

INSIGHTS

## SEC's Office of Compliance Inspections and Examinations 2018 Examination Priorities

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On February 7, 2018, the Office of Compliance Inspections and Examinations (“OCIE”) of the U.S. Securities and Exchange Commission (“SEC”) published its [2018 examination priorities](#). OCIE’s examination priorities are described in five categories: (1) matters of importance to retail investors; (2) compliance and risks in critical market infrastructure; (3) FINRA and MSRB; (4) cybersecurity; and (5) anti-money laundering programs. While the description of examination priorities is not exhaustive, OCIE expects to allocate significant resources to the examination priorities throughout 2018.

Listed below are examination priorities identified for municipal advisors, broker-dealers transacting in municipal securities, and self-regulatory organizations that regulate the municipal securities market.

### **Municipal Advisors**

- OCIE will examine municipal advisors to evaluate their compliance with registration, recordkeeping, and supervision requirements. OCIE will also review municipal advisors for compliance with MSRB rules regarding professional qualifications, continuing education, and standards of conduct when engaging in municipal advisory activities.

### **Broker-Dealers Transacting in Municipal Securities**

- OCIE will conduct examinations to assess whether broker-dealers have implemented best execution policies and procedures for municipal securities transactions. OCIE will also examine underwriters of municipal securities for compliance with MSRB and SEC rules.

### **MSRB and FINRA**

- OCIE will examine the MSRB to evaluate the effectiveness of select operational and internal policies, procedures, and controls. OCIE will also examine FINRA with a focus on the quality of FINRA’s examinations of municipal advisors that are also registered as broker-dealers.

### **For More Information**

Our team helps clients manage the full range of regulatory and compliance issues facing municipal securities professionals. Our attorneys have experience inside government, both developing the regulatory framework for the municipal securities market and enforcing

securities laws. Should you require additional information, please contact [\*\*Paul Maco\*\*](#) at 202.828.5821, [\*\*Ed Fierro\*\*](#) at 713.221.1107 or [\*\*Britt Steckman\*\*](#) at 202.828.5831.