

MEMO# 34067

March 9, 2022

ICI Response to MRSB's Request for Information on ESG Practices in the Municipal Securities Market

[34067]

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TO: ICI Members

Municipal Securities Advisory Committee

SEC Rules Committee SUBJECTS: Disclosure

ESG

Municipal Securities RE: ICI Response to MRSB's Request for Information on ESG Practices in the Municipal Securities Market

ICI submitted a letter responding to the Municipal Securities Rulemaking Board's request for information on environmental, social and governance (ESG) practices in the municipal securities market.[\[1\]](#) The letter is attached and summarized below.

ICI stated that, in the diverse and complex municipal securities market, ESG practices vary significantly and continue to evolve. Although municipal issuers must disclose material information, there is no "one size fits all" approach to issuer disclosure, including the type of information and level of detail provided. Nor is there a common approach to funds' investment strategies, including the information considered in a fund adviser's investment analysis. Given the diversity of the market and varied investment approaches by funds, there is no one answer to many of the questions raised in the request for information.

ESG-related investment practices are currently being shaped by the industry through, among other things, voluntary industry practices and market forces. These practices should be allowed to evolve before any regulatory actions are considered. As practices continue to evolve, ICI stated that it welcomes additional opportunities to engage with the Board to help it stay informed about industry developments.

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endnotes

[1] For a summary of the request for information, see Memorandum No. 33952 (Dec. 13, 2021), available at <https://www.ici.org/memo33952>.

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