

THE BOND BUYER

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Securities Law

SEC Examined 50 of 650 Municipal Advisors in Fiscal 2015

By [Lynn Hume](#)
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WASHINGTON – About of 50 of the 650 registered municipal advisors were examined by the Securities and Exchange Commission's Office of Compliance Inspections and Examinations in fiscal 2015, the office director told House subcommittee members on Thursday.

Marc Wyatt, OCIE's director also said that OCIE also is examining advisers to mutual funds, exchange-traded funds, and private funds that exposure to potentially illiquid fixed-income securities.

He made his remarks in oral and written testimony provided to the House Financial Services Committee's capital markets and government sponsored enterprises subcommittee at a hearing on oversight of the SEC,

Wyatt's remarks come after the Dodd-Frank Act gave the SEC and Municipal Securities Rulemaking Board oversight and regulatory authority over municipal advisors.

They also come after the SEC's investment management division last month urged funds with exposure to Puerto Rico debt to continually update their disclosures based on the risks associated with the investments.

Wyatt said the office has a staff of more than 1,000 employees, but is responsible for examining not only MAs, but also more than 12,000 investment advisers, 11,000 mutual funds and exchange-traded funds, more than 4,000 broker-dealers, and 400 transfer agents.

The office also has oversight responsibility for the Municipal Securities Rulemaking Board, the Financial Industry Regulatory Authority, 18 national securities exchanges, six registered clearing agencies, and the Public Company Accounting Oversight Board.

"To meet the challenges posed by a registrant population that far exceeds OCIE resources, OCIE has adopted a risk-based approach to examinations, utilized data analysis, and promoted compliance through transparency," he told the lawmakers.

OCIE's Office of Risk Assessment and Surveillance aggregates and analyzes data from SEC filings from registrants and individuals to identify activity that may warrant examination, he said.

The SEC is seeking \$1.78 billion to support 5,196 positions and 4,870 full time equivalents to increase examinations, enhance enforcement capabilities, hire more experts, enhance cutting-edge technology to permit the commission to keep pace with regulated entities, markets and products, and bolster the commission's economic and risk analysis functions, according to the written testimony.

SEC funding is deficit-neutral because it is offset by transaction fees collected by the commission. SEC appropriations also do not count against the fiscal 2016 or 2017 caps set in the Bipartisan Act of 2015.

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