

January 17, 2023

Ronald W. Smith, Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005

Transmitted electronically

Comments on MSRB Notice 2022-11

Dear Mr. Smith,

The Bond Dealers of America (BDA) is pleased to comment on MSRB Notice 2022-11, "Request for Comment on Draft Amendments to MSRB Rule G-32 to Streamline the Deadlines for Submitting Information on Form G-32" (The "Notice"). BDA is the only DC-based group exclusively representing the interests of securities dealers and banks focused on the US fixed income markets.

The rule changes proposed in the Notice would amend MSRB Rule G-32 to change the timing of data submissions required under the Rule. Rule G-32 currently mandates that underwriters must electronically provide certain data items related to new-issue transactions on Form G-32. For NIIDS-eligible new issues, underwriters must make their first submissions of certain data fields within two hours of the time of formal award of a new transaction, with additional submissions required by the end of the first trading day and the rest by the closing date. For non-NIIDS deals, underwriters must make their first data submission by the end of the first trading day and the rest by closing.

The amendments proposed in the Notice would streamline the data submission process by providing a single data submission schedule for both NIIDS-eligible and non-NIIDS transactions. Under the Notice, underwriters would be required to make certain data submissions by the end of the first day of trading with the rest of the data items submitted by the closing date.

BDA generally supports the amendments in the Notice. We believe these changes would provide additional compliance flexibility for underwriters without threatening investor or issuer protections. We generally agree with the MSRB's assessment that "the aggregate costs resulting from the draft amendments to Rule G-32 would be relatively minor, while the aggregate benefits resulting from the draft amendments would exceed such aggregate costs, mostly in the form of reduced compliance burdens for underwriters."

We believe—and MSRB staff have informally informed us—that the amendments proposed in the Notice are such that underwriters would remain in compliance with Rule G-32 if they continue to make data submissions as required under current Rule G-32 and that after the adoption of the changes in the Notice, dealers would not need to amend their Rule G-32 compliance procedures and practices to comply with the amendments. We ask the MSRB to provide a formal statement to this effect in the context of the amendments in the Notice.

We again generally support the amendments proposed in the Notice. We believe they will provide additional compliance flexibility to underwriters while maintaining the protections embodied in Rule G-32. As always, please call or write if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Decker". The signature is written in a cursive, flowing style.

Michael Decker  
Senior Vice President



January 27, 2023

**VIA ELECTRONIC SUBMISSION**

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005

**Re: MSRB Notice 2022-11 – Request for Comment on Draft Amendment to MSRB Rule G-32 to Streamline the Deadlines for Submitting the Information on Form G-32**

Dear Mr. Smith,

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates the opportunity to provide input on the Municipal Securities Rulemaking Board’s (“MSRB’s”) Request for Comment on Draft Amendment to MSRB Rule G-32 to Streamline the Deadlines for Submitting the Information on Form G-32 (the “Notice”).<sup>2</sup> Overall, SIFMA appreciates the MSRB’s goals to clarify and streamline Rule G-32 and Form G-32. SIFMA asks that the MSRB consider our comments below suggesting additional clarifications in furtherance of these goals.

**I. Official Statement Delivery Timeframe Should be Amended**

Rule G-32(b)(i)(B)(1) states, “The underwriter of a primary offering of municipal securities shall submit the official statement prepared for such offering to EMMA within one business day after receipt of the official statement from the issuer or its designee, but by no later than the closing date.” However, the rule raises several compliance issues. First, there are instances where the official statement is finalized and received by the underwriter prior to the sale of the bonds. Pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934,<sup>3</sup> final official statements are required to be sent to underwriters within seven business days after any final agreement to purchase, offer, or sell the municipal securities in an offering. The final official statement

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

<sup>2</sup> MSRB Notice 2022-11 (November 9, 2022).

<sup>3</sup> 17 CFR § 240.15c2-12.

includes certain information permitted to be omitted in the “deemed final”, including the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, any other terms or provisions required by an issuer of such securities to be specified in a competitive bid, ratings, other terms of the securities depending on such matters, and the identity of the underwriter(s). Official statements and primary offering terms are still subject to change until the bonds have been sold.<sup>4</sup> Legally, the bonds don’t exist for sale until they are sold to the underwriter. Releasing a final official statement (or private placement memorandum) for bonds that have not yet been sold, and whose terms are still subject to change, could be misleading to investors. Therefore, SIFMA’s members feel it is generally inappropriate to post a final official statement to EMMA until a bond purchase agreement has been signed or a formal award of the bonds has been completed.

Second, final official statements received after business hours, or sent to an unexpected recipient at the broker dealer, can cause confusion and delay in sending the final official statement to EMMA. Ideally the rule language regarding submission of the official statement to EMMA would read as follows, “The underwriter of a primary offering of municipal securities shall submit the final official statement prepared for such offering to EMMA, promptly, but not later than the closing date.”

Alternatively, SIFMA and its members propose the MSRB consider amending the relevant language to state, “The underwriter of a primary offering of municipal securities shall submit the official statement prepared for such offering to EMMA by the later of one business day after the sale of the bonds or one business day after the receipt of the final official statement from the issuer or its designee, but in any case by no later than the earlier of the final official statement being used to market the bonds to investors or the closing date.”

In addition, SIFMA members also seek clarification on the definition of “business day” under Rule G-32. MSRB Rule G-34(a)(ii)(C)(2) sets forth that “business hours” shall include only the hours from 9:00 A.M. to 5:00 P.M. Eastern Time on an RTRS business day. SIFMA members feel that final official statements received after the end of the business day should be deemed to have been received the following business day, to permit broker dealers the opportunity to comply with the Rule.

## **II. Form G-32 Should Only Be Required to Be Submitted No Later Than the End of the Closing Date**

Moreover, SIFMA members believe that Rule G-32 should be amended to obligate an underwriter to complete the applicable data fields on Form G-32 on all transactions by no later than the end of the closing date. The current language of Rule G-32 sets forth multiple deadlines for underwriters which are different for NIIDS-Eligible Primary Offerings and Primary Offerings Ineligible for NIIDS. The proposed amended language of Rule G-32 would make uniform for both NIIDS-Eligible Primary Offerings and Primary Offerings Ineligible for NIIDS the deadlines for submission of certain data elements on the day of first execution, with final submission of

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<sup>4</sup> Pursuant to MSRB Rule G-32(b)(iii), official statements are required to be updated with material developments and sent to EMMA during the primary offering disclosure period ending 25 days after the final delivery of the bonds.

Form G-32 due by the end of the closing date. The MSRB has asked for feedback on potentially omitting the concept of an underwriter initiating the data fields on Form G-32 altogether, and instead obligating an underwriter to complete the data fields on Form G-32 by no later than the closing date. SIFMA members agree that omitting the concept of an underwriter initiating the data fields on Form G-32 altogether and instead obligating an underwriter to complete the applicable data fields on Form G-32 by no later than the end of the closing date would reduce burdens on the broker dealer community with no material reduction in transparency. SIFMA and its members feel this is the optimal solution. We believe the amendments should clearly set forth that underwriters for any new issue of securities are only required to submit Form G-32 by the end of the closing date.

### **III. Municipal Advisors on Private Placements Should be Required to Fill Out Form G-32**

Currently, MSRB Rule G-32 only requires an underwriter, including a placement agent, to submit the G-32 data submission form to EMMA. There can be transactions which are characterized as a private placement of municipal securities where no placement agent or underwriter is involved. In those offerings completed without the participation of a broker dealer serving as placement agent or underwriter, there is no regulated party required to fill out Form G-32. In these cases, the municipal advisor is the only regulated entity with the relevant data about the primary offering. Such an amendment would not only provide important increased transparency on primary offerings to the market, but also increased transparency on secondary market trades, as primary offerings without a Form G-32 filing creates additional transparency issues with imperfect or missing trade reporting pursuant to MSRB Rule G-14. Therefore, Rule G-32 should be amended to require municipal advisors on transactions that do not involve a broker dealer acting as a placement agent or underwriter be required to fill out Form G-32.<sup>5</sup> SIFMA's members feel strongly that making such changes would fill a void in the information available to the marketplace through EMMA under Rule G-32.

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Thank you for considering SIFMA's comments. Overall, SIFMA appreciates the MSRB's goals to clarify and streamline Rule G-32 and Form G-32. SIFMA asks that the MSRB consider our

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<sup>5</sup> As a practical matter, if our proposed changes are adopted, Form G-32 should be amended to include the ability to choose the role of the submitter (i.e., broker dealer or municipal advisor).

comments in furtherance of these goals. If a fuller discussion of our comments would be helpful, I can be reached at (212) 313-1130 or lnorwood@sifma.org.

Sincerely,

A handwritten signature in black ink, appearing to be 'LNorwood', written in a cursive style.

Leslie M. Norwood  
Managing Director  
and Associate General Counsel

cc: ***Municipal Securities Rulemaking Board***

Carol Converso, Director, Market Practices  
Prairie Douglas, Assistant Director, Market Regulation  
Saliha Olgun, Interim Chief Regulatory Officer  
Gail Marshall, Senior Advisor to Chief Executive Officer

APPENDIX A  
Responses to Questions

1. The draft amendments largely achieve the objectives of clarifying and streamlining the deadlines applicable to Form G-32. SIFMA members feel that the official statement delivery deadline could use clarification and amendment, as described above. Also, broker dealers would like additional clarity that the senior or managing underwriter fills out Form G-32 on behalf of the syndicate.
  2. These amendments to Rule G-32 would assist firms in understanding the data submission timelines.
  3. SIFMA members agree that omitting the concept of an underwriter initiating the data fields on Form G-32 altogether and instead obligating an underwriter to complete the applicable data fields on Form G-32 by no later than the end of the closing date would reduce burdens on the broker dealer community with no material reduction in transparency. SIFMA and its members feel this is the optimal solution.
  4. The MSRB has asked if there potential benefits and burdens to market participants if – instead of requiring all “Trade-Execution Information” and “Trade Eligibility Information” to be initiated by no later than the end of the date of first execution of NIIDS-Eligible Primary Offering (as proposed by the draft amendments) – the MSRB amended Rule G-32 to only require the initiation of “Trade-Eligibility Information” by no later than the end of the date of first execution for NIIDS-Eligible Primary Offerings. SIFMA members feel that amending Rule G-32 to only require the initiation of “Trade-Eligibility Information” by no later than the end of the date of first execution for NIIDS-Eligible Primary Offerings further complicates the rule. SIFMA members do not support this alternative, as this alternative would perpetuate the two separate filing requirements. SIFMA members note that one of the goals of the amendments is to align filing requirements for NIIDs-eligible and NIIDs-ineligible issuances. This alternative proposal is contrary to that goal. NIIDs-eligible offerings would have filings due by end of first day of execution, but NIIDs-ineligible offerings would only have to file by closing. If the MSRB proceeds with this alternative, SIFMA members feel it is important that MSRB makes clear that even if a data point (e.g. CUSIPs) could be categorized as “Trade-Eligibility Information,” dealers are still not required to make a filing by the earlier deadline for non-NIIDs-eligible offerings.
  5. The proposed definitions included in the draft amendments provide further clarity to market participants. SIFMA does believe that a clear definition of “business day” for Rule G-32 and Form G-32, in line with the G-34 definition of “business hours” would be helpful. Under Rule G-34, business hours include only the hours from 9:00 A.M. to 5:00 P.M. Eastern Time on an RTRS business day.
  6. SIFMA members do not believe it is helpful for the MSRB to more specifically define or clarify the fields that fall within the definitions of Trade-Execution Information and Trade-Eligibility Information. Under the proposed rule, both of Trade-Execution
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Information and Trade-Eligibility Information are required to be submitted by no later than the first day of execution. SIFMA members suggest that it would be helpful for the MSRB to issue a resource guide updating its compliance resource from August 2021 or the MSRB's primary market submission manual to include the updated filing timeframes.

7. SIFMA members believe that the regulatory obligation to submit certain advance refunding documents to EMMA within five business days after the closing date is clear. It is not well understood that a separate obligation exists to provide equal information access to refunding information, and we believe such obligation unnecessarily complicates the rule and adds compliance risk.
8. SIFMA members believe that current Rule G-32(b)(iv), which provides that an underwriter shall "promptly" submit information about the cancellation of a primary offering through Form G-32, is largely sufficient. The only clarification that would be helpful is stating that notification of cancellation is deemed "prompt" if notification is made within 5 business days. The term "cancellation" is not defined, and for that matter, it may not be abundantly clear if and when a transaction is cancelled. It is prudent to allow market participants to have the opportunity to potentially move forward with a primary offering without the pressure of a regulatory filing deadline related to cancellation.
9. It would be less burdensome to have a common deadline for the submission of the official statement and the submission of the data elements on Form G-32. Having a concurrent deadline for the submission of an official statement and all data elements on Form G-32 would increase efficiencies at broker dealer firms that currently need to populate Form G-32 at various times. Simplifying the rule in this way would likely decrease the compliance burden on regulated parties, and potentially increase data accuracy.
10. There are two scenarios that the MSRB should consider in relation to the draft amendments. First, forward bond purchase agreements complicate compliance with the proposed submission deadline under the draft amendments. As forwards trade between their sale date, the "soft close", and final settlement, interpretive guidance for Form G-32 information submission deadlines relating to both the "soft close" and final settlement should be considered. Second, it is not uncommon, particularly in a floating rate transaction, to receive the official statement before the sale of the bonds. Rule G-32 should be amended to clarify this scenario.
11. The draft amendments do not negatively impact market competition, market efficiency, market transparency, compliance burdens, investor protection or issuer protection. Underwriters agree that the accuracy of the data fields submitted on Form G-32 would be enhanced with additional time to submit. The more time that broker dealers have to submit Form G-32, the more accurate the information is likely to be. Amendments to Form G-32 over time have added many fields, including fields requiring manual inputs, and Form G-32 has become quite burdensome as a result.



It is important to note that particularly due to the lack of a standardized naming convention in municipal securities, amendments to Form G-32 are common. SIFMA members feel that amendments to Form G-32 filings should not be deemed as late, as they currently are.

In order to properly analyze the burdens, we do believe that the MSRB should consider why the data on Form G-32 is needed at this time. For NIIDS-eligible transactions, the NIIDS data is populated by industry utilities. For transactions not NIIDS-eligible, it isn't clear why the Form G-32 information would be required prior to closing.

12. To the best of our knowledge, the draft amendments do not create any undue compliance burdens unique to minority and women-owned business enterprises (MWBE), veteran-owned business enterprises (VBE), or other special designation firms.
13. SIFMA members are not currently aware of any other potential implications that the MSRB should be aware of related to the draft amendments and Form G-32.



1345 Avenue of the Americas  
27<sup>th</sup> Floor c/o AICPA  
New York, NY 10105  
(202) 448 - 1985

December 15, 2022

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005

Dear Mr. Smith:

RE: Draft Amendments to MSRB Rule G-32 to Streamline the Deadlines for Submitting Information on Form G-32

Thank you for giving us and other members of the public the opportunity to comment on draft amendments to Rule G-32. XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL.

XBRL is a free and open data standard widely used in the United States, and in over 200 implementations worldwide, for reporting by public and private companies, as well as government agencies. We support nonproprietary data standards and identifiers which are proven to increase the efficiency of data reporting.

While we do not have a view about the timing of Form G-32 submissions, we would like to comment on question 13 in the Request for Comment on general comments about the form.

We believe that issuers and users of municipal securities data would benefit if issuers had the option to submit continuing disclosure documents in machine-readable Inline XBRL format. As noted on page 40 of the EMMA Dataport Manual for Primary Market Submissions, issuers today are required to submit these reports in PDF format. While PDF files are electronic documents, they do not provide digitized data that can be automatically consumed. Continuing disclosure submissions include event-based and financial disclosures which would be significantly more valuable provided in fully searchable, machine-readable format. Underwriters and others tasked with entering primary market submissions may appreciate the opportunity to partially automate their filing activity. The Inline XBRL format would render the data in both human-readable and machine-readable format.

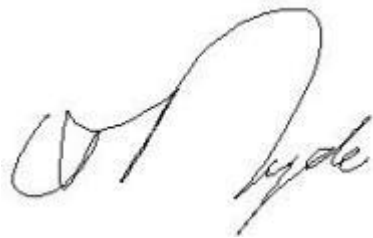
Because we are suggesting a machine-readable file-based submission as optional, filers should not find this proposal objectionable. They would be free to continue submitting continuing disclosure documents in PDF but would have the option to submit in Inline XBRL format.

Uploaded documents could be validated against an XBRL taxonomy that could enforce the rules now implemented through the web interface. While validating, MSRB could also check CUSIPs in the file against the global CUSIP master, as you now do in the web interface.

We welcome the opportunity to discuss this proposal with MSRB staff if you are interested. During such a discussion we could describe how an appropriate taxonomy could be developed and implemented. Work that has already been completed with the University of Michigan on an open-source, freely available taxonomy representing the Annual Comprehensive Financial Report (ACFR) could be leveraged in these efforts.

We thank the Commission for allowing us to provide input to the ECD Taxonomy. Please contact me at (917) 582-6159 or [Campbell.Pryde@xbrl.us](mailto:Campbell.Pryde@xbrl.us) with any questions, and to schedule a call with our consortium members to discuss our suggestions further.

Respectfully,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', is positioned above the typed name.

Campbell Pryde,  
President and CEO