Dear Securities and Exchange Commission (and whomever is reading this letter),

Hello! I hope this letter/comment finds you well, and that equally you are having a pleasant day (especially given the current circumstances). I would like to introduce myself as a retail investor who, in relation to some of the big names you have probably heard from, is relatively new to the market. That introduction is not to short sell (ha, get it?) my own experience or opinions though, as I feel me along with many other people have quite a list of things that we wish to be heard. While I speak mostly for myself in this letter/comment, I do not believe I am the only person who holds any of these opinions.

Pleasantries aside, I am writing this letter to you to comment on the proposed rule S7-18-21, otherwise known as ‘Reporting of Securities Loans’, or the ‘Short Position and Short Activity Reporting by Institutional Investment Managers’. I believe these changes are very positive in relation to market transparency, especially on the retail side of things, although with that said there are a few small observations and opinions on those that I would like to raise in this comment.

As a first note, while it is understandable that nobody wants to be filing paperwork on a daily basis, I do not believe that monthly is as transparent as we could get with some of this information (especially given the leniency for filing of 14 days after a month period). With this information reporting on a monthly basis, I do feel that steps in the right direction are being taken. Although we do live in a digital age, in spite of our very obviously legacy systems and reporting functions, there is plenty of room to develop a system for this reporting to become more frequent than just monthly but I do understand that updating regulations takes time.

Secondly, I would like to make it known that I can understand the want for the public to see more anonymous data based on these reports. As a potential business I can see why it would be upsetting to have these positions just public with a name behind them, and as an individual I can understand that anonymous reporting tends to make people a little more honest. That said though, it is worth keeping in mind that it is also easier for those statements just made to be the exact opposite. As a proponent for industry transparency I can see all too well firms taking advantage of this anonymous public data in order to find loopholes around the system or public response.

Lastly, the supplemental changes to SHO and CAT that ‘would require broker-dealers to collect and submit additional data on purchases to cover short sales’ I think are good changes. Once again this goes back to the greater transparency. Greater transparency is always a good thing, especially in a finance market where it becomes very easy to forget that numbers can mean people and not just a profit margin. The general message of ‘identifying potentially abusive trading practices’ I can wholeheartedly agree with, but as a note on that as well there is a difference between the act of identifying and responding to.

With all that said, in general the proposed changes in S7-18-21 are what I would like to feel is a move in the right direction. Market transparency is always a good thing, and not just for regulators, but also for retail investors and the normal average Joe as well.

Sincerely,
A Hopeful Investor