



December 17th, 2021

VIA Email: rule-comments@sec.gov

Vanessa A. Countryman, Secretary
U.S. Securities & Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re:File No. S7-18-21
Reporting of Securities Loans

Dear Ms. Countryman,

Provable Markets LLC (“PML” or the “Firm”) appreciates the opportunity to comment on proposed Securities and Exchange Commission (the “SEC” or the “Commission”) Rule 10c-1, which sets out to increase transparency in the Securities Lending market through enhanced reporting and dissemination of loan data.

PML was recently approved as a Financial Industry Regulatory Authority (“FINRA”) member to operate a broker-dealer and an Alternative Trading System (“ATS”) called Aurora. Aurora is being constructed to strengthen market structure, and expand access points to market participants in the financing markets. FINRA approval allowed for the ATS to operate a marketplace for Securities Lending (“SL”), Security Based Swaps (“SBS”), and financing related option trades. In addition, PML is one of two Approved Securities Finance Transaction (“SFT”) Submitters for the forthcoming Depository Trust and Clearing Corporation’s (“DTCC”) SFT Clearing Service¹ which is pending regulatory approval. The SFT Service, in the view of the Firm, brings a marked and important sea change that underlies today’s U.S. SL market structure by providing NSCC members and sponsored members the ability to centrally clear SL transactions.

PML is supportive of the recent efforts the SEC has put forth to strengthen SL and SBS market structure. To wit, PML commented earlier this year on SR-FINRA-2021-008, and the related proposed rule changes to SBS² stating specifically, “the Firm is intent on furthering the goals of Title VII of the Dodd-Frank Act of 2010 (“Title VII”)”.

¹ <https://www.dtcc.com/-/media/Files/Downloads/Clearing-Services/SFT-Clearing-Service-Fact-Sheet.pdf>

² <https://provablemarkets.com/docs/sr-finra-2021-008.pdf>

With the publication of proposed rule 10c-1 for SL, along with new proposals for SBS via file no. S7-32-10³ and file no. S7-19-21⁴, the Commission has introduced nearly 500 pages of material for participants to digest, discuss, and comment on. The SL and SBS markets are highly complementary, and increasingly being used by market participants to achieve similar economic goals. While PML applauds efforts of the Commission to advance the goals of Section 984(b) of the Dodd-Frank act through this filing, it is in agreement with submissions by the Securities Industry and Financial Markets Association (“SIFMA”)⁵, the American Securities Association (the “ASA”)⁶, and others that the gravity of said proposals warrants significant time to assess. As such, PML respectfully requests the SEC extend the comment period for the aforementioned proposals to a period of 90 days, and reiterates the view of SIFMA that, “the Commission announce such an extension as soon as possible to allow firms and the public to make appropriate plans to solicit meaningful feedback from interested market participants that they can incorporate in comments on the Proposal.”⁷

PML looks forward to its opportunity to submit comments on Rule 10c-1 in due course, in addition to SBS related rules, and any other forthcoming proposals within the Firm’s purview. If you have any questions, please feel free to contact the undersigned.

Respectfully,

Matthew R. Cohen
Chief Executive Officer
Provable Markets LLC




EC:

The Honorable Gary Gensler, Chair
Theresa Hajost, Special Counsel
Samuel Litz, Special Counsel
John Guidroz, Branch Chief
Josephine Tao, Assistant Director-Office of Trading Practices:Division of Trading and Markets
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³ <https://www.sec.gov/rules/proposed/2021/34-93784.pdf>

⁴ <https://www.sec.gov/rules/proposed/2021/34-93614.pdf>

⁵ <https://www.sec.gov/comments/s7-18-21/s71821-9402961-262828.pdf>

⁶ <https://www.sec.gov/comments/s7-18-21/s71821-9418382-263333.pdf>

⁷ See *supra* note 5, pg. 2