

## Statement

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# Proposed Updates to Securities Lending Market



**Chair Gary Gensler**

**Nov. 18, 2021**

This week, the Commission voted unanimously in support of a proposed rule designed to strengthen the transparency and efficiency of the securities lending market.

Securities lending and borrowing is an important part of our market structure. The lending process can help investment funds, endowments, and pension funds generate additional revenue. The borrowing process can help broker-dealers and investors participate in market-making, short selling, and other activities.

Currently, though, the securities lending market is opaque. Although private data vendors collect and sell some lending data, this information is incomplete, as not all market participants choose to participate. Market participants have had to pay to subscribe to multiple feeds to access even the limited data available. Together, this results in information asymmetries between borrowers and lenders, creating inefficiencies in this market.

After the 2008 financial crisis, Congress instructed the Commission to strengthen the transparency of the securities lending market. The public benefits from that transparency and competition. This gets to the heart of the SEC's mission.

Under the newly proposed rule, data about securities lending transactions would be reported to a registered national securities association within 15 minutes. Further, at the end of each business day, lenders would be required to report the number of shares of each security they have lent out, as well as the number of shares available to borrow.

In today's fast-moving financial markets, it's important that market participants have access to fair, accurate, and timely information. I believe this proposal would bring securities lending out of the dark.

We have put out this proposal for comment, and I look forward to hearing feedback from the public. Please submit your comments at [sec.gov](https://www.sec.gov).

I'd like to thank the following SEC staff for their diligent work on this proposal: David Saltiel, Josephine J. Tao, John Guidroz, Theresa Hajost, Samuel Litz, Elizabeth Sandoe, Roni Bergoffen, Laura Gold, Meredith Macvicar, Roland Lindmayer, and Nicole Williams in the Division of Trading and Markets; Jessica Wachter, Amy Edwards, Peter Dixon, Paul Barton, Yashar Barardehi, Qiyu Liu, Andrew Glickman, Jill Henderson, Oliver Richard, and Hamilton Martin in the Division of Economic and Risk Analysis; Meridith Mitchell, Marie-Louise Huth, Robert Teply, William Miller, Janice Mitnick, John Sholar, and Brooke Wagner in the Office of the General Counsel; Jay Scoggins in the Division of Enforcement; Viktoria Baklanova; Trace Rakestraw, and Penelope Saltzman in the Division of

Investment Management; John Polise, Carrie O'Brien, Paula Sherman, and Christine Sibille in the Division of Examinations; and Barbara Volpe, Naomi Perry, Cakesha Hardin, and Crystal Wilson in the Office of the Secretary.

## Related Materials

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- [Proposed Rule](#)