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WASHINGTON, DC (SEPTEMBER 30, 2013)—Final municipal advisor registration rules just adopted by the Securities and Exchange Commission (SEC) significantly broadens the engineering exemption—thanks to efforts by the American Council of Engineering Companies (ACEC).

The Dodd-Frank financial services reform law established the municipal advisor registration requirement to regulate those who provide advice relating to the issuance of municipal securities.

Under the original regulations, the SEC exempted engineers from the registration requirement as long as they provided only “engineering advice.” But the “engineering advice” interpretation did not account for cash-flow modeling and feasibility studies which are commonly provided by engineers but do not constitute municipal security consulting.

ACEC, the business association of more than 5,000 U.S. engineering firms, submitted comments and met with SEC officials to demonstrate the disparity in the original interpretation, which would have forced many engineering firms providing normal design consulting services to register with the SEC, pay fees, and assume a fiduciary duty on behalf of their clients. The final SEC rule addresses these concerns.

“It is gratifying that the SEC agreed with our assessment that their original interpretation of the engineering exemption and would have unfairly and negatively impacted many engineering firms,” said ACEC President & CEO David A. Raymond.

The rule is currently slated to become effective 60 days after publication in the Federal Register.