  
18 pants); or

19 “(IV) preparation of disclosure  
20 documents in connection with the  
21 issuance, proposed issuance, or pre-  
22 vious issuance of securities issued by  
23 a municipal securities issuer, includ-  
24 ing, without limitation, official state-  
25 ments and documents prepared in

1 connection with a written agreement  
2 or contract for the benefit of holders  
3 of such securities described in section  
4 240.15c2–12 of title 17, Code of Fed-  
5 eral Regulations; or

6 “(ii) assisting a municipal securities  
7 issuer in selecting or negotiating guaran-  
8 teed investment contracts or other invest-  
9 ment products; or

10 “(iii) assisting any municipal securi-  
11 ties issuer in the primary offering of secu-  
12 rities not involving a public offering.

13 “(B) Such term does not include—

14 “(i) an attorney, if the attorney is of-  
15 fering advice or providing services that are  
16 of a traditional legal nature;

17 “(ii) a nationally recognized statistical  
18 rating organization to the extent it is in-  
19 volved in the process of developing credit  
20 ratings;

21 “(iii) a registered broker-dealer when  
22 acting as an underwriter, as such term is  
23 defined in section 2(a)(11) of the Securi-  
24 ties Act of 1933 (15 U.S.C. section  
25 77b(a)(11)); or

1                   “(iv) a State or any political subdivi-  
2                   sion thereof.

3                   “(66) MUNICIPAL SECURITIES ISSUER.—The  
4                   term ‘municipal securities issuer’ means—

5                   “(A) any entity that has the ability to  
6                   issue a security the interest on which is exclud-  
7                   able from gross income under section 103 of the  
8                   Internal Revenue Code of 1986 and the regula-  
9                   tions thereunder; or

10                  “(B) any person who receives the proceeds  
11                  generated from the issuance of municipal secu-  
12                  rities.

13                  “(67) PERSON ASSOCIATED WITH A MUNICIPAL  
14                  FINANCIAL ADVISER; ASSOCIATED PERSON OF A MU-  
15                  NICIPAL FINANCIAL ADVISER.—The term ‘person as-  
16                  sociated with a municipal financial adviser’ or ‘asso-  
17                  ciated person of a municipal financial adviser’ means  
18                  any partner, officer, director, or branch manager of  
19                  such municipal financial adviser (or any person oc-  
20                  cupying a similar status or performing similar func-  
21                  tions), any person directly or indirectly controlling,  
22                  controlled by, or under common control with such  
23                  municipal financial adviser, or any employee of such  
24                  municipal financial adviser, except that any person  
25                  associated with a municipal financial adviser whose

1 functions are solely clerical or ministerial shall not  
2 be included in the meaning of such term for pur-  
3 poses of section 15F(b) (other than paragraph (6)  
4 thereof).”.

5 **SEC. 3. CONFORMING AMENDMENTS.**

6 (a) SECURITIES EXCHANGE ACT OF 1934.—The Se-  
7 curities Exchange Act of 1934 is amended—

8 (1) in section 15(b)(4)(B)(ii) (15 U.S.C.  
9 78o(b)(4)(B)(ii)), by inserting “municipal finance  
10 adviser,” after “nationally recognized statistical rat-  
11 ing organization,”;

12 (2) in section 15(b)(4)(C) (15 U.S.C.  
13 78o(b)(4)(C)), by inserting “municipal finance ad-  
14 viser,” after “nationally recognized statistical rating  
15 organization,”; and

16 (3) in section 17(a)(1) (15 U.S.C. 78q(a)(1)),  
17 by inserting “registered municipal financial adviser,”  
18 after “nationally recognized statistical rating organi-  
19 zation,”.

20 (b) INVESTMENT COMPANY ACT OF 1940.—The In-  
21 vestment Company Act of 1940 is amended—

22 (1) in section 2(a) (15 U.S.C. 80a–2(a)), by in-  
23 serting the following new paragraph:

1           “(54) The term ‘municipal finance adviser’ has  
2           the same meaning as in section 3 of the Securities  
3           Exchange Act of 1934.”;

4           (2) in section 9(a)(1) (15 U.S.C. 80a–9(a)(1),  
5           by inserting “municipal finance adviser,” after  
6           “credit rating agency,”; and

7           (3) in section 9(a)(2) (15 U.S.C. 80a–9(a)(2),  
8           by inserting “municipal finance adviser,” after  
9           “credit rating agency,”.

10          (c) INVESTMENT ADVISERS ACT OF 1940.—The In-  
11          vestment Advisers Act of 1940 is amended—

12           (1) in section 202(a) (15 U.S.C. 80b–2(a)), by  
13           inserting the following new paragraph:

14           “(29) The term ‘municipal finance adviser’ has  
15           the same meaning as in Section 3 of the Securities  
16           Exchange Act of 1934.”;

17           (2) in section 203(e)(2)(B) (15 U.S.C. 80b–  
18           3(e)(2)(B)), by inserting “municipal finance ad-  
19           viser,” after “credit rating agency,”; and

20           (3) in section 203(e)(4) (15 U.S.C. 80b–  
21           3(e)(4)) is amended by inserting “municipal finance  
22           adviser,” after “credit rating agency,”.

1   **SEC. 4. EFFECTIVE DATES.**

2           (a) IN GENERAL.—The amendments made by this  
3 Act shall take effect 30 days after the date of the enact-  
4 ment of this Act.

5           (b) EFFECTIVE DATE AND REQUIREMENTS FOR  
6 REGULATIONS.—Notwithstanding subsection (a), the Se-  
7 curities and Exchange Commission shall, within 120 days  
8 after the date of the enactment of this Act, publish for  
9 notice and public comment such regulations as are initially  
10 required to implement this Act, and shall take final action  
11 with respect to such regulations not later than 270 days  
12 after the date of enactment of this Act.

13          (c) REGISTRATION DATE.—No person may continue  
14 to act as a municipal financial adviser, as such term is  
15 defined in section 3(a)(65) of the Securities Exchange Act  
16 of 1934, after 30 days after the date the regulations de-  
17 scribed in subsection (b) become effective unless such per-  
18 son has been registered as required by the amendment  
19 made by section 2 of this Act.

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