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**Via Electronic Delivery**

May 27, 2016

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600,  
Alexandria, Virginia 22314

Re: MSRB Regulatory Notice 2016-11 - Request for Comment on a Concept Proposal to Improve Disclosure of Direct Purchases and Bank Loans

Dear Mr. Smith:

Thomson Reuters appreciates the opportunity to comment on MSRB Regulatory Notice 2016-11 (the “notice”). Thomson Reuters<sup>1</sup> through our Financial & Risk business unit provides buy-side, sell-side and corporate customers with information, analytics, workflow, transaction and technology solutions and services that enable effective price discovery and support efficiency, liquidity and compliance. Our clients are active participants in the municipal market and we provide decision support tools and processing in support of their municipal activities.

We agree that additional information regarding direct purchases and bank loans (“private placements”) would be beneficial to the municipal markets. Transparency into the complete risk profile of a municipal requires a thorough understanding of private placements and public municipal offerings. As the use of private placements has increased over the years, the need for full transparency is vital. We believe that public disclosure should be mandated once the other issues discussed in this comment letter have been addressed. Consistent with established practices, we would expect that EMMA would serve as the repository for this information with initial and ongoing updates regarding private placements disseminated via established municipal news services.

In order to establish increased disclosure, two fundamental aspects of the proposal need to be addressed, (1) assigning a clear responsible party for submitting the disclosure and (2) addressing implementation issues to ensure an efficient submission process. Each of these issues is discussed in more detail below.

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## **Clear & Consistent Responsibility for Disclosure Required**

In order to eliminate confusion and ensure the highest quality of reporting, the MSRB should evaluate which municipal market participants are in the best position to provide the required disclosures. The notice identifies municipal advisers as the responsible party but does not include a discussion of the rationale for this decision. Before making the determination of responsible party, the MSRB should consider the following:

- Availability of information: Issuers, municipal advisers, and municipalities themselves may all be in a position to provide the required information.
- Ability to make a qualified opinion: Given the technical details associated with the proposed disclosure, it is important that the responsible party be in a position to provide a qualified opinion. It is imperative that a professional be assigned to create the necessary disclosures even in cases where a municipal adviser is not involved in the private placement

We recognize that MSRB's authority may not extend beyond the municipal adviser. Alternate approaches, including regulation via the Securities and Exchange Commission should be considered.

## **Implementation Issues Need to Be Addressed**

The burden associated with providing disclosures should be minimized in order to ensure the most cost effective, efficient, and accurate reporting. Recent news reports<sup>2</sup> have highlighted deficiencies associated with the voluntary private placement process. If the MSRB moves forward with this proposal, we recommend an outreach to the parties responsible for submission to address system issues and promote a seamless workflow. These issues should be addressed in advance of an approved filing in order to give sufficient time to implement the new disclosures.

We appreciate the MSRB's efforts to increase transparency in the municipal markets and for the opportunity to comment on private placement disclosure.

Regards,  
Michael C. Demas  
Head, Municipal Evaluations  
Thomson Reuters Pricing Service

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<sup>2</sup> See *Why the Issuer Bank Loan Disclosure System Needs an Overhaul*, The Bond Buyer, May 22, 2016

