



## asset management group

May 28, 2024

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

**Re: Release No. 34-100046; File No. SR-FINRA-2024-007 Notice of Filing of a Proposed Rule Change To Adopt the FINRA Rule 6500 Series (Securities Lending and Transparency Engine (SLATE™))**

Dear Ms. Countryman:

The Asset Management Group of the Securities Industry and Financial Markets Association (“**SIFMA AMG**”)<sup>1</sup> appreciates the opportunity to provide comments to the Securities and Exchange Commission (the “**Commission**” or “**SEC**”) on the above-referenced Financial Industry Regulatory Authority, Inc. (“**FINRA**”) proposal to adopt FINRA Rule 6500 Series (the “**Proposed Rule Change**”), requiring reporting of securities loans and providing for the public dissemination of loan information.<sup>2</sup>

In October 2023, the Commission adopted Rule 10c-1a under the Securities and Exchange Act of 1934, directing FINRA to implement rules regarding the format and manner of collecting prescribed securities loan information and the publication of such information.<sup>3</sup> SIFMA AMG provided written comments during the notice and comment period sharing recommendations on the Commission’s proposal.<sup>4</sup>

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<sup>1</sup> SIFMA AMG brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG’s members represent U.S. and global asset management firms whose combined assets under management exceed \$45 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

<sup>2</sup> Exchange Act Release No. 100046, SR-FINRA-2024-007 (May 1, 2024), 89 FR 38203 (May 7, 2024) (Notice of Filing of a Proposed Rule Change To Adopt the FINRA Rule 6500 Series (Securities Lending and Transparency Engine (SLATE™))).

<sup>3</sup> 17 CFR § 240.10c-1a (“SEC Rule 10c-1a”). See Exchange Act Release No. 98737 (October 13, 2023), 88 FR 75644 (November 3, 2023) (Reporting of Securities Loans) (“SEC Adopting Release”).

<sup>4</sup> SIFMA AMG Letter from Lindsey Weber Keljo, Acting Head to Vanessa A. Countryman, Secretary, SEC, on Proposed Rule 10c-1 (January 7, 2022), available at <https://www.sec.gov/comments/s7-18-21/s71821-20111386-264989.pdf>.

SIFMA AMG members have significant concerns with FINRA's Proposed Rule Change. These concerns include, but are not limited to:

- I. SEC Rule 10c-1a directed FINRA to implement rules regarding the format and manner of its collection of securities loan information. However, the Proposed Rule Change would implement numerous additional reporting requirements beyond those required under Rule 10c-1a, which is inconsistent with the Commission's final rule and would result in the disclosure of highly sensitive information and contribute to increased costs and complexity.
- II. The Proposed Rule Change re-introduces intraday reporting requirements for securities loan adjustments despite the Commission's rejection of such requirements in Rule 10c-1a. The re-introduction of intraday reporting in a manner not contemplated by Rule 10c-1a would have significant unintended negative consequences.
- III. Firms have not had enough time to evaluate and more fully understand the new reporting regime contemplated under the Proposed Rule Change. We recommend that the Commission extend the 45-day review period to allow for further consideration and opportunity for public comment.

In addition, we are concerned that the brief 21-day comment period for the Proposed Rule Change does not provide adequate opportunity for industry participants to review the proposed changes and provide meaningful feedback. This is especially important as some requirements under the Proposed Rule Change have not been publicly shared yet, such as the technical specifications for reporting and fees for commercial use of published data.

SIFMA AMG members are diligently working through the Proposed Rule Change and its impact on market participants, and we ask that the Commission extend the comment period to ensure that market participants have sufficient time to review and provide thoughtful feedback. Should the Commission decide not to formally extend the comment period, we write to provide notice that we will be submitting a full comment letter as quickly as possible, which we hope will be taken into consideration by the Commission. If you have any questions or wish to discuss our initial comments or extension request, please do not hesitate to contact us by calling Lindsey Keljo at (202) 962-7312 or William Thum at (202) 962-7381.

Ms. Countryman

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Sincerely,

A handwritten signature in blue ink that reads "LKeljo". The signature is fluid and cursive, with the first letter 'L' being particularly large and stylized.

Lindsey Weber Keljo, Esq.  
Head - Asset Management Group  
Securities Industry and Financial Markets Association  
1099 New York Avenue, NW, 6th Floor  
Washington, DC 20001

A handwritten signature in black ink that reads "W. Thum". The signature is very stylized and cursive, with a long horizontal flourish at the end.

William C. Thum  
Managing Director and Associate General Counsel  
Securities Industry and Financial Markets Association  
1099 New York Avenue, NW, 6th Floor  
Washington, DC 20001

cc: The Honorable Gary Gensler, Chair  
The Hon. Hester M. Peirce, Commissioner  
The Hon. Caroline A. Crenshaw, Commissioner  
The Hon. Mark T. Uyeda, Commissioner  
The Hon. Jamie Lizárraga, Commissioner