

MEMO# 23737

August 24, 2009

ICI Letters on MSRB Proposals to Expand Disclosure Through EMMA

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TO: MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 38-09 RE: ICI LETTERS ON MSRB PROPOSALS TO EXPAND DISCLOSURE THROUGH EMMA

The Institute filed the attached comment letters with the Securities and Exchange Commission on two MSRB proposals intended to enhance transparency in the municipal securities market by expanding the disclosure information available to investors through the MSRB's Electronic Municipal Market Access system ("EMMA"). The letters are summarized below.

Information Regarding Continuing Disclosure Agreements

The MSRB proposal would require underwriters to provide to EMMA information about whether an issuer or other obligated person has undertaken to provide continuing disclosure, the identity of any obligated person other than the issuer, and the timing by which such issuers or obligated person have agreed to provide annual financial and operating data. [\[1\]](#) The Institute's letter states that requiring the submission of this data to EMMA would ensure the accessibility, and improve the utility, of such information for investors, as well as further the regulatory objective of enhancing transparency in the municipal securities markets. The letter also states that the benefits of integrating and packaging these pieces of information in EMMA would outweigh any perceived costs and risks.

Voluntary Submissions of Information

The MSRB proposal would permit issuers to submit certain additional primary market documents (e.g., preliminary official statements and other related pre-sale documents) and continuing disclosure information (e.g., information relating to the preparation and submission of audited financial statements and annual financial information) to EMMA. [2] The Institute's letter supports the proposed expansion of EMMA to accept voluntary disclosure information because of the information's considerable value to investors in performing credit analyses and making investment decisions. The letter states that the Institute is particularly supportive of permitting an issuer to disclose its decision to commit to produce more timely disclosure by undertaking to submit annual financial information to EMMA within 120 calendar days after the end of the fiscal year. The letter also explains that the Institute continues to recommend the establishment of a meaningful, mandatory timeframe by which issuers must file financial reports.

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[Attachment](#)

endnotes

[1] SEC Release No. 34-60314 (July 15, 2009), 74 FR 36300 (July 22, 2009), available at: <http://www.sec.gov/rules/sro/msrb/2009/34-60314.pdf>.

[2] SEC Release No. 34-60315 (July 15, 2009), 74 FR 36294 (July 22, 2009), available at: <http://www.sec.gov/rules/sro/msrb/2009/34-60315.pdf>.

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