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May 20, 2009

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: *MSRB Notice of Filing of Proposed Rule Change Relating to the Voluntary Submission of Continuing Disclosure Documents to Its Upcoming Continuing Disclosure Service of the Electronic Municipal Market Access System (EMMA) (File No. SR-MSRB-2009-04)*

Dear Ms. Murphy:

The Investment Company Institute¹ supports the Municipal Securities Rulemaking Board's (MSRB) continuing efforts to increase transparency in the municipal securities market. MSRB's current proposal,² which would expand the types of information accepted by the MSRB's Electronic Municipal Market Access System (EMMA), is another needed step in ensuring the dissemination of important information to investors.

Comprehensive, accurate, and accessible disclosure is critical to investors in the municipal securities markets, particularly because of the complexity, diversity, and sheer number of securities in this market. At the end of 2008, investors held 33 percent of the \$2.7 trillion municipal securities market through funds, and another 36 percent directly.³ These investors need timely and efficient access to information to perform credit analysis, make informed investment decisions, monitor their securities portfolios, and protect themselves from fraud.

¹ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs) (collectively "funds"). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$9.71 trillion and serve over 93 million shareholders.

² SEC Release No. 34-59814 (April 23, 2009), 74 FR 19612 (April 29, 2009).

³ 2009 Investment Company Fact Book, 49th Edition.

EMMA's continuing disclosure service is designed currently to accept submissions of (1) continuing disclosure documents described in Rule 15c2-12 under the Securities Exchange Act of 1934⁴ and (2) other disclosure documents specified in continuing disclosure undertakings but not specifically described in Rule 15c2-12. We believe that *all* municipal securities disclosure information should be submitted to a centralized source to ensure the availability, and to improve the utility, of such information. We therefore support the expansion of EMMA to accept disclosure information that is not specified in continuing disclosure undertakings (*i.e.*, information beyond what is currently required by the Exchange Act or permitted by the MSRB).⁵ This improvement in disclosure should enhance the overall efficiency of the secondary trading market for municipal securities.⁶

In addition to the expansion of EMMA put forth in the proposal, we recommend that the SEC and MSRB publicly encourage issuers to submit information for all classes of municipal securities to EMMA, including securities not subject to Rule 15c2-12.⁷ As with municipal securities subject to Rule 15c2-12, the quality and quantity of available information for these other securities is poor. We believe that EMMA can be used as a central repository to close this disclosure gap. Investors, municipal analysts, investment advisers, and the broker-dealers who effect transactions in these municipal securities would benefit significantly from access to current, high-quality disclosure comparable to that in other markets.

* * * * *

We look forward to working with the Commission as it continues to examine these issues. In

⁴ Rule 15c2-12 provides that secondary market disclosures include: annual financial information concerning obligated persons; audited financial statements for obligated persons if available and if not included in the annual financial information; notices of certain events, if material; and notices of failure to provide annual financial information on or before the date specified in the written undertaking.

⁵ We previously recommended that the MSRB modify EMMA in the manner now being proposed. *See* Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Florence Harmon, Acting Secretary, Securities and Exchange Commission, dated September 22, 2008 ("September 2008 Letter"). We believe that these additional disclosure documents should be accepted by EMMA solely in electronic form as portable document files (PDF) accompanied by appropriate indexing information to make the documents easily accessible and navigable.

⁶ In the proposal, the MSRB sets forth a series of categories through which additional data would be submitted and organized in the EMMA database under the title "Additional/Voluntary Disclosure." To minimize any confusion that could arise from the subjective assignment of documents to one or more of the proposed categories, we believe it is critical that, as proposed, only those categories for which submissions have been made for a particular security be displayed on EMMA.

⁷ *See* September 2008 Letter, *supra* note 5.

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the meantime, if you have any questions, please feel free to contact me directly at (202) 326-5920 or Ari Burstein at (202) 371-5408.

Sincerely,

/s/ Heather Traeger

Heather Traeger
Associate Counsel

cc: James Brigagliano, Acting Director
Daniel Gallagher, Acting Director
Martha Mahan Haines, Chief, Office of Municipal Securities
Division of Trading and Markets