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Via Electronic Submission

Christopher Kirkpatrick, Secretary of the Commission,
Commodity Futures Trading Commission (CFTC),
Three Lafayette Centre, 1155 21st Street, NW,
Washington, DC 20581.

Secretary, U.S. Securities and Exchange Commission (SEC),
100 F Street NE,
Washington, DC 20549-1090.

Re: Amendments to Form PF to Amend Reporting Requirements for All Filers and Large Hedge Fund Advisers; Joint Proposed Rules, CFTC RIN 3038-AF01, SEC RIN 3235-AN13 and File Number S7-22-22

Dear Secretaries:

The American Bankers Association (ABA)[1] appreciates the opportunity to comment on the joint proposed rules (joint proposal)[2],of the Commodity Futures Trading Commission (CFTC) and the U.S. Securities and Exchange Commission (SEC) (together, the Commissions), which would amend Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a commodity pool operator (CPO) or commodity trading adviser (CTA). The Commissions state that the policy goals of the amendments are (i) enhancing FSOC's monitoring and assessment of systemic risk and to provide additional information for FSOC's use in determining whether and how to deploy its regulatory tools; (ii) facilitating the collection of additional data for use in the Commissions' regulatory programs, including examinations, investigations and investor protection efforts relating to private fund advisers, and (iii) improve the usefulness of this data.[3]

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[1] The American Bankers Association is the voice of the nation's $23.7 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard nearly $19.6 trillion in deposits and extend $11.8 trillion in loans.
[2] Commodity Futures Trading Commission and U.S. Securities and Exchange Commission, Joint Proposed Rules, "Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers", 87 Fed. Reg. 53832, September 1, 2022.
[3] *Id* at 53833.

In this comment letter, we specifically address Item 155[4] under the list of issues requesting comments

155. In Question 40[5], are there other unique identifiers, in addition to or in lieu of LEI or CUSIP that we should add in addition to those proposed (e.g., for commodities or indices)? Alternatively, should we permit advisers to report FIGI in lieu of CUSIP in Question 40 rather the requiring advisers to report CUSIP?

As we explain below, we respectfully submit that the Commissions should not permit advisers to substitute the requirement to report the CUSIP identifier for FIGI.

We begin our comment letter by providing background information about CUSIP, followed by a discussion of why the Commissions should only require the reporting of the CUSIP identifier for a reference asset.

Background

ABA comments as owner of the CUSIP identification system. In 1964, as a response to the securities settlement "paper crunch," the NY Clearing House Association approached the ABA to develop a more efficient system for the trading, clearing, and settlement of securities. Thus, was the Committee on Uniform Security Identification Procedures – CUSIP – born, with the first directory being published in 1968.[6] In the ensuing decades, in parallel with widespread adoption and implementation by market participants, an increasing number of clearing corporations, regulators, and market authorities came to recognize the value and reliability of the CUSIP system. Under the direction and guidance of the CUSIP Board of Trustees, comprised of a cross-industry senior group of experts, CUSIP has continuously met new market needs by supporting identifiers for an ever-expanding universe of asset classes: municipal bonds, commercial paper, US treasury bonds, mortgage-backed securities, and banker's acceptances, and to name just a few. Over 50 years later, that spirit of innovation, sustained investment, and commitment to powering efficient capital markets lives on.

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[4] *Id* at 53862.
[5] Question 40 in Section 2 of the proposed amended Form PF (Question 40), *id* at 53938 to 53939.
[6] "…The CUSIP system represents the foundation of the program to improve the speed and accuracy in the processing of securities and transactions involving them. We urge you to build upon that foundation as quickly as possible and again congratulate all of the organizations and individuals who participated in the development of the CUSIP system for their noteworthy achievement." – SEC Chairman Hamer Budge, June 20, 1969.

The Final Rule Should Require Reporting of Securities Identifiers that are Fungible

We believe that the specific reference to CUSIP security identifiers in Item E of Section 3 (Portfolio Information) of current SEC Form PF[7] is essential to assist FSOC in its assessment of systemic risk in the U.S. financial system. We further believe that, in the context of the joint proposal's requirement that advisers to qualifying hedge funds provide information on exposure to reference assets, that the CUSIP identifier of the reference asset, if any, is to be reported will also be essential. This is because, as we explain below, the CUSIP identifier for each security is fungible.

Fungibility is Essential in Meeting the Joint Proposal's Objectives of Enhancing the Monitoring and Assessment of Systemic Risk

ABA respectfully submits that, for the purpose of Question 40, the identifier that is reported for each reference asset must be fungible. Fungibility means that a security of an issuer is the same instrument for the purpose of unique identification regardless of the venue of execution and is one of the hallmarks of the CUSIP system. Fungibility of securities identifiers is industry-driven. For example, Microsoft Corporation Common Stock (Microsoft) is the same instrument for the purpose of unique identification regardless of the venue of execution. All market participants with holdings of Microsoft, and which are required to be reported do so with just one CUSIP identifier.

CUSIP Identifiers for MSFT Common Stock	
1	**594918 10 4**

With the Financial Instrument Global Identifier (FIGI) and certain other identification schemas, a different method is employed: there are multiple identifiers for the same financial instrument depending on the exchange where the instruments are purchased.

Continuing to use Microsoft for example, there are at least 180 FIGIs.

FIGI Identifiers for MSFT Common Stock									
1	BBG007F5XJX2	5	BBG00KD95H62	9	BBG000DMWN19	13	BBG00FZLPPW3	17	BBG00KD95GS0
2	BBG00KD95HJ8	6	BBG00KD95GV6	10	BBG00DGYRDW6	14	BBG00FZLPQ33	18	BBG007F5XJP1
3	BBG007F5XJM4	7	BBG00QG4Z016	11	BBG000DMWMK0	15	BBG0059JHQS1	19	BBG007F5XJT7
4	BBG00KD95HL5	8	BBG00QG4YZL8	12	BBG002JV1GY2	16	BBG007F5XJW3	20	BBG0059JHRB7

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[7] As the Commissions note in footnote 3 of the Proposing Release, 87 Fed.Reg. 53832 at 53833, Sections 1 and 2 of current Form PF were jointly promulgated and are thus the same in both versions of Form PF. While current CFTC Form PF contains a Section 3, it does not contain Item E (Portfolio Information) which SEC Form PF does. *See* CFTC Form PF at https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/formpf.pdf and SEC Form PF at https://www.sec.gov/files/formpf.pdf

	FIGI Identifiers for MSFT Common Stock (continued)								
21	BBG00KD95GS0	54	BBG007F5XJN3	87	BBG00QG4YZZ3	120	BBG00FZMHMQ4	153	BBG00JPR0YF0
22	BBG007F5XJP1	55	BBG007F5XK14	88	BBG00QG4YZP4	121	BBG000BPHGW2	154	BBG00KD95HK6
23	BBG007F5XJT7	56	BBG00KD95GY3	89	BBG00JN893V5	122	BBG000BPHGN2	155	BBG013QNM6T4
24	BBG0059JHRB7	57	BBG00FZLPQ15	90	BBG007F5XK41	123	BBG00Q6RT5K1	156	BBG00QNK37C0
25	BBG00KD95HC5	58	BBG007F5XJH0	91	BBG007F5XJY1	124	BBG000BPHFS9	157	BBG00ZJX7B98
26	BBG00KD95H80	59	BBG00QG4YZF5	92	BBG018J15ZN0	125	BBG0032FLQV2	158	BBG000HPKRW8
27	BBG00KD95GP3	60	BBG00QG4Z007	93	BBG018Z9XN06	126	BBG001HRJ017	159	BBG00QNK31L3
28	BBG00FZLPPK6	61	BBG00JN8L8Q6	94	BBG000QFV2X2	127	BBG00FZLPQ42	160	BBG00GQ6S779
29	BBG00FZLPQ60	62	BBG00KD95GZ2	95	BBG00JPY91C1	128	BBG00KD95H71	161	BBG0077H2VN3
30	BBG00FZLPPQ0	63	BBG00QG4YZN6	96	BBG00WWCZJG0	129	BBG00FZLPPV4	162	BBG0089KGM75
31	BBG00QG4Z034	64	BBG007F5XJK6	97	BBG000BPH958	130	BBG00QG4YZX5	163	BBG007F5XK32
32	BBG00QG4YZQ3	65	BBG00FZLPQ24	98	BBG000DMWLT3	131	BBG00QG4YZR2	164	BBG018Z9XMZ0
33	BBG00QG4YZS1	66	BBG000HPKT18	99	BBG00ZJX7BB5	132	BBG00QG4Z0C4	165	BBG000QFV2D4
34	BBG00QG4Z043	67	BBG000BPH8J5	100	BBG00J784LM8	133	BBG00JN84965	166	BBG00JPY91B2
35	BBG00FZLPPX2	68	BBG00ZJX7BF1	101	BBG00WWCZJH9	134	BBG000BPH459	167	BBG000HD6F93
36	BBG000DMWPQ7	69	BBG002YTK8F8	102	BBG00YFS91N0	135	BBG00Y925853	168	BBG00FZLPQ88
37	BBG00WWCZJD3	70	BBG00ZJX7BC4	103	BBG00KD95H17	136	BBG000BPHG07	169	BBG000RFRFK1
38	BBG00B8TC802	71	BBG00QNK31M2	104	BBG00KD95H53	137	BBG000BPH583	170	BBG00J7BK3T6
39	BBG000DMWRC8	72	BBG0032FLQS6	105	BBG00KD95HG1	138	BBG00YFS91L2	171	BBG00FZMHMP5
40	BBG013QNM6V1	73	BBG001HRJ008	106	BBG00KD95HB6	139	BBG00YFS91J5	172	BBG00QG4Z0B5
41	BBG00Q6S7PM7	74	BBG0032FLQT5	107	BBG00FZLPQ79	140	BBG00JX0P0V9	173	BBG00Y925844
42	BBG00QNK37D9	75	BBG000DMWNZ2	108	BBG007F5XJL5	141	BBG000DMWMD8	174	BBG00JPY8XZ7
43	BBG000BPH6D5	76	BBG000DMWPK3	109	BBG007F5XJF2	142	BBG000LF7Z07	175	BBG00QNK35Q9
44	BBG00DJCXB49	77	BBG000DMWQM9	110	BBG00FZLPPN3	143	BBG00WWCZJF1	176	BBG018Z8ZMD4
45	BBG000HSSV64	78	BBG00GQ6S788	111	BBG00FZLPQ97	144	BBG002YTK8G7	177	BBG000RYMTY0
46	BBG000HSSTG8	79	BBG000BPH9J3	112	BBG00KD95HD4	145	BBG00JPY8Y03	178	BBG00JPY8VC6
47	BBG00ZJX7BD3	80	BBG000BPHG89	113	BBG00KD95GX4	146	BBG00QNK35R8	179	BBG00Y7B59W3
48	BBG00KD95H08	81	BBG0077H2VP1	114	BBG00FZLPPS8	147	BBG00DGYRDY4	180	BBG00JPR0YD2
49	BBG00KD95H99	82	BBG000BPHD40	115	BBG0059JHR27	148	BBG018Z8ZMF2	181	BBG001S5TD05
50	BBG00FZLPPT7	83	BBG007F5XJZ0	116	BBG018H7JX68	149	BBG000RYMVG5		
51	BBG007F5XJV4	84	BBG0089KGM84	117	BBG00B8TC820	150	BBG00JPY8VD5		
52	BBG007F5XJB6	85	BBG00KD95HH0	118	BBG000RFRFV9	151	BBG00J7BK3X1		
53	BBG0059LB8J2	86	BBG00QG4YZJ1	119	BBG00J7BK3V3	152	BBG00Y7B59X2		

To illustrate how these 181 FIGIs are different, BBG000HPKT18 represents Microsoft Common Stock traded on the Hong Kong Exchanges and Clearing Ltd, BBG000BPH958 represents the same stock traded on the Chicago Stock Exchange, BBG000BPH654 represents it traded on the New York Stock Exchange Inc, and BBG000BPH4R5, in turn, the same stock traded on another NYSE exchange – NYSE Mkt LLC. Another FIGI like BBG000BPH459 is a FIGI Composite representing the stock traded on any of the US exchanges – but not international exchanges, while BBG00JPR0YD2 is another FIGI Composite and BBG001S5TD05 is a Share Class FIGI.

Building further on the Microsoft common stock example, if one adviser reports Microsoft as a reference asset that corresponds to shares that were purchased on the NYSE Mkt LLC and another

adviser reports Microsoft as the reference asset corresponding to shares purchased on the Hong Kong Exchange and Clearing, the advisers could accurately report using two different FIGI identifiers `BBG000BPH4R5` and `BBG000HPKT18` respectively in their Forms PF <u>for the identical reference asset</u>. In fact, the first party could correctly also choose `BBG000BPH459` for the US composite, while the second party could also correctly choose `BBG000HPKRW8`, the composite including Hong Kong, or even `BBG001S5TD05` the Share Class identifier. Of note is that the Bloomberg Terminal features only the US FIGI Composite `BBG000BPH459` in its user interface as shown below[8], which clearly does not apply to the Hong Kong traded shares. This multiplicity of correct FIGI identifier options for **all** market participant to use in their reports does not enhance the monitoring and assessment of systemic risk, but, to the contrary, increases lack of transparency and the potential for inconsistencies. In fact, this multiplicity of identifiers is a deliberate feature of the FIGI system and would lead to inefficiency and errors in the reporting and monitoring of exposure to reference assets, thus undermining the very purpose of Question 40. Moreover, none of the possible types of FIGI identifiers assigned to a security – FIGI, FIGI Composite, or Share Class FIGI – are fungible across all the asset classes that the Commissions require to be included in the form PF reports.

The joint proposal asks, in Item 155, whether the Commissions should permit advisers to report FIGI in lieu of CUSIP in Question 40 rather the requiring advisers to report CUSIP. We respectfully submit that FSOC and the Commissions should only rely on fungible identifiers, which CUSIPs are and FIGIs are not. We also note that Item E in Section 3 of the proposed amended Form PF continues to require the use of CUSIP and makes no mention of FIGI, enabling even further inconsistencies if FIGI was allowed in response to Item 155, easily resulting in different CUSIP-FIGI combinations in different form PF submissions.

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[8] All fields not relevant to the discussion are shaded out for intellectual property reasons.

Summary

The universal acceptance of the CUSIP system due to its fungibility and efficacy is well established. This is not the case for FIGI. We respectfully submit that allowing advisers to report non-fungible security identifiers like the FIGI in any part of Form PF will be counter to the Commissions' stated policy goals in the proposed amendments to the form of enhancing the monitoring and assessment of systemic risk.

Respectfully,

/s/ Tab Timothy Stewart

Tab Timothy Stewart,
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American Bankers Association