

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-95208; File No. SR-MSRB-2022-05)

July 7, 2022

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change Consisting of Amendments to MSRB Rule G-34 to Better Align the CUSIP Requirements for Underwriters and Municipal Advisors with Current Market Practices

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2022 the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change consisting of amendments to MSRB Rule G-34, on CUSIP numbers, new issue, and market information requirements (the “proposed rule change”). The proposed rule change would make minor amendments to better align Rule G-34’s requirements for obtaining CUSIP numbers with the process followed by market participants and facilitate compliance with MSRB Rule G-34 by streamlining the rule text.

If the Commission approves the proposed rule change, the MSRB will publish a Notice announcing the effective date of the proposed rule change no later than 10 days following

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Commission approval. The effective date will be no later than 30 days following Commission approval.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2022-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Among other things, MSRB Rule G-34 on CUSIP numbers, new issue, and market information requirements establishes requirements relating to CUSIP numbers for brokers, dealers and municipal securities dealers (collectively and individually "dealers") acting as underwriters and for municipal advisors (dealers and municipal advisors together, "regulated entities"). In particular, Rule G-34(a)(i)(A) requires dealers acting as underwriters and municipal advisors advising the issuer with respect to a competitive sale of a new issue of municipal securities to apply for a CUSIP number or numbers based on eight specified items of information about the new issue.³ MSRB Rule G-34(a)(i)(A)(5) addresses the obligations to update

³ These eight items are set forth in current MSRB Rule G-34(a)(i)(A)(4)(a) through (h).

application information that has changed. The rule further stipulates details on how these regulated entities must apply for CUSIP numbers in detail that includes specific data points to be included in the application for obtaining CUSIP numbers.

In 2019, the MSRB announced priority rules to be considered as part of its ongoing retrospective rule review. The goal of the review was to help ensure that: MSRB rules and interpretive guidance are effective in their principal goal of protecting investors, issuers and the public interest; not overly burdensome; clear; harmonized with the rules of other regulators, as appropriate; and reflective of current market practices.⁴ In this announcement, the MSRB listed MSRB Rule G-34 as a rule to be prioritized for review.⁵ The MSRB sought comment in 2019 on MSRB Rule G-34, but the following year determined to maintain the obligations under the rule with respect to the responsible party for obtaining a CUSIP number in new issues.⁶

In recent years, the MSRB has heard from industry members through stakeholder engagement that MSRB Rule G-34's requirements on obtaining CUSIP numbers, in its current form, do not accurately reflect the actual process that an underwriter or municipal advisor must go through when obtaining a CUSIP number. This discrepancy further complicates efforts when a municipal advisor or underwriter creates written supervisory procedures that are mapped to the rule text but do not accurately reflect the actual or logistical process that they must undertake for

⁴ See MSRB Notice 2019-04, MSRB Identifies Priority Rules for Retrospective Rule Review (February 5, 2019).

⁵ Id. at 3.

⁶ See MSRB Notice 2019-08, Request for Comment on MSRB Rule G-34 Obligation of Municipal Advisors to Apply for CUSIP Numbers When Advising on Competitive Sales (February 27, 2019). Comments submitted in response to Regulatory Notice 2019-08 are available here: <https://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2019/2019-08?c=1>.

appropriately obtaining a CUSIP number. After reviewing rule requirements relating to obtaining a CUSIP number, the MSRB is submitting this proposed rule change to: modernize the rule to better align with the realities of obtaining a CUSIP number; provide flexibility in the rule; and clear up areas of confusion for underwriters and municipal advisors attempting to comply with the rule.

In summary, the proposed rule change:

- specifies that CUSIP applications must be made to the Board's designee (and not the Board itself);
- removes the obligation for municipal advisors providing advice with respect to a competitive offering to apply for the CUSIP number by no later than one business day after dissemination of a notice of sale in favor of a more flexible standard that still obligates the application to be made within sufficient time to ensure timely CUSIP number assignment;
- removes language dictating the precise content of a CUSIP number application that the Board feels would more appropriately be left to the Board's designee for receiving and reviewing such applications; and
- explicitly provides that certain obligations set forth in the rule do not apply when CUSIP numbers have been preassigned.

Designee of the Board

MSRB Rule G-34(a)(i)(A) currently requires an underwriter or municipal advisor to obtain CUSIP numbers through an application in writing to the Board or its designee. The proposed rule change amends this language by providing that underwriters and municipal advisors must apply to the Board's designee and removing the language in the rule text that

makes reference to the Board in that requirement.⁷ This revised language is designed to avoid the potential for confusion associated with the current rule text and to more clearly convey the MSRB's expectations with respect to the process of obtaining a CUSIP number. The Board does not currently assign CUSIP numbers to municipal securities; underwriters and municipal advisors may only obtain one by application to the only entity that provides these identifiers, CUSIP Global Services. The Board's current designee is CUSIP Global Services.⁸ This designation would remain unchanged by the proposed rule change and would be reflected in new Supplementary Material .01. If CUSIP numbers become available from another source or another identifier for municipal securities becomes market practice at some point in the future, the MSRB would notify the market of a decision to modify the designee via publication of an MSRB regulatory notice.

In addition, as it is the Board's designee, and not the Board, that controls the CUSIP number application process, the Board proposes to remove the in-writing requirement for the application made for obtaining CUSIP numbers. Because the Board does not receive or review CUSIP applications, it believes that the manner in which an applicant applies for CUSIP

⁷ The proposed rule change also makes similar amendments to Rule G-34(a)(i)(A)(5) and G-34(a)(i)(D) to remove references to the Board and make clear that the CUSIP number application discussed in those paragraphs must be made to the Board's designee.

⁸ In 1983, the Board designated the CUSIP Service Bureau as its designee to assign CUSIP numbers to new issues of municipal securities. See MSRB Reports, Vol. 3, No. 3 at 11 (May 1983), available at <https://msrb.org/-/media/Files/MSRB-Reports/1983/May1983-Volume3--Number3.ashx>. The CUSIP Service Bureau has since changed its name to CUSIP Global Services. Pursuant to a contract between the CUSIP Service Bureau and the MSRB, all references to the CUSIP Service Bureau were amended to read CUSIP Global Services. Accordingly, CUSIP Global Services (formerly known as the CUSIP Service Bureau) remains the MSRB's designee.

numbers is best left to the entity that reviews applications and assigns the CUSIP number (i.e., the Board's designee).

One Business Day Obligation

MSRB Rule G-34(a)(i)(A)(3) states that a municipal advisor advising the issuer with respect to a competitive sale of a new issue of municipal securities shall make an application by no later than one business day after dissemination of a notice of sale or other such request for bids. The proposed rule change removes the obligation to make such application by no later than one business day since it is not always practical for municipal advisors to comply given the realities of the marketplace and therefore may place an undue burden on municipal advisors. The rule already obligates the application to be made at a time sufficient to ensure final CUSIP number assignment occurs prior to the award of the issue. The MSRB believes that this language is sufficient to ensure that any such application is timely without dictating a more burdensome approach of requiring a specific numeric time obligation. Additionally, the MSRB understands that, from an operational perspective, it may be impracticable for municipal advisors to apply for a CUSIP number within one business day after dissemination of a notice of sale, as currently required by Rule G-34(a)(i)(A)(3).⁹ Accordingly, removal of this language would better align the rule text with the operational process followed by municipal advisors in connection with their CUSIP applications.

⁹ See Letter from Susan Gaffney, Executive Director, NAMA, dated May 28, 2019 available at: <https://www.msrb.org/rfc/2019-08/gaffney.pdf> (stating that there is an inherent timing inconsistency with respect to Rule G-34(a)(i)(A)(3) as it requires application for CUSIP numbers no later than one business day after the Notice of Sale, which will almost always be before the identity of the investors are known, and therefore the [municipal advisor] could not reasonably obtain the investors' written representations) ("NAMA Letter").

Information to be Provided When Applying for CUSIP Numbers

MSRB Rule G-34(a)(i)(A)(4) lists specific data points that must be provided when applying for CUSIP numbers. These data points include the complete name of issue and series designation, if any; interest rate(s) and maturity date(s) (provided, however, that, if the interest rate is not established at the time of application, it may be provided at such time as it becomes available); dated date; type of issue (e.g., general obligation, limited tax or revenue); type of revenue, if the issue is a revenue issue; details of all redemption provisions; the name of any company or other person in addition to the issuer obligated, directly or indirectly, with respect to the debt service on all or part of the issue (and, if part of the issue, an indication of which part); and any distinction(s) in the security or source of payment of the debt service on the issue, and an indication of the part(s) of the issue to which such distinction(s) relate.

The proposed rule change removes these data points from the rule and instead provides that underwriters and municipal advisors shall provide the information required by the Board's designee in connection with their CUSIP application. The proposed rule change also makes a similar amendment to Rule G-34(a)(i)(D), removing from the rule text the three specified pieces of information that must be included in an application to obtain a CUSIP number in connection with certain new issuances that refund part of an outstanding issuance. The MSRB believes that Rule G-34 should not contain specific data points to be provided to its designee, as the MSRB does not control the specifics of the application process, nor does it make a determination on the sufficiency of an application to receive CUSIP numbers. The MSRB believes that the entity providing CUSIP numbers, the Board's designee, is the appropriate entity to dictate what individual data points must be provided with an application for CUSIP numbers in order to

sufficiently evaluate an application. The MSRB believes that this flexibility will help create a rule that is less likely to become stale over time.

CUSIP Pre-Assignment

The proposed rule change specifies that the Rule G-34(a)(i)(A)(3) obligation to apply for a CUSIP number only applies where no CUSIP numbers have been pre-assigned. The Board believes that this aligns with the common understanding among market participants that there is no obligation to seek a CUSIP number where one has already been pre-assigned. A similar amendment to Rule G-34(a)(i)(C) provides that the provisions of Rule G-34(a)(i) regarding the assignment and affixture of CUSIP numbers do not apply with respect to any new issue of municipal securities on which CUSIP numbers have been preassigned.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2) of the Exchange Act,¹⁰ which provides that the Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities effected by brokers, dealers, and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers, and municipal advisors.

Section 15B(b)(2)(C) of the Exchange Act¹¹ provides that the MSRB's rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable

¹⁰ 15.U.S.C. 78o-4(b)(2).

¹¹ 15 U.S.C. 78o-4(b)(2)(C).

principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The MSRB believes the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act¹² because the proposed rule change would foster cooperation and coordination with persons engaged in regulating, processing information with respect to and facilitating transactions in municipal securities. It does so by modernizing the rule to align with the realities of the process followed by underwriters and municipal advisors in obtaining a CUSIP number, allowing the Board's designee to dictate the details of the CUSIP application process without the distraction of the rule text describing the application process that may not necessarily reflect the designee's process, and creating a more efficient CUSIP application process more generally. Specifically, the MSRB believes that by removing potential ambiguities as to the identity of the entity to whom CUSIP applications should be sent, specifying directly in the rule that such application should be sent to CUSIP Global Services, and allowing CUSIP Global Services to dictate the details of the CUSIP application process, the MSRB is fostering coordination with those processing information with respect to municipal securities and fostering cooperation with underwriters and municipal advisors by facilitating compliance with a clearer rule.

The MSRB believes that the proposed rule change also will remove impediments to a free and open municipal securities market because it will align MSRB Rule G-34's obligations

¹² Id.

associated with obtaining CUSIP numbers with the actual process an underwriter or municipal advisor must undertake when obtaining CUSIP numbers for new issues of municipal securities. It would do so by removing burdens on underwriters and municipal advisors that result in no appreciable benefit for the market and promoting clarity of the rule and compliance expectations. The MSRB believes that removal of these burdens may facilitate better and more timely compliance with the rule. For example, in some cases, the proposed rule change may facilitate more timely applications for CUSIP numbers. By removing potential ambiguities as to the identity of the entity to whom CUSIP number applications should be made, underwriters and municipal advisors are less likely to spend time trying to learn to whom such applications should be made and potentially are more likely to make their applications in a timely manner.

Additionally, the Board sees no benefit to requiring municipal advisors to apply for a CUSIP number within a specific numerical time frame—particularly in circumstances where it may be impractical or impossible to do so—where the rule already requires that the application must be made within sufficient time to obtain a CUSIP number. By removing this burden and by specifying that CUSIP applications are not necessary for any new issue on which CUSIP numbers have been preassigned, the proposed rule change would reduce compliance burdens and permit municipal advisors to spend the time that would have been spent trying to comply with those burdens in service of their municipal entity and obligated person clients instead. The MSRB again believes that removal of these obligations does not negatively impact investors, issuers or the public interest, but does facilitate compliance and the establishment of more practical written supervisory procedures for underwriters and municipal advisors that reflect the actual process followed in connection with the process to obtain CUSIP numbers.

The MSRB also believes that the proposed rule change will remove impediments to a free and open municipal securities market because it would create a rule that is less likely to become stale over time. As market practices evolve, rule text that specifies detailed information that must be included in a CUSIP application or that otherwise governs the details of the CUSIP application process may become impediments to an efficient CUSIP application process, instead of facilitating that very process. The MSRB believes that the proposed rule change provides the appropriate degree of flexibility in the rule text.

Section 15B(b)(2)(L)(iv) of the Exchange Act¹³ requires that rules adopted by the Board not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud. The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(L)(iv) of the Exchange Act¹⁴ because the proposed rule change would relieve all municipal advisors, including small municipal advisors of the same compliance burdens and would not impose any new compliance burdens on municipal advisors.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB believes that the proposed rule change does not impose a burden on competition. Section 15B(b)(2)(C) of the Act¹⁵ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of

¹³ 15 U.S.C. 78o-4(b)(2)(L)(iv).

¹⁴ Id.

¹⁵ 15 U.S.C. 78o-4(b)(2)(C).

the Act. The MSRB has considered the economic impact associated with the proposed rule change, including a comparison to reasonable alternative regulatory approaches, relative to the baseline.¹⁶ The MSRB believes that the proposed rule change would lessen the compliance burden for underwriters and municipal advisors, and encourage fair competition by reducing confusion and ensuring compliance with existing CUSIP number requirements. Furthermore, the proposed rule change would apply equally to all MSRB regulated entities. The MSRB believes the proposed rule change would relieve a burden on competition without any erosion of protection for issuers and investors. Therefore, the MSRB believes the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

The purpose of amending Rule G-34 is to better align the CUSIP requirements for underwriters and municipal advisors with current market practices, clarify the identity of the Board's designee for CUSIP number applications, and modernize Rule G-34 by reducing prescriptive requirements on how applicants obtain CUSIP numbers. The proposed rule change would accurately reflect that the MSRB does not assign CUSIP numbers. The proposed rule change would also reflect the Board's designee as CUSIP Global Services. Additionally, the proposed amendments would remove eight currently identified data fields for CUSIP number application and instead require regulated entities to provide the information required by the Board's designee, CUSIP Global Services, to determine the appropriate information that an

¹⁶ See Policy on the Use of Economic Analysis in MSRB Rulemaking, available at <http://msrb.org/Rules-and-Interpretations/Economic-Analysis-Policy.aspx>. In evaluating whether there was a burden on competition, the Board was guided by its principles that required the Board to consider costs and benefits of a rule change, its impact on capital formation and the main reasonable alternative regulatory approach.

applicant shall provide when applying to receive CUSIP numbers.¹⁷ Finally, the proposed rule change would eliminate the no later than one business day after the dissemination of a notice of sale or other such request for bids time limit requirement for obtaining CUSIP numbers by municipal advisors, though it would continue to require municipal advisors to obtain CUSIP numbers at a time sufficient to ensure final CUSIP number assignment occurs prior to the award of the issue. As the MSRB is not, and never was, involved in assigning CUSIP numbers to applicants, amending the rule text to specify that the Board's designee assigns CUSIP numbers should not affect the practical implementation of Rule G-34. The remainder of the MSRB's statement on burden on competition mostly focuses on the removal of eight data points and the time limit required for CUSIP registration.

For this filing, the current iteration of Rule G-34, where MSRB-registered underwriters and municipal advisors are required to obtain CUSIP numbers for competitive sales, is used as the baseline to evaluate the costs and benefits for the proposed amendments, as well as other reasonable regulatory alternatives.

The MSRB considered and assessed a couple of reasonable regulatory alternatives but determined the proposed rule change is superior to these alternatives. One alternative would be to modify the data fields requirements for CUSIP number applicants to be consistent with what the Board's designee, CUSIP Global Services requires. There are currently eight data elements

¹⁷ The current obligations require CUSIP number applicants to provide (a) complete name of issue and series designation, if any; (b) interest rate(s) and maturity date(s); (c) dated date; (d) type of issue (e.g., general obligation, limited tax or revenue); (e) type of revenue, if the issue is a revenue issue; (f) details of all redemption provisions; (g) the name of any company or other person in addition to the issuer obligated, directly or indirectly, with respect to the debt service on all or part of the issue; and (h) any distinction(s) in the security or source of payment of the debt service on the issue.

proscribed in the rule.¹⁸ However, CUSIP Global Services, as an independent entity from the MSRB, may amend the requirements periodically in the future. In this alternative, the MSRB would have to amend Rule G-34 whenever there is a change initiated by CUSIP Global Services. This would be an unpredictable alternative which may require the MSRB to revise Rule G-34 on a regular basis; in addition, it would create inconsistency for a period of time before the MSRB is able to revise Rule G-34.

Another alternative the MSRB considered was to keep a numeric time limit requirement for municipal advisors applying for CUSIP numbers in place but expand the time limit from no later than one business day to more than one business day to provide applicants more flexibility. However, since the MSRB is not involved in any aspect of the CUSIP number application process, the MSRB would not be able to determine what the ideal application time limit would be other than being prior to the award of an issue. As a result, the MSRB determined that eliminating the no later than one business day time limit requirement would be an even better option than simply extending the time limit.

Benefits and Costs

The MSRB believes the proposed amendments to Rule G-34, on aggregate, would reduce the burden for underwriters and municipal advisors by providing more clarity and aligning CUSIP number applicants' responsibility with the real-world practice, without any erosion of protection for issuers and investors.

¹⁸ The eight data elements are listed in footnote 17.

Benefits

The proposed rule change to Rule G-34 would reduce the uncertainty and challenge in collecting multiple data points by CUSIP number applicants which may not be necessary for, or helpful to, the Board's designee at the time of CUSIP obtainment. As it is currently written, all underwriters and municipal advisors, as part of a competitive sale, are required to provide security level information such as revenue source, redemption provisions and any obligor related information. This information may not be in line with the information required by the entity providing CUSIP numbers. The proposed rule change would reduce the need to source each data point by removing the list of information that must be given to the Board's designee and simply replacing it with the obligation to provide the Board's designee with the information which the Board's designee requires to obtain a CUSIP number. Additionally, if the Board's designee pre-assigns CUSIP numbers to an issuance, the regulated entity would not need to specify the eight data fields simply to evidence its compliance with Rule G-34 requirements.

The proposed rule change also would remove uncertainty by explicitly identifying CUSIP Global Services as the Board's designee and reduce the burden on municipal advisors by eliminating the time limit for CUSIP number application, which may not be practical in the real world.

Costs

The MSRB believes the changes to Rule G-34 would have minimal costs associated with the amendments. One potential upfront cost would be for underwriters and municipal advisors to update their policies and procedures. The MSRB believes the revisions would be straightforward and should not take much time and effort to implement. The ongoing compliance costs also

would be reduced, as the proposed rule change is intended to reduce the compliance burden on underwriters and municipal advisors.

In addition, there is a possibility that the proposed rule change may lead to more usage of express requests for CUSIP numbers with CUSIP Global Services than the current state, if municipal advisors delay their CUSIP number applications until shortly before the competitive bidding process. For example, it currently takes CUSIP Global Services approximately one to two business days to process a standard CUSIP request,¹⁹ which costs \$192 for the first maturity, plus \$27 for each additional maturity or class per series in the same application/offering document in 2022.²⁰ The express request is more expensive, with a 50% surcharge, but will result in a CUSIP number produced within one hour of the request. While the MSRB does not have the information to estimate the future usage of express requests,²¹ there is a chance that eliminating the no later than one business day time limit required to obtain a CUSIP number may result in more CUSIP numbers being obtained using the express request process, which would be 50% more expensive than the standard process. The MSRB believes, however, with the current CUSIP number application process in place since June 2018, most municipal advisors are unlikely to change the timing of obtaining CUSIP numbers.

Effect on Competition, Efficiency and Capital Formation

¹⁹ Internal analysis conducted by the MSRB using data on CUSIP issuance obtained from CUSIP Global Services for select months in 2018, 2019, 2020 and 2021.

²⁰ See <https://www.cusip.com/pdf/FeesforCUSIPAssignment.pdf>.

²¹ As of January 2021, less than 9% of all CUSIP numbers were obtained via the express request process, based on internal analysis conducted by the MSRB using data on CUSIP issuance obtained from CUSIP Global Services.

At present, the MSRB is unable to quantitatively evaluate the magnitude of efficiency gains or losses, or the impact on capital formation but believes that the benefits outweigh the costs. The MSRB believes that the proposed rule change may improve the operational efficiency of the municipal securities market by aligning the requirements with the real-world practice, promoting consistency, and reducing potentially misaligned requirements. Additionally, the MSRB believes the proposed rule change would encourage fair competition by reducing confusion and ensuring compliance with existing CUSIP number requirements. Furthermore, a smooth and efficient process for CUSIP number applications also helps ensure a successful onset of secondary market trading, which would benefit investors seeking to change their positions in newly issued municipal securities. This would in turn benefit issuers by potentially lowering an issuance's liquidity risk premium, which would also benefit the capital formation process. Finally, the proposed rule change would apply equally to all MSRB regulated entities. Accordingly, the MSRB believes the proposed rule change would relieve a burden on competition without any erosion of protection for issuers and investors.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Board did not specifically solicit comments on the proposed rule change to MSRB Rule G-34. However, as previously referenced, the Board did seek comment on MSRB Rule G-34 more generally as part of its retrospective rule review initiative in 2017²² and 2019.²³

In response to the 2019 request for comment, NAMA was of the view that Rule G-34(a)(i)(A)(3) presents a timing inconsistency insofar as that section of the rule requires application for CUSIP numbers no later than one business day after the Notice of Sale. NAMA noted that this will almost always be before the identity of the investors are known, and therefore before a municipal advisor could reasonably obtain written representations from investors.²⁴ The MSRB believes that the proposed rule change's removal of the one business day requirement would remove the timing inconsistency raised by NAMA. The MSRB does not believe that the remaining comments received in response to the 2017 or 2019 requests for comment are applicable to the proposed rule change.

²² See MSRB Notice 2017-05, Request for Comment on Draft Amendments to Clarifications of MSRB Rule G-34, on Obtaining CUSIP Numbers (March 1, 2017). Comments submitted in response to Regulatory Notice 2017-05 are available here: <https://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2017/2017-05?c=1>. See MSRB Notice 2017-11, Second Request for Comment on Draft Amendments to and Clarifications of MSRB Rule G-34, on Obtaining CUSIP Numbers (June 1, 2017). Comments submitted in response to Regulatory Notice 2017-11 are available here: <https://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2017/2017-11?c=1>.

²³ See MSRB Notice 2019-08, Request for Comment on MSRB Rule G-34 Obligation of Municipal Advisors to Apply for CUSIP Numbers When Advising on Competitive Sales (February 27, 2019). Comments submitted in response to MSRB Notice 2019-08 are available here: <https://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2019/2019-08?c=1>.

²⁴ NAMA Letter at 3.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-MSRB-2022-05 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-MSRB-2022-05. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of

the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2022-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.²⁵

J. Matthew DeLesDernier,
Assistant Secretary.

²⁵ 17 CFR 200.30-3(a)(12).