Ballard Spahr LLP

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Municipal Securities Regulation & Enforcement

2023 MID-YEAR REVIEW

In the first half of 2023, several rule changes have been proposed by the Municipal Securities Rulemaking Board (MSRB) and the U.S. Securities and Exchange Commission (SEC), including changes to "Best Execution" requirements and new data transparency requirements. The SEC's "Regulation Best Execution" proposal has been met with particularly strong pushback, with many in the municipal market encouraging that it be dropped altogether. The industry continues to caution against overregulation, encouraging the SEC to conduct sufficient cost-benefit analyses before imposing more rules on the market. Further, the Financial Data Transparency Act of 2022 (FDTA), enacted by Congress as Title LVIII of the National Defense Authorization Act for Fiscal Year 2023, is expected to impact how information is prepared, disseminated, and consumed by municipal securities market participants.

For its part, the MSRB has received approval from the SEC to create a new Rule G46 concerning "solicitor municipal advisors," and to implement proposed amendments to Rule G40 governing advertisements by municipal advisors. These changes are supported by updates to Rule G8 concerning books and records, which impose various recordkeeping requirements on municipal advisors. The MSRB also solicited comments regarding proposed amendments to Rule G47 concerning time of trade disclosures and related amendments to Rule D15 providing exemptions for "sophisticated market professionals."

Notably on the enforcement front, the SEC continued its enforcement actions against underwriters it alleges failed to comply with the limited offering exemption requirements under SEC Rule 15c212. Municipal underwriters seeking to better understand the implications of these important enforcement actions, to review and strengthen existing procedures and practices in light of these actions, or to consider whether to self-report possible violations to the SEC should feel free to reach out to any member of Ballard Spahr's Public Finance or Municipal Securities Regulation and Enforcement teams.

SEC Enforcement Actions

SEC Continues Enforcement Actions Against Underwriters for Alleged Failure to Meet Requirements for Limited Offering Disclosure Exemption

On September 13, 2022, the SEC announced enforcement proceedings against four municipal market underwriters for alleged violations of municipal bond offering disclosure requirements under SEC Rule 15c2-12. You can read our

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alert here. In March and July 2023, the SEC continued its enforcement actions under the rule, imposing two additional cease-and-desist orders upon municipal market underwriters.

SEC Rule 15c-2-12 establishes certain requirements in connection with primary market and continuing disclosures to be provided to investors, unless an exemption applies. Under federal securities law, a limited offering exemption is available for offerings sold in $100,000 authorized denominations if the securities are sold to no more than 35 persons whom the underwriter reasonably believes (i) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the investment (the “sophisticated investor clause”) and (ii) are not buying the securities for more than one account or with a view to distributing the securities (the “investment purpose clause”).

According to the SEC, between September 2017 and December 2021, the underwriter in the March 2023 action, similar to the 2022 enforcement proceedings, did not obtain and provide official statements to investors and did not determine that the issuers had entered into continuing disclosure undertakings in 47 offerings of municipal securities. Similarly, in the July 2023 action, the underwriter did not obtain and provide official statements to investors and did not determine that the issuers had entered into continuing disclosure undertakings in 79 offerings of municipal securities between March 2018 and September 2022. The SEC alleges that the underwriters did not take the steps required to meet the exemption requirements of Rule 15c2-12 and did not have adequate policies and procedures in place to obtain the disclosures necessary to establish a reasonable belief in the prospective investors’ ability to evaluate the merits and risks of the investment or their investment purpose. Without admitting or denying the SEC’s findings, the underwriters agreed to cease and desist from future securities law violations and paid $263,607.66 in disgorgement, plus prejudgment interest of $33,528.55 and a $100,000 civil money penalty in the March 2023 action, and $442,465.59 in disgorgement plus prejudgment interest of $67,506.09 and a $200,000 civil money penalty in the July 2023 action. Copies of the order may be found here and here.

SEC Settles with Financial Adviser Charged With Defrauding Puerto Rico City

On April 4, 2023, the SEC settled with an unregistered investment adviser providing advice regarding securities investments to the City of Mayagüez, Puerto Rico (City) and a municipal enterprise of the City, barring the investment adviser from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. Separately, the investment adviser pled guilty to one count of conspiracy to commit wire fraud and one count of engaging in a monetary transaction in property derived from an unlawful activity. In his guilty plea, the investment adviser admitted to causing financial transactions that depleted the City’s funds and converting a portion of those funds for personal use by the investment adviser. A copy of the SEC order can be found here.

FINRA Investor Tip Results in Repayments on Florida Bridge Bonds

On March 8, 2023, the Financial Industry Regulatory Authority (FINRA) announced that $3.4 million had been returned to approximately 300 investors, following a FINRA investigation initiated after an investor tip to FINRA’s Senior Helpline. The Florida Santa Rosa Bay Bridge Authority issued bonds in 1996 for the construction of a bridge. An investor told FINRA he had been overcharged for the defaulted bridge bonds—capital appreciation bonds—and had not received a satisfactory response from his brokerage firm about the overcharge.

After the bonds defaulted in 2011, the issuer started to make accelerated payments to bondholders and the bonds traded at a lower price, given the reduced outstanding principal. The reduction of principal is considered a “factor.” These factors are provided by the bond trustee and data vendors. FINRA alleges brokerage firms relied on inaccurate factors for the Santa Rosa bonds, leading to many customers being overcharged for their bond purchases.

FINRA reached out to 30 brokerage firms involved in the bridge bond transactions and presented the findings, which caused the firms to reimburse their customers for the overcharges.

MSRB Rulemaking

MSRB Proposals Welcomed by Dealer Groups

On February 16, 2023, the MSRB solicited comments regarding proposed amendments to Rule G47 concerning time of trade disclosures, as well as related amendments to Rule D15 concerning the exemption from time of trade disclosures for "sophisticated market professionals." The proposed amendments have been largely welcomed by dealer groups, albeit with some caveats.

Rule G47 requires dealers to disclose to customers, at or prior to the time of trade, all known, or publicly available, material information about a security. Draft amendments to Rule G47 would retain these obligations, while clarifying that a dealer's disclosure obligation does not require disclosure of information that is intentionally withheld from the dealer's sales representatives pursuant to internal policies regarding insider trading and related securities laws.

The draft amendments also seek to codify and/or retire certain past interpretive guidance provided by the MSRB. The amendments seek to codify disclosure guidance related to a security's market discount and special characteristics related to zero coupon and stepped coupon bonds, while retiring past guidance concerning conversion costs and secondary market insurance. Minor clarifications to disclosure rules concerning prepayment of principal on a security and the amount of unpaid principal that will be delivered on the transaction also would specify that "factor bonds" are a type of bond that prepays principal.

Notably, the MSRB proposed to specify in Rule G47 that the unavailability or limited availability of an official statement, the fact that an issuer is under continuing disclosure obligations, and "yield to worst" information may be material and require time of trade disclosure to customers. Additionally, past guidance under Rule G17 concerning time of trade disclosures would be "retagged" to refer to Rule G47 instead, meaning that dealers no longer would have to consult both Rule G47 and Rule G17 when looking for guidance.

The MSRB's proposal also indicated that it is considering whether to propose a standalone time of trade disclosure rule for 529 savings plans, which would consolidate prior interpretive guidance on the topic.

Draft amendments to Rule D15 focus on affirmation requirements for "sophisticated municipal market professionals." Under Rule G48, dealers are exempt from time of trade disclosure obligations under Rule G47 if their customer is a "sophisticated municipal market professional" under Rule D15. Draft amendments to Rule D15 would exempt investment advisers registered with the SEC from having to make certain affirmations in order to qualify as a sophisticated municipal market professional. These investment advisers generally maintain more than $100 million in regulatory assets under management and already owe a fiduciary duty to their clients, so the change is seen by many as relieving an unnecessary burden on dealers. Suggestions have been made that state-registered investment advisers should be exempt from affirmation requirements as well.

Some industry professionals have expressed concerns that the heightened disclosure obligations contemplated by the amendments to Rule G47 would result in increased costs for small and mid-sized dealers. While many dealers likely already incorporate the disclosures, those who do not will face additional costs related to updating supervisory procedures and obtaining additional sources of information. Small dealers could be disproportionately impacted by compliance costs, especially considering that the changes coincide with a number of other related regulatory initiatives, such as the transition to T+1 clearing and settlement, the shortening of trade reporting deadlines, and the third "Best Execution" rule. Certain market participants have urged the MSRB to consider the combined effect of these changes, as well as increased SEC regulatory efforts when adopting its final rule.

MSRB Files Proposed Rule Amendments with the SEC to MSRB Rules G-12 and G-15

On March 28, 2023 the MSRB filed proposed rule amendments with the SEC to MSRB Rules G-12 concerning uniform practice and G-15 concerning confirmation, clearance, settlement, and other uniform practice requirements with respect to transactions with customers. The proposed rule change would define regular-way settlement for municipal securities transactions as occurring one business day after the trade date (T+1), as well as amend Rule G12 to update an outdated cross

reference. Rule G12 and Rule G15 currently provide that regular-way settlement occurs on the second business day following the trade date (T+2).

The MSRB emphasized that shortening the settlement process can reduce operational risks that can be present between trade date and settlement date, which will promote investor protections and reduce the risk of counterparty default.

The MSRB proposed an implementation date of May 28, 2024, for the G-12 and G-15 amendments in order to align with the implementation date for related SEC rules, which provide for regular-way settlement on T+1 for equities and corporate bonds. The MSRB stated in its proposal that it believes the industry is equipped with readily available technology for the transition to a T+1 settlement cycle, and that the changes are necessary to further the purposes of the Exchange Act. The proposed rule change is designed to promote regulatory consistency and market efficiency.

SEC Approves Creation of MSRB Rule G46 for Solicitor Advisors

On March 29, 2023, the MSRB received approval from the SEC to create a new Rule G46, as well as approval for related amendments to Rule G8.

Rule G46 establishes core standards of conduct for solicitor municipal advisors—municipal advisors who solicit municipal entities or obligated persons on behalf of a third party. The related amendments to Rule G8 establish record-keeping requirements to facilitate and document compliance with Rule G46. Regulated entities must comply with the new rules becoming effective March 1, 2024.

Rule G46 requires solicitor municipal advisors to provide full and fair written disclosure of all material conflicts of interest, any material legal or disciplinary events involving the solicitor municipal advisor, and facts such as its role and compensation. The rule also requires solicitor municipal advisors to evidence their relationships in a written document containing certain minimal information such as the date of the engagement, a description of the activities the solicitor municipal advisor undertakes, details regarding compensation, and a description of how the engagement can be terminated.

Anti-fraud obligations under Rule G46 prohibit a solicitor municipal advisor from making any representation it knows, or should know, is either materially false or materially misleading and require that solicitor municipal advisors have a reasonable basis for any material representations it makes. Solicitor municipal advisor invoices must be materially accurate and specify the activities performed by the solicitor municipal advisor and the personnel who worked on those activities. Solicitor municipal advisors also are prohibited from making payments for the purpose of obtaining or retaining an engagement, subject to certain exceptions.

The new rules have been largely welcomed in the municipal market as needed clarification of a solicitor municipal advisor's responsibilities in the municipal market.

SEC approves amendments to MSRB Rules G-40 and G-8

On May 11, 2023, the SEC approved the MSRB's proposed amendments to Rule G40 concerning advertising by municipal advisors, as well as Rule G8 relating to books and records of municipal advisors. Under these amendments, municipal advisors are permitted to use "testimonials" in advertisements starting July 3, 2023.

A "testimonial" consists of any statement of a person's or entity's experience concerning the municipal advisory services rendered by the municipal advisor. The amended rule permits a municipal advisor to, directly or indirectly, publish, circulate, or distribute an advertisement if it has a reasonable belief that the testimonial is based on a person's personal knowledge and experience with the municipal advisor. Additionally, certain disclosures are required to prominently appear in the advertisement close to the testimonial statement, including whether or not the testimonial was given by a current client, the fact that the testimonial may not be representative of the experience of other clients, and a disclaimer that the testimonial is not a guarantee of future success. Additionally, if the municipal advisor pays more than $100 in cash or non-cash compensation for the testimonial, they must disclose the fact that it is a paid testimonial and provide a brief statement of any material conflicts of interest.

Complementary amendments to Rule G8 require municipal advisors to keep current and separately file records of all advertisements. The amendments to Rule G40 also modify the definition of "municipal advisory client" to exclude brokers, dealers, and municipal securities dealers on behalf of whom a municipal advisor undertakes a solicitation of a municipal entity or obliged person—a change meant to better align Rule G8 with Rule G38 on solicitation of municipal securities business.

The amendments have important implications for social media postings. The MSRB updated its Social Media FAQ guidance to clarify that the use of third-party posts on a municipal advisor's social media page is deemed an advertisement containing a testimonial if the municipal advisor paid for the third-party comment and posts it to their social media page, or if the municipal advisor did not pay for the third-party comment, but likes, shares, or comments on a third-party post, which it then posts on its social media page.

The ability to use testimonials to develop new business has been welcomed by many in the municipal market, including representatives of the National Association of Municipal Advisors.

SEC Rulemaking

SEC Urged to Drop Best Execution Proposal, or Exempt Munis

The SEC's "Best Execution" proposal has received significant pushback from broker-dealer groups in the municipal market, with many arguing the proposal should be abandoned altogether or, at the very least, that municipal securities markets should be exempted from its requirements.

The proposal would require broker-dealers to establish, maintain, and enforce written policies and procedures designed to comply with the proposed best execution standard. Policies would be required to address how broker-dealers will determine the best market and make routing or execution decisions for customer orders. Broker-dealers also would be required to document their compliance with the best execution standard for conflicted transactions with retail customers, including efforts to enforce their best execution policies and the basis and information relied on in determining compliance. Any arrangements concerning payment for order flow also would need to be documented. Broker-dealers would need to review execution quality of customer orders quarterly, as well as provide an annual review of their policies and procedures in a written report to its board of directors.

Criticisms of the proposal center on two points. First, industry groups have complained that the proposed rule overlaps significantly with existing FINRA) and MSRB rules, which are seen by many as sufficient to ensure customers received favorable prices. FINRA rules already require firms to conduct quarterly execution quality reviews, and MSRB Rule G18 already requires annual reviews. Thus, the proposal would create a third separate best execution rule, making compliance more challenging and expensive for regulated parties.

Second, groups have complained that the proposed rule is not workable for fixed-income markets. It is likely that most fixed-income trades with retail investors would be classified as conflicted. Virtually all fixed-income transactions occur on a principal basis and occur in a decentralized market. Additionally, the fact that best execution analysis would need to be based on quoted bid-asked spreads presents difficulties for fixed-income trades, where post-trade data varies widely by asset class and there is a lack of industry-wide sources of quotation data.

If the proposal moves forward, industry groups have recommended that it include broad institutional investor exemptions. The SEC has stated that the costs of the rule could advantage larger broker-dealers and increase the barrier to entry for smaller ones. Increased compliance costs would, in turn, be passed on to customers and many smaller dealers could be forced out of the secondary fixed-income market. Dealers could be virtually barred from serving as underwriters, considering the difficulty of running an underwriting business without a corresponding secondary trading business.

The SEC can choose to drop its proposal, adopt it as-is, or adopt a final version with changes incorporated from the comment period.

SEC Reproposes Asset-Backed Securities Conflicts of Interest Rule That Could Sweep in a Large Portion of the Municipal Securities Market

The SEC proposed in January 2023 new Rule 192 to prohibit conflicts of interest in connection with asset-backed securities. The rule is mandated by the Dodd-Frank Act and an earlier version of the rule was proposed but not adopted by the SEC in 2011. The proposal remains pending.

The pending proposal would create a one-year prohibition on key participants in a securitization, such as underwriters, placement agents, initial purchasers, issuers, other sponsors, and municipal advisors (including their affiliates), from engaging in transactions that may involve material conflicts between the participant and an investor. The primary purpose of the rule is to prohibit a covered transaction participant from "taking a bet" against the securitization by, for example, entering into a transaction with respect to an underlying asset that would benefit in a way that is adverse to the transaction that such asset securitizes. While the rule identifies three categories of conflicted transactions that would effectively be presumed to be material conflicts of interest, the full extent of potentially conflicting activities is not well defined.

The proposal does not exempt municipal securities and appears to encompass an extremely broad view of what constitutes an asset-backed security, including not just securities collateralized by pools of assets such as single-family housing, student loan, state revolving funds, bond banks, and other state or local pool financings, but also so-called "single asset, single borrower" (SASB) transactions. Based on the discussion in the proposal, the SEC appears to believe that private activity bonds and other governmental or conduit financings secured by repayments under a loan agreement or other instrument could be a SASB transaction subject to the rule. Also, unlike most other municipal bond market regulations, the proposed rule could impose direct regulation by the SEC of municipal issuers of asset-backed securities.

The nature of what constitutes a material conflict of interest, the expansiveness of the reach of the rule to a broad range of transaction participants and, importantly, their affiliates who may have no involvement in or awareness of the transaction, and the potentially significant burdens for protecting against the restrictions of the proposed rule have resulted in significant concerns among the financial services industry. While the proposal has received some support, most industry participants have expressed serious reservations with the proposal. Municipal market participants generally have advocated for an exemption for municipal securitization and have highlighted specific concerns with the potential impact of the proposed rule on the municipal securities market. Comments on the proposal can viewed here.

SEC Proposes Securities Market Cybersecurity Rule

The SEC proposed in March 2023 broad-ranging cybersecurity requirements for securities market participants, including broker-dealers. Broker-dealers would be required to implement and review annually policies and procedures reasonably designed to address their cybersecurity risks, and also would be required to make certain notifications to the SEC and the public regarding significant cybersecurity incidents. The proposal remains pending.

Cybersecurity policies and procedures must include: assessments of cybersecurity risks associated with the broker-dealer's information systems; controls to minimize user-related risks and prevent unauthorized access to information systems; measures to monitor information systems and protect information from unauthorized access or use, and to oversee service providers that receive, maintain, or process information or are otherwise permitted to access the broker-dealer's information systems; measures to detect, mitigate, and remediate cybersecurity threats and vulnerabilities; and measures to detect, respond to, and recover from a cybersecurity incident and procedures to create written documentation of any cybersecurity incident and the response to and recovery from the incident.

Broker-dealers would be required to provide immediate written electronic notice of a significant cybersecurity incident to the SEC and thereafter would need to report to the SEC and update information about the significant cybersecurity incident by filing a new electronic form providing information about the incident and efforts to respond to and recover from the incident. In addition, broker-dealers would be required to publicly disclose summary descriptions of their cybersecurity risks and the significant cybersecurity incidents they experienced during the current or previous calendar year on the new electronic form. This summary description of risks and significant incidents would be filed with the SEC and posted on the broker-dealer's website. Broker-dealers that carry or introduce accounts would also need to provide the form to customers at account opening, when information on the form is updated, and annually.

While the SEC received significant commentary on a number of aspects of the proposal, including the timing and level of disclosure of cybersecurity incidents and the degree of oversight required over third-party systems, the proposal is likely to be approved with some modifications. Comments on the proposals may be viewed here.

SEC Taken to Task for Over-Regulation

Municipal market professionals have expressed concerns over the SEC's increased regulatory appetite, which many see as overly ambitious. Certain proposals, for example, may be driven by the SEC's desire to rein in the cryptocurrency market, but their cumulative effect on other facets of the market is yet to be fully understood.

SEC Chair Gary Gensler was questioned during a hearing by the House Committee on Financial Services on April 18, 2023, the first time he appeared before this Committee under the new House majority. Gensler is seen by many as a major shift from his predecessor under the Trump administration, Jay Clayton, who was known for a more laissez-faire approach to regulation.

During the hearing, several members of the Committee referenced the widening scope of the SEC's regulatory efforts. Rep. Ann Wagner (R-MO) expressed concerns that the SEC's "53 new regulations … fail to consider the aggregate regulatory burden on retail investors, small business, and capital markets." Additionally, a letter authored by Committee Chair Patrick McHenry (R-NC) addressing rules governing the registration of digital asset trading platforms sparked much debate, with many agreeing that Mr. Gensler's regulatory efforts could have unintended consequences on other areas of the market.

Gensler also was pressed by Rep. Wagner on the SEC's intent to rewrite Regulation Best Interest (Reg BI). Reg BI was finalized in 2019 and is designed to increase protection for investors by establishing a standard of conduct for broker-dealers regarding their fiduciary relationship with investors. Another letter, addressed to Gensler from Financial Services Committee member, Rep. Byron Donalds (R-Fla.), expressed similar concerns. Chris Lacovella, CEO of the American Securities Association, commended Rep. Donalds' leadership on the issue, stating that the SEC seemed to be on a "crusade to weaken the investor protections" in Reg BI, and that rewriting Reg BI would "frivolously waste taxpayer money, set back every American seeking financial independence, and end investors' personal choice over how to invest their money." According to Lacovella, the rule already "works" and any changes should be opposed.

Despite concerns over Reg BI, Mr. Gensler confirmed that a rewrite was not on the SEC's "agenda." However, the hearing also saw the committee and Mr. Gensler spar over banking failure concerns, consolidated audit trails, security swap regulations, mortgage insurance linked notes, short selling, and climate risk disclosure. Industry professionals continue to caution against overregulation, encouraging the SEC to conduct sufficient cost-benefit analysis before subjecting the market to more regulation.

ESG-Related Developments

Florida Lawmakers Pass Prohibition on Issuing ESG Municipal Bonds

On May 3, 2023, Florida Governor Ron DeSantis signed into law House Bill 3 (HB3), which was introduced in February 2023. HB3 passed the Florida Senate by a 23 to 12 vote and was approved by the House in an 80 to 31 vote. HB3 in part prohibits Florida bond issuers from issuing environmental, social, and corporate governance

bonds (ESG) or paying for certain third-party verifiers commonly engaged in such bond transactions to provide independent certification or verification of the bond or borrower's qualification for such designation. In addition to prohibiting Florida issuers from issuing ESG bonds, HB3 also contains language restricting Florida issuers from entering into a contract with any rating agency whose ESG scores for such issuer will have a direct, negative impact on the issuer's bond ratings.

Our August 19, 2021, municipal securities white paper entitled "ESG Disclosure in Municipal Offerings," as part of our Municipal Securities Disclosure Series, discussed many considerations related to ESG-labeled bonds and related disclosure.

Other Developments in the Municipal Securities Market

The Texas Attorney General announced in May that an underwriter was required to pay $850,000 to a Texas public school district in connection with the underwriter's inability to underwrite bonds due to a Texas law prohibiting government contracts with entities that "boycott" the fossil fuel industry. The underwriter won a competitive bid on August 8, 2022, for an $18.6-million dollar school district financing prior to being placed on the Texas comptroller's list of boycotters. A copy of the divestment statute lists can be found here. This is just one in a number of cases where large underwriting firms are being removed from municipal transactions or fined by certain states.

Miscellaneous

S&P Tells 149 Issuers: Provide Timely Financials or Risk Withdrawn Ratings

S&P Global Ratings placed 149 ratings on CreditWatch with negative implications because S&P had not received 2021 financials from the issuers. The number of impacted ratings was materially higher than the five-year average of 95. Staffing issues are believed to be contributing to the filing insufficiencies, particularly impacting auditors completing their audits. This is another measure from market industry participants highlighting the lag in provision of ongoing reporting information by municipal issuers.

SVB and Signature Bank Failures May Impact Municipal Market

The collapse of Signature Bank and Silicon Valley Bank (SVB) in Q1 of 2023 likely will result in greater regulatory scrutiny of depository institutions. The Justice Department and the Securities and Exchange Commission each commenced separate investigations into the collapse of SVB just days after its closure on March 10, 2023 by the California Department of Financial Protection & Innovation. Although the FDIC's swift emergency measures eased market concerns early on, regulators may take a closer look at overall liquidity of depository institutions and the investments they hold, including municipal bonds, which were reclassified as "high-quality liquid assets" under the 2018 Economic Growth, Regulatory Relief and Consumer Protection Act.

Litigation Update

On July 11, 2023, the Illinois Attorney General and several banks filed an emergency motion with a proposed settlement agreement by which the banks offered to pay the state $68 million to settle an almost decade-long case. The litigation involved allegations that the banks, while acting as remarketing agents for variable-rate demand obligations, inflated interest rates. A Cook County judge granted the motion on July 17, 2023.

Conclusion

In the second half of 2023, we expect ESG-related regulatory efforts to continue to grow along with the growing backlash to ESG highlighted in our 2022 Year in Review and Look Ahead Newsletter. We also expect the SEC to continue its enforcement efforts targeted at underwriters seeking the protection of the Rule 15c2-12 limited offering exemption, and additional enforcement actions against municipal advisors. There also is some concern, as discussed above, that regulations enacted by the SEC in other markets may inadvertently impact the municipal market.

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