

Subsec. (b)(2)(K). Pub. L. 111-203, §975(b)(2)(I), substituted “a related account of a broker, dealer, or municipal securities dealer” for “a municipal securities investment portfolio” and substituted “any broker, dealer, or municipal securities dealer” for “any municipal securities dealer” in two places.

Subsec. (b)(2)(L). Pub. L. 111-203, §975(b)(2)(J), added subpar. (L).

Subsec. (b)(3) to (5), (7). Pub. L. 111-203, §975(b)(3), (4), added pars. (3) to (5) and redesignated former par. (3) as (7).

Subsec. (c)(1). Pub. L. 111-203, §975(c)(1), (2), inserted “, and no broker, dealer, municipal securities dealer, or municipal advisor shall make use of the mails or any means or instrumentality of interstate commerce to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products, the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person,” after “any municipal security” and inserted at end “A municipal advisor and any person associated with such municipal advisor shall be deemed to have a fiduciary duty to any municipal entity for whom such municipal advisor acts as a municipal advisor, and no municipal advisor may engage in any act, practice, or course of business which is not consistent with a municipal advisor’s fiduciary duty or that is in contravention of any rule of the Board.”

Subsec. (c)(2). Pub. L. 111-203, §975(c)(3), inserted “or municipal advisor” after “municipal securities dealer” in two places.

Subsec. (c)(3). Pub. L. 111-203, §975(c)(4), inserted “or municipal entities or obligated person” after “protection of investors” in two places and “or municipal advisor” after “municipal securities dealer” wherever appearing.

Subsec. (c)(4). Pub. L. 111-203, §975(c)(5), which directed amendment of par. (4) by inserting “or municipal advisor” after “municipal securities dealer or obligated person” each place that term appears, could not be executed because such term does not appear.

Pub. L. 111-203, §925(a)(2), substituted “12 months or bar any such person from being associated with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization,” for “twelve months or bar any such person from being associated with a municipal securities dealer.”

Subsec. (c)(6)(B). Pub. L. 111-203, §975(c)(6), inserted “or municipal entities or obligated person” after “protection of investors”.

Subsec. (c)(7)(A)(iii). Pub. L. 111-203, §975(c)(7)(A), added cl. (iii).

Subsec. (c)(7)(B). Pub. L. 111-203, §975(c)(7)(B), inserted “or municipal entities or obligated person” after “protection of investors”.

Subsec. (c)(8). Pub. L. 111-203, §929F(a), substituted “any person who is, or at the time of the alleged violation or abuse was, a member or employee” for “any member or employee”.

Subsec. (c)(9). Pub. L. 111-203, §975(c)(8), added par. (9).

Subsec. (d)(2). Pub. L. 111-203, §975(d)(2), which directed amendment of par. (2) by inserting “or municipal advisors” before “to furnish”, was executed by making the insertion before “to furnish” the second place appearing, to reflect the probable intent of Congress.

Pub. L. 111-203, §975(d)(1), substituted “through a municipal securities broker, municipal securities dealer, municipal advisor, or otherwise” for “through a municipal securities broker or municipal securities dealer or otherwise”.

Subsec. (e). Pub. L. 111-203, §975(e), added subsec. (e). 2002—Subsec. (c)(2), (4). Pub. L. 107-204 substituted “, or is subject to an order or finding,” for “or omission” and “(H), or (G)” for “or (G)”.

1998—Subsec. (c)(4). Pub. L. 105-353 substituted “convicted of any offense” for “convicted by any offense” in first sentence.

1990—Subsec. (c)(2), (4). Pub. L. 101-550 substituted “(A), (D), (E), or (G)” for “(A), (D), or (E)”.

Subsec. (c)(6)(A). Pub. L. 101-429 substituted “, the nature” for “and the nature” and “proposed action, and whether the Commission is seeking a monetary penalty against such municipal securities dealer or such associated person pursuant to section 78u-2 of this title; and” for “proposed action and”.

1987—Subsec. (b)(2)(C). Pub. L. 100-181, §318, substituted “municipal securities dealers, to regulate” for “municipal security dealers, to regulate” “purposes of this chapter” for “purposes of this chapter or the securities”, and “burden on competition” for “burden or competition”.

Subsec. (c)(4). Pub. L. 100-181, §319, substituted new first sentence for former first sentence which read as follows: “The Commission, by order, shall censure any person associated, or seeking to become associated with, a municipal securities dealer or suspend for a period not exceeding twelve months or bar any such person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 78o(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).”

Subsec. (c)(6)(A). Pub. L. 100-181, §320, substituted “Board” for “board”.

1983—Subsec. (b)(1)(A). Pub. L. 98-38, §4(a), inserted “(other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a municipal securities broker or municipal securities dealer)” after “securities dealer”.

Subsec. (b)(2)(B). Pub. L. 98-38, §4(b), inserted “(other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a municipal securities broker or municipal securities dealer)” after “broker, dealer, or municipal securities dealer”.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by sections 925(a)(2) and 929F(a) of Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.

Amendment by section 975(a)–(e) of Pub. L. 111-203 effective Oct. 1, 2010, see section 975(i) of Pub. L. 111-203, set out as a note under section 78o of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-429 effective Oct. 15, 1990, with provisions relating to civil penalties and accounting and disgorgement, see section 1(c)(1), (2) of Pub. L. 101-429, set out in a note under section 77g of this title.

EFFECTIVE DATE

Section effective June 4, 1975, except for subsec. (a) which is effective 180 days after June 4, 1975, see section 31(a) of Pub. L. 94-29, set out as a note under section 78b of this title.

§ 780-4a. Commission Office of Municipal Securities

(a) In general

There shall be in the Commission an Office of Municipal Securities, which shall—

- (1) administer the rules of the Commission with respect to the practices of municipal securities brokers and dealers, municipal securities advisors, municipal securities investors, and municipal securities issuers; and

(2) coordinate with the Municipal Securities Rulemaking Board for rulemaking and enforcement actions as required by law.

(b) Director of the Office

The head of the Office of Municipal Securities shall be the Director, who shall report to the Chairman.

(c) Staffing

(1) In general

The Office of Municipal Securities shall be staffed sufficiently to carry out the requirements of this section.

(2) Requirement

The staff of the Office of Municipal Securities shall include individuals with knowledge of and expertise in municipal finance.

(Pub. L. 111-203, title IX, §979, July 21, 2010, 124 Stat. 1926.)

CODIFICATION

Section was enacted as part of the Investor Protection and Securities Reform Act of 2010 and also as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and not as part of the Securities Exchange Act of 1934 which comprises this chapter.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of Title 12, Banks and Banking.

DEFINITIONS

For definitions of terms used in this section, see section 5301 of Title 12, Banks and Banking.

§ 780-5. Government securities brokers and dealers

(a) Registration requirements; notice to regulatory agencies; manner of registration; exemption from registration requirements

(1)(A) It shall be unlawful for any government securities broker or government securities dealer (other than a registered broker or dealer or a financial institution) to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security unless such government securities broker or government securities dealer is registered in accordance with paragraph (2) of this subsection.

(B)(i) It shall be unlawful for any government securities broker or government securities dealer that is a registered broker or dealer or a financial institution to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security unless such government securities broker or government securities dealer has filed with the appropriate regulatory agency written notice that it is a government securities broker or government securities dealer. When such a government securities broker or government securities dealer ceases to act as such it shall file with the appropriate regulatory agency a written notice that it is no longer acting as a government securities broker or government securities dealer.

(ii) Such notices shall be in such form and contain such information concerning a government securities broker or government securities dealer that is a financial institution and any persons associated with such government securities broker or government securities dealer as the Board of Governors of the Federal Reserve System shall, by rule, after consultation with each appropriate regulatory agency (including the Commission), prescribe as necessary or appropriate in the public interest or for the protection of investors. Such notices shall be in such form and contain such information concerning a government securities broker or government securities dealer that is a registered broker or dealer and any persons associated with such government securities broker or government securities dealer as the Commission shall, by rule, prescribe as necessary or appropriate in the public interest or for the protection of investors.

(iii) Each appropriate regulatory agency (other than the Commission) shall make available to the Commission the notices which have been filed with it under this subparagraph, and the Commission shall maintain and make available to the public such notices and the notices it receives under this subparagraph.

(2) A government securities broker or a government securities dealer subject to the registration requirement of paragraph (1)(A) of this subsection may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such government securities broker or government securities dealer and any persons associated with such government securities broker or government securities dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the date of filing of such application (or within such longer period as to which the applicant consents), the Commission shall—

(A) by order grant registration, or

(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within 120 days of the date of the filing of the application for registration. At the conclusion of such proceedings, the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to 90 days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant the registration of a government securities broker or a government securities dealer if the Commission finds that the requirements of this section are satisfied. The order granting registration shall not be effective until such government securities broker or government securities dealer has become a member of a national securities exchange registered under section 78f of this title, or a securities association registered under section 780-3 of this title, unless the Commission has exempted such government securities broker or govern-