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Via Electronic Submission

Vanessa A Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Money Market Reforms, File No. S7-22-21

Dear Ms. Countryman:

CUSIP Global Services¹(CGS) welcomes the opportunity to comment on the Securities and Exchange Commission's (Commission or SEC) proposal to amend the rules governing money market funds under the Investment Company Act of 1940. In particular, we write to comment on the references to CUSIP identifiers – and potential alternatives – for reporting in Form N-MFP, Schedule C.

Background

CGS comments as operator of the CUSIP system on behalf of the American Bankers Association (ABA) and under contract by FactSet Research Systems Inc with the ABA. In 1964, as a response to the securities settlement “paper crunch,” the NY Clearing House Association approached the ABA to develop a more efficient system for the trading, clearing, and settlement of securities. Thus was the Committee on Uniform Security Identification Procedures – CUSIP – born, with the first directory being published in 1968². In the ensuing decades, in parallel with widespread adoption and implementation by market participants, an increasing number of clearing corporations, regulators, and market authorities came to recognize the value and reliability of the CUSIP system. Under the direction and guidance of a cross-industry senior group of experts, the CUSIP Board of Trustees, this led to an ever-expanding universe of asset classes and geographies supported by CGS identifiers: municipal bonds, commercial paper, US treasury bonds, mortgage-backed securities, and bankers acceptances to name just a few. We are proud of this legacy and the fact that CUSIPs have served as the universally recognized key for a wide range of SEC reports and filings, including Form N-MFP, for decades.

¹ The financial services industry relies on CGS' unrivaled experience in uniquely identifying instruments and entities to support efficient global capital markets. Its extensive focus on standardization over the past 50 years has helped CGS earn its reputation as a trusted originator of quality identifiers and descriptive data, ensuring that essential front- and back-office functions run smoothly. CGS is managed on behalf of the American Bankers Association (ABA) by FactSet Research Systems Inc, with a Board of Trustees that represents the voices of leading financial institutions. For more information, visit www.cusip.com

² “...The CUSIP system represents the foundation of the program to improve the speed and accuracy in the processing of securities and transactions involving them. We urge you to build upon that foundation as quickly as possible and again congratulate all of the organizations and individuals who participated in the development of the CUSIP system for their noteworthy achievement.” – SEC Chairman Hamer Budge, June 20th 1969

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The Use of Identifiers

In Question 127, the SEC seeks comments on the proposed use of lesser recognized security identifiers in reporting, specifically mentioning the Financial Instrument Global Identifier (FIGI). It is important to note the FIGI is a product of Bloomberg LP, a prominent market data and media company with a large presence in many aspects of the financial markets.

We submit that the use of additional identifiers such as FIGI could prove extremely disruptive to Form N-MFP reporting for two primary reasons:

1. Consistency across reporting by money market funds

As noted under Background, for decades many filings to the SEC have keyed off of the aforementioned CUSIP identifier, which continues to provide reliable, transparent, and consistent reporting to the regulators and market participants alike. The proposal makes several mentions to compliance costs and whether the rule changes would have any material impact on those costs; we agree that the Commission should be sensitive to any new burden a rule change may impose. With that in mind, we submit that the greatest potential burden across the Form-NMFP reporting regime would come in the form of an alternative identifier submitted at the whims of each filing fund manager, and perhaps even on a holding by holding basis. Market participants and regulators alike would be left with the task of cross-referencing identifiers and money market fund holdings, thus both adding costs and undermining the goal of consistent, transparent reporting. This would, ironically, resurrect an earlier period of uncertainty in financial services that gave rise to the creation of the CUSIP system as an interoperable, common language.

2. Fungibility

One of the hallmarks of the CUSIP system is the critical, industry-driven notion of fungibility: simply put, Microsoft Common Stock is the same instrument for the purpose of unique identification *regardless of the venue of execution*. As such, all market participants know to report a holding of Microsoft common stock with the CUSIP **594918 10 4**.

With other identification schemas, including FIGI, a different method is employed: there are multiple identifiers for the same common stock *depending on the US Exchange where the shares are purchased*. The various FIGIs for Microsoft Common Stock, for example, include:

BBG000BPH9J3
BBG000BPH459
BBG000BPH6D5
BBG000BPH654
BBG000BPH958
BBG000BPHG07
BBG000BPHD40
BBG000BPH583
BBG000BPH8J5
BBG000BPH4R5

This multiplicity of identifiers is a deliberate feature of the FIGI system; for whatever reason, Bloomberg eschewed the notion of fungibility when creating their identifier. While the per-exchange nature of common stock is perhaps less of an issue for money market funds, we maintain that fungibility as an overall concept has CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

been a critical, if underappreciated, feature of regulatory reporting for years. Its disruption would bring, in our view, additional costs and burdens to all market participants.

The Inclusion of Commercial Terms in the Proposal

In Section 6, the proposal discusses benefits and costs of the proposed amendments to the various forms used by money market fund managers. In doing so, it mentions CUSIP as being “proprietary” and makes an unnecessary reference to “licensing restrictions.” While CGS, like other financial database providers, does seek to protect the reliability and integrity of the CUSIP system through the licensing of different database products, that concept has never applied to transactional use or regulatory reporting. The inclusion of “licensing restrictions and fees” simply isn’t relevant in this situation and we agree that money market fund managers would incur no additional costs or burden under the proposed changes.

Summary

The use of CUSIP in a wide range of regulatory reports and filings has served the Commission and the investor community well for decades, and continues to do so, providing unquestionable consistency and transparency. Indeed, the universal acceptance of the CUSIP system and the value it provides is well established. As set forth above, the addition of a second identification schema – in the case of FIGI, one that lacks fungibility – would be disruptive and only add to the compliance burdens to which the Commission is otherwise sensitive throughout the proposal.

Respectfully,



On behalf of CUSIP Global Services