

# COMMITTEE ON CAPITAL MARKETS REGULATION

December 6, 2021

Vanessa A. Countryman, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

VIA ELECTRONIC MAIL: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File Number S7-18-21: Reporting of Securities Loans (the “**Securities Lending Proposal**”)

Dear Madam:

The Committee on Capital Markets Regulation (the “**Committee**”) appreciates the opportunity to comment on the Securities Lending Proposal by the Securities and Exchange Commission (“**SEC**”), which would require the reporting and public disclosure of securities lending transactions and certain related information.<sup>1</sup>

Founded in 2006, the Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. Our membership includes thirty-eight leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Dean, Columbia Business School) and John L. Thornton (Chairman, The Brookings Institution) and led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

The Securities Lending Proposal would, for the first time, require any person that loans a security on behalf of itself or another person to report to a registered national securities association (an “**RNSA**”), such as the Financial Industry Regulatory Authority (“**FINRA**”), the material terms of those loans, information regarding the securities the person has on loan, and information regarding the securities the person has available to lend.<sup>2</sup> The RNSA would then publicly disseminate transaction data as soon as practicable and aggregated data concerning securities on loan and securities available to lend by the next business day.<sup>3</sup>

Once published in the Federal Register, the Securities Lending Proposal will have a very short comment period of thirty days.<sup>4</sup> Given the complexity and importance of the issues involved, the Committee believes additional time is necessary to evaluate how the Securities Lending

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<sup>1</sup> See U.S. SEC. & EXCH. COMM’N, *Reporting of Securities Loans*, Release No. 34-93613 (Nov. 18, 2021), <https://www.sec.gov/rules/proposed/2021/34-93613.pdf> [the “**Securities Lending Proposal**”]. See also U.S. SEC. & EXCH. COMM’N, *Press Release: SEC Proposes Rule to Provide Transparency in the Securities Lending Market* (Nov. 18, 2021), <https://www.sec.gov/news/press-release/2021-239>.

<sup>2</sup> Securities Lending Proposal, *supra* note 1, at 40-43.

<sup>3</sup> Securities Lending Proposal, *supra* note 1, at 41-42.

<sup>4</sup> Securities Lending Proposal, *supra* note 1, at 1.

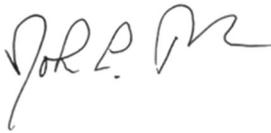
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Proposal is likely to affect U.S. capital markets, and we respectfully request that the SEC extend the comment period accordingly.

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Thank you very much for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Prof. Hal S. Scott [REDACTED], or Executive Director, John Gulliver [REDACTED], at your convenience.

Respectfully submitted,



John L. Thornton  
Co-CHAIR



Hal S. Scott  
PRESIDENT



R. Glenn Hubbard  
Co-CHAIR