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| |  |  | | --- | --- | | |  | | --- | | Professional Standards Committee Highlights **“QUICK HITS” VIDEO ON EXPANDED ACCESS TO**  **PRIVATE MARKET SECURITIES FOR**  **STATE AND LOCAL GOVERNMENTS** | |  |  |  | | --- | --- | | |  | | --- | |  | |  |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | The SEC's change of climate on climate change and ESG | Greenbiz   |  | | --- | | The U.S. Securities and Exchange Commission (SEC) recently adopted a change to their rules that expands access for state and local governments to commercial paper, negotiable bank deposits and corporate bonds. Prior to the change, state and local government entities, regardless of size, were not included in the definition of “accredited investor” or “qualified institutional buyer” (QIB) and therefore did not have access to private market securities.  The new definition for these terms now includes state and local governments and applies a principles and rules-based approach dependent on sophistication or size rather than type of entity. Investors — *other than natural persons who are qualified by professional qualification* — must meet an asset test. The investing entity must control at least $5 million in assets to qualify as an accredited investor and must own $100 million of securities to be a QIB.  Click [here to watch](https://us-east-2.protection.sophos.com/?d=vimeo.com&u=aHR0cHM6Ly92aW1lby5jb20vNTU1OTE4NTMzL2E5NTdmNmEzOWE=&i=NWU1MDYxMGM4NjNmNmMxN2RkZDVjY2Yw&t=emp5UDZJQjNqT0RCRklrR0p3SXI2WnphM0VWdE5vUmNnSTl5SmZYQWpTMD0=&h=46d01cf70f2346b3a96af6baa98ba241) a “**quick hits**” video presented by Marty Margolis, Chief Investment Officer for PFM Asset Management, which addresses the following questions on this topic:   * Why are these changes important? * What is the downside or risk to these changes? * What types of risk management strategies should be considered when investing in commercial paper?   You can also find Committee Highlights on other topics at <https://www.csmfo.org/professional-standards-committee-highlights/>.  If you have questions regarding this topic, contact Jason Al-Imam, Chair of the Professional Standards Committee at [standards.chair@csmfo.org](mailto:standards.chair@csmfo.org).  The Professional Standards Committee operates as a technical resource to CSMFO members. The Committee is comprised of municipal and commercial members whose mission is to keep members informed of emerging issues and best practices. | | |  |  | | --- | |  | |