

Response of GLEIF to the Securities and Exchange Commission (SEC) Municipal Securities Rulemaking Board (MSRB) Concept Proposal regarding Amendments to Primary Offering Practices of Brokers, Dealers and Municipal Securities Dealers

November 2017

The Global Legal Entity Identifier Foundation (GLEIF) would like to thank the SEC for the opportunity to comment on the Municipal Securities Rulemaking Board (MSRB) Concept Proposal Regarding Amendments to Primary Offering Practices of Brokers, Dealers and Municipal Securities Dealers Concept Proposal published in September 2017.

In the Concept Proposal, the MSRB seeks comment as to whether additional data points should be required on Form G-32 including the Legal Entity Identifier (LEI) (for each credit enhancer or obligor, if applicable).

GLEIF supports the proposal to identify each credit enhancer or obligor, which could include issuers of municipal bond securities, with an LEI. Although US municipal securities are not traded in the EU, covering this asset class also by requiring issuers to register for LEIs would be a step in global harmonization for US issuers consistently to be able to be identified by LEIs, complementing the European Union Prospectus regulation which will require LEIs for all issuers of financial instruments being traded in the EU by January 2019.

GLEIF also would like to propose that there is the opportunity for the SEC and MSRB to consider broader use of the LEI in its regulatory data collection frameworks to identify parties and market players in a standard way. Particularly for Rules G-11 and G-32 currently under review, there is the opportunity to leverage the LEI to identify all parties covered in these rules, namely brokers, dealers and municipal securities dealers in their roles as syndicate managers, underwriters, members of a syndicate, advisors and others.

As the MSRB's mission is to protect investors, state and local governments and other municipal entities, obligated persons and the public interest by promoting a fair and efficient municipal securities market, the Global Legal Entity Identifier System (GLEIS), as a public good, could allow investors, state and local governments and other municipal entities, obligated persons and the general public to benefit from using the GLEIS as a trusted open source for identity and identification management of these parties involved in the municipal securities issuance and sales processes. The GLEIS makes important, validated, reliable information about legal entities accessible.

In conclusion, we would like to reiterate that the Global LEI System in place would support the identification needs of the SEC and MSRB for these municipal securities rules. We therefore, encourage the SEC and MSRB to progress the considerations regarding the use of LEI in the context of this concept proposal.