

municipal securities business even if no political contributions were made during the reporting period. However, a dealer is not required to file Form G-37 if no political contributions were made and the dealer did not engage in municipal securities business during the reporting period.] *Form G-37/G-38 must be submitted to the Board for a calendar quarter if ANY one of the following occurred: (i) reportable political contributions or payments to political parties were made during the reporting period, unless the dealer has previously submitted Form G-37x and the submission remains effective; (ii) the dealer engaged in municipal securities business during the reporting period; or (iii) the dealer used consultants during the reporting period (i.e., new or continuing relationship with consultants).*

(May 24, 1994)

VI.5

Q: Does a dealer have to complete the section of Form G-37/G-38 concerning issuers with whom the dealer has engaged in municipal securities business if the only municipal securities related business engaged in during the reporting period was as a selling group member?

A: No. Rule G-37 does not define "municipal securities business" to include selling group member activities. (May 24, 1994)

VI.6

Q: Which contributions to officials of issuers and political parties of states and political subdivisions must be disclosed to the Board on Form G-37/G-38?

A: Those contributions which are required to be recorded pursuant to rule G-8(a)(xvi). These include (i) the contributions, direct or indirect, to officials of an issuer and to political parties of states and political subdivisions made by the dealer and each PAC controlled by the dealer (or controlled by any municipal finance professional of such dealer); (ii) the contributions, direct or indirect, to officials of an issuer made by each municipal finance professional and *non-MFP* executive officer, however, such records need not reflect any contribution made by a municipal finance professional or *non-MFP* executive officer to officials of an issuer for whom such person is entitled to vote if the contributions by each such person, in total, are not in excess of \$250 to any official of an issuer, per election; and (iii) the contributions, direct or indirect, to political parties of states and political subdivisions made

by all municipal finance professionals and *non-MFP* executive officers, however, such records need not reflect those contributions made by any municipal finance professional or *non-MFP* executive officer to a political party of a state or political subdivision in which such persons are entitled to vote if the contributions by each such person, in total, are not in excess of \$250 per political party, per year.

(May 24, 1994)]

[Q: The disclosure of the compensation arrangement of any person employed by the dealer to obtain or retain municipal securities business must be included on Form G-37. Does this include disclosure of the compensation arrangements of municipal finance professionals?]

[A: No. The Board recently filed with the SEC an amendment to the rule to clarify this point. See the rule filing, SR-MSRB-94-5, for more information about this provision.

(May 24, 1994)]

VI.7

Q: May non-dealers (e.g., attorneys, independent financial advisors) voluntarily submit information on political contributions and other activities to the Board?

A: Yes, as long as the filing procedures are followed.

(May 24, 1994)

VI.8

Q: Will the Forms G-37 submitted to the Board be available for public review?

A: Yes. *The Forms G-37/G-38 and Forms G-37x submitted to the Board are posted on the Board's Web site for viewing (<http://www.msrb.org>).* In addition, [O]ne copy of each Form G-37 will be maintained at the Board's Public Access Facility in Alexandria, Virginia. These forms will be available to the public for review and photocopying. The Board will charge 20 cents per page plus sales tax, if applicable, for photocopying.

(May 24, 1994)

[Q: Will the Board answer telephone inquiries as to whether a report has been filed?]

[A: Yes. The Board will maintain a database of reports filed by each dealer (as well as any other party voluntarily submitting information on political contributions), so that any member of the public may telephone the Board's offices to inquire whether a certain dealer (or other party) has submitted a report pursuant to rule G-37. In order to further enhance public access to this information, the Board will provide a

list of companies that offer document retrieval and mailing services.

(May 24, 1994)]

VI.9

Q: May a holding company submit to the Board one Form G-37/G-38 reflecting information for various dealers within the control of the holding company?

A: No. A separate Form G-37/G-38 must be submitted for each dealer.

(February 16, 1996)

VI.10

Q: Rule G-37(e) requires, among other things, that dealers submit information to the Board on Form G-37/G-38 about the municipal securities business in which they engaged. Is information about the municipal securities business engaged in required to be submitted by all syndicate and selling group members, or is it only the responsibility of the manager(s) to submit such information on behalf of the syndicate?

A: All manager(s) and syndicate members (excluding selling group members) must separately report the municipal securities business in which they engaged.

(September 9, 1997)

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II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the SEC, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The texts of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Section A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Since the adoption of Rule G-37, on political contributions and prohibitions on municipal securities business, the MSRB has received numerous inquiries concerning the application of the rule. In order to assist the municipal securities industry in understanding and complying with the provisions of the rule, the MSRB has published a series of interpretive notices that set forth, in Q & A format, general guidance on Rule G-37.