

Bond Case Briefs

Municipal Finance Law Since 1971

MSRB Extends 529 Plan Disclosure Date as Groups Push for More Clarification.

WASHINGTON — The Municipal Securities Rulemaking Board is giving 529 college savings plan underwriters a 60-day extension on the first date data submissions are due under a recently adopted rule.

The rule, MSRB Rule G-45, requires underwriters for 529 plans to submit information semi-annually using an online form called Form G-45. The form asks for specific data like plan descriptive information, assets, contributions, withdrawals, and fee and cost structure. Dealers are also required to provide performance data submissions annually. The information can either be submitted manually through MSRB's Electronic Municipal Market Access system or through a computer-t-computer interface, which was launched for beta testing in February.

Rule G-45 gives underwriters 60 days past each filing date to get their information to the MSRB. The first submissions under the rule would have been due 60 days after a semiannual period that ended Tuesday. The extension changes the end of the first reporting period to Oct. 28, meaning dealers now have 60 days past Oct. 28 to submit.

The MSRB formed and got feedback from a group of representatives from 12 different industry organizations that handle 529 plans soon after the Securities and Exchange Commission first approved the rule.

Lynnette Kelly, the MSRB's executive director, said feedback from the industry user group "has been essential" in developing the submission process. She added the extension announced Tuesday was done "to help ease the initial burden on industry participants" and to make sure the agency receives "complete and accurate information."

David Cohen, managing director and associate general counsel for the Securities Industry and Financial Markets Association, said the extension is "welcomed relief" and validates concerns that SIFMA has been raising for more than a year. The organization's main concerns center on the technical aspect of submitting with Form G-45 and the remaining interpretive questions SIFMA and others are working through with the MSRB.

"This 60-day delay gives dealers more time to conduct testing and gives the MSRB more time to answer implementation questions and finalize the Form G-45 manual," Cohen said, adding the manual is not currently "one-stop shopping" for technical and compliance issues. "Dealers need to piece together information from the rule, the MSRB submission to the SEC, the MSRB response to comment letters sent to the SEC, the manual, and webinar slides. All of this information should be in one place, the manual."

Rachel McTague, the director of media relations for the Investment Company Institute, said the institute is "pleased" with the extension.

"We've long advocated taking the necessary time to implement the rule, with a focus on the quality

of the information the MSRB receives from underwriters of 529 college savings plans rather than on speed,” the spokesperson said. “Among other things, this extension was needed to allow the MSRB time to address several issues relating to the filing process.”

The MSRB said in an accompanying regulatory notice that it believes the extension will provide underwriters with sufficient time to submit complete and accurate filings.

THE BOND BUYER

BY JACK CASEY

JUN 30, 2015 4:02pm ET

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com