

October 29, 2022

**By Email**

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 205499-1090  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

**Re: Release No. 34-94313; File No. S7-08-22 Short Position and Short Activity Reporting by Institutional Investment Managers**

Ms. Countryman:

Corruption thrives out of sight. If there is a systemic gap in reporting requirements for short positions and short activity, the gap will be exploited, fraud will increase in scale, and a cultural propensity towards fraudulent activity will develop.

“While short selling can serve useful market purposes, it may also be used to drive down the price of a security, to accelerate a declining market in a security, or to manipulate stock prices.”

This quote from the rule proposal indicates that the SEC is also aware of the threat posed by inadequate reporting requirements surrounding short sale positions on securities.

“The Commission has received requests to increase transparency into short sale related activity through the adoption of reporting requirements similar to those currently required by holders of long positions above certain thresholds.”

Reporting requirements for long positions above certain thresholds are implemented to minimize the risk of fraudulent and manipulative trading practices at a large and institutional scale. To suggest that such reporting requirements are necessary for long positions but unnecessary for short positions (which have as much capacity to affect market movement and share price) is illogical and introduces an exploitable systemic gap.

This proposal as a movement towards greater transparency is extremely welcome as an action against corruption and fraudulent economic activity.