



April 8, 2016

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: File Number SR-MSRB-2016-04: Proposed Rule Change
Consisting of Proposed Amendments to MSRB Rules G-12 and G-15 to Define Regular-Way Settlement for Municipal Securities Transactions as Occurring on a Two-Day Settlement Cycle and Technical Conforming Amendments**

Dear Mr. Fields:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates this opportunity to respond to the Municipal Securities Rulemaking Board’s (the “MSRB’s”) proposed changes to MSRB rules to facilitate shortening the securities settlement cycle, as filed with the Securities and Exchange Commission (the “SEC”)². The draft amendments are in response to a financial services industry-led initiative to shorten the regular way settlement for equities, corporate bonds, municipal bonds, and unit investment trusts from T+3 (trade date plus three days) to T+2 (trade date plus two days).³ SIFMA commented to the

¹ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² 81 Fed. Reg. 14906 (Mar. 8, 2016) (the “Filing”)

³ See, Letter from Paul Schott Stevens, President and CEO, Investment Company Institute, and Kenneth E. Bentsen, Jr., President and CEO, SIFMA, to Mary Jo White, Chair, Securities and Exchange Commission (June 18, 2015).

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MSRB on the Original Notice⁴ for the draft amendments, and wants to reiterate its support for the proposed amendments.⁵

SIFMA and its members support the industry-led move to T+2 regular way settlement for municipal securities. We feel that it is important for the regular way settlement cycle for municipal securities to be consistent with that of the equity and corporate bond markets. We agree that MSRB Rules G-12 and G-15, as identified in the Notice, are the two key rules that need to be modified to effect this change for municipal securities, as they cover the mechanics of clearance, settlement and delivery for these securities. SIFMA and its members support the necessary changes to these rules, in conjunction with SEC amendments to SEC Rule 15c6-1(a), which will set T+2 as the standard for regular way settlement for equities and corporate bonds. We support the industry's proposed migration timeline to complete the move to T+2 by the third quarter of 2017.

Separately, as noted in our Prior Letter, this may be an opportune time to review customer disclosure requirements of brokers, dealers and municipal securities dealers ("dealers") pursuant to MSRB Rule G-32. However, we feel strongly that consideration of any changes to Rule G-32 should not impede the proposed changes to Rules G-12 and G-15, which are critical to achieving T+2 by the third quarter of 2017.

SIFMA appreciates the efforts of the MSRB to propose and finalize the necessary rule changes for the move to a shorter settlement cycle in this quarter, quarter two of 2016. As the industry has outlined, regulatory certainty with sufficient lead-time is paramount to a coordinated and low risk move to a shorter settlement cycle. We would be pleased to discuss any of these comments in greater

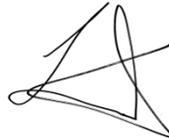
⁴ MSRB Notice 2015-22 (November 15, 2015) (the "Original Notice").

⁵ See letter from Leslie M. Norwood, Managing Director and Associate General Counsel, SIFMA, to Ronald W. Smith, Corporate Secretary, MSRB, dated December 10, 2015 (regarding MSRB Notice 2015-22 (Nov. 10, 2015) (the "Original Notice")) (the "Prior Letter").

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detail, or to provide any other assistance that would be helpful. If you have any questions, please do not hesitate to contact the undersigned at [REDACTED].

Sincerely yours,

A handwritten signature in black ink, appearing to be 'L. Norwood', written over a faint, light-colored signature line.

Leslie M. Norwood
Managing Director and
Associate General Counsel

cc: ***Municipal Securities Rulemaking Board***
Lynnette Kelly, Executive Director
Robert Fippinger, Chief Legal Officer
Michael B. Cowart, Assistant General Counsel
Barbara Vouté, Municipal Operations Advisor