

# THE BOND BUYER

## **Muni disclosure to be discussed by SEC advisory committee**

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The Securities and Exchange Commission's Investor Advisory Committee will discuss enhancements to municipal and corporate bond disclosure among other things at a June 14 meeting in Atlanta and may make a recommendation relating to such disclosures, the SEC said on Wednesday.

During the previous day, June 13, all five of the SEC Commissioners will hold an "Investing in America" Town Hall meeting in Atlanta from 2:00 pm to 4:00 pm with investors.

Both the committee (IAC) and town hall meetings will take place at Georgia State University College of Law at 85 Park Place, NE, according to the SEC release, which added that both meetings will be firsts-of-a-kind. The committee has never met outside of Washington, D.C. and SEC commissioners have never, as a group, held a town hall meeting, the commission said.

The IAC will also discuss the SEC's proposed Regulation Best Interest rules, the proposed Form CRS Relationship Summary, and the proposed Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles.

The proposed Regulation Best Interest would create a standard of conduct for brokers under which they must: disclose to clients material conflicts of interest; exercise reasonable diligence and have a reasonable basis to believe that an investment product is in a client's best interest; and establish and enforce policies and procedures to identify and mitigate or eliminate material conflicts of interest arising from compensation incentives.

The proposed Form CRS Relationship Summary would require registered investment advisers and broker-dealers to provide: brief relationship summaries to retail investors to inform them about the relationships and services they offer; the standard of conduct and the fees and costs associated with those services; specified conflicts of interest; and whether the firms and their financial professionals currently have reportable legal or disciplinary events.

The proposed Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles would restrict broker-dealers and their "associated natural persons," when communicating with retail investors, from using the term "adviser" or "advisor" in specified circumstances. The proposed rules also would require broker-dealers and investment advisers, along with their "associated natural persons" and supervised persons, to make certain other disclosures in communications with retail investors such as their firm's registration status with the commission.

The 16-member IAC, created under the Dodd-Frank Act to advise the SEC on regulatory priorities, includes, among others: Fred Joseph, president of the North American Securities Administrators Association and Securities Administrator for the State of Colorado, who is an ex officio participant; Richard (Mac) Hisey, president of AARP Financial Inc. and AARP Funds; Jeff Brown, senior vice president of legislative and regulatory affairs at Charles Schwab & Co.; Mercer Bullard, founder and president of Fund Democracy, Inc. as well as an associate professor of Law at the University of Mississippi Law School; and Barbara Roper, director of investor protection at the Consumer Federation of America.

The committee also plans to welcome three new members: Paul Mahoney, the David and Mary Harrison Distinguished Professor of Law at the University of Virginia School of Law; Lydia Mashburn, managing director of the Center for Monetary and Financial Alternatives at Cato Institute; and J.W. Verret, an associate professor of law at the Antonin Scalia Law School at George Mason University and senior scholar at the Mercatus Center.

The SEC commissioners at the Town Hall will be: chairman Jay Clayton, Kara Stein, Michael Piwowar, Hester Peirce and Robert Jackson, Jr.