

**MEMO# 33747**

September 1, 2021

# **ICI Files Comment Letter to FINRA on Potential Enhancements to Short Interest Reporting and a Reporting Framework for Stock Lending**

[33747]

September 1, 2021

TO: ICI Members

Equity Markets Advisory Committee SUBJECTS: Trading and Markets RE: ICI Files Comment Letter to FINRA on Potential Enhancements to Short Interest Reporting and a Reporting Framework for Stock Lending

ICI has filed a comment letter with FINRA on the Regulatory Notice requesting comment on potential enhancements to FINRA's short interest reporting program. We previously provided a summary of the Regulatory Notice.[\[1\]](#) ICI's letter is attached and summarized below.

ICI's comment letter

- expresses general support for FINRA's short interest reporting and public dissemination program and emphasizes that any program enhancements should balance the utility of additional data with the risks of public dissemination to market quality;
- cautions that adding either a category reporting designation (customer vs. proprietary) or an account-level reporting requirement could create investor confusion;
- requests clarity on "other strategies" that would qualify as "synthetic short" positions to be reported in short interest and strongly recommends that FINRA not require separate reporting of synthetic vs. non-synthetic positions;
- supports increasing short interest reporting and dissemination from a bi-weekly to a weekly basis, rather than a daily basis; and
- urges FINRA to not conflate stock lending with short selling and to consider fully the information that registered funds and other market participants currently report about

stock lending before determining the need for a new stock lending reporting framework.

Nhan Nguyen  
Assistant General Counsel, Securities Regulation

**endnotes**

[1] ICI Memorandum No. 33597 (June 21, 2021), available at <https://www.ici.org/memo33597>.

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.