



Subject: Comment on SEC's Proposed Rules: S7-2024-05 - Designation of FIGI as the Standard Identifier for Financial Instruments

Dear Securities and Exchange Commission,

LeafHouse appreciates the opportunity to provide feedback on the proposed rules under S7-2024-05, particularly regarding the SEC's consideration of the Financial Instrument Global Identifier (FIGI) as the standard for investment identifiers. As a firm deeply engaged in the fiduciary oversight of retirement plan investments, we understand the critical role that standardized, open-access identifiers play in promoting transparency, innovation, and efficiency within the financial industry.

At LeafHouse, our commitment to fiduciary excellence is underpinned by our use of advanced technology and data analytics to deliver superior investment solutions to retirement plans across the nation. The adoption of FIGI as a universal, non-proprietary identifier would align with our mission to enhance data integrity and improve the comparability of investment options for plan sponsors and participants.

We would like to offer the following perspectives on the SEC's proposal:

Enhanced Data Transparency and Accessibility: Proprietary, non-open licensed identifiers have long been an impediment to data transparency, creating barriers to the free flow of information necessary for effective investment analysis. The adoption of FIGI, with its open-access model, would eliminate these barriers, enabling fiduciaries like LeafHouse to access and analyze data more freely and effectively. This increased transparency is crucial for making informed decisions that protect and promote the best interests of plan participants.

Unlocking Resources for Innovation: Proprietary identifiers stifle innovation by diverting significant resources toward paying for data that should be universally accessible. By adopting FIGI, the SEC can eliminate these unnecessary costs, allowing funds to be redirected toward resolving technical debt, fostering innovation, and improving communication across the financial industry. This shift would free up resources for the development of new tools and services that benefit the entire retirement plan ecosystem, from asset managers to participants. Instead of spending on costly licensing fees, the industry could focus on creating solutions that drive progress and enhance investor outcomes, improving efficiency and connectivity throughout the system.

Efficiency in Fiduciary Oversight: A standardized, open identifier like FIGI would significantly streamline our processes for monitoring and reporting on investment performance, fees, and risks. It would reduce the complexities associated with navigating multiple identifier systems, allowing us to focus more on optimizing investment strategies and conducting rigorous fiduciary oversight. Moreover, the current licensing scheme for proprietary identifiers has led to distortions and inaccuracies in investment identification. To avoid prohibitive licensing fees, some market participants have resorted to creating non-standard, non-globally unique identifiers. This practice introduces inconsistencies and reduces the reliability of data across the industry. Adopting FIGI would help eliminate these distortions, ensuring that investment identification is accurate, consistent, and free from such economically driven compromises. This efficiency is essential in maintaining the high standards of care required to fulfill fiduciary obligations.

Broader Impact on the Retirement Plan Ecosystem: While LeafHouse does not directly offer plan design or participant education services, the widespread adoption of FIGI could indirectly enhance these areas by improving the quality and accessibility of investment data. This, in turn, would support better decision-making across the entire retirement plan ecosystem, leading to more favorable outcomes for participants.

We strongly support the SEC's proposal to designate FIGI as the standard investment identifier. We believe that moving away from proprietary, non-open licensed identifiers towards an open, standardized system like FIGI is a critical step in advancing transparency, fostering innovation, and ensuring the continued integrity of the financial markets.

Thank you for considering our comments on this important issue. We look forward to continued collaboration with the SEC as these proposals are developed and implemented.



Sincerely,
Todd Kading
President and CEO
LeafHouse