



1401 H Street, NW, Washington, DC 20005-2148, USA
202/326-5800 www.ici.org

August 19, 2014

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: SR-MSRB-2014-06

Dear Ms. Murphy:

The Investment Company Institute (ICI)¹ appreciates the opportunity to provide comments to the Securities and Exchange Commission (SEC) on the proposal of the Municipal Securities Rulemaking Board (MSRB) to adopt a new Rule G-44 to govern the supervisory and compliance obligations of municipal advisors.² As noted in the SEC's Release, when the MSRB published its proposal for public comment, the Institute filed a comment letter expressing support for the rule's adoption.³ We continue to support its adoption.⁴

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). 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 \$17.3 trillion and serve more than 90 million shareholders.

² See *Notice of Filing of a Proposed Rule Change Consisting of Proposed New Rule G-44, on Supervisory and Compliance Obligations of Municipal Advisors; Proposed Amendments to Rule G-8, on Books and Records To Be Made by Brokers, Dealers, and Municipal Securities Dealers; and Proposed Amendments to Rule G-9, on Preservation of Records*, SEC Release No. 34-72706 (July 29, 2014), 79 Fed. Reg. 45546 (August 5, 2014) (the "Release").

³ See Letter from the undersigned to Ronald W Smith, Corporate Secretary, MSRB, dated April 15, 2014, commenting on MSRB Notice 2014-04 (February 25, 2014). Our letter also supported the revisions proposed to MSRB Rules G-8 and G-9.

⁴ We also support the proposed corresponding amendments to Rules G-8 and G-9, relating to recordkeeping and preservation of records, respectively. We are particularly pleased that the amendments to these rules accommodate the use of electronic media storage.

Ms. Elizabeth M. Murphy

August 19, 2014

Page 2

Since the time of our comment letter, the proposed rule has been revised to add two new provisions. The first is a new subsection (d), which would require each municipal advisor's chief executive officer (or an equivalent officer) to certify annually that the adviser has processes in place to achieve compliance with applicable rules. The second is new Supplementary Material .08, which provides guidance regarding the effect of this annual certification on responsibility for the advisor's business lines. The Institute supports these provisions as they are consistent with requirements imposed on FINRA members pursuant to FINRA Rule 3130 and its Supplementary Material. 07.

As noted in our previous comment letter on proposed Rule G-44, we believe it is appropriate, and in the interest of municipal clients, for the MSRB to impose compliance and supervisory obligations on municipal advisors inasmuch as other securities professionals are subject to similar obligations. We also commend the MSRB for seeking to ensure, to the extent practicable, that its regulatory requirements are substantively similar to or consistent with those imposed on Federally-registered broker-dealers and investment advisers. Such consistency is particularly important for our members that are also subject to oversight by the SEC and/or FINRA because it will enable them to leverage their existing policies, procedures, and systems to comply with the MSRB's requirements. Therefore, we are pleased that the MSRB's current proposal is consistent with similar requirements imposed on broker-dealers pursuant to FINRA's rules.

We appreciate the opportunity to provide these comments on behalf of our members. If you have any questions concerning our comments, please contact the undersigned by phone (202-326-5825) or email (tamara@ici.org).

Sincerely,

/s/

Tamara K. Salmon
Senior Associate Counsel