

January 18, 2024

Ms. Vanessa Countryman
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

Re: Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of a Filing of a Proposed Rule Change to Amend MSRB Rule G-12 to Promote the Completion of Allocations, Confirmations, and Affirmations by the End of Trade Date (File No. SR-MSRB-2023-07)

Dear Ms. Countryman:

The Investment Company Institute¹ supports the Municipal Securities Rulemaking Board's (MSRB) proposed rule amendment to ensure the completion of allocations, confirmations, and affirmations by the end of the trade date for municipal securities transactions between brokers, dealers and municipal securities dealers (collectively, "dealers") and their institutional customers to facilitate the transition to a T+1 settlement cycle for transactions in municipal securities ("same-day affirmation").² Under proposed MSRB Rule G-12(k), a dealer effecting a municipal securities transaction subject to the T+1 settlement cycle³ would be required to either (1) enter into a written agreement with relevant parties to ensure allocation, confirmation, affirmation or any combination thereof, to be completed no later than the end of the day on the trade date; or (2) in lieu of a written agreement, establish, maintain, and enforce written policies and procedures

¹ The [Investment Company Institute](https://www.ici.org) (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in Europe, Asia and other jurisdictions. Its members manage total assets of \$31.9 trillion in the United States, serving more than 100 million investors, and an additional \$8.5 trillion in assets outside the United States. ICI has offices in Washington, DC, Brussels, London, and Hong Kong and carries out its international work through [ICI Global](https://www.ici.org/global).

² Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to Amend MSRB Rules G-12 and G-15 to Define Regular-Way Settlement for Municipal Securities Transactions as Occurring One Business Day after the Trade Date and to Amend Rule G-12 to Update an Outdated Cross Reference, Exchange Act Release No. 34-97257 (Apr. 6, 2023), 88 Fed. Reg. 22075 (Apr. 12, 2023) ("Proposal"), available at <https://www.sec.gov/files/rules/sro/msrb/2023/34-99226.pdf>.

³ We previously supported MSRB's rule amendments to shorten the settlement cycle to T+1 for municipal securities transactions. See Letter from R.J. Rondini, Director, Securities Operations, ICI to Vanessa Countryman, Secretary, SEC (May 2, 2023), available at <https://www.sec.gov/comments/sr-msrb-2023-03/srmsrb202303-182299-335022.pdf>. Since early 2021, ICI, SIFMA, and DTCC, through an Industry Steering Committee, have been leading the initiative to shorten the settlement cycle to T+1.

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reasonably designed to ensure the completion of the allocation, confirmation, affirmation, or any combination thereof, for the transaction as soon as technologically practicable and no later than the end of the day on trade date. This proposed amendment aims to promote regulatory consistency with the SEC, which has adopted a similar rule for same-day affirmation for equities, corporate bonds, and other products under Exchange Act Rule 15c6-2.⁴

ICI believes that same-day affirmation is important as a standard practice to facilitate T+1 settlement. Therefore, we support the MSRB's alignment with the SEC's requirement, which promotes consistency and operational efficiency. Importantly, the MSRB's proposal, if adopted, will provide dealers with the flexibility necessary to comply in a manner best suited to their infrastructure, customers, and products. Further, this approach will complement pre-existing efforts by funds and their advisers to move further toward a same-day affirmation standard. As we previously noted, we expect the same-day affirmation rate to continue to increase as market participants improve their processes and adopt electronic processing protocols to facilitate T+1 settlement.⁵

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We look forward to further working with the SEC and the MSRB as they continue their efforts to support a T+1 standard settlement cycle for the US securities markets. If you have any questions, please contact RJ Rondini at rj.rondini@ici.org or Nhan Nguyen at nhan.nguyen@ici.org.

Regards,

/s/ RJ Rondini

RJ Rondini
Director, Securities Operations

⁴ Shortening the Securities Transaction Settlement Cycle, Release Nos. 34-96930; IA-6239 (Feb. 15, 2023) 88 Fed. Reg. 13872 (Mar. 6, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-03-06/pdf/2023-03566.pdf>.

⁵ See Letter from Susan Olson, General Counsel, and Joanne Kane, Chief Industry Operations Officer, ICI, to Vanessa Countryman, Secretary, SEC (Apr. 11, 2022), available at <https://www.sec.gov/comments/s7-05-22/s70522-20123205-279513.pdf>.

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cc: Ernesto Lanza, Chief Regulatory and Policy Officer
Municipal Securities Rulemaking Board

Matthew Lee, Assistant Director
Office of Clearance and Settlement
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