

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **MSRB to Amend Requirements for Obtaining CUSIP Numbers.**

Washington, DC - The Municipal Securities Rulemaking Board (MSRB) received approval from the Securities and Exchange Commission to amend [MSRB Rule G-34](#), on obtaining CUSIP numbers. The amended rule, effective June 14, 2018, reflects the MSRB's long-standing interpretation that municipal securities dealers acting as placement agents in private placements of municipal securities, including direct purchase transactions, must obtain a CUSIP number.

Additionally, the amendments extend to non-dealer municipal advisors the requirement that a municipal advisor obtain a CUSIP number when advising on a competitive transaction in municipal securities.

"Clarifying who must obtain CUSIP numbers for which types of transactions aligns the rule with current market practices," said MSRB Executive Director Lynnette Kelly. "In the case of private placements, our goal is to provide greater transparency of transaction details if the securities do later trade in the secondary market."

As a result of multiple periods of public comment, the final rule amendments incorporate a principles-based exception from the requirement to obtain CUSIP numbers when the dealer (or municipal advisor in a competitive sale) reasonably believes the purchaser's present intent is to hold the municipal securities to maturity or earlier redemption or mandatory tender. To rely on the exception, the purchaser may be a bank, control affiliate of a bank or consortium of these entities, or a municipal entity that meets certain criteria under the rule (e.g., a state revolving fund or bond bank).

"Ultimately, the MSRB's participatory rulemaking process has resulted in an appropriately tailored rule that supports market transparency while accommodating those instances when there is little risk of a security later trading in the secondary market," Kelly said.

Date: December 15, 2017

Contact: Jennifer A. Galloway, Chief Communications Officer  
202-838-1500  
[jgalloway@msrb.org](mailto:jgalloway@msrb.org)