Submitted via electronic mail to: pubcom@finra.org

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

RE: Short Interest Position Reporting Enhancements and Other Changes Related to Short Sale Reporting

Ms. Mitchell:

Credit Suisse Holdings (USA), Inc. ("Credit Suisse") welcomes the opportunity to provide input on the Financial Industry Regulatory Authority's ("FINRA" or the "Agency") request for comment on FINRA Regulatory Notice 21-19[1] ("the Proposal") related to potential enhancements to its short sale reporting program, including the potential amendments to Regulation SHO.[2]

Credit Suisse appreciates both FINRA's commitment to protecting the markets and market participants and FINRA's intention to improve the regulatory and public utility of information collected and disseminated by the Agency. FINRA should carefully balance the objectives it is seeking to address with the potential operational hurdles member-firms will face. To that end, many of the proposed changes require significant lift by member-firms that renders little to no benefit to the investing public.

In this letter, Credit Suisse offers comments on certain proposed data field enhancements and proposed modifications to reporting requirements, which FINRA should reconsider to better align the Proposal more closely with the Agency's priorities. While this letter focuses on a narrow subset of these considerations, Credit Suisse also supports the recommendations and considerations presented by the Securities Industry and Financial Markets Association ("SIFMA"), to the extent they are consistent with the recommendations below.

Credit Suisse supports a number of other considerations and recommendations raised in the Proposal, however, the below proposed data field enhancements should be reconsidered or further tailored to address the underlying policy concerns FINRA seeks to address:

- **Proprietary and Customer Account Categorization.** FINRA should reconsider and clarify the purpose for seeking this data as distinctions of this nature could reveal potentially sensitive information and competitive information. In particular, the information sought in the proposal could seek information broader than a member-firm's short position while simultaneously contributing to misreporting and misinterpretation of the data reported.

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[1] FINRA Regulatory Notice 21-19, available at [Regulatory Notice 21-19 | FINRA.org.]

[2] *See* [17 C.F.R. § 242.200-204 (2010)].

- **Account-level Position Information (including synthetic shorts).** FINRA should reconsider their request to include certain account-level positions in the Proposal as sweeping in some of account-level positions (e.g., synthetic shorts) creates significant burdens related to cost, implementation, compliance, and risk while creating a competitive disadvantage for FINRA firms. Further, not only will this part of the Proposal be difficult from a reporting perspective,[3] it would also lead to the transmission and collection of unreliable data based on the sizeable data sets requested in the Proposal.

- **Arranged Financing/Loans.** FINRA should reconsider its proposed requirement for firms to report loan obligations resulting from arranged financing and enhanced lending programs. Credit Suisse is concerned with the appearance of false positives and potential duplicity in the data reported. For example, if a client has an arranged financing arrangement with Broker A, but then takes a loan on the financing from Broker B, how would the loan for financing from Broker B be reported? Would it not give the appearance of double counting? It's only one short position, but it could count twice.

In addition to concerns regarding the above proposed data field enhancements, Credit Suisse is also concerned with the proposed modifications to reporting requirements. Changing the frequency and timing of short reporting would require both a significant, material lift and significant cost burden on FINRA regulated firms to implement, and still may not render the desired result. Changing to a weekly reporting, for example, would render similar policy benefits to the current framework. Meanwhile, performing daily reporting would require even more material resource dedication from member-firms, and still may not render the desired benefit, namely, because it would only encompass FINRA members. Further, the move to weekly or daily reporting would require many hours of technical IT time that would compete against other regulatory and control changes for priority.

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We thank FINRA for their consideration of Credit Suisse's comments. If you have any questions, please do not hesitate to contact the undersigned, Maria Chiodi (Maria.Chiodi@credit-suisse.com), or (maria.chiodi@credit-suisse.com), or Killoran Long (anna.long@credit-suisse.com).

Sincerely,

/s/ Michael E. Moran

Michael E. Moran
Credit Suisse
Managing Director
Head of US Public Policy

[3] FDIC NSFR Final Rule, 12 C.F.R 329.100-109.