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October 13, 2022

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

Submitted via email: rule-comments@sec.gov

**Re: Amendments to Form PF to Amend Reporting Requirements for All Filers and Larger Hedge Fund Advisers
Release No. IA-6083 / File No. S7-22-22¹**

Dear Ms. Countryman:

Bloomberg L.P.² (“Bloomberg”) respectfully submits this letter in response to the above-referenced proposal jointly issued by the U.S. Securities and Exchange Commission (“SEC” or the “Commission”) and the Commodity Futures Trading Commission to amend Form PF, the confidential reporting form for certain registered investment advisers to private funds (the “Proposal”).

Overview

We know that many in the industry will weigh in on the Commission’s Proposal, which is designed to enhance the ability of the Financial Stability Oversight Council (“FSOC”) to monitor systemic risk as well as the Commission’s regulatory oversight and investor protection efforts in the private fund industry. Our response is focused on the important issue of providing market participants with the ability to choose among identifiers in reporting. The Proposal seeks to provide advisers with the option to use a Financial Instrument Global Identifier to report a fund’s reference assets to which the fund has gross exposure. We agree with this measure as we believe that the use of any specific financial identifier should not be regulatorily mandated and competition among identifiers should be encouraged to benefit the industry as a whole.

¹ Form PF; Reporting Requirements for All Filers and Larger Hedge Fund Advisers, SEC Exch. Act Rel. No. IA-6083 (Aug. 10, 2022), available at <https://www.sec.gov/rules/proposed/2022/ia-6083.pdf>.

² Bloomberg L.P. is a global leader in business and financial information, delivering trusted data, news, and insights that bring transparency, efficiency, and fairness to the markets. The company helps connect influential communities across the global financial system via reliable technology solutions that enable our customers to make more informed decisions and foster better collaboration.

Financial Instrument Global Identifier (“FIGI”) and the Importance of Having a Choice in the Use of Financial Identifiers

155. In Question 40, are there other unique identifiers, in addition to or in lieu of LEI or CUSIP that we should add in addition to those proposed (e.g., for commodities or indices)? Alternatively, should we permit advisers to report FIGI in lieu of CUSIP in Question 40 rather than requiring advisers to report CUSIP?

We are pleased to see that the Commission is contemplating the use of other financial identifiers in Form PF and not requiring a specific identifier such as CUSIP. Regulatory mandates to use a particular product raise costs and diminish innovation; therefore, the ability to choose the data identifier in regulatory reporting would be beneficial to the entire industry. Competition among financial identifiers would improve transparency and data quality, as well as eliminate burdensome costs. We encourage the Commission to promote competition among identifiers in other contexts as well.

FIGI is a unique, publicly-available identifier that covers financial instruments across asset classes that arise, expire, and change daily. It was developed by Bloomberg to help solve licensing challenges and shortcomings in data organizations and governance that persist in the current regional-based security identifier numbering approaches.³ FIGI became a free, open data standard in 2014 after Bloomberg assigned all rights and interest in FIGI to the Object Management Group (“OMG”), an international non-profit technology standards consortium.⁴ FIGI is in the public domain with no commercial terms or restrictions on usage, and it is available free of charge for use by all market participants.⁵ This is one of the many attributes that sets FIGI apart from other similar identifiers that may result in the imposition of significant licensing fees for users.⁶

³ <https://www.omg.org/figi/>

⁴ Press Announcement: “What’s in a Name? The Bloomberg Global ID Is Reborn as the FIGI” (Oct. 9, 2014), available at <https://www.bloomberg.com/company/press/whats-name-bloomberg-global-id-reborn-figi/>.

⁵ FIGI is offered under the MIT Open Source License and we note that this dedication is formally embedded within the X9, ABNT, and OMG standard accreditations. The metadata term “dct:license” specifically outlines the application of the MIT Open Source license in the standard for the identifier and associated metadata. See ANSI X9.145.2021 for FIGI (2021) at p. 28, available at <https://x9.org/wp-content/uploads/2021/08/ANSI-X9.145-2021-Financial-Instrument-Global-Identifier-FIGI.pdf>. See also OMG FIGI v1.0 (2015) at p. 31, available at <https://www.omg.org/spec/FIGI/1.0/PDF>.

⁶ Bloomberg L.P. is the Registration Agent for the OMG standard, under the auspices of OMG’s Financial Domain Task Force. There are currently two Certified Providers for the FIGI standard: Bloomberg and Kaiko. Press Announcement: “OMG Announces Kaiko to Expand FIGI Standard for Crypto Assets” (Jan. 20, 2021), available at <https://www.omg.org/news/releases/pr2021/01-20-21.htm>.

In 2021, the Accredited Standards Committee X9 Inc. (“X9”), a non-profit organization accredited by the American National Standards Institute (“ANSI”), accepted the FIGI as a U.S. national standard and designated it as ANSI X9.145-2021.⁷

One of the many benefits of the FIGI is that it enables interoperability between other identification systems and does not force the use of a single identification system. Enabling interoperability between different identification systems may lower costs when interacting between legacy systems, which may depend upon a single identifier and newer systems that typically have a more modern architecture. This interoperability reduces complexity, dependencies, and the costs of interacting across different user groups and communities that have different needs. It allows for better management of data, increases data quality, and facilitates the sharing of critical and universal information among different user communities without the costs associated with forcing changes to core systems and processes.

Firms choose to use different identification systems internally for many reasons depending on the firm, internal systems, maturity of their data practices, costs, and interactions with clients and counterparties. Across a firm, different identifiers may be used based on which identifier system best serves the required function (*e.g.*, trading, settlement, risk, or asset class). The needs of each firm are unique, and how data is used and implemented is increasingly becoming a source of competitive advantage.

Mandates that enforce use of singular, non-open standards have potential further negative impact, including lock-in and subjecting firms to potentially unnecessary costs. For even as many firms use different identification systems internally today, they may be mandated by different regimes to use specific identifiers that are not fit for certain functional needs.

Indeed, organizations such as the Investment Adviser Association (“IAA”) have previously noted that increasingly burdensome fees have been imposed on investment advisers, investors, and others for the acquisition, retention, and use of certain identifiers. The IAA has asked the Commission to review the policy of mandating the use of identification numbers in any regulations or regulatory filings as these practices may pose potential liability, subject users to the payment of burdensome fees, or are otherwise problematic.⁸

⁷ Press Announcement: “ASX X9 Publishes U.S. Standard for the Financial Instrument Global Identifier” (Sept. 15, 2021), available at <https://www.bloomberg.com/company/press/asc-x9-publishes-u-s-standard-for-the-financial-instrument-global-identifier/>.

⁸ See Letter from the Investment Adviser Association to the SEC, dated Sept. 29, 2020 at p. 6, available at <https://www.sec.gov/comments/s7-08-20/s70820-7859973-223872.pdf>. See also Letter from the Investment Adviser to the SEC, dated Dec. 17, 2021 at 3, available at <https://www.sec.gov/comments/s7-15-21/s71521-20109989-264314.pdf>.

Bloomberg notes that the SEC’s Asset Advisory Committee (“AMAC”) recommended last year that the SEC study whether to move specific references to “CUSIP” relative to securities identifiers in its rules and regulations.⁹ In issuing its recommendation, the AMAC noted that certain fees associated with licensing and use of CUSIP, such as recordkeeping, trade confirmation, account statements, and regulatory reporting, were unreasonable and left small advisors and funds with no reasonable alternatives but to pay the fees.¹⁰ The AMAC noted that the fees are pervasive throughout the financial system, especially when advisers or funds only use the CUSIP numbers for internal recordkeeping and client reporting. The AMAC suggested considering the use of other identifiers in its recommendations.¹¹

Given these reasons, we believe that firms should be permitted to choose among identifiers and have the flexibility to adopt, integrate, or switch to other identifiers as appropriate. We are therefore pleased to see that the Commission is increasingly contemplating the use of alternative identifiers as seen in some recent rule proposals pending before the Commission.¹² The Commission’s final rule on amendments to Form 13F also included the optional reporting of a FIGI for any security reported on Form 13F, as well as certain technical amendments to Form 13F which enhance the information reported.¹³ Allowing the option to choose a financial identifier in reporting would allow firms to orient decisions around reducing costs of integration or realizing added benefits that offset any such integration cost concerns.

⁹ SEC Asset Management Advisory Committee, Report and Recommendations on the Regulatory Approach for Small Advisers and Funds (Nov. 1, 2021), available at <https://www.sec.gov/files/final-report-and-recommendations-small-advisers-and-small-funds-subcommittee-110121.pdf>.

¹⁰ *Id.* at pp. 9-10, 12.

¹¹ *Id.* at p. 12.

¹² Prohibition Against Fraud, Manipulation, or Deception in Connection with Security-Based Swaps; Prohibition against Undue Influence over Chief Compliance Officers; Position reporting of Large Security-Based Swap Positions, SEC Exch. Act Rel. No. 34-93784 (Dec. 15, 2021), available at <https://www.sec.gov/rules/proposed/2021/34-93784.pdf>; Short Position and Short Activity Reporting by Institutional Investment Managers, SEC Exch. Act Rel. No. 34-94313 (Feb. 25, 2022), available at <https://www.sec.gov/rules/proposed/2021/34-93169.pdf>; Reporting of Securities Loans, SEC Exch. Act Rel. No. 34-93613 (Nov. 18, 2021), available at <https://www.sec.gov/rules/proposed/2021/34-93613.pdf>; Reporting Threshold for Institutional Investment Managers, SEC Exch. Act Rel. No. 34-89290 (July 10, 2020), available at <https://www.sec.gov/rules/proposed/2020/34-89290.pdf>.

¹³ The final rule still mandates the reporting of the CUSIP number, however. Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F, SEC Exch. Act Rel. No. 34-95148 (June 23, 2022), available at <https://www.sec.gov/rules/final/2022/34-95148.pdf>; 87 FR 38943 (June 30, 2022).

We sincerely appreciate the opportunity to share our thoughts on this issue and would be pleased to discuss any questions you may have with respect to this letter.

Thank you.

Very truly yours,

A handwritten signature in black ink that reads "Gregory R. Babyak". The signature is written in a cursive, slightly slanted style.

Gregory Babyak
Global Head of Regulatory Affairs, Bloomberg L.P.