



**Government Finance Officers Association
Public Policy Statement**

Regulation of Municipal Securities Finance Professionals

Background.

Due to the dynamic changes that have occurred in the municipal securities market since the Municipal Securities Rulemaking Board was created in 1975 to regulate broker/dealers, and due to the various federal and state investigations into the practices of municipal securities finance professionals, Congress is considering the need to regulate municipal securities finance professionals (e.g., swap advisors, investment brokers and financial advisors).

Such legislation is sought to ensure that there is a clear understanding of current regulations, that there are no gaps in regulations affecting municipal securities finance professionals, and that appropriate enforcement mechanisms are in place for municipal securities finance professionals.

GFOA Policy.

The GFOA supports legislation to regulate municipal securities finance professionals. Additionally, if the governing body is the MSRB or another Self Regulatory Organization, the composition of its board should include significant public representation.

Recommended for approval by the GFOA's Executive Board, 6/29/09