



INVESTMENT ADVISER ASSOCIATION

October 7, 2024

Via Electronic Filing

Chief Counsel's Office
Attention: Comment Processing
**Office of the Comptroller of
the Currency**
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Ann E. Misback
Secretary
**Board of Governors of the
Federal Reserve System**
20th Street and Constitution
Avenue, NW
Washington, DC 20551

James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal
OES (RIN 3064-AF96)
**Federal Deposit Insurance
Corporation**
550 17th Street NW
Washington, DC 20429

Melane Conyers-Ausbrooks
Secretary of the Board
**National Credit Union
Administration**
1775 Duke Street
Alexandria, VA 22314-3428

FDTA-INTERAGENCY RULE
c/o Legal Division Docket
Manager
**Consumer Financial
Protection Bureau**
1700 G Street NW
Washington, DC 20552

Clinton Jones
General Counsel
Attention: Comments/RIN
2590-AB38
**Federal Housing Finance
Agency**
400 Seventh Street SW
Washington, DC 20219

Christopher Kirkpatrick
Secretary of the Commission
**Commodity Futures Trading
Commission**
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Vanessa A. Countryman
Secretary
**U.S. Securities and Exchange
Commission**
100 F Street NE
Washington, DC 20549-1090

Chief Counsel's Office
Attention: Comment Processing
Office of Financial Research
Department of the Treasury
717 14th Street NW
Washington, DC 20220

Re: Financial Data Transparency Act Joint Data Standards

OCC	Docket ID OCC-2024-0012; RIN 1557-AF22
FRB	Docket No. R-1837; RIN 7100 AG-79
FDIC	RIN 3064-AF96
NCUA	RIN 3133-AF57
CFPB	Docket No. CFPB-2024-0034; RIN 3170-AB20
FHFA	RIN 2590-AB38
CFTC	RIN 3038-AF43
SEC	Rel. No. 33-11295; 34-100647; IA-6644; IC-35290; File No. S7-2024-05; RIN 3235-AN32
Treasury	Docket No. TREAS-DO-2024-0008; RIN 1505-AC86

Dear Agencies:

The Investment Adviser Association (IAA)¹ respectfully requests a 60-day extension of the comment period for the joint proposal (**Proposal**) of the nine federal financial regulators (the **Agencies**) to implement the first phase of the Financial Data Transparency Act (FDTA).² The IAA's members are all fiduciary investment advisers, ranging from global asset managers to the medium- and small-sized firms that make up the majority of the investment adviser industry. They manage more than \$35 trillion in assets for a wide variety of individual and institutional clients, including pension plans, trusts, mutual funds, private funds, endowments, foundations, and corporations. The IAA has long called for greater attention to the interrelatedness of financial regulation and we strongly support the interoperability goals of the FDTA. However, we urge the Agencies to move forward cautiously and only after thoughtful analysis and deliberation, including obtaining thorough input from the many market participants that will be most impacted by the Agencies' actions, including IAA members.

Financial instrument identifiers are critical for fiduciary investment advisers to do business, from managing a client's account to fulfilling a variety of compliance, risk management, and investment responsibilities, to internal and regulatory reporting. Under Section 124(c)(1)(B) of the FDTA, the joint data standards must, "to the extent practicable," be "nonproprietary or made available under an open license."³ Financial instrument identifiers act as an essential public utility and should be treated as such and we strongly agree with the statutory directive that, to the extent practicable, they must be made available to end users under an open license. It is crucial that any determination made by the Agencies as to a common financial instrument identifier in the first phase of the rulemaking be based on a thorough and sound analysis.

Moreover, separately from Section 124 of the FDTA, each Agency in a second phase of rulemaking will be required to adopt its own standards for its own collections of information that "incorporate and ensure compatibility with, to the extent feasible," the applicable joint standards.⁴ Each agency must also consider how its rulemaking will affect smaller entities.

¹ The IAA is the leading organization dedicated to advancing the interests of fiduciary investment advisers. For more than 85 years, the IAA has been advocating for advisers before Congress and U.S. and global regulators, promoting best practices, and providing education and resources to empower investment advisers to effectively serve their clients, the capital markets, and the U.S. economy. For more information, please visit www.investmentadviser.org.

² The Proposal would establish certain joint data standards in phase one across the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Consumer Financial Protection Bureau, Federal Housing Finance Agency, Commodity Futures Trading Commission, Securities and Exchange Commission (SEC), and Department of the Treasury. *Financial Data Transparency Act Joint Data Standards*, 89 Fed. Reg. 67890 (Aug. 22, 2024), available at <https://www.govinfo.gov/content/pkg/FR-2024-08-22/pdf/2024-18415.pdf>. The Proposal implements Section 124 of the Financial Stability Act of 2010 (12 U.S.C. 5334), as added by the FDTA.

³ FDTA Section 124(c)(1)(B)(iv).

⁴ 89 Fed. Reg. at 67895.

Regardless of the chosen data standard, each Agency should scale data reporting requirements to reduce any unnecessary burden on smaller entities and minimize disruptions to these businesses or individuals.⁵

We are concerned that by jointly selecting the Financial Instrument Global Identifier (**FIGI**) at this phase as the common identifier for financial instruments, the Agencies will have made it very difficult and/or costly for any individual Agency to later change course during its rulemaking. This is especially concerning because we do not believe that the joint Agency decision would be based on adequate analysis. For example, it appears that the Agencies are taking the view that FIGI is fully free, but we have serious concerns as to whether this is in fact the case.⁶ It is thus critical that the Agencies get meaningful input at this first phase of the rulemaking process to enable them to conduct an adequate analysis of the costs, benefits, impacts, and implications of the potential alternatives.

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⁵ *Id.*

⁶ Unfortunately, the Agencies have failed to do their own analysis, or at least have not “shown their work,” as to this as well as other elements of the Proposal. For instance, the Proposal provides no basis for the conclusion that, and lacks any analysis of whether, FIGI in fact performs adequately across all asset classes as the Proposal asserts it does (*see* 89 Fed. Reg. at 67897). This shortcoming underscores the need to allow market participants more time to consider these complex issues.

We are currently collecting feedback from our members to assist us in developing a constructive response to the Proposal, but this is extremely challenging within the provided deadline. We believe that the Agencies' policy goals would be better served by allowing more time for key stakeholders, like the IAA and our members, to consider these important issues and prepare our response. Please contact the undersigned at (202) 293-4222 if you have any questions.

Respectfully,

/s/ Gail C. Bernstein
Gail C. Bernstein
General Counsel and Head of Public Policy

/s/ Laura L. Grossman
Laura L. Grossman
Associate General Counsel

cc: The Honorable Gary Gensler, Chair
The Honorable Hester M. Peirce, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner
The Honorable Mark T. Uyeda, Commissioner
The Honorable Jaime Lizárraga, Commissioner
Natasha Vij Greiner, Director, Division of Investment Management