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Invested in America

November 15, 2017

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW
Suite 1000
Washington, DC 20005

Re: MSRB Notice 2017-19: Request for Comment on a Concept Proposal Regarding Amendments to Primary Offering Practices of Brokers, Dealers and Municipal Securities Dealers

Dear Mr. Smith:

The Securities Industry and Financial Markets Association ("SIFMA")[1] appreciates this opportunity to respond to Notice 2017-19 (the "Notice")[2] issued by the Municipal Securities Rulemaking Board (the "MSRB") in which the MSRB is requesting comment on a concept proposal regarding possible amendments to existing rules related to primary offerings of municipal securities by brokers, dealers and municipal securities dealers (collectively, "dealers"). SIFMA is pleased to provide its input on the issues raised as the beginning of a conversation about whether rulemaking or additional guidance is called for in connection with primary offering practices.

SIFMA and its members support the MSRB's commitment to engaging in retrospective review of its rules to assure that they are responsive to changes in the municipal securities market and in the policymaking, economic, stakeholder and

[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 $18.5 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] MSRB Notice 2017-19 (Sept. 14, 2017).

technological environment.[3] SIFMA agrees that the publication of this Notice as a concept release is an appropriate step in undertaking such retrospective review, with the understanding that, as the MSRB has described in connection with its standard rulemaking process,[4] the publication of a concept release is designed to assist the MSRB in assessing whether to undertake rulemaking and does not represent a formal rulemaking proposal. Rather, any rule proposals would be subject to an MSRB exposure draft seeking comment on specific rule language prior to the formal submission of such proposal with the Securities and Exchange Commission (the "SEC").

The MSRB's Retrospective Review Process recognizes that there are many means to retrospective review, and the MSRB specifically notes that its Investor Advisory Group has provided input on potential changes to MSRB rules on primary offering practices. While discussion of potential rule changes in such a venue is perfectly appropriate since investors (as well as issuers) do indeed have a significant interest in a fair, efficient and effective primary offering process, SIFMA requests that the MSRB undertake similar face-to-face discussions with SIFMA members and other participants in the new issue distribution process before proceeding with any rulemaking proposals in this area.

As a general matter, SIFMA and its members believe that current primary offering practices have been effective and that existing rules work well in the vast majority of circumstances. The successful pricing, sale and distribution of a primary offering of municipal securities can be a complicated process entailing the balancing of many interests, and seemingly minor changes in such process may have significant ramifications if not considered in a detailed manner by parties representing those interests. Further, different new issues may call for differing primary offering approaches in particular cases depending on any number of factors, and so changes in process that may be appropriate or non-problematic in many situations can have negative implications in others. SIFMA believes that any decision to seek changes in the primary offering process through regulation must be limited to situations where existing practices result in documented problems of a material nature and those changes must be crafted to avoid impeding the marketing process or creating undue compliance burdens that are not justified by the benefits derived from the changes.

Also complicating any assessment of the need for rulemaking in this area is the recent effectiveness of the new issue price rule of the Internal Revenue Service (the "IRS"),[5] which should address many of the concerns expressed by the MSRB in the

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[3] The MSRB's process for undertaking retrospective reviews is set out at http://www.msrb.org/About-MSRB/Programs/Market-Regulation/Retrospective-Rule-Review (the "Retrospective Review Process").

[4] The MSRB's rulemaking process is described at http://www.msrb.org/About-MSRB/Programs/Market-Regulation.

[5] Treasury Regulation Section 1.148-1(f).

Notice relating to the offering process. SIFMA is hesitant to support changes in MSRB requirements in the primary offering process before having an opportunity to assess the positive effects of the IRS issue price rule and any unintended negative consequences that may need to be addressed. For those practices that are directly or indirectly affected by the issue price rule, SIFMA believes that it is the appropriate time to begin monitoring the operation of the rule but too early to take regulatory action.

Finally, SIFMA is currently in the process of reviewing its Master Agreement Among Underwriters ("Master AAU") and related documentation in light of recent regulatory changes and current market practices. SIFMA intends to consider the questions raised by the Notice during the course of its Master AAU review. As noted below, SIFMA believes that certain issues raised by the Notice may potentially be best addressed through agreement with the relevant parties for a particular offering, whether in the bond purchase agreement between the issuer and the underwriters or in the agreement among underwriters, as applicable. As part of this Master AAU review process, SIFMA and its members may consider revisions as they may determine are appropriate that could address some of the issues identified in the Notice without requiring rulemaking.

SIFMA agrees that there may be opportunities to have information regarding the advance refunding of outstanding bonds made available more quickly than currently required, as well as to take initial steps toward incorporating legal entity identifiers into the information dissemination process in the municipal securities market, although the specific manner for doing so should be subject to discussion between the MSRB and industry participants and municipal advisors should be required to undertake certain aspects of this process.

SIFMA believes that the MSRB must be extremely cautious with regard to potentially requiring the posting of preliminary official statements on EMMA and that the significant barriers to effectively doing so without creating undue risks must be clearly addressed before proceeding on such an initiative.

SIFMA addresses below each of the areas covered by the Notice.

I. Rule G-11 – Primary Offering

A. Bona Fide Public Offering

SIFMA believes that, where a sole underwriter or syndicate manager has entered into an agreement with the issuer to make a bona fide public offering, the underwriter syndicate must abide by that requirement. Similarly, if such agreement establishes restrictions as to the prices at which securities may be sold, the underwriter or syndicate members must abide by those restrictions. SIFMA strongly believes that the issuer has the right to determine whether it wants its new issue to be sold in a bona fide public

offering or by some other means. In addition, SIFMA is concerned that creating a regulatory requirement that offerings must be undertaken in a bona fide public offering would ultimately require a much more extensive set of regulatory changes and line-drawing to deal with the many situations where a traditional public offering may appropriately not be sought (*e.g.*, private placements, limited offerings, institutional offerings, offerings of story bonds, among other situations). Any such line-drawing raises the considerable risk of regulations driving market decisions rather than the intentions of the party or free market forces.

SIFMA notes that enforcement agencies have been able to take significant actions against firms that have failed to make a bona fide public offering in spite of their agreement to do so.[6] In that vein, SIFMA believes that the MSRB could reasonably interpret a material failure of a syndicate member to not abide by a bona fide public offering requirement or contractual pricing restriction for which the syndicate member has not obtained a waiver from the syndicate manager to be a violation of the fair practice requirements of Rule G-17. Any such proposed interpretation should be made subject to a separate request for comment by the MSRB prior to filing with the SEC.

SIFMA addresses below each of the questions posed by the MSRB.

1. Should there be an MSRB rule that requires syndicate members to make a "bona fide public offering" of municipal securities at the public offering price?

SIFMA does not believe that the MSRB should require syndicate members to make a bona fide public offering at the public offering price. Rather, as noted above, SIFMA strongly believes that the issuer has the right to determine whether it wants its new issue to be sold in a bona fide public offering or by some other means, and such decision may be made on a whole issue or a maturity-by-maturity basis. The MSRB should monitor market behavior as the IRS issue price rules are fully seasoned to determine whether its requirements have left market practices that are causing material harm to market participants that could be addressed through further regulation on the manner of offering or the adherence to pricing restrictions.

2. If the MSRB were to consider such a requirement, what definition of "bona fide public offering" should apply? Should there be a standardized definition or should syndicate members and/or issuers decide among themselves how to define what would be required?

SIFMA does not believe that the MSRB should define the term "bona fide public offering" for the reasons stated above. SIFMA believes that issuers and syndicates should determine the manner in which new issues are to be offered. Issuers and syndicates that

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6 *See, e.g.*, Securities Exchange Act Release No. 75688 (Aug. 13, 2015).

seek to have a bona fide public offering already must comply with the requirements of the IRS issue price rule and there is no evidence at this early juncture to indicate that the guidance in that rule is not sufficient.

3. If the MSRB had such a requirement, what documentation or other available means would effectively show that an underwriter met the requirement for compliance purposes (e.g., regulatory examinations)?

SIFMA does not believe that the MSRB should have such a requirement. If the MSRB were to nonetheless adopt such a requirement, SIFMA believes that retention of syndicate wires as provided for in the AAU would provide sufficient documentation and the MSRB should be cognizant of the documentation already required under the IRS issue price rule.

4. Should syndicate members be required to notify other members and/or the issuer only if they are not going to make a bona fide public offering?

As noted above, SIFMA does not believe rulemaking is necessary in this area. However, SIFMA's review of its Master AAU will consider whether improvements should be made to ensure appropriate intra-syndicate communication of failures to adhere to any offering requirements or to provide for additional communications with the issuer. If the MSRB were to undertake regulatory action in this regard, such action could consist of proposed interpretive guidance to Rule G-17 (through a notice and comment process) relating to material failures of a syndicate member to adhere to the contractual offering requirements that have a material adverse impact on the syndicate or the issuer.

5. Is the concept of "bona fide public offering" better left as a voluntary contractual arrangement (i.e., not mandated by MSRB rule)?

The concept of bona fide public offering, to the extent not already regulated pursuant to the IRS issue price rule, should be left to the contractual arrangements between the issuer and the underwriters.

6. In the alternative, should the MSRB provide guidance or consider implementing a rule that supports inclusion of a contractual provision in the AAU requiring a bona fide public offering without itself implementing a requirement for a bona ride public offering?

As noted above, the MSRB could seek comment on guidance under Rule G-17 regarding syndicate member adherence to the offering requirements set out in the Master AAU.

7. What are the harms, if any, to other syndicate members, the issuer, investors and the general public when a syndicate member fails to make a "bona fide public offering"?

The senior manager undertakes the obligation with the issuer to conduct the public offering in a manner consistent with their contractual agreement and with the IRS issues price rule, and it is the issuer's decision as to whether a new issue is to be marketed as a bona fide public offering. While the failure to make a bona fide public offering once the initial offering price has been set would not normally have an impact on the issuer's sales proceeds or debt service levels, it could adversely affect the issuer if the failure to make a bona fide public offering results in a failure to meet the IRS issue price rule requirements and results in a potential taxability event. Depending on the nature of the syndicate's departure from its agreed-upon obligation to make a bona fide public offering, the fair dealing requirements of Rule G-17 may be implicated. As previously noted, existing statutory and regulatory authority, including but not limited to MSRB Rules G-11, G-17, G-27 and G-30, have provided sufficient bases for the enforcement agencies to take effective action against broker-dealers to address any harms arising in the new issue offering process, including in particular potential harm to investors.[7]

As among syndicate members, their obligations are governed by the contract under the AAU and SIFMA believes that there is no need to establish regulations regarding the relationship among members of the syndicate beyond those that currently exist. That is, so long as the syndicate as a whole honors its obligations to the issuer, failures of individual syndicate members to meet their commitments to the syndicate should be dealt with within the syndicate, through contractual remedies or otherwise. During the course of SIFMA's reexamination of its Master AAU provisions, SIFMA will consider whether modifications should be made to more clearly delineate responsibilities of syndicate members in this regard.

B. Free-to-Trade Wire

SIFMA appreciates that in some limited circumstances, syndicate members and other broker-dealers trading in new issues may not have received immediate notification that the securities are free to trade in circumstances where they do not subscribe to standard commercial services through which such notification is normally provided. In the course of the reexamination of the Master AAU, SIFMA will consider whether to make more explicit the method by which such information is to be communicated to syndicate members and other broker-dealers involved in the distribution of a new issue. However, SIFMA does not believe that specific regulatory requirements are needed or would be advisable to establish a specific process.

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7 *See* note 6 *supra*.

SIFMA addresses below each of the questions posed by the MSRB.

1. Should there be an MSRB rule that requires the senior syndicate manager to issue the free-to-trade wire to all syndicate members at the same time?

SIFMA will reexamine its Master AAU to determine how best to ensure that communications within the syndicate are provided in an effective and timely manner in light of the issues raised by the Notice. SIFMA does not believe that rulemaking in this regard is called for or advisable.

2. If the MSRB were to propose a rule for issuing the free-to-trade wire, what should the rule include? Should there be a specific timeframe within which the wire should be sent?

As noted, SIFMA does not believe that rulemaking in this regard is called for or advisable. If the MSRB were to determine to undertake rulemaking (through a notice and comment process) on this point, SIFMA believes that it should be limited to ensuring that communications occur on a materially simultaneous basis and not to specific timeframes in which such communications must occur or the mechanics or venue used by the syndicate manager. Furthermore, any such rule should recognize that in some issues different maturities may become free to trade at differing times and that the communication requirements generally should not be applicable in a sole underwriting.

3. If the MSRB were to propose a rule, should it apply in negotiated sales only?

As noted, SIFMA does not believe that rulemaking in this regard is called for or advisable. If the MSRB were to determine to undertake rulemaking (through a notice and comment process) on this point, SIFMA believes that it should be limited to those circumstances where the MSRB has documented that such problems have occurred. In that regard, SIFMA believes that such problem would not exist in the context of competitive offerings.

4. What are the pros/cons to such a requirement? What are the reasonable alternatives?

SIFMA addresses this question above.

C. Additional Information for the Issuer

SIFMA believes that syndicate managers generally share the types of syndicate information described in the Notice with the issuer if the issuer wishes to have such information. We are not aware of any circumstances where a syndicate manager has refused to provide such information or where an issuer has complained that such

information has been withheld from it. If the MSRB is concerned that some issuers are not seeking from the underwriter relevant information about the sale of their new issues, the MSRB may wish to undertake outreach to the issuer community in this regard.

In general, there should be no sensitivity on the part of syndicate members with sharing with the issuer information that the syndicate manager shares with all syndicate members. However, it is critical that issuers maintain the confidentiality of any specific customer information that may be shared with them by the syndicate. Furthermore, customer relationships and related information of individual members of the syndicate may be viewed as proprietary to such syndicate member and therefore is information that must be handled with significant sensitivity and confidentiality. If the MSRB is aware of any such information not being made available to issuers but to which the MSRB believes issuers should have access, the MSRB should seek further public input on those precise items of information so that it can be more fully informed of the benefits and risks of undertaking rulemaking in regard to this information. SIFMA is not aware of any such items of information.

SIFMA addresses below each of the questions posed by the MSRB.

1. Do all issuers, regardless of the size of the particular offering, have access to detailed information about the underwriting of their securities, such as information about the allocations, designations paid and take downs directed to each member in the syndicate?

As noted above, SIFMA believes that syndicate managers make this information available to issuers if they wish to have access to it.

2. If not, should Rule G-11 require the senior syndicate manager to provide this information to the issuer? a. Should the senior syndicate manager always be required to provide this information, or should the senior syndicate manager be required to provide it only upon request? b. Should any proposed requirement specifically allow for issuers to "opt out" of receiving the information?

As noted above, SIFMA believes that syndicate managers make this information available to issuers if they wish to have access to it. Thus, no rulemaking in this regard is called for or advisable. If the MSRB were to determine to undertake rulemaking (through a notice and comment process) on this point, the senior syndicate manager should only be required to provide information upon request, rather than to push this information to the issuer in all cases.

3. Is there a preferred method for distributing this information to issuers?

SIFMA is not aware of any concerns regarding the manner in which such information is currently provided to issuers and does not believe that it would be advisable to prescribe a method or format for doing so.

4. Is there other information that senior syndicate managers provide to the syndicate, but do not currently provide to issuers, that issuers would find beneficial to receive?

SIFMA is not aware of any additional items of information provided to syndicate members that are not currently required to be provided to issuers or that issuers normally are able to obtain from the syndicate manager upon request.

5. What are the reasonable alternatives to, and benefits and burdens associated with, requiring the senior syndicate manager to provide this information to the issuer?

SIFMA believes that existing processes operate effectively and that no changes should be made. Even if the MSRB were to undertake rulemaking (through a notice and comment process) on this point, such rulemaking should serve to strengthen existing practices rather than create new processes.

6. Should the senior syndicate manager in a negotiated sale be required to obtain the issuer's approval of designations and/or allocations unless otherwise agreed to between the parties?

SIFMA does not believe that the senior syndicate member should be required to obtain the issuer's approval of designations and/or allocations. Most issuers likely have no interest in approving allocations, and those that do normally reach agreement with the syndicate manager to do so. We are not aware of any circumstances where a syndicate manager that has agreed with the issuer to allow the issuer to approve of designations and/or allocations has failed to do so. Lacking material evidence of such failures, and of any harm resulting from such failure, SIFMA believes that rulemaking to this effect is not called for and would be inadvisable. If in isolated cases a syndicate manager does not comply with its agreement with the issuer, such non-compliance might, depending on the facts and circumstances, be viewed as a violation of the syndicate manager's fair dealing duty under Rule G-17.

D. Alignment of the Payment of Sales Credits for Group Net Orders with the Payment of Sales Credits for Net Designated Orders and Shortened Timeframe

SIFMA appreciates consideration of whether to harmonize the timing for payment of sales credits for group orders and designated orders. However, the determination of amounts due and owing to each syndicate member for group orders and for designated orders is dependent on different inputs. In the case of group orders, such amount is at least in part typically dependent upon final billing by third parties (*e.g.*, underwriter's counsel) of transaction charges that are not always submitted at or immediately after closing. Thus, absent evidence of significant problems with the current timing of payments for group and designated orders, SIFMA believes that no changes to the current rule-based timeframes should be made.

E. Priority of Orders and Allocation of Bonds

SIFMA believes that the current priority provision requirements under Rule G-11 achieve an appropriate balance of competing legitimate interests in the new issue distribution process. Thus, while the rule appropriately mandates a baseline priority to customer orders, to the extent it is feasible and consistent with the orderly distribution of securities in the offering, it also recognizes that such obligation should be limited to the extent that the best interest of the syndicate may require that the syndicate depart from a strict prioritization to customer orders. The dynamic and particularized manner in which the initial distribution of negotiated offerings occurs, which is highly dependent on the state of the market at that precise moment – including, among other things, what other issues are out in the market at that time, what customers and other market participants then express an interest in the offering, and broader economic factors – makes it highly inadvisable to establish inflexible requirements for which particular categories of orders must be given priority. For example, a strict requirement that customer orders always be given priority over other orders could result in one or more maturities not being fully sold at the initial offering because customer demand is not sufficient to take up the entire maturity but the remaining portion of the maturity may be below the amount that other potential purchasers are willing to acquire.

As stated in the Notice, the MSRB already has provided interpretive guidance under Rule G-17 that should be adequate to address situations where the syndicate has materially departed from these priority requirements. SIFMA believes that syndicate members are obligated to follow the directions given by the issuer with regard to the priority for filling orders on that issuer's new issue offering, and that it is critical that MSRB rules not impede this practice. While it may be understandable that investors seeking to acquire a particular security in a new issue offering may feel, from its vantage point, that its order should have been filled rather than another purchaser's, the syndicate owes an obligation to ensure a successful marketing of the entire issue on behalf of the issuer and the syndicate requiring a balancing of orders that may leave some disappointed

investors. SIFMA believes that a requirement that priority orders must be made, in full, before the syndicate may allocate to lower priority orders would be inadvisable and could result, for some offerings, in a less successful marketing of an issuer's new offering. SIFMA believes that the adoption of a more explicit process by which orders must be given priority would distort the primary offering process and the marketplace for new issue securities. Rather, the enforcement agencies should review carefully instances in which any complaints are lodged to determine whether any allocations to a lower priority did not result from an effort to ensure an orderly distribution of securities in the offering or to otherwise further the best interest of the issuer and the syndicate, which could result in a Rule G-11 violation for which adequate enforcement remedies are available.

SIFMA addresses below each of the questions posed by the MSRB.

1. Should Rule G-11 be amended to explicitly state that, in negotiated sales, retail priority orders (or institutional priority orders, as applicable) must be allocated up to the amount of priority set by the issuer before allocating to lower priority orders, unless the senior syndicate manager obtains permission from the issuer to allocate otherwise?

As noted above, SIFMA believes that the MSRB should not change its current requirements with regard to the prioritization of customer orders as flexibility during the distribution process is critical for achieving the best interests of both the issuer and the syndicate.

2. Is Rule G-11 in its current form clear with respect to the obligations of a senior syndicate manager surrounding the priority of orders? If not, in what provisions or aspects is it unclear?

SIFMA believes that Rule G-11, together with related guidance under Rule G-17, make the syndicate requirements regarding priority of orders sufficiently clear while maintaining the critical flexibility necessary to allow the successful marketing of new issues to the benefit of the issuer community.

3. Does the requirement for the syndicate to set priority provisions in a primary offering result in a more transparent and efficient market for municipal securities?

SIFMA believes that the MSRB's requirements to establish priority provisions under Rule G-11 benefit all participants in the municipal securities markets and helps to support a transparent, efficient and non-distorted market for municipal securities. Any proposed changes to the current priority requirements must be scrutinized with great care using all available data in an exacting economic analysis in order to ensure that changes do not create distortions in the marketplace.

4. Does the discretion syndicate members currently exercise in the allotment of bonds result in a fair and efficient allocation process?

SIFMA believes that such discretion is necessary in order to ensure that the marketing of new issues is fair, efficient and free of distortion. SIFMA believes that the MSRB and the enforcement agencies already have the tools necessary to address any instances in which a syndicate might not act in conformity with the requirements of Rule G-11 as interpreted under Rule G-17 and that, in instances where a violation occurs, enforcement actions should be taken.

II. Rule G-32 – Disclosures in Connection with Primary Offerings

A. Disclosure of the CUSIPs Refunded and the Percentages Thereof

SIFMA believes that the availability of advance refunding documents through the MSRB's EMMA system provides a vital service to the marketplace. SIFMA notes that some members still experience difficulty in obtaining a word-searchable version of the executed advance refunding document, with all exhibits and tables completed, in time to submit the document as required to EMMA under Rule G-32.[8]

SIFMA addresses below each of the questions posed by the MSRB.

1. Do underwriters always have access to refunding information earlier than five business days from the closing of the refunding? If so, should they be required to disclose, within this shorter timeframe, the CUSIPs refunded and the percentages thereof to ensure that all market participants have access to the information at the same time?

If the relevant parties to a new issue advance refunding have complied with their roles in such transaction, underwriters generally have access to information regarding issues that have been advance refunded by the time an issue closes. However, as noted above, in some offerings underwriters continue to face delays in receiving the advance refunding documents in the required format in order to meet the existing five business day deadline under Rule G-32.

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[8] On a related matter bearing upon public access to information about advance refunded bonds, SIFMA notes that some bond counsel interpret indenture or bond resolution provisions requiring notice to bondholders whose securities are being refunded as only requiring notification of defeasance a short period of time prior to the actual redemption date, rather than at the time the defeasance occurs. While this might be an accurate interpretation of the indenture or bond resolution, some counsel further limit the timing by which an issuer is required to provide a defeasance notice to EMMA as a continuing disclosure under its continuing disclosure undertakings pursuant to SEC Rule 15c2-12 to be not sooner than the time by which bondholders are required to be provided with notice under the indenture or bond resolution. SIFMA believes that this is a misreading of Rule 15c2-12 and urges that the MSRB or SEC provide guidance to clarify the timing requirement for such defeasance notices.

SIFMA believes that making information regarding advance refunded bonds available at an earlier timeframe would be beneficial to the marketplace, although SIFMA cautions that the MSRB should undertake a thorough analysis of the changes required to be made by the MSRB to Form G-32 and in the EMMA primary market submission system, and should provide sufficient opportunity through a notice and comment process as well as direct industry outreach before establishing specific requirements for undertaking such earlier submission and dissemination of refunding information.[9] In establishing a workable earlier timeframe for submission of information regarding refunded bonds, SIFMA believes that the MSRB should seek comment from a broad cross section of underwriters regarding operational issues that may limit the extent to which the timeframe can be shortened. In addition, while the information regarding advance refunded bonds provided through Form G-32 might have an earlier deadline for submission, SIFMA believes that the deadline for submitting the advance refunding document itself should remain at the current five business days after closing unless the changes recommended below are instituted.

SIFMA believes that advance refunding documents, as well as full and final information regarding securities that have been advance refunded (whether or not incorporating the changes discussed in the preceding paragraph), might become available more quickly and accurately if the MSRB were to require that, in those advance refunding in which a municipal advisor is involved, the municipal advisor, rather than the underwriter, would be required to submit the advance refunding document and associated information to EMMA. In the vast majority of issues in which a municipal advisor participates, it is the municipal advisor that has the most direct involvement with the drafting and finalization of the advance refunding document. Rule G-32 has long required that the underwriter submit the advance refunding document since, until July 2014 with the effectiveness of the SEC's municipal advisor rules, the underwriter was the only party that the MSRB had authority to direct submission of such document. Thus, SIFMA recommends that the MSRB seek comment on a proposal to require municipal advisor submission of the advance refunding document to the MSRB, with the underwriter remaining responsible for those issues in which a municipal advisor does not participate. SIFMA would not recommend considering shortening the timeframe for submission of information regarding advance refunded bonds until after it has completed, or in conjunction with, such municipal advisor rulemaking.

In particular, if the MSRB were to propose (through a notice and comment process) rulemaking to require the submission of the CUSIP numbers and the percentage of such securities advance refunded ahead of the submission of the advance refunding document, such information submission would be considerably more feasible if the MSRB were to impose such requirement, in the first instance, on the municipal advisor

[9] Furthermore, SIFMA believes that the MSRB should refrain from any new initiatives relating to advance refunding documents and related information so long as Congressional proposals to terminate the ability of issuers to advance refund outstanding issues are under consideration.

for advance refundings in which a municipal advisor is used. In any event, SIFMA questions the value of requiring the submission of the percentage of the CUSIP number advance refunded (other than perhaps the more generic designation of whether a maturity is advance refunded in whole or in part), and also notes that it is not customary to reflect partial advance refundings in terms of percentage of a maturity.

2. Should the information be submitted to EMMA within a certain period of time from the closing of the refunding or the pricing of the refunding?

As noted above, SIFMA believes that, under a properly structured process, the information regarding advance refunded bonds could be provided at an earlier stage in the offering, although SIFMA believes that the timeframe for submitting advance refunding documents should not be changed at this time.

3. If the timeframe for providing the refunding information cannot be shortened, should Rule G-32 be amended, in any event, to require that all market participants receive the refunding information at the same time?

By posting the advance refunding document and associated information about the refunded bonds on EMMA, all market participants have simultaneous access to such information. If the MSRB is suggesting prohibiting market participants from disclosing information regarding an advance refunding prior to the submission of the advance refunding document to EMMA, SIFMA believes that such a prohibition would be entirely ineffective, if for no other reason that the MSRB's rules cannot reach issuers and other critical constituents in the municipal securities market who have access to such information.

4. What are the advantages and disadvantages to such a requirement?

SIFMA believes that there would be benefits to ensuring that all market participants have information about the advance refunding of outstanding bonds as early as reasonably possible, and that such information would be available to all on an equal basis. While, as described above, under a properly structured process SIFMA believes that information about advance refunded bonds can be provided more rapidly to all market participants, SIFMA also believes that MSRB rulemaking would not be sufficient to forestall the potential that some market participants may become aware of the advance refunded status of a bond before others under current statutory authority.

5. Are there other less costly or burdensome or more effective alternatives to promote transparency and equal access to this information?

As noted above, SIFMA recommends that the MSRB consider rulemaking to require municipal advisors to submit advance refunding documents and associated data to EMMA for those advance refundings in which a municipal advisor is used. This change

would promote more rapid availability of the key advance refunding information and could serve as a basis for future tightening of the submission timeframe.

B. Submission of Preliminary Official Statements to EMMA

The MSRB observes in the Notice that it has previously considered whether to require the submission of preliminary official statements ("POS") by underwriters to EMMA (the "2012 Concept Proposal"),[10] and the MSRB declined to take action to institute such a requirement. SIFMA believes that very little has changed since then, other than the fact that the MSRB now has authority with respect to municipal advisors. SIFMA continues to be concerned that requiring underwriters to provide POSs involves legal and practical hurdles that, at a minimum, call into question the level of benefit that ultimately would be derived from such a proposal and might, without careful structuring, in fact not be workable or effective.

Furthermore, the MSRB needs to consider carefully the purpose for requiring that the POS be provided to the marketplace – as a disclosure document, it is incomplete, subject to change and quickly replaced by the final official statement; as marketing material, it would seem to have the effect of beginning to transform EMMA from a disclosure and transparency venue to a central marketplace. Putting aside the merits of such a transformation, SIFMA believes that EMMA and the marketplace is not ready for such a transformation, and that significant in-depth analysis and industry-wide discussion would need to precede any concrete steps that could lead to EMMA becoming a central marketplace.

However, if the MSRB believes that it should continue to pursue such an initiative, SIFMA believes that it should consider carefully the points raised by SIFMA and other commenters on the MSRB's 2012 Concept Proposal and must undertake a fulsome round of outreach meetings with the relevant market participants in addition to the normal notice and comment process.[11] In addition, such an initiative would have a greater likelihood of success if it were to take into account the close relationship between the issuer and its municipal advisor, where one has been engaged, to allow for a more efficient and timely transmission of the POS to EMMA.

SIFMA addresses below each of the questions posed by the MSRB.

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[10] MSRB Notice 2012-61 (Dec. 12, 2012). SIFMA's comment letter on the 2012 proposal is attached.

[11] In fact, such an initiative likely would benefit from a separate concept release, prior to the launch of any formal rulemaking process, that includes a more detailed framework that would allow all market participants to address a common set of organizing principles.

1. Should the underwriter or municipal advisor be required to submit the POS to EMMA, if one is available? If so, within what time frame should the POS be required to be submitted?

SIFMA believes that the MSRB would need to work within the constraints imposed by the Tower Amendment.[12] As noted in the 2012 Concept Proposal, any pre-sale posting of the POS would require issuer consent. As a result, if this were the MSRB's goal, SIFMA believes that the MSRB should first seek consensus from the issuer community that it would as a routine matter provide such consents. Otherwise, such an initiative would likely not result in sufficient benefit to justify the burden. Furthermore, pre-sale submission would raise considerable operational concerns in cases where CUSIP numbers have not yet been assigned, as well as where CUSIP numbers may have been obtained but the actual numbers that are used are not determined until the bond sale occurs.

If submission were to be required only post-bond sale, at a minimum the MSRB would need to address concerns regarding the need to handle interim changes in information from the POS to the final official statement (*e.g.*, would POSs need to be stickered, would the requirement to submit stickered POSs be tied to whether such stickered POSs was disseminated to any potential investors). In addition, SIFMA believes that, to avoid confusion, the MSRB should establish a simplified process for ensuring that the final official statement replaces any POS posted on EMMA. Such process, and other operational aspects necessary to safeguard against potential negative impacts of a POS submission process, should be resolved through solutions engineered and developed by the MSRB and incorporated in EMMA rather than leaving broker-dealers and municipal advisors to develop their own varying solutions that would ultimately result in much higher aggregate cost to the industry than if handled systemically within EMMA.[13]

In SIFMA's view, it is unclear whether the value of creating a requirement to provide a POS containing information that is subject to change and that will be replaced in a short period of time by the final official statement outweighs the burden of undertaking such disclosures and the risk that having an evolving disclosure document posted to the public would confuse investors and might cause some investors to rely on stale information if, for example, they view the POS but never return to EMMA to see (and read) the final official statement. It is likely that the most value would exist in the context of marketing the new issue with pre-sale submission of the POS. SIFMA does not support regulatory action to provide POSs more broadly than they are currently made available.

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[12] Securities Exchange Act Section 15B(d).

[13] For example, the MSRB and FINRA chose not to develop centralized solutions for their upcoming mark-up disclosure requirements, as requested by SIFMA, that would have provided for more consistent and cost-effective implementation of such disclosures.

If, however, the MSRB were to propose (through a notice and comment process) rulemaking to require such submission, SIFMA strongly believes that such requirement should apply to municipal advisors as well as underwriters; in particular, municipal advisors would be significantly better positioned to make POS submissions in a competitive offering.

2. Should the underwriter or municipal advisor be required to seek confirmation from the issuer that they may post the POS on EMMA?

As noted above, if the MSRB were to require submission of the POS, the Tower Amendment would require such confirmation if the POS were to be submitted prior to the sale date. For submissions after the bond sale, while as a matter of law it may be that such confirmation would not be required (for example, confirmation is not required for the submission of the final official statement), SIFMA believes that the MSRB should work with the issuer community to achieve a consensus view that issuers would not insist on such a requirement. If such a confirmation requirement were to exist, it would undermine any perceived effectiveness of making POSs available as described above.

3. Would a requirement that the POS be submitted to EMMA assist in ensuring that all market participants have access to the POS at the same time?

Unless there were a general prohibition to provide POSs to any market participant (including prospective investors in a new issue) prior to posting on EMMA, this requirement would not be effective in doing so. SIFMA strongly opposes the MSRB or SEC attempting to impose such a general prohibition. Lacking such prohibition, it would only provide simultaneous access to the POS to market participants that do not have a direct interest in the new issue. While there may be some incremental benefits to having wider knowledge of a new issue (with information subject to change) more broadly available sooner than currently available through EMMA, such incremental benefit needs to be carefully assessed through meaningful outreach to industry participants and a thorough notice and comment process before proceeding on such an initiative.

4. What are the advantages or disadvantages of such a requirement for dealers, municipal advisors, issuers and market participants?

To the extent that the disclosures provided in a posted POS are accurate and changes from the POS to the final official statement do not result in some investors acting on information that has become stale or inaccurate, there would likely be some incremental benefit to having the POS centrally available, although in many offerings such central availability is already provided through private sector services against which the MSRB would set itself up as a competitor. It is possible that in some cases, a pre-sale posting of the POS might increase investor demand for a new issue. While in many cases this would be viewed as a positive development, it could become problematic for offerings intended for a particular audience (*e.g.*, institutional investors) different from

some types of investors (*e.g.*, retail investors) that might make an inquiry as a result of seeing a POS posted on EMMA. It also could make the new issue marketing process more complicated by potentially introducing unsolicited inquiries, absent the development of EMMA-based processes for flowing investor demand from EMMA to the underwriting syndicate.

5. Is there a valid reason to provide a POS to some market participants but not others?

The POS, while clearly a disclosure document, is also a marketing document and therefore only truly relevant to those market participants to whom a new issue is marketed. Unless there were a requirement that all issues must be marketed to the entire public under all circumstances – which would be a radical departure in all segments of the securities market – there is a valid reason to assure access to such targeted market participants over the remainder of the marketplace.

6. Are there alternative methods that the MSRB should consider for providing the information in the POS that would be more effective and efficient for investors and/or less costly or burdensome to underwriters and municipal advisors?

While SIFMA is not aware of an alternative method for providing the information in the POS to the public that would be more effective and efficient than simply posting the POS document itself, the key question is whether that information is of sufficient value to justify the costs, burdens and risks of doing so through EMMA, as discussed above. SIFMA believes that an initiative to pursue posting of POSs on EMMA merits a more targeted inquiry with direct discussions between the MSRB and market participants.

7. Should the requirement to submit a POS to EMMA apply in negotiated and competitive sales? If so, should there be different rules for each type of offering?

Clearly, in the case of a competitive offering, the municipal advisor would be the most appropriate party to make such submission.

8. Should the rule require the underwriter or municipal advisor to post an updated POS if information changes? Should the rule allow an underwriter or municipal advisor to withdraw the POS if the information becomes stale?

As noted above, SIFMA believes that these issues present some of the major complications that call into question the advisability of establishing a POS submission requirement. It would be critical for these concerns to be addressed through a more targeted inquiry involving full engagement with the relevant market participants to develop a workable process for ensuring that market participants are not acting on stale information.

C. Whether Non-Dealer Municipal Advisors Should Make the Official Statement Available to the Underwriter After the Issuer Approves It for Distribution

SIFMA strongly supports amending Rule G-32(c) to apply to all municipal advisors, not just dealer financial advisors. There is nothing unique to the dealer status of such financial advisor as regards to the preparation and making available of the official statement, and such change would improve the efficiency and timeliness of the official statement submission and public posting requirement under Rule G-32.

D. Whether the MSRB Should Auto-Populate into Form G-32 Certain Information that is Submitted to NIIDS but is Not Currently Required to be Provided on Form G-32

SIFMA believes that initial minimum denomination information would assist the marketplace as a whole in better complying with MSRB Rule G-15(f), with the understanding that dealers will continue to struggle with ensuring compliance with minimum denomination requirements for bonds with changing minimum denominations over the course of their life. Thus, SIFMA believes that it would be beneficial to add to Form G-32 a field for "initial minimum denomination" to be auto-populated by the "minimum denomination" data element in the New Issue Information Dissemination Service (NIIDS) data to be made available to the public through EMMA.[14] However, the underwriter that submitted the initial NIIDS data would have no obligation to update information regarding changes in minimum denominations over the life of the security. Also, while certain of the call-related fields might also be candidates for inclusion from NIIDS through auto-population, SIFMA would first suggest a thorough review of the data to ensure that the structure of the data required to be provided to NIIDS allows for an accurate representation of the various different call features used in the municipal securities market.

If the MSRB were to determine to add any additional items of information available from NIIDS but not currently disseminated through EMMA, the MSRB should undertake a notice and comment process with regard to the specific data elements it proposes to make public through EMMA. SIFMA believes that dealers' obligation with regard to such data must be limited to ensuring its accuracy at the time of its submission to NIIDS under Rule G-34 and that dealers would not be obligated to undertaking an ongoing duty to update such information (for example, with respect to any changes in minimum denomination over the life of the issue) as a result of the information being made public through EMMA.

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[14] As with other data elements currently required under Rule G-32 that are auto-populated with NIIDS data, the underwriter presumably would be required to submit such information directly to EMMA in those cases where the NIIDS data does not auto-populate (*e.g.*, for issues exempt from the NIIDS requirement).

E. Whether the MSRB Should Request Additional Information on Form G-32 that Currently is Not Provided in NIIDS, and If So, What Data?

SIFMA is not aware of any information that should be added to Form G-32 that would benefit investors and the marketplace as a whole and for which the underwriter would be the appropriate source, except and to the extent described below in our answers to the questions posed by the MSRB.

1. Should the current Rule G-32 requirement to disclose whether there was a retail order period as part of a primary offering be replaced with a requirement to disclose retail order periods by CUSIP number?

SIFMA fails to see the benefit of requiring the inclusion of CUSIP-level information regarding retail order periods. It is highly questionable whether that information would be of any value to disclose on EMMA. Further, as this Form G-32 information is primarily targeted at notifying the enforcement agencies of those issues in which a retail order period was used, that notification function is already incorporated into Form G-32 and any meaningful use of such information by the enforcement agencies requires deeper analysis, in which case such CUSIP-level information can and is provided. Adding this requirement would increase burden and complexity in the submission process without providing any benefit.

SIFMA wishes to raise an operational concern regarding the manner in which information on the existence and timing of retail order periods, as well as whether a continuing disclosure undertaking exists, is currently required to be submitted to EMMA. For issues subject to the NIIDS requirements of Rule G-34, all information required to be submitted through Form G-32 on or prior to the issue's date of first execution is normally auto-populated with NIIDS data, other than these two categories of information. Were it not for this deadline for these two categories, underwriters would normally be able to submit all items of information not auto-populated by NIIDS data during a single session on EMMA at the same time they submit the official statement. Instead, underwriters are almost always required to undertake at least two EMMA sessions for each new issue to complete the full set of submissions required by Form G-32.

SIFMA requests that the MSRB change the timing for the submission of these two categories of information from the date of first execution to the date of official statement submission. As noted above, the retail order period information is not made public on EMMA but is used in a retrospective manner by the enforcement agencies. Thus, the change in timing for this information would have no impact on the public or the enforcement agencies. With regard to whether a continuing disclosure undertaking exists, underwriters currently are required to submit to EMMA, by the date of official statement submission, information on the timing for annual financial information filings pursuant to

the undertaking. Changing the deadline for indicating whether an undertaking exists would consolidate into a single submission session all information required about the undertaking without adversely affecting investors. Both sets of changes would substantially enhance operational efficiency by significantly reducing the number of sessions underwriters are required to undertake in EMMA under Rule G-32 and likely would reduce inadvertent non-compliance with the submission requirements.

2. Do market participants, such as issuers and obligors, typically have LEIs? If so, should LEI fields be added on Form G-32 and included in Rule G-34 to permit or require underwriters to submit (if available) the LEI of the relevant obligated person, and/or the issuer if they have one?

SIFMA supports the implementation of the legal entity identifier ("LEI") system and believes LEIs would be useful to the MSRB in terms of making parties to securities issuance transparent, as well as to support risk management. In fact, many financial institutions that serve in roles such as underwriter, insurer, guarantor, liquidity provider, remarketing agent, tender agent, or trustee likely already have LEIs. Notwithstanding, many municipal securities issuers and obligors may not currently have LEIs as little of the existing regulation driving LEI adoption has applied to this market (although some issuers and obligors that are parties to swaps have had LEIs assigned under the rules of the Commodity Futures Trading Commission). Further, we are sensitive to the fact that many municipal issuers operate on extraordinarily tight budgets with little funding available to pay for LEIs or the added cost of obtaining and maintaining LEIs to support a regulatory requirement.

As a result, SIFMA believes LEIs should be introduced to this market giving due consideration to these factors. Because of the benefits to the MSRB and the marketplace as a whole from a risk management perspective, the MSRB should strongly promote the value of obtaining LEIs by issuers and obligors as part of the issuance process, as well as through the MSRB's interface with issuers and obligors through the continuing disclosures submission process. For example, the MSRB should incorporate linkages between MSRB Gateway and the LOUs (described below) that would permit issuers and obligors to easily obtain LEIs as they make their continuing disclosure submissions, and the MSRB should leverage LEIs that are assigned to provide such issuers and obligors with a simplified disclosure submission process. In addition, the MSRB should produce written materials describing the benefits of and process for obtaining LEIs that underwriters and municipal advisors could use to assist them in promoting such benefits to their issuer and obligor clients during the issuance process. However, if a given issuer or obligor declines to obtain an LEI, the underwriter or municipal advisor should not be required to obtain one.

Thus, the MSRB should create a field in Form G-32, to be auto-populated from data provided from NIIDS, for the submission of LEIs and should begin to encourage issuers and obligors to obtain LEIs. SIFMA believes that the LEI field should be added to

Form G-32 simultaneously with its addition by DTCC in the NIIDS data required under Rule G-34 in order to permit such data to be auto-populated in Form G-32. However, issuer and obligor LEIs should not be mandatory at this time. For other parties involved or identified in the Form G-32 process, such as underwriters and potentially municipal advisors, LEIs should be required.[15]

LEIs are issued by Local Operating Units ("LOUs") of the Global LEI System. The LOUs operating in the United States include Bloomberg and DTCC's Global Market Entity Identifier (GMEI) utility. The CUSIP Service Bureau acts as a registration agent allowing for LEIs to be obtained through a "straight-through" process for issuers and others as they apply for CUSIP numbers. Issuers and obligors should be encouraged to take advantage of these utilities and processes. Furthermore, SIFMA would be pleased to work with the MSRB to begin industry outreach to deal with potential implementation issues and develop workable solutions for this market. In the interim, SIFMA believes that creating the optional data element and encouraging use of LEIs would provide a useful first step to bringing to the municipal securities market the full use of LEIs, and the benefits such use would provide to risk analysis and market transparency.

3. What are the advantages and disadvantages of requiring dealers to disclose any of the above information currently not provided in NIIDS?

As described above, SIFMA believes that LEIs would assist the MSRB to better organize its data and disclosures on EMMA for more effective and efficient retrieval by the public, and therefore would allow market participants to better assess the full exposure of credits in the municipal marketplace. The only other listed items of information that would convey valuable benefit would be the listing of call dates and prices (as discussed above) and the triggers for changes in minimum denomination. However, making such information available as structured data would entail considerable effort given the lack of full standardization of those items of information.

With respect to minimum denominations, the MSRB might be limited to adding to the NIIDS data an indicator that the underwriter would use to denote that the bond documents provide for circumstances where the minimum denomination might change. By making this indicator available on EMMA along with the initial minimum denomination, market participants would be placed on alert that they may need to take further steps to confirm the current minimum denomination. The MSRB also could consider an open text field that underwriter would use to provide more detailed information about the nature of the triggering events; however, SIFMA believes that the MSRB would need to provide guidance and meaningful examples of language that the

[15] If the MSRB determines to require that its registrants obtain LEIs, such information (as well as LEIs obtained by issuers and obligors) should be stored by the MSRB as part of the information retained in each registrant's MSRB Gateway Account and used to auto-populate LEIs as necessary and appropriate if required to comply with Rule G-32 or to make submissions to EMMA.

MSRB would view as appropriate. Furthermore, before proceeding with such an open-text solution, the MSRB would need to undertake a careful assessment through meaningful outreach to industry participants and a thorough notice and comment process to assess operational constraints and to establish an efficient and cost-effective process that ensures that such information becomes usable through systems that are used in the sales and trading process.

4. Are there any fixed fees in an underwriting (e.g., municipal advisor fee, underwriting fee, etc.) that would be useful if disclosed on Form G-32? To whom would such fees be useful (e.g., other issuers for comparison purposes)? Should this fee information be disclosed to the issuer in connection with an offering earlier in the process, for example, pursuant to a requirement under Rule G-11 (see I.C. above)?

Other than the underwriting spread disclosure already required under Rule G-32 through EMMA that has an impact on pricing of an issue and the prices paid by investors, SIFMA believes that EMMA should not be the venue for providing disclosures of component fees and expenses that ultimately are already incorporated into information provided in the official statement. SIFMA does not believe that the purpose of EMMA should be extended to trying to reduce market participant's fees through public disclosure; rather, market participant's fees should be a matter of negotiation between the relevant parties and, to the extent relating to regulated parties, subject to the fair dealing requirements of Rule G-17.

5. Would any of the above information be useful to market participants?

Except as described above, SIFMA does not believe the listed items of information would be useful to an appreciable segment of market participants.

F. General Questions on Form G-32

The MSRB seeks feedback on the following general questions relating to Form G-32:

1. Is there additional information not listed in this concept release that the MSRB should consider collecting on Form G-32?

SIFMA is not aware of any additional information not listed in the Notice or described above that should be added to Form G-32.

2. What is the impact on dealers if this information cannot be retrieved from NIIDS, and therefore must be input directly into Form G-32 (in addition to the information a dealer must input into NIIDS)?

Each item of information that dealers must input into Form G-32 because it is not auto-filled from existing NIIDS data creates additional burden, potential delay and potential input errors. While SIFMA does not believe that the MSRB should add new data elements to Form G-32 other than those described above, SIFMA believes that, in general, dealers would find it more efficient to have such additional data elements inputted through NIIDS with direct input on EMMA only for issues exempt from the NIIDS requirement.

SIFMA wishes to raise concerns regarding the current process for submitting information on commercial paper issues, which are not generally subject to the NIIDS requirement and consistently raise significant operational and compliance difficulties. SIFMA requests that the MSRB undertake meaningful discussions with SIFMA members that engage in commercial paper transactions to assess these operational difficulties and to develop solutions that would enhance the efficiency and effectiveness of commercial paper submissions.

III. Other Questions on Primary Offering Practices

The MSRB seeks feedback on the following general questions relating to primary offering practices:

1. Has the IRS's issue price rule impacted any primary offering practices in the municipal securities market, and in what ways? If any MSRB rules are affected, what, if any, amendments should be considered?

As discussed above, SIFMA believes that the IRS issue price rules, at this time, should take the lead on matters related to bona fide public offerings and initial offering prices and that the MSRB should refrain from any rulemaking in this regard, at least until the market has become fully accustomed to the new IRS requirements and has had the opportunity to fully assess whether there are any gaps or shortfalls that need addressing. SIFMA does not believe that the IRS issue price rules require any amendments to MSRB rules.

2. Are there any other primary offering practices that the MSRB should consider in its review?

SIFMA is not aware of any other primary offering practices that the MSRB should consider in its review.

3. What are the reasonable alternatives to each of the above proposals? For example, are any of the proposals that would require a rule change better addressed through other means, such as interpretive guidance, compliance resources, additional outreach/education, new MSRB resources, or voluntary industry initiatives? Are there less burdensome or more beneficial alternatives?

SIFMA has provided its views regarding alternative approaches in its answers above.

IV. Economic Analysis

SIFMA appreciates that the Notice is a concept proposal that does not include specific rule language that is amenable to an examination of the proposal's effect on competition, efficiency and capital formation, as well as to a well-reasoned and factually substantiated cost-benefit analysis. SIFMA urges the MSRB to take the responsibility to undertake such analysis seriously in the process of developing any specific rule proposals, which includes making public with particularity the basis for its initial conclusions that are required to be included in such rule proposals under the MSRB's economic analysis policy, and to provide commenters with sufficient time to analyze such initial conclusions and to gather and provide additional information relevant to such analysis. While SIFMA, its members and other market participants appreciated the MSRB's adoption of its economic analysis policy, we believe that the application of such policy has uniformly not met the spirit in which such policy appeared to be adopted. We believe undertaking the fulsome process outlined in the MSRB's Retrospective Review Process will advance the MSRB's goal and the industry's hope that rigorous economic analysis would become a meaningful component of the MSRB rulemaking process.

V. Conclusion

SIFMA and its members appreciate the MSRB's commitment to retrospective review of its primary offering rules but do not see any significant need for revisions at this time, subject to limited items identified above. In particular, with the recent implementation of the IRS issue price rule, SIFMA believes that it is inadvisable to make changes to the MSRB's primary offering rules until the market can fully assess the impact of such IRS rules. As noted above, SIFMA is currently reviewing its Master AAU to ensure that it has kept pace with regulatory and market practice changes. We would be pleased to discuss any of these comments in greater 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 (212) 313-1130.

Sincerely yours,

Leslie M. Norwood
Managing Director and
Associate General Counsel

cc: ***Municipal Securities Rulemaking Board***
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