

Washington, D.C. Update

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U.S. Big Themes

Election Year Antics



The “new” PFN

Public Finance Network



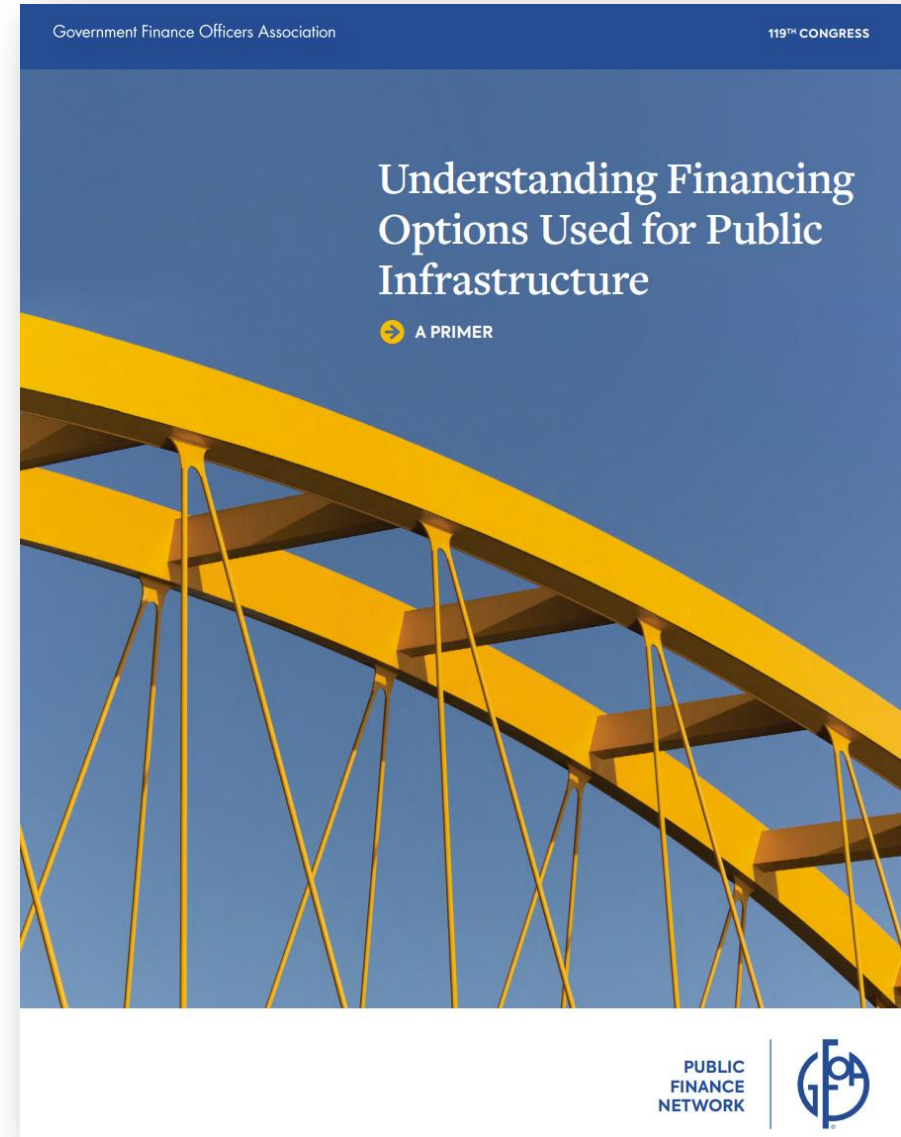


TEBs and Reconciliation

Market Data



- 10-year muni issuance
- Real effects of the loss of Advance Refunding
- Private Activity Bonds volume and caps
- State/Local contributions to Infrastructure vs. Fed
- Quality of investment and who are our investors





Protecting Bonds to Build Infrastructure and Create Jobs

A PROJECTED 10-YEAR ANALYSIS



- Tax Exemption saves issuers 210 basis points on borrowing costs
- \$4T market, loss of the exemption would cost \$823B in issuance costs over the next ten years.
- Equates to over \$6,500 per household



FDTA

GFOA/DIG Watch

FDTA – Data Standards Sec. 101



- “(1) COMMON IDENTIFIERS; QUALITY.—The data standards established in the final rules under subsection (b) shall—
- “(A) include common identifiers for collections of information reported to covered agencies or collected on behalf of the Council, which shall include a common nonproprietary **legal entity identifier** that is available under an open license for all entities required to report to covered agencies; and
- “(B) **to the extent practicable**—
 - “(i) render data **fully searchable and machine-readable**;
 - “(ii) enable **high quality data through schemas**, with accompanying metadata documented in machine-readable taxonomy or ontology models, which clearly define the semantic meaning of the data, as defined by the underlying regulatory information collection requirements;
 - “(iii) ensure that a data element or data asset that **exists to satisfy an underlying regulatory information collection requirement** be consistently identified as such in associated machine-readable metadata;
 - “(iv) be **nonproprietary** or made available under an **open license**;

5
1 “(e) DATA STANDARDS.—
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FDTA – Municipal Securities Sec. 203



- '(8)(A) The Commission shall adopt data standards for information submitted to the Board.
- "(B) Any data standards adopted under subparagraph (A) shall incorporate, and **ensure compatibility with (to the extent feasible)**, all applicable data standards established in the rules promulgated under section 124 of the Financial Stability Act of 2010...
 - (C) The Commission **shall consult market participants** in establishing data standards under subparagraph (A)....
 - (b) RULEMAKING.—
 - (1) IN GENERAL.—Not later than **2 years after the date** on which final rules are promulgated ... as added by section 5811(a) of this title, the **Securities and Exchange Commission shall issue rules to adopt the data standards** required ...
 - (2) **SCALING OF REGULATORY REQUIREMENTS; MINIMIZING DISRUPTION.**—(the SEC shall...)
 - (A) may **scale those data standards** in order to reduce any unjustified burden on smaller regulated entities; and
 - (B) shall seek to **minimize disruptive changes** to the persons affected by those rules.

3 SEC. 203. DATA TRANSPARENCY AT THE MUNICIPAL SECURITIES RULEMAKING BOARD.

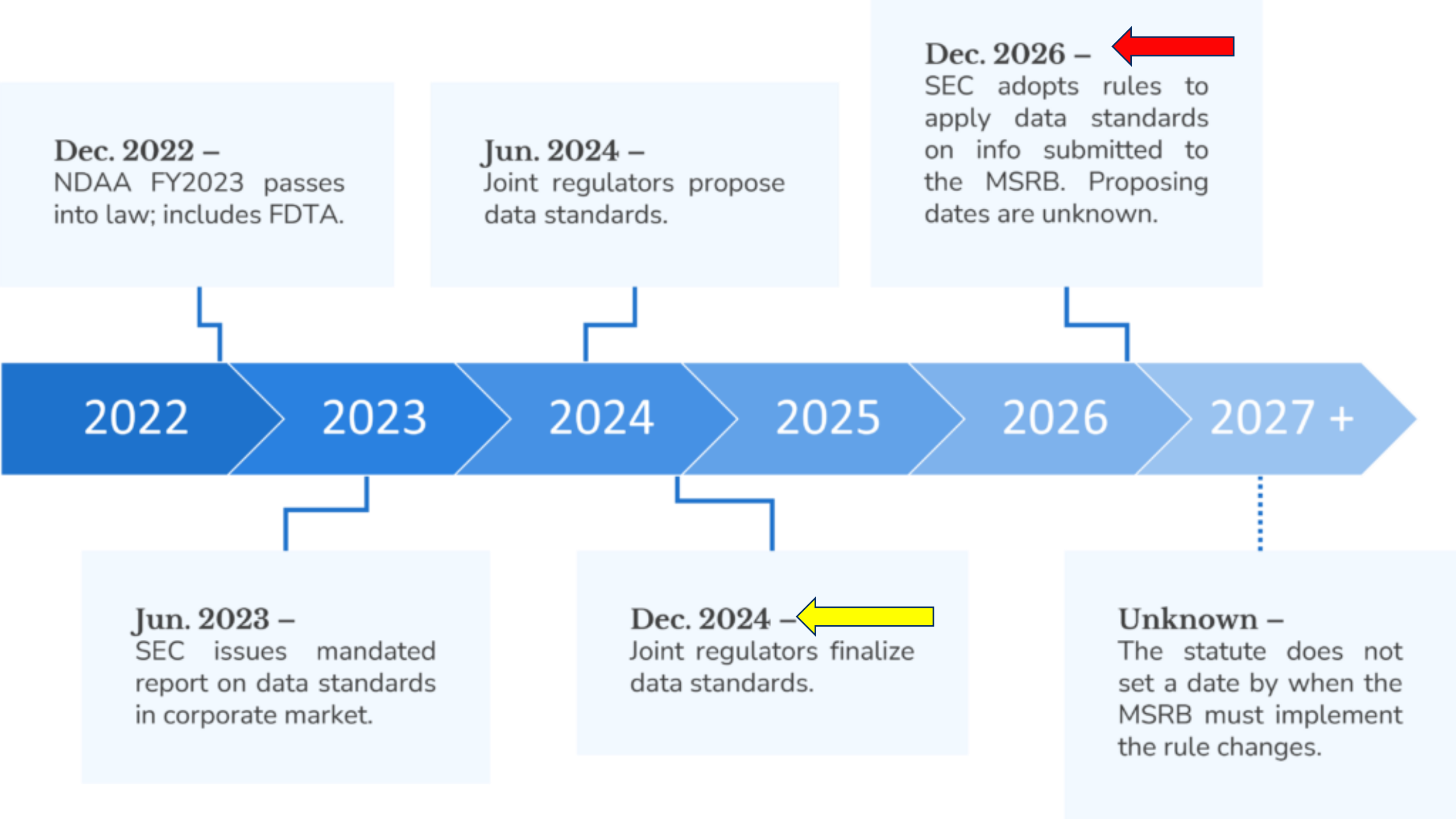
4
5 (a) IN GENERAL.—Section 15B(b) of the Securities
6 Exchange Act of 1934 (15 U.S.C. 78o-4(b)) is amended
7 by adding at the end the following:

8 “(8)(A) If the Board establishes information systems
9 under paragraph (3), the Board shall adopt data stand-
10 ards for information submitted through those systems.

11 “(B) Any data standards adopted under subpara-
12 graph (A) shall incorporate, and ensure compatibility with
13 (to the extent feasible), all applicable data standards es-
14 tablished in the rules promulgated under section 124 of
15 the Financial Stability Act of 2010, including, to the ex-
16 tent practicable, by having the characteristics described in
17 clauses (i) through (vi) of subsection (c)(1)(B) of such sec-
18 tion 124.”.

19 (b) RULEMAKING.—

20 (1) IN GENERAL.—Not later than 2 years after
21 the date on which final rules are promulgated under
22 section 124(b) of the Financial Stability Act of
23 2010, as added by section 101(a) of this Act, the
24 Municipal Securities Rulemaking Board shall issue
25 rules to adopt the standards required under para-



Dec. 2022 –
NDAA FY2023 passes into law; includes FDTA.

Jun. 2024 –
Joint regulators propose data standards.

Dec. 2026 –
SEC adopts rules to apply data standards on info submitted to the MSRB. Proposing dates are unknown.

2022

2023

2024

2025

2026

2027 +

Jun. 2023 –
SEC issues mandated report on data standards in corporate market.

Dec. 2024 –
Joint regulators finalize data standards.

Unknown –
The statute does not set a date by when the MSRB must implement the rule changes.



What Happens in Each Stage

- STAGE 1: Joint Regulators Adopt Data Standards 

- Who are the Joint Regulators
 - SEC, FDIC, OCC, etc.
- Decision on “Legal Entity Identifier (LEI)”
 - Mandatory? Or not Mandatory?
- Should everyone adopt the same standard?
Or can we adopt separate standards?
 - PDF, XML, XBRL, etc.

- STAGE 2: Two Year Clock Starts After Stage 1 

- Determination of WHO must comply
 - Where is the bright line for compliance?
 - Sector-by-sector implementation?
- Determination of WHEN they have to comply
 - Will there be a phased-in approach?
 - Will there be a penalty for noncompliance?
- Determination of HOW they have to comply
 - What are the Data Standards
 - Assets, Net Assets, Income, etc.

Other Legislative and Regulatory Matters

Coalition Watch



A few more to watch...

- ABS
- Rescissions and Clawbacks
- OBBBA Implementation
- Arbitrage concerns

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Debt Committee Projects