sifma

asset management group

January 7, 2022

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 205499–1090
rule-comments@sec.gov

Re: Release No. 34-93613; File No. S7–18–21
Reporting of Securities Loans

Ms. Countryman:

The Asset Management Group of the Securities Industry and Financial Markets Association ("**SIFMA AMG**" or "**AMG**")[1] appreciates the opportunity to comment on the U.S. Securities and Exchange Commission's (the "**SEC**" or "**Commission**") release on proposed Rule 10c-1 (the "**Proposed Rule**") under the Securities Exchange Act of 1934 ("**Exchange Act**"), which would introduce a regime requiring the reporting of data, terms, and other market information regarding securities lending transactions to a registered national securities association ("**RNSA**"), and the subsequent public reporting of select data.[2] SIFMA AMG is providing its initial responses and recommended alternative approaches for further consideration by the Commission. SIFMA AMG welcomes the opportunity to engage in further discussions with the Commission Staff as it continues to gather information from the industry on the securities lending market and potentially viable approaches for reporting of information.

I. Introduction and Executive Summary

The Proposed Rule would require any "person," as defined under Section 3(a)(9) of the Exchange Act,[3] that loans a "security," as defined in Section 3(a)(10) of the Exchange Act,[4] on behalf of itself or another person, to report to an RNSA certain material terms of those loans as well as modifications to those terms, information regarding the securities the person has on loan,

[1] SIFMA AMG brings the asset management community together to provide views on policy matters and to create industry best practices. SIFMA AMG's members represent U.S. and multinational asset management firms whose combined global 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. For more information, visit http://www.sifma.org/amg.

[2] Reporting of Securities Loans, Exchange Act Release No. 93613 (November 18, 2021), 86 FR 69802 (December 8, 2021) ("Proposing Release").

[3] 15 U.S.C. § 3(a)(9).

[4] 15 U.S.C. § 3(a)(10).

and information regarding the securities the person has available to lend.[5] The Proposed Rule would also require the RNSA to make available to the public certain reported securities lending transaction data and aggregated information in respect of securities on loan and available to lend.[6]

SIFMA AMG supports the SEC's objectives, pursuant to Section 984 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010,[7] of increasing the transparency of information available to all market participants with respect to the securities lending market, with the goal of providing greater access to pricing and other material information in a timely manner and facilitating regulatory monitoring and surveillance.[8] Notwithstanding these laudable goals, SIFMA AMG believes:

A. the thirty-day comment period for this Proposed Rule is inadequate to allow for even minimal analysis given the magnitude of the proposed new regime, the nuanced aspects of the securities lending market, the lack of clarity as to how certain proposed requirements address aspects of securities lending, the existence of conflicting global regulations, and the anticipated high cost of implementation[9];
B. the Proposed Rule would result in significant unintended negative consequences, including the public dissemination of incomplete, inaccurate, and misleading information that could have an adverse impact on the securities lending market as well as the overall securities markets; and
C. the Proposed Rule would also impose significant costs on SIFMA AMG member firms which are not commensurate with the benefits sought to be achieved – both in the context of members who operate their own lending program and members who engage a lending agent which would pass on to them the costs of compliance.

In addressing these concerns, SIFMA AMG recommends consideration of a number of changes intended to better achieve the policy goals of the Proposed Rule while avoiding the likely

[5] *See* Proposing Release, 86 FR 69812.

[6] *Id.*

[7] Pub. L. 111-203, § 984, 124 Stat. 1376 (2010) ("Dodd-Frank Act").

[8] Proposing Release, 86 FR 69803, 69804.

[9] SIFMA AMG had noted its concerns on the 30-day comment period to the Commission and had requested an extension of time to allow for more fulsome consideration of the Proposed Rule; however, the Commission had rejected such request. *See* Letter from SIFMA et al., dated Nov. 23, 2021; *see also* Commissioner Hester M. Peirce, Rat Farms and Rule Comments – Statement on Comment Period Lengths (Dec. 14, 2021) ("Thirty days is typically not enough time to get feedback on a rule proposal. In fact, 'a comment period . . . should generally be at least 60 days.' For complicated rulemakings or at times when we have many rulemakings outstanding simultaneously, 90-day comment periods are likely more appropriate. Short comment periods are particularly problematic when they coincide with holidays, end-of-year operational obligations, or other periods in which commenters' staff are likely to be unavailable or occupied with other time-sensitive obligations." (Citation omitted)).

adverse consequences. Specifically, SIFMA AMG recommends that the SEC adjust the Proposed Rule as follows:

A. define what it means to "loan a security," as the scope of the Proposed Rule is unclear, potentially captures inappropriate transactions, and should focus exclusively on securities lending transactions;
B. address extraterritorial issues such as the scope of securities (US or non-US) and lenders (US or non-US) as the present drafting potentially addresses all securities (US and non-US) lent by US lenders and/or all US securities lent by all lenders (US and non-US);
C. narrow the scope of the transaction information to be reported to the RNSA, and then to be made public by the RNSA, to only aggregate transaction data, as the existing drafting is both insufficiently clear and overly granular – effectively requiring the reporting of developing bookkeeping inputs rather than true market loans, and thereby decreases the utility of the data while increasing the risk of unintended negative consequences;
D. replace the 15-minute reporting period with the requirement to report by the end of next day (T+1), or at least no more frequently than by the end of each business day, as the 15-minute period – in the context of the nuanced securities lending market - would lead to the reporting of superfluous information benefitting neither market transparency nor regulatory oversight;
E. clarify the requirement to report by the end of the day information on securities "available to lend" and securities "on loan" to avoid providing misleading information to the market; and
F. implement a phased reporting regime to ameliorate the significant cost of implementation and allow regulators sufficient time to analyze collected data to better inform the merit for requiring more detailed and/or more frequent data collection and dissemination, and following the RNSA's finalization of the reporting specifications, provide an implementation period commensurate with the compliance obligations.

SIFMA respectfully urges the SEC to consider these alternatives and solicit further public comment, through another proposing release and/or the collection of additional insights through public roundtables, rather than proceed straight to adoption of the Proposed Rule.

II. Securities Lending Differs Significantly from the Cash Market

The securities lending market contributes to the healthy functioning of the U.S. securities markets by improving global market liquidity, helping to ensure prompt settlement of trades, and enabling the establishment of short positions and thereby facilitating price discovery and hedging activities.[10]

The U.S. securities lending market is fundamentally different from the cash markets in that while the cash markets feature irrevocable purchases and sales of fungible securities, securities

[10] *See* Financial Stability Oversight Council (FSOC), 2020 Annual Report, at 45, available at https://home.treasury.gov/system/files/261/FSOC2020AnnualReport.pdf ("FSOC 2020 Annual Report").

lending transactions are revocable transactions with terms (such as rates and collateral) that depend on considerations that are often unique to the specific lending relationship, including counterparty creditworthiness.[11] Loans are ultimately intended to be unwound, and the termination is typically at the discretion of either the lender or the borrower. Most importantly, the securities lending market is not an "intraday market," as the terms are not settled at the exact time a loan "is agreed to by the parties."[12] Rather, terms such as collateral type, fees, and even loan size are worked out between the parties before ultimately being settled, typically at the end of the business day.

Given the features that distinguish securities lending from cash trading, we believe it is not reasonable to assert that securities lending transaction data can be easily and accurately captured and publicly disseminated within 15 minutes in the same manner as the Trade Reporting and Compliance Engine ("**TRACE**") operated by the Financial Industry Regulatory Authority, Inc. ("**FINRA**"). And even if it were possible, to do so would ignore some of the fundamental challenges and potential negative consequences of applying a TRACE-type reporting regime to the securities lending market.[13]

III. Mismatches between the Securities Lending Market and the Proposed Rule

SIFMA AMG fully supports the SEC's mandate under Section 984(b) of the Dodd-Frank Act to promulgate rules that are designed to increase the transparency of information available to brokers, dealers, and investors with respect to securities lending.[14] However, there are factual, operational, and commercial aspects of the securities lending market that we believe the Commission may not have recognized when drafting the Proposed Rule. And such aspects will unfortunately compromise the SEC's goals by requiring the reporting of incomplete, inaccurate, or misleading information on securities lending transactions and other securities lending data.

A. The Proposed Rule Should Focus Exclusively on Securities Lending Transactions

SIFMA AMG agrees with the Commission's approach to exclude repurchase agreements from the scope of the Proposed Rule.[15]

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[11] *See* FSB Interim Report at 19 ("Lending fees can vary greatly depending on the nature, size and duration of the transaction, the demand to borrow the securities, and other factors.").

[12] *See* Proposing Release, 86 FR 69812.

[13] *See* Proposing Release, 86 FR 69837, 69846.

[14] Pub. L. 111-203, 984(b), 124 Stat. 1376 (2010).

[15] Proposing Release, 86 FR 69803 at n. 2.

The Proposed Rule should not capture types of transactions that may be similar in some respects but are outside of the securities lending activity appropriately targeted by the Commission in the Proposal, including the following:

- Customer short positions and broker-dealer hypothecation of customer margin securities, in accordance with customer margin or prime brokerage agreements, to facilitate customer short positions (as opposed to a broker-dealer on-lending to a third-party broker-dealer, which would be captured as a securities loan).
- Funding trades.
- Loans between a broker-dealer and its affiliates.

With respect to customer short positions, the Proposed Rule's cost-benefit analysis details the myriad benefits of short selling, including supporting fundamental research, improving price discovery and liquidity, and providing an important check on company management.[16] However, the Proposed Rule would reduce the cost of short selling and facilitate more short selling activity, due to the serious ramifications of disclosing individual borrows between prime brokers and their customers effected to facilitate short transactions. Such public disclosure would signal to all other market participants that a short position is being established, creating a market impact that will increase the costs associated with continuing to build a short position over time (particularly in hard-to-borrow securities) and potentially leading to copycat short selling activity, thereby disincentivizing fundamental research and overall short selling activity.

SIFMA AMG does not support the Proposed Rule's approach of requiring the lender in each subsequent loan (*i.e.*, each on-loan) of the same securities to report information to the RNSA. This will invariably lead to overcounting in the collected transaction data (*e.g.*, the total aggregate volume of a particular CUSIP that is currently on loan in the market). SIFMA believes this overcounting, when reported to the public, would be misleading and risk misinterpretation by the public, thus potentially harming investors.

B. The Extraterritorial Scope of the Proposed Rule must be Clarified

SIFMA AMG finds the extraterritorial scope of the Proposed Rule to be unclear at best and potentially overly broad. The Proposed Rule would apply to any "person," as defined under Section 3(a)(9) of the Exchange Act,[17] that loans a "security," as defined in Section 3(a)(10) of the Exchange Act.[18]

The securities lending market is a global market wherein borrowers and lenders are often domiciled in non-U.S. jurisdictions and may enter into loans of both U.S. and non-U.S. securities. The absence of a defined extraterritorial scope could result in entities currently required to report

[16] *See* Proposing Release, 86 FR 69839.

[17] 15 U.S.C. § 3(a)(9).

[18] 15 U.S.C. § 3(a)(10).

securities lending transactions under another regime (*e.g.*, the European Union's Securities Financing Transaction Regulation ("SFTR")[19]) also having a requirement to report those same transactions to the SEC.

SIFMA AMG believes the appropriate scope should apply to U.S.-domiciled lenders and loans of U.S.-listed securities given the existing reporting obligations under the SFTR reporting regime. After the data on loans of U.S.-listed securities can be evaluated, the Commission can better assess the merit of expanding the reporting requirements.

C. Narrow the Scope of the Data be Reported to the RNSA, and then made public by the RNSA, to only Aggregate Transaction Data

SIFMA AMG is concerned that the scope of the data to be reported, both to the RNSA and then by the RNSA to the market, is overly broad and inappropriate given the attributes of the securities lending market and will prove to be of less benefit to regulators and confusing to investors.

Problematic aspects of the proposed scope of reporting include the following:

- the reporting of individual trade allocations rather than a bulk market loan would not reflect actual market activity as most lenders use lending agents who will engage in bulk lending. Bulk lending involves the lending agent holding securities belonging to different beneficial owners in an aggregated pass-through account so that they can bulked together in a single market loan. Bulk lending allows the lending agent to allocate and reallocate parts of the existing market loan to different beneficial owners as their individual positions shift without adjustments to the market loan – and thereby facilitate larger more stable loans. By requiring the reporting of individual lender LEI's, the Proposed Rule implies that each allocation and reallocation be considered a reportable transaction when these are not market loans. For bulk loans, reporting at the lending agent level rather than the beneficial owner would reflect the actual market loan and would avoid the reporting of loan components which may shift throughout the allocation process. If the Commission prefers the reporting for bulk loans to reflect the ultimate beneficial owners, then the Proposed Rule should reflect that any interim allocations - which are subject to adjustment - can be ignored for reporting purposes.
- the reporting of negotiated transaction terms on a loan-by-loan basis would not benefit the market as fees/rates paid on securities lending transactions are not fungible and therefore cannot be easily aggregated and compared. They are calculated differently by different firms and may be based on a variety of considerations including, but not limited to, supply and demand, interest rate flexibility, perceived stability, loan size, and supply concentration. If individual

[19] Regulation (EU) 2015/2365 of the European Parliament and of the Counsel on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (Nov. 25, 2015), as amended.

loans are required to be reported, as noted above, reporting should be limited to true market loans (i.e., at the lending agent level for bulk loans), and only after all terms are final (i.e., next day).

- Many of the granular reporting elements would be difficult to apply and/or misleading (*e.g.*, margin percentage, type of collateral, and pricing). For example, the Proposed Rule requires that the rebate rate is reported in the pricing field for cash collateralized loans. This is problematic as the rebate rate will fluctuate any time the reference rate (usually the overnight bank funding rate) changes. For reporting, it would be more appropriate to require the lending spread – which is much more meaningful in the content of both individual and bulk loans. In addition, certain data fields are incompatible with trade-by-trade reporting.

Furthermore, the reporting of information on securities lending transactions that is too granular can reveal short selling trading strategies, thereby resulting in short sellers exiting the market with negative implications to liquidity and price discovery.

D. Reporting of Transaction and Modification Information within 15 Minutes Would Result in Publication of Incomplete and Inaccurate Data

SIFMA AMG strongly believes that intraday reporting of securities lending transaction terms and modifications within 15 minutes is completely impractical given the information flow between the lender, the lending agent, and the reporting agent; but even if practical, intra-day reporting within 15 minutes would provide incomplete and inaccurate data of little utility and would potentially be harmful to market participants.

The securities lending market is not an "intraday market," and transaction terms are not settled at the exact time a loan "is agreed to by the parties."[20] Rather, terms such as collateral type, fees, and even loan size are worked out between the parties throughout the day before ultimately being settled, typically at the end of the business day. As a result, the time a securities loan is "effected" is not "when it is agreed to by the parties" as the Proposed Rule suggests. Rather, a securities loan is considered "effected" when it is "contractually booked and settled," consistent with the description of when a security is "on loan" for purposes of the Proposed Rule.[21] In addition, fails are not reconciled until end of day, and, in fully paid lending arrangements, collateral is not required to be delivered until the end of the business day on which the loan is entered into.[22]

As a result of these nuanced aspects of the securities lending market, the reporting and subsequent public dissemination of intraday securities lending transaction data would not

[20] *See* Proposing Release, 86 FR 69812.

[21] *See* Proposing Release, 86 FR 69817.

[22] From the agent lender's perspective, most of the activity that intraday reporting would pick up is the internal reallocation of securities lending transactions across borrower portfolios based on various considerations (availability, fund-level or client level restrictions, new trades, etc.) that are irrelevant to the market.

"provid[e] access to timely, granular information about certain material terms of securities lending transactions would allow investors . . . to evaluate . . . the rates for such transactions [and] any signals that rates provide,"[23] but could instead result in the reporting of inadvertently misleading information that might harm investors and the broader market.

In addition, while some securities lending data is currently published by private data vendors, this data often is focused on the wholesale securities lending market and is typically not published on an intraday basis. In the case of limited data being provided intra-day, it is important to note it is typically "raw" data that is unreconciled and inappropriate for regulatory reporting. Instead, information on securities lending transactions is typically aggregated and disseminated to market participants one day after the transaction settles. As a result, this Proposed Rule is not "leveling the playing field" by providing broader access to data that is already disseminated but is instead establishing an entirely new and harmful level of public disclosure. The Commission needs to fully consider the costs and benefits associated with moving from public disclosure on an aggregated basis to individual loan-by-loan disclosure within 15 minutes.

E. The Proposed Daily Reporting of Securities "Available to Lend" and "On Loan" would Grossly Overestimate the Securities Available in the Securities Lending Market

SIFMA AMG appreciates the Commission's goal of collecting information daily to allow the RNSA to calculate a ''utilization rate'' for each security lent in the securities lending market,[24] and does not object to the proposed requirement to report, at the end of each business day, the total amount of each security that a beneficial owner lender or Lending Agent has "on loan".

However, SIFMA AMG has concerns regarding the SEC's proposal to require a calculation of securities "available to lend" as likely to present a gross over-inflation of the number of securities available to lend. Indeed, the Commission acknowledged in the Proposing Release that the proposed definition of "available to lend" would overstate the quantity of securities that are actually available to lend in the market.[25] We agree with this observation and are concerned that it will provide a wholly inaccurate and unhelpful understanding of what is actually available to lend – and thereby create confusion as to market liquidity, pricing, etc.; compromise trading strategies based on the exaggerated availability data; and potentially expose the market to heightened risk. This is an area where we recommend the Commission take more time to study, as we understand the need for a denominator in a calculation of the "utilization rate". Perhaps, given more time, there can be a compromise which mitigates the risk of overstatement while providing a useful point of data. One idea which may merit consideration could be to reference publicly available data on a security's total share float – which would be both accurate and readily available.

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[23] *See* Proposing Release, 86 FR 69804.

[24] *See* Proposing Release, 86 FR 69817.

[25] *See* Proposing Release, 86 FR 69817–18.

F. Implement a Phased Reporting Obligation Starting with Next-day Non-public Reporting of Limited Aggregate Data

SIFMA AMG believes the SEC's overall objective of enhanced transparency in the securities lending market will be better served by first implementing a more limited reporting requirement. Through an analysis of the data gathered, the SEC will be better positioned to make an informed assessment of areas in which the reporting of more detailed data may be helpful, including the potential public dissemination of appropriate data, while mitigating the risk of negative unintended consequences.

IV. Recommended Enhancements to the Proposed Rule

A. Define What it Means to "Loan a Security" to Provide Clear Guidelines

SIFMA AMG believes that defining a "loan of securities" in a manner that accurately reflects the categories of transactions that are recognized as securities lending activity in the marketplace would better achieve the Commission's goals while avoiding many of the likely negative unintended consequences. Loans of securities are principally made with a "permitted purpose" as contemplated under Section 220.10(a) of Regulation T, *i.e.*, for the purpose of allowing the borrower to make delivery of the borrowed securities in the case of short sales, failure to receive securities required to be delivered, or other similar situations.

SIFMA AMG recommends the Commission define what it means to "loan a security" under the Proposed Rule to be to "enter into a transaction in which one person, on behalf of itself or another person (the lender), will temporarily lend to an unaffiliated person (the borrower) certain securities:

i. pursuant to a written securities lending agreement,
ii. against a transfer of collateral,
iii. for a permitted purpose pursuant to Regulation T of the Board of Governors of the Federal Reserve System, and
iv. documented as a securities loan on the lender's books and records.

and expressly exclude transactions that do not constitute securities lending, pursuant to well established market practice, industry norms and other regulations, including short positions for the reasons discussed in Section III(A) above.

A "non-purpose" transfer of securities against cash collateral, economically resembles a borrowing of cash by the security's "lender" against a pledge of securities collateral to the securities "borrower." However, such transactions are more properly categorized as "funding" transactions (as loans of cash against securities being pledged as collateral) and, therefore, are not the type of activity SIFMA AMG believes the SEC is, or should be, seeking to capture through the Proposed Rule.

In addition, as noted above, for bulk loans, reporting at the lending agent level rather than the beneficial owner would reflect the actual market loan and would avoid the reporting of loan components which may shift throughout the allocation process.

B. Define the Extraterritorial Scope of the Proposed Rule

To avoid inadvertently capturing unwanted extraterritorial activity and imposing an undue burden on the industry, we believe the SEC should limit the scope of the Proposed Rule to only apply to U.S.-listed securities whose country of issue and primary trading market are the United States and where the beneficial owner lender, Lending Agent, or borrower in a securities lending transaction is a U.S. person.

In addition, as many U.S.-registered participants in the securities lending market have non-U.S. affiliates that also engage in securities lending, the Commission should consider revising the Proposed Rule to expressly state that portfolio information of non-U.S. entities would not be required to be reported as a result of the securities lending activity of its U.S.-registered entity.

C. Adjust the Information that is Provided Publicly by the RNSA to Only be Aggregated Securities Lending Data

SIFMA AMG is concerned that publicizing transaction-specific data would be overwhelming to the market, could be confusing as specific transactions require contextualization to understand, and ultimately would compromise the value of the data to the detriment of the securities lending market and the broader securities market.

We recommend that the Proposed Rule be revised to require that while transaction-specific data be reported to the RNSA and made available to regulators, it should not be made publicly available. Instead, the RNSA should be tasked with analyzing and normalizing the reported transaction-specific data to provide aggregated and, where appropriate, averaged transaction terms that better reflect the more holistic detail available to lenders and borrowers in the securities lending market.

Such aggregated terms could include, among other things, a volume-weighted average borrowing fee of a securities loan, aggregated across all firms, for each NMS security loaned ("VWA Reporting System"), based on end of day open securities loans. By providing data points that take into consideration the numerous varying factors underlying the borrowing rates, fees and/or rebates of each individual securities transaction, a VWA Reporting System would provide truly meaningful and useful information to the market, and help avoid confusion concerning why different individual securities loans have different borrowing fees and should minimize the possible misrepresentation that any one borrowing fee should be applicable to all of the intended beneficiaries of the data.

If individual loans are required to be reported, as noted above, reporting should be limited to true market loans (i.e., for bulk loans at the lending agent level – or at the beneficial owner level

only after allocations are finalized), and only after all terms are final (i.e., close of business next day (T+1)). In addition, as noted above, rather than require that the rebate rate is reported in the pricing field for cash collateralized loans it would be more appropriate to require the lending spread – which is much more meaningful in the content of both individual and bulk loans.

D. Require Securities Lending Transaction Information to be Reported to the RNSA next day, or at least no more frequently than by the end of each business day

SIFMA AMG recommends requiring that securities lending transaction data be reported to the RNSA by the end of the following business day (T+1), or at least no more frequently than the end of each business day.

As collateral type, fees, and even loan size are worked out between the parties before ultimately being settled, typically at the end of the business day, the required reporting of securities lending transaction data, as well as modifications to such data, within 15 minutes would result in the publication of a large volume of data that is incomplete, inaccurate and, consequently, unhelpful and potentially misleading. Reporting by the end of the following day would result in the reporting of fully formed, settled loan contract terms. This would serve to eliminate data "noise" generated before the terms are settled, and thereby yield more accurate and useful transactional data.

E. Modify the Requirement to Report by the End of the Day Information on Securities "Available to Lend" and "On Loan"

SIFMA AMG has concerns regarding the SEC's proposal to require a calculation of securities "available to lend" as presenting a gross over-inflation of the number of securities available to lend. SIFMA AMG strongly believes that, at a minimum, the SEC should modify the proposed requirement to avoid providing such misleading information to the market until the SEC has a chance to review the quality of the data produced. One idea which may merit consideration could be to reference publicly available data on a security's total share float – which would be both accurate and readily available. However, as noted above, SIFMA AMG does not object to the proposed end of day reporting of securities that are "on loan."

F. Implement a Staged Reporting Regime to Allow Regulators Sufficient Time to Analyze Collected Data

SIFMA AMG recommends that the SEC implement its rulemaking for the Proposed Rule on a phased basis. We believe that the SEC should first finalize a more limited reporting regime for regulatory oversight. Once the SEC and the RNSA become familiar with the data they are receiving and can assess the data's potential utility to the market, the SEC could then propose rules on making data available to the public.

Furthermore, SIFMA AMG strongly recommends that those required to report be given an appropriate implementation period – which we anticipate will be extensive - following the

RNSA's publication of specifications to develop procedures and build out the systems to comply with the Proposed Rule. Even as clarified and scaled back as recommended in this letter, the Proposed Rule's reporting regime would require considerable time and cost to build out. In the event our recommended clarifications and scaling are not adopted, and in light of the inadequate comment period for a full analysis, SIFMA AMG cannot assess a reasonable timeframe to enable members to meet the requirements of the final rule.

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On behalf of SIFMA AMG, we appreciate the opportunity to respond to the Proposing Release and your consideration of our recommendations. If you have any questions or require additional information, please do not hesitate to contact us by calling Lindsey Keljo at (202) 962-7312 or William Thum at (202) 962-7381.

Sincerely,

Lindsey Weber Keljo
Asset Management Group – Acting Head

Cc: The Hon. Gary Gensler, Chairman
The Hon. Hester M. Peirce, Commissioner
The Hon. Elad L. Roisman, Commissioner
The Hon. Allison Herren Lee, Commissioner
The Hon. Caroline A. Crenshaw, Commissioner
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