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February 8, 2013

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Request for Comment on Concept Proposal to Require Underwriters to Submit Preliminary Official Statements to the MSRB's Electronic Municipal Market Access (EMMA®) System (MSRB Notice 2012-61)

Dear Mr. Smith:

The Investment Company Institute¹ supports the Municipal Securities Rulemaking Board's continuing efforts to increase transparency in the municipal securities markets. The MSRB's concept proposal, which would require underwriters to submit an issuer's preliminary official statement to the MSRB's EMMA[®] system,² is another step towards ensuring the accessibility and dissemination of important information to investors.

The need for comprehensive, accurate, and accessible disclosure in the municipal securities market is critical to investors because of the complexity, variety, and sheer number of securities in the market. As of third-quarter 2012, investors held 31 percent of the \$3.7 trillion municipal securities market through registered investment companies and another 47 percent directly. These investors need timely and efficient access to information to perform credit analyses, make informed investment decisions, monitor their securities portfolios, and protect themselves from fraud. Improving transparency and disclosure in the municipal securities market would not only provide investors with such needed access but also might strengthen investor confidence in the municipal securities market, benefiting investors and the marketplace as a whole.

¹ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$14.1 trillion and serve more than 90 million shareholders.

² See *Request for Comment on Concept Proposal to Require Underwriters to Submit Preliminary Official Statements to the MSRB's Electronic Municipal Market Access (EMMA®) System*, MSRB Notice 2012-61 (December 12, 2012), available at <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2012/2012-61.aspx>.

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In connection with this concept proposal, the MSRB is considering whether to require an underwriter of a new issue of municipal securities to submit an issuer's preliminary official statement relating to such new issue and all supplements thereto, if such documents have been prepared, to the MSRB for display on EMMA. To ensure the widest possible access at the earliest possible time, any such requirement would provide for the underwriter to submit the preliminary official statement and supplements to EMMA by the end of the day on which it receives either from the issuer.³ This requirement would be in addition to existing requirements under Rule 15c2-12 under the Securities Exchange Act of 1934 that an underwriter send a preliminary official statement, if one is available and until a final official statement is available, to a potential investor upon request, and of the requirement under MSRB Rule G-17 that a dealer selling municipal securities to a customer provide material disclosures at or prior to the time of trade.

We believe that municipal securities disclosure information should be timely submitted to a centralized source to ensure the availability, and to improve the utility, of such information. We therefore support a mandatory requirement to submit preliminary official statements and supplements to EMMA and also believe that it would advance the MSRB's long-standing goal of making information useful for an investment decision more easily available to all participants in the municipal securities market on an equal basis through a centralized, searchable, internet-based repository.

* * * *

We look forward to working with the MSRB as it continues to examine these critical issues. In the meantime, if you have any questions, please feel free to contact me directly at (202) 218-3563 or Jane Heinrichs, Senior Associate Counsel, at (202) 371-5410.

Sincerely,

/s/ Dorothy Donohue

Dorothy Donohue
Deputy General Counsel—Securities Regulation

cc: Lynette Kelly, Executive Director
Municipal Securities Rulemaking Board

³ If an issuer restricts the posting of the preliminary official statement or supplement on EMMA prior to the bond sale, the proposal would instead require underwriters to submit the preliminary official statement and all supplements thereto by no later than the time of first execution of trades in the new issue after the bond sale. Although issuers of municipal securities currently are encouraged to voluntarily post their preliminary official statements and other pre-sale documents on EMMA, only a limited number of issuers have chosen to do so to date.