

October 26, 2022

**By Email**

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 205499-1090  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

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

Ms. Countryman:

Currently, a lot of securities lending is done behind closed doors over the phone, in 1-on-1 negotiations, with very little disclosure requirements and generous reporting intervals, optimized for financial powerful players with little to no oversight. The SEC calls lending data as “incomplete” and in some cases “unavailable” since there is currently no rule that requires them to disclose this information. SEC agrees that securities lending market is opaque due to lack of insight that is only truly accessible to more powerful (fund, bank) financial players. In the SEC GameStop Report pg.29 (1), the SEC repeatedly admitted that it is very difficult to trace or prove activities like illegal naked short selling. This lack of transparency and improper record keeping must be fixed to ensure a proper and fair market is available to all participants and ensure no powerful traders, banks, hedge funds and/or financial institutions can ever abuse the current rules for their own benefit.

While this rule does not patch all loopholes/issues, 10c-1 is the best step forward that would heavily shift the balance of power back to benefit all players, not just well-established institutions that is currently in the hands of the banks, brokers, financial institutions who uses these loopholes against the American and International public traders/investors.

Please approve and implement this rule to ensure fairness in the U.S. markets for American and international investors.

In closing, thank you for considering our comments and we would be happy to answer any questions or further explain any of the points.

Sincerely,

Jimmy Gramajo  
Cyber Security Analyst

## **References**

1. Staff Report on Equity and Options Market Structure Conditions in Early 2021 - <https://www.sec.gov/files/staff-report-equity-options-market-struction-conditions-early-2021.pdf>.