COMPUTER SYSTEM ARCHITECTURE AND COMPUTER IMPLEMENTED METHODS FOR ENHANCED CUSTODY AND PRINCIPAL LENDING OF SECURITIES

ABSTRACT

A computer system executes a principal lending to lend the securities from lending accounts of an entity to borrowing accounts of the entity, in which the entity acts as a principal. The system includes a computer database storing securities availability information indicating availability of the securities available for borrowing from lending accounts of the entity, and a computer server system implemented by a principal lending computer system. The principal lending computer system configured to receive a short sale indication of a security for a borrowing account, electronically transmit a first transfer instruction to a custody-control computer system to transfer custody of the shorted security from at least one lending account to the principal, and electronically transmit a second transfer instruction to the custody-control computer system to transfer custody of the shorted security from the principal to the borrowing account. A computer implemented method and various alternative embodiments are also disclosed.

FIGURE 4