



Resource: MSRB Rule G-34 Obtaining CUSIP Numbers and Understanding the CUSIP Application Process

This document serves as a resource for NAMA members to better understand MSRB Rule G-34 and applying for CUSIP numbers. This document should not be relied on for compliance purposes nor does it constitute legal advice.

Additional Resources

- NAMA Webinar Presentation Materials and Access to Recording (May 16th Webinar): <https://nama2.memberclicks.net/nama-webinars?servId=7094>
- MSRB Notice on Rule G-34: <http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/~~/media/42845714AEEB4907953B224B0F79F8E7.ashx>

Determining if CUSIPs are Needed in a Competitive Sale

- Per MSRB Rule G-34, effective June 14, municipal advisors must apply for CUSIP numbers for all competitive sales for which they serve as the MA unless an exception applies.
- Exceptions for MA applying for CUSIP -
 - Bank or government purchaser intends to hold to maturity
 - Limited to bank purchasers and bond bank type of entities
 - MA “reasonably believes” purchaser intends to hold to maturity
 - Determine through review of transaction structure or documents
 - Obtain written representation from investor
 - To be included in RFP for private placement (if potential purchasers are limited to banks):
 - In addition to any other certificates reasonably required by the [issuer] or its counsel or advisors, the winning purchaser shall be required to certify as follows:
 - 1) That it is a bank or an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and
 - 2) That the present intent of the purchasing entity or entities is to hold the municipal securities to maturity or earlier redemption or mandatory tender.
 - Other party has obtained CUSIP
 - Co-municipal advisor
 - Placement agent

Applying for CUSIP numbers

- Rule G-34 goes into effect June 14, but MAs should consider applying for CUSIPs a day or two prior to that in order to ensure that they are compliant with the rule.

Applying for CUSIP numbers, Continued

- TIPS:
 - Link to applying for CUSIP using web-based platform - <https://www.cusip.com/cusiprequest/municipalDebt.do>
 - Not every field in the application must be completed when applying for CUSIPs. This will help MAs apply for CUSIPs within one business day of the Notice of Sale per the requirement in Rule G-34.
 - MA may indicate to NOT bill them (or client) by not checking the “bill to requestor” box. This will then allow CUSIP to invoice the winning underwriter.
 - Request Priority should usually be “REGULAR”
 - If you are not using the CUSIP platform for the application, you can email the offering documents to cusip_muni@cusip.com. The email should include notation that you are applying for CUSIP numbers, documentation such as the Notice of Sale or POS which includes information on the maturities, and that the CUSIP Bureau should invoice the winning underwriter.
 - Be sure that the security/source of payment section of the offering document is correct as it determines how the CUSIP number(s) are assigned.
 - Attach offering documents or in case of bank loan, consider submitting memorandum that discusses the sale and legal authority for the financing. A document must be uploaded with the application on the platform for the submission to be completed.
 - CUSIPs for short term notes (less than 12 months), are assigned AFTER the sale. However, to comply with Rule G-34, MAs should apply for the CUSIP per the Rule (no later than one business day after the Notice of Sale is distributed).
 - If the CUSIP numbers need to be amended due to final structuring of the bonds or cancelled, MAs should email CUSIP Global Services at cusip_muni@cusip.com. The MA will not be charged for cancelling CUSIPs
 - Unless client needs a LEI number (in addition to CUSIP) for the transaction, MA should UNCHECK the LEI number box. If getting an LEI number, the MA will be invoiced for the initial number, and the issuer will be invoiced annually for maintenance of that number. LEI numbers are mostly used for investments/investors outside of the United States.
 - **Once the bonds have been awarded to the winning bidder, final documentation needs to be sent to CUSIP to ensure that the previously unavailable data values are added to the CUSIP database (will be completed by CUSIP Bureau) and that the winning underwriter/purchaser will be invoiced. Final documents including the winning underwriter/investor and their contact information should be emailed to the CUSIP Global Services - cusip_muni@cusip.com. Or, documents can be uploaded directly using the final document link on the original CUSIP confirmation.**
 - If CUSIPs have already been assigned to a competitive transaction, the CUSIP Bureau will notify the MA that there is a duplicative application, and will provide the CUSIP numbers already assigned to the transaction. For G-34 purposes, even if CUSIPs are already assigned, MAs should document that they applied for CUSIPs.
 - CUSIP’s Municipal Operations Staff is willing to answer any questions you may have about the process.

Compliance Considerations

- MAs should retain the email sent to CUSIP with the offering documents or the email from CUSIP that the application has been received per the CUSIP platform to demonstrate that the MA applied for the CUSIP.
- MA Firms should revise their WSPs and policies and procedures to address Rule G-34
- MA Firms should determine how they will maintain an internal calendar of competitive sales and obtaining CUSIPs.
- If relying on an exception, MA Firms should determine how they will document using the exception.