

May 3, 2019

Submitted Electronically

Jill M. Peterson
Assistant Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-025

RE: Proposed Rule Change to Amend Rules G-11 and G-32 and Form G-32 Regarding a Collection of Data Elements Provided in Electronic Format to the EMMA Dataport System in Connection with Primary Offerings (SR-MSRB-2019-07) (the “Proposed Rule Change”)

Dear Ms. Peterson:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit this letter in response to the Proposed Rule Change. The BDA supports several aspects of the Proposed Rule Change but continues to have strong concerns over the new data fields required by Form G-32 in the Proposed Rule Change.

The BDA believes that several aspects of the Proposed Rule Change represent helpful changes to primary offering rules.

The BDA appreciates and supports the MSRB’s efforts at updating its primary offering rules. In particular, the BDA supports, among others, (1) a requirement that senior managers notify the syndicate members when the issue is free to trade, (2) aligning the timing of the payment of net designations and group net sales and (3) eliminating the requirement that dealers acting as financial advisors make available to the managing underwriter the official statement. These changes either update market practices or create a fairer, more transparent primary offering market. In addition, many of the changes to Rule G-32 improve post-offering transparency – particularly the additional fields auto-populated as well as when minimum denominations change.

The BDA continues to object to several of the new data fields in Form G-32.

The BDA continues to object to the inclusion of the following data fields into Form G-32: full call schedule, Legal Entity Identifiers (“LEI”), and dollar amount of CUSIP numbers refunded.

The BDA has no objection with any of these data fields being available to the municipal securities market but strongly objects to dealers being burdened with the manual entry of the data and the related risk of errors, especially with numbers and dates as in the data fields identified above. Further, in respect to the LEI, dealers will need to establish a new process to determine where to search for this number and how to document whether or not it was deemed “readily available” should the dealer be unsuccessful in its search. In regard to the other data fields, much of the proposed data is readily available in an Official Statement (“OS”) thus already disclosed to investors both at the time of a primary offering as well as for contemplated transactions in the secondary market.

Members of the BDA believe the MSRB has dramatically underestimated the time and costs associated with the manual entry of these new data fields. For example, in discussing the costs of including information on the call schedule in Form G-32 in its rule filing, the MSRB says that the costs “would not be significant” because they “primarily take the form of additional time” needed to complete Form G-32. The MSRB does not appear to recognize that the additional time may be substantial, particularly when one considers the need to perform quality control on manually entered information. Moreover, the MSRB does not appear to have considered the cumulative effect of the additional time burdens associated with the numerous new data fields requiring manual entry.

The BDA also strongly believes that the MSRB has miscalculated the cost-benefit analysis to investors with the addition of these new data fields. As previously mentioned, much of this data is available in the Official Statement, a document that has been reviewed many times by counsel, underwriters and other deal participants for completeness and accuracy. Requiring manual duplicative entry of certain data extracted from an OS does not provide any additional benefit to investors but could in fact cause investor harm if the investor come to rely on the data populated in the fields rather than what is provided in an OS.

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The BDA has consistently raised the concern that the cumulative regulatory burden on dealers has led to a contraction of dealers in the municipal securities market. Requiring dealers to input these new data fields may not seem significant in isolation, but

they are part of a larger trend that cumulatively make the businesses of dealers in our market less and less feasible.

Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in blue ink that reads "Mike Nicholas". The signature is written in a cursive style with a prominent initial "M".

Mike Nicholas
Chief Executive Officer