

Press Release

SEC Proposes Rule to Provide Transparency in the Securities Lending Market

Proposed Rule Would Increase Availability of Information Regarding Securities Lending Transactions

FOR IMMEDIATE RELEASE

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Washington D.C., Nov. 18, 2021 — The Securities and Exchange Commission today published proposed Exchange Act Rule 10c-1, which would require lenders of securities to provide the material terms of securities lending transactions to a registered national securities association, such as the Financial Industry Regulatory Authority. The registered national securities association would then make the material terms of the securities lending transaction available to the public.

"Securities lending and borrowing is an important part of our market structure. Currently, though, the securities lending market is opaque," said SEC Chair Gary Gensler. "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."

The proposed rule is consistent with Congress's mandate in the Dodd-Frank Act that the Commission increase transparency regarding the loan or borrowing of securities for brokers, dealers, and investors by ensuring that market participants, the public, and regulators have access to timely and comprehensive information about the market for securities lending.

SEC Chief Economist Jessica Wachter said, "The rule will bring much needed transparency into the securities lending market giving the market information that is both comprehensive and timely."

Division of Trading and Markets Acting Director David Saltiel said, "The proposal focuses on the need for transparency in the securities lending market and further satisfies the Commission's Congressional mandate to promulgate rules that are designed to provide such transparency to this market."

The public comment period will remain open for 30 days following publication of the proposal in the Federal Register.

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Related Materials

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

