

Press Release

SEC Adopts Rule to Increase Transparency in the Securities Lending Market

FOR IMMEDIATE RELEASE

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Washington D.C., Oct. 13, 2023 — The Securities and Exchange Commission today adopted new Rule 10c-1a, which will require certain persons to report information about securities loans to a registered national securities association (RNSA) and require RNSAs to make publicly available certain information that they receive regarding those lending transactions. The rule is intended to increase the transparency and efficiency of the securities lending market.

“Securities lending played a role in the 2008 financial crisis, and, currently, the securities lending market is opaque,” said SEC Chair Gary Gensler. “In the Dodd-Frank Act, Congress mandated that the Commission enhance the transparency of the securities lending market. Such transparency gets to the heart of the SEC’s mission. It promotes competition. It promotes fair, orderly, and efficient markets. In fulfilling Congress’s mandate, today’s adoption will promote greater transparency in the securities lending markets both to regulators and the public.”

Rule 10c-1a will require certain confidential information to be reported to an RNSA to enhance the RNSA’s oversight and enforcement functions. Further, the new rule requires that an RNSA make certain information it receives, along with daily information pertaining to the aggregate transaction activity and distribution of loan rates for each reportable security, available to the public. The Financial Industry Regulatory Authority (FINRA) is currently the only RNSA.

The adopting release will be published in the Federal Register. The final rule will become effective 60 days after publication in the Federal Register. The compliance dates for the new rule will be as follows: (1) an RNSA is required to propose rules within four months of the effective date; (2) the proposed RNSA rules are required to be effective no later than 12 months after the effective date; (3) covered persons are required to report information required by the rule to an RNSA starting on the first business day 24 months after the effective date; and (4) RNSAs are required to publicly report information within 90 calendar days of the reporting date.

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Related Materials

- [Final Rule](#)
- [Fact Sheet](#)