



8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103560]

### Order Granting Temporary Exemptive Relief, Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934, from Certain Aspects of Rule 10c-1a

July 28, 2025.

#### I. Introduction

On October 13, 2023, the Securities and Exchange Commission (“Commission”) adopted Rule 10c-1a under the Securities Exchange Act of 1934 (“Exchange Act”).<sup>1</sup> Rule 10c-1a requires, among other things, that any covered person who agrees to a covered securities loan on behalf of itself or another person must report, within certain time periods, certain information to a registered national securities association (“RNSA”) or rely on a reporting agent to fulfill its reporting obligations under certain conditions.<sup>2</sup> Rule 10c-1a also requires that an RNSA implement rules regarding the format and manner of its collection of Rule 10c-1a information,<sup>3</sup> make publicly available certain data pertaining to reported securities loans,<sup>4</sup> and comply with certain data retention and availability requirements.<sup>5</sup> The effective date for Rule 10c-1a was January 2, 2024.<sup>6</sup> The Financial Industry Regulatory Authority, Inc. (“FINRA”) is currently the only RNSA. The Rule 10c-1a Adopting Release established (1) May 1, 2024, as the date by which FINRA must propose rules pursuant to final Rule 10c-1a(f); (2) January 2, 2025, as the date by which the proposed FINRA rules must be effective; (3) January 2, 2026, as the date by

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<sup>1</sup> Reporting of Securities Loans, Exchange Act Release No. 34-98737 (Oct. 13, 2023), 88 FR 75644 (Nov. 3, 2023) (“Rule 10c-1a Adopting Release”).

<sup>2</sup> See 17 CFR 240.10c-1a(a).

<sup>3</sup> See 17 CFR 240.10c-1a(f).

<sup>4</sup> See 17 CFR 240.10c-1a(g).

<sup>5</sup> See 17 CFR 240.10c-1a(h).

<sup>6</sup> See Rule 10c-1a Adopting Release, 88 FR at 75644.

which covered persons must report Rule 10c-1a information to FINRA (“reporting date”); and (4) April 2, 2026, as the date by which FINRA must publicly report Rule 10c-1a information pursuant to Rules 10c-1a(g) and (h)(3) (“dissemination date”).<sup>7</sup>

On May 1, 2024, FINRA filed with the Commission, pursuant to Section 19(b)(1) of the Exchange Act,<sup>8</sup> and Rule 19b-4 thereunder,<sup>9</sup> a proposed rule change to adopt the new FINRA Rule 6500 Series (Securities Lending and Transparency Engine (SLATE™)) (“SLATE”) to (1) require reporting of securities loans; and (2) provide for the public dissemination of loan information.<sup>10</sup> On January 2, 2025, the Commission issued an order, pursuant to Section 19(b)(2) of the Exchange Act,<sup>11</sup> approving the proposed rule change, as modified by a partial amendment FINRA filed on November 14, 2024 (“Partial Amendment No. 1”).<sup>12</sup> On April 29, 2025, FINRA requested an extension of Rule 10c-1a’s two remaining compliance dates, which concern the reporting date and the dissemination date.<sup>13</sup> As discussed below, in Part II, FINRA requested that the reporting date (established in the Rule 10c-1a Adopting Release as January 2, 2026) be

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<sup>7</sup> See Rule 10c-1a Adopting Release, 88 FR at 75690–91 (stating that the “compliance dates require that: (1) an RNSA propose rules pursuant to final Rule 10c-1a(f) within four months of the effective date of final Rule 10c-1a; (2) the proposed RNSA rules are effective no later than 12 months after the effective date of final Rule 10c-1a; (3) covered persons report Rule 10c-1a information to an RNSA starting on the first business day 24 months after the effective date of final Rule 10c-1a . . . ; and (4) RNSAs publicly report Rule 10c-1a information pursuant to final Rules 10c-1a(g) and (h)(3) within 90 calendar days of the reporting date for covered persons to report Rule 10c-1a information to an RNSA”).

<sup>8</sup> 15 U.S.C. 78s(b)(1).

<sup>9</sup> 17 CFR 240.19b-4.

<sup>10</sup> See Exchange Act Release No. 34-100046 (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>11</sup> 15 U.S.C. 78s(b)(2).

<sup>12</sup> See Exchange Act Release No. 34-102093 (Jan. 2, 2025), 90 FR 1563 (Jan. 8, 2025) (Order Approving a Proposed Rule Change, as Modified by Partial Amendment No. 1, To Adopt the FINRA Rule 6500 Series (Securities Lending and Transparency Engine (SLATE™))). On November 15, 2024, the Commission published notice of Partial Amendment No. 1. See Exchange Act Release No. 34-101645 (Nov. 15, 2024), 89 FR 92228 (Nov. 21, 2024).

<sup>13</sup> Letter from Marcia E. Asquith, Corporate Secretary and EVP, Board and External Relations, FINRA (Apr. 29, 2025) (“FINRA Letter”), available at <https://www.finra.org/sites/default/files/2025-04/sea-rule-10c-1a-extension-request-letter-042925.pdf>.

extended to September 28, 2026, and that the dissemination date (established in the Rule 10c-1a Adopting Release as April 2, 2026) be extended to March 29, 2027.

## **II. Discussion and Exemptive Relief**

In its request, FINRA stated that the Rule 10c-1a compliance efforts require building the technology infrastructure, launching SLATE, providing user acceptance testing opportunities and incorporating any participant feedback from testing, developing the documents and processes necessary to onboard covered persons and other participants (i.e., reporting agents and other third parties), and implementing processes for facility support and training additional staff by the current reporting date of January 2, 2026.<sup>14</sup> Following the commencement of reporting, FINRA must then disseminate securities lending data within three months of the reporting date.<sup>15</sup>

FINRA also stated that it has been working diligently towards the compliance dates for Rule 10c-1a but that FINRA and impacted market participants share concerns regarding the challenges and risks presented by the current compliance schedule for reporting Rule 10c-1a information.<sup>16</sup> FINRA stated that, since the Commission's issuance of an order approving the FINRA Rule 6500 Series, it has been in regular contact with market participants and industry organizations regarding firms' questions around implementation and compliance efforts.<sup>17</sup> FINRA also stated that the requested reporting date extension would allow sufficient time for FINRA and market participants to take necessary steps for compliance in an effective and orderly manner.<sup>18</sup>

Additionally, FINRA stated that the requested dissemination date extension would provide FINRA with sufficient time to review the reported data and work with market participants on reporting accuracy and consistency to facilitate the dissemination of accurate

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<sup>14</sup> See FINRA Letter, at 3–4.

<sup>15</sup> See FINRA Letter, at 3.

<sup>16</sup> See FINRA Letter, at 3–4.

<sup>17</sup> See FINRA Letter, at 3.

<sup>18</sup> See FINRA Letter, at 4–5.

individual and aggregate covered securities loan information and loan rate statistics to the public.<sup>19</sup> Based on its experience with reporting and dissemination regimes, FINRA stated that it expects that, at the beginning of the new reporting requirement, there will be more reporting challenges, potentially resulting in inaccuracies and inconsistencies, particularly because SLATE will be a new facility and some participants will have no (or limited) prior experience with reporting to FINRA facilities.<sup>20</sup> FINRA stated that this increases the importance of adequate time to review the data, assess its quality, identify participants with reporting inconsistencies or other issues, provide additional clarification, if needed, and work with participants until reporting accuracy stabilizes.<sup>21</sup>

After considering FINRA's request, the Commission is providing a temporary exemption to Rule 10c-1a, pursuant to Section 36(a) of the Exchange Act, until September 28, 2026, with respect to the reporting date, and March 29, 2027, with respect to the dissemination date, to facilitate the accuracy of securities loan data that will be made available to the public. Section 36(a) of the Exchange Act authorizes the Commission to exempt, conditionally or unconditionally, any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of the Exchange Act, or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.<sup>22</sup> The Commission finds this temporary exemption to be necessary in the public interest and consistent with the protection of investors because it will help to facilitate an effective and orderly implementation of the applicable requirements of Rule 10c-1a that are designed to increase transparency in the

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<sup>19</sup> See FINRA Letter, at 5.

<sup>20</sup> See FINRA Letter, at 4.

<sup>21</sup> See FINRA Letter, at 4.

<sup>22</sup> 15 U.S.C. 78mm.

securities lending market through improvements to the comprehensiveness, breadth, accuracy, and accessibility of securities lending data.<sup>23</sup>

Although a temporary exemption from compliance with Rule 10c-1a reporting and data dissemination will delay the benefits of the rule, providing additional time for industry participants required to report Rule 10c-1a information and for FINRA to disseminate specified data would facilitate the realization of the rule's benefits, including those related to investor protection. These benefits could otherwise be hampered by the reporting or dissemination of inaccurate securities loan information if a temporary exemption were not granted. The additional time provided by a temporary exemption strikes an appropriate balance between promoting the reporting and dissemination of securities loan information and ensuring such information provided by industry participants is accurate. The public availability of accurate securities loan data will result in benefits in the form of better decision-making by investors, beneficial owners and other market participants, reduced costs of business for broker-dealers, improved performance and reduced costs for lending programs, and improved market stability and price discovery both in the securities lending market and the market for the underlying security.<sup>24</sup> Additionally, the availability of accurate securities loan data will help protect against potential unfair pricing of securities loans by broker-dealers and protect broker-dealers' customers against potential instabilities, as well as help to ensure that entities engaging in certain securities lending transactions are authorized to do so and are in compliance with applicable regulations.<sup>25</sup>

### **III. Conclusion**

Accordingly, *IT IS HEREBY ORDERED*, pursuant to Section 36(a) of the Exchange Act, that the Commission grants the temporary exemptive relief, as set forth in this Order, from compliance with Rule 10c-1a regarding the reporting date until September 28, 2026, and from

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<sup>23</sup> See Rule 10c-1a Adopting Release, 88 FR at 75706. See also Rule 10c-1a Adopting Release, 88 FR at 75665.

<sup>24</sup> See Rule 10c-1a Adopting Release, 88 FR at 75711.

<sup>25</sup> See Rule 10c-1a Adopting Release, 88 FR at 75716.

compliance with Rules 10c-1a(g) and (h)(3) regarding the dissemination date until March 29, 2027.

By the Commission.

Date: July 28, 2025.

**Sherry R. Haywood,**

*Assistant Secretary.*

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