

Dear Securities and Exchange Commission,

I am writing to provide my comments for the proposed rule S7-06-22, which aims to modernize beneficial ownership reporting and enhance transparency and fairness in our financial markets. Comments and requests are as followed,

- **Protecting Shareholder Rights:** By granting beneficial ownership only when the underlying security is delivered, the proposed rule can safeguard the interests of existing shareholders and maintains their voting power. This protection is essential to prevent dilution and ensure fair representation.
- **Ensuring Fair and Equal Voting:** Opposing the inclusion of derivative holders as beneficial owners maintains fair and equal voting rights for directly registered shareholders. It prevents undue influence from derivative holders who may not have actual ownership of the underlying securities, ensuring that voting rights remain balanced and representative.
- **Accurate Calculation of Ownership:** The proposed examination of the delta concept for calculating ownership ensures accurate representation. Ownership should be based on the actual delivery of the underlying security, avoiding potential distortions arising from the inclusion of derivative holders. This accuracy is crucial for maintaining market integrity.
- **Increased Transparency:** The proposed rule should enhance transparency by requiring hedge funds to disclose their short positions and activities. This transparency makes it harder for hedge funds to conceal their positions and provides investors with a clearer picture of market dynamics. It ensures that relevant information is accessible to all market participants.
- **Timely Reporting:** The rule's requirement for prompt reporting of short position changes prevents the accumulation of hidden short positions. Timely reporting ensures that investors have access to up-to-date information about market activities, reducing the potential for market manipulation.
- **Enhanced Oversight:** The use of structured data, as required by the rule, enables better monitoring of ownership data. This enhanced oversight empowers regulatory bodies to identify potential risks and take appropriate actions to maintain market integrity. It enhances the effectiveness of market surveillance.
- **Deterrence against Market Manipulation:** The increased transparency and reporting requirements act as a deterrent against coordinated actions aimed at manipulating stock prices. By discouraging market manipulation tactics employed by certain entities, the proposed rule promotes a more level playing field for all market participants.
- **Level Playing Field:** The transparency and accountability fostered by this rule contribute to a fairer market environment. It ensures that all investors have access to relevant information, promoting fair competition and preventing unfair advantages for specific market participants. It supports the principles of equity and fairness.

In conclusion, we should focus on the provisions for protecting shareholder rights, ensuring fair and equal voting, accurate calculation of ownership, increased transparency, timely reporting, enhanced oversight, deterrence against market manipulation, and establishment of a level playing field are vital for the integrity and fairness of our financial markets.

Thank you for your attention to this matter. I trust that you will carefully consider the importance of transparency, fairness, and the preservation of shareholder rights in our financial system.

Rule S7-06-22 can bring much-needed transparency to hedge funds' short positions, which is essential for a fair and free market if implemented correctly. The adoption of this rule fosters fair competition, preventing unfair advantages for specific market participants and contributing to a more level and equitable market. Increased transparency, timely reporting, enhanced oversight, deterrence against manipulation, and a level playing field are crucial for market integrity.

Urgent adoption and enforcement of the rule for the benefit of all investors and the market's overall health.

Sincerely,

Ausar Mundra