



Creating a Global Impartial Standard  
for Owners, Lenders, Borrowers and  
**Impact Creators.**

**Summary of themes that Radek Stech discussed on behalf of the Global PSSSL Secretariat in a meeting with The New York Times and Nest (Chair of the [Asset Owners Council](#)) on 20<sup>th</sup> March 2025.**

**Key message:**

What we have learned over the last few years is that there are many challenges with securities lending and that the potential of ESG has been wasted by those who have used it only as a public relations tool.

We are working with key stakeholders to bring change and developing our own solutions - the Global PSSSL ABC Score in particular. Our work needs to be supported with [3P Transparency tool](#) developed as part of the Global PSSSL United Nations Pathways Programme.

**Grey area over *who is who* throughout the value chain**

The securities lending value chain is ambiguous in the context of the fiduciary relationship. This has not been improved by ESG principles, despite considerable efforts, such as when "[beneficial owner institutions](#)" such as Aberdeen Standard Investments; Aviva Investors; BlackRock; KBC Asset Management NV; NN Investment Partners; and PGGM formed the ISLA Council for Sustainable Finance (ICSF). The ICSF did not help with understanding of key relationships in the whole value chain and there is a need for more work in this area.

**Overreliance on market liquidity narrative for global growth in the context of transparency**

Securities lending does contribute to market liquidity. The market liquidity narrative needs to be balanced with other risks inherently associated with securities lending that can undermine liquidity. Organisations should also be transparent about their approaches to the balancing exercise relating to market liquidity, systemic risks and other relevant factors.



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**Securities lending is complex from the whole value chain perspective**

The associations representing alternative investment management industry [explored that complexity](#) through the lenses of short-selling, market liquidity and price discovery in the context of rule-making in the US.

**Impartial and tailored scoring will increase transparency and checks-and-balances approach**

Global PSSL has started work on the [ABC Score](#) as a tool for increasing transparency in the securities lending value chain. Using artificial intelligence to feed these scores may help to identify certain themes/trends and drive the debate and changes in behaviour.

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Consulted with the Global PSSL Secretariat