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Stakeholders

Municipal Securities
Dealers

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Approval Notice

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November 30, 2020

Category

Market Transparency

Affected Rules

[Rule G-32](#)

MSRB Establishes a Compliance Date of November 30, 2020 for Amendments to Form G-32

Overview

On June 27, 2019, the Securities and Exchange Commission (“SEC”) approved amendments to Form G-32 proposed by the Municipal Securities Rulemaking Board (“MSRB”) that would collect new data from underwriters related to primary offerings of municipal securities through the MSRB’s Electronic Municipal Market Access Dataport system.¹ The MSRB committed in its filing with the SEC to publish a regulatory notice subsequent to the notice of SEC approval announcing the compliance date for the new data elements and amended Form G-32 (the “Amended Form G-32”). The MSRB is publishing this notice in fulfillment of this commitment.²

¹ Release No. 34-86219 (June 27, 2019), 84 FR 31961 (July 3, 2019) (File No. SR-MSRB-2019-07) (“notice of SEC approval”), available at <http://www.msrb.org/~media/Files/SEC-Filings/2019/MSRB-2019-07-SEC-Approval.ashx>. EMMA® is a registered trademark of the MSRB. The MSRB’s Electronic Municipal Market Access Dataport system (*i.e.*, EMMA® Dataport) is the submission portal through which information is provided for display to the public on EMMA.

² See File No. SR-MSRB-2019-07 (Apr. 2, 2019) (“Proposed Rule Change”) (“Following the effectiveness of the proposed rule change, assuming all amendments are approved, the MSRB will publish one or more regulatory notices within 180 days of effectiveness, and such notices shall specify the compliance dates for the respective rule changes, which in any case shall be not less than 90 days nor more than one year following the date of the notice establishing each such compliance date.”), available at <http://www.msrb.org/~media/Files/SEC-Filings/2019/MSRB-2019-07-Refiled-2.ashx>.



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Compliance Date for Amended Form G-32

The compliance date for the new data elements and Amended Form G-32 is November 30, 2020 (the “compliance date”).³ Underwriters completing a Form G-32 on or after the compliance date will be required to submit the new data elements by completing Amended Form G-32. Consistent with its filing with the SEC, the MSRB anticipates making Amended Form G-32 available in advance of this date, likely by early summer. Questions about this notice may be directed to Matthew Posner, Director of Market Structure-Transparency, Nicholas Ostroy, Market Structure Specialist, or David Hodapp, Assistant General Counsel, at 202-838-1500.

Summary of the Amendments to Form G-32

The MSRB completed a retrospective review of certain of its rules governing primary offering practices in 2019, including a review of how Rule G-11, Rule G-32, and Form G-32 might be enhanced.⁴ As a result of this retrospective review, the MSRB proposed and the SEC ultimately approved certain amendments to the texts of Rule G-11 and Rule G-32 that will become effective on January 13, 2020. In addition to these textual amendments, the SEC also approved certain amendments to Form G-32, which permit the MSRB to collect new data elements from underwriters in connection with the primary offering of municipal securities.⁵ More specifically, the SEC approved: (1) the addition to Form G-32 of 57 data fields that, as applicable, will be auto-populated with information underwriters are presently required to input into the Depository Trust Company’s (“DTC”) New Issue Information

³ The compliance date for Amended Form G-32 will not affect the already announced compliance date for the textual amendments to MSRB Rule G-11, on primary offering practices, and MSRB Rule G-32, on disclosures in connection with primary offerings, authorized in the approval order, which will remain January 13, 2020. See [MSRB Notice 2019-15](#) (June 28, 2019) (establishing a compliance date of January 13, 2020 for the textual amendments to Rule G-11 and Rule G-32 and stating that the MSRB will announce a separate compliance date for the amendments to Form G-32).

⁴ The goal of the MSRB’s retrospective rule review is to help ensure that MSRB rules and their interpretations continue to achieve their intended purposes and take into account the current state of the municipal securities market. The MSRB’s retrospective rule review has led to multiple rule changes or amendments based on themes such as regulatory consistency, efficiency, and modernization. For more information on the MSRB’s retrospective rule review efforts, see the MSRB’s retrospective rule review webpage [here](#).

⁵ 84 FR at 31964 (“The MSRB stated that, at this time, requiring this additional information on Form G-32, as applicable, for NIIDS-eligible offerings, and requiring the single additional data point for non-NIIDS-eligible offerings would not only assist the MSRB in ensuring its continued access to new issue information but would enhance MSRB regulatory transparency initiatives.”).

Dissemination Service (“NIIDS”) (collectively, the “NIIDS data fields”); and (2) the addition to Form G-32 of nine data fields that, as applicable, must be manually completed by underwriters (collectively, the “manual data fields”). These amendments to Form G-32 regarding the NIIDS data fields and manual data fields will become effective as of the compliance date announced in this regulatory notice of November 30, 2020.

(1) Description of Amended Form G-32 regarding the 57 NIIDS data fields.

The 57 NIIDS data fields of Amended Form G-32 will collect data that an underwriter already is required to input into NIIDS for NIIDS-eligible offerings.⁶ The attachment to this notice lists the 57 NIIDS data fields. For NIIDS-eligible offerings, the NIIDS data fields on Amended Form G-32 will auto-populate with the information submitted by underwriters to NIIDS, like several of the existing data fields on Form G-32.⁷ For non-NIIDS-eligible offerings, underwriters will be required to manually enter information into the single NIIDS data field on Amended Form G-32 indicating the original minimum denomination of an offering but will not be required to manually complete the other 56 NIIDS data fields.

⁶ NIIDS is an automated, electronic system that receives comprehensive new issue information on a market-wide basis for the purposes of establishing depository eligibility and immediately re-disseminating the information to information vendors supplying formatted municipal securities information for use in automated trade processing systems. See Rule G-34(a)(ii) regarding the application for depository eligibility and dissemination of new issue information and the exclusion of certain issues as set forth in that subsection.

⁷ Completing Form G-32 is a requirement under Rule G-32 and, therefore, an underwriter must ensure that the data submitted on Form G-32 is accurate; even if the underwriter initially enters the data into NIIDS and that data is, thereafter, auto-populated into the underwriter’s Form G-32. See the Proposed Rule Change, at p. 7, nn. 13-14 and related discussion (link at *supra* note 2) (“The requirement under Rule G-34(a)(ii)(C) that an underwriter of a primary offering of municipal securities that is NIIDS-eligible submit certain information about the new issue to NIIDS was designed to facilitate timely and accurate trade reporting and confirmation, among other things. Additionally, the submission of this information was meant to address difficulties dealers have in obtaining descriptive information about new issues of municipal securities. . . . The requirement to provide this information and the process for doing so are addressed in Rule G-34 and Rule G-32, respectively. While NIIDS provides the system for submitting the information, its use does not obviate the requirement that information submitted pursuant to Rule G-34 be timely, comprehensive and accurate. . . . While the MSRB is currently not aware of any reason NIIDS would become unavailable, the inability to auto-populate information from NIIDS would not negate the requirement that information be provided pursuant to MSRB Rule G-32.”); see also [MSRB Notice 2007-36](#) (Nov. 27, 2007).

(2) Description of Amended Form G-32 regarding the nine manual data fields.

The amendments to Form G-32 approved by the SEC will also add nine new manual data fields to be entered by underwriters (*i.e.*, not auto-populated). The manual data fields include the following.

- (i) **An indication of the ability for an offering's minimum denomination to change after issuance.** Amended Form G-32 will include a "yes" or "no" data field for underwriters to indicate at the time of issuance whether the original minimum denomination for an issue can change.
- (ii) **Identification of syndicate managers for the offering (*i.e.*, senior and co-managers).** Amended Form G-32 will include a data field for underwriters to identify all additional syndicate managers (senior and co-managers) on an offering.
- (iii) **Call schedule information for the offering.** Amended Form G-32 will include a data field for underwriters to provide call schedule information regarding a new issue, including any premium call date(s) with pricing and par call date(s). For an issue with call prices stated as a percentage of the compound accreted value ("CAV"), underwriters must enter the premium call date(s) and percentage of CAV at which the new issue can be called as well as any applicable par call date(s).
- (iv) **Identification of obligated persons other than the issuer for the offering.** Amended Form G-32 will include a data field for underwriters to identify the name(s) of the obligated person(s) other than the issuer for the offering. The MSRB expects that the identification of the obligated person(s) will be input on Form G-32 in the same manner as identified in an official statement or other offering document.
- (v) **Identification of the LEI⁸ for credit enhancers and obligated persons other than the issuer for the offering.** Amended Form G-32 will include a data field for underwriters to provide the Legal Entity Identifier ("LEI"), if readily available, of any credit enhancers or obligated persons for a new issue other than the issuer.
- (vi) **The dollar amount of each CUSIP number advance refunded by the offering.** Amended Form G-32 will include a data field for underwriters to provide the dollar amount of each CUSIP number for the outstanding bonds being advance refunded by the refunding bonds in a new issue.

⁸ An "LEI" or "Legal Entity Identifier" is a 20-digit alpha-numeric code that connects to key reference information providing unique identification of legal entities participating in financial transactions. Only organizations duly accredited by the Global Legal Entity Identifier Foundation (or "GLEIF") are authorized to issue LEIs. As further described in the notice of SEC approval, an underwriter would be required to provide the LEI information for any credit enhancer(s) and/or obligated person(s), other than the issuer, for an offering where the LEI for any such entity is "readily available." An LEI will be deemed "readily available" if it is easily obtainable via a general search on the internet (*e.g.*, web pages such as <https://www.gleif.org/en/lei/search>).

- (vii) **The retail order period(s) for each bond with a CUSIP number in the offering.** Amended Form G-32 will include a new data field for underwriters to indicate a “yes” or “no” flag to the existence of a retail order period for each CUSIP number in a new issue.
- (viii) **The name of the municipal advisor(s) for the offering when applicable.** Amended Form G-32 will include a new data field for underwriters to indicate any municipal advisor(s) on the offering. For purposes of completing this data field, the underwriter should provide any municipal advisor named in the offering document, or if none are noted in the offering document and the underwriter has knowledge of the municipal advisor for the offering, the underwriter should use this information to complete the field.
- (ix) **Any applicable restrictions on the offering.** Amended Form G-32 will include a new data field for underwriters to indicate a “yes” or “no” flag as to whether the offering is being made with restrictions. An explanation will be provided on Amended Form G-32 clarifying that “yes” should be selected for any offerings made with a restriction on sales, resales, or transfers of securities such as, for example, sales only to investors that are qualified institutional buyers as defined under Rule 144A of the Securities Act of 1933 or sales only to investors that are accredited investors as defined under Rule 501 of Regulation D under the Securities Act of 1933.

December 20, 2019

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MSRB Form G-32 Data Points to be Auto-Populated from NIIDS in NIIDS-Eligible Offerings

Distribution Type
Sale Method
Series ID (Issue Class)
Certificate Type
Bank Qualified Flag
New Money Flag
Refunding Flag
Advanced Refunding Method
Remarketing Flag
First Payment Date
Serial/ Term Indicator
Federal Taxable Flag
Federal Alternative Minimum Tax Flag
Interest Classification
First Trade Settlement Date
Credit Enhancement Applicable Flag
Capital Appreciation Flag
Zero Coupon Flag
Puttable Flag
Callable Flag
Step-Up Flag
Super Sinker Flag
PAC Bond Flag
Revenue, General Obligation, or Double-Barreled
Minimum Denomination
Multiples of Denomination
Par Value
Put Type
Call Type

Days to Call Notice
Call Notification Window - Business or Calendar indicator
Sinking Fund Flag
Call Schedule Type
Extraordinary Call Flag
Make Whole Call Flag
OID Price
OID Yield
Credit Enhancement Type
Credit Enhancer Name
Credit Enhancement Expiration Date
State Taxable Flag
State Alternative Minimum Tax Flag
Interest Type
Variable Interest - Basis
Variable Interest - Index Name
Variable Interest - Index Spread
Variable Interest - Index Date Type
Interest Computation Method
Interest Method
Payment Frequency Number
Payment Frequency Type
Redemption Frequency Number
Redemption Frequency Type
Put Start Date
Put End Date
Put Frequency Number
Put Frequency Type