

Customer) and 2111 (Suitability) and would need to consider whether a customer meets the Professional designation for purposes of determining best execution and making appropriate recommendations. Finally, some Members currently designate a Priority Customer that has averaged more than 390 orders per day during a month as a Professional on a more expedited basis, not waiting until five days after the quarter.

The Exchange notes that the trading behavior of a Priority Customer can be distinguished from that of a Professional which is the purpose of the separate designations.

Further, the designation of Professional orders would not result in any different treatment of such orders for purposes of compliance with the Exchange's Rules. Priority Customers have been granted certain priority over other non-broker-dealer individuals and entities that have access to information and technology that enables them to Professionally trade listed options in the same manner as a broker or dealer in securities. Further, the Priority Customer designation allows the Exchange to attract order flow or create more competitive markets.

Also, the Exchange does not believe that the proposed rule change will impose any burden on inter-market competition because other exchanges are expected to adopt similar rules.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>12</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>13</sup>

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-MRX-2026-15 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-MRX-2026-15. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MRX-2026-15 and should be submitted on or before May 8, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2026-07496 Filed 4-16-26; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>14</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105226; File No. SR-FINRA-2025-017]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend FINRA Rule 4210 (Margin Requirements) To Replace the Day Trading Margin Provisions With Intraday Margin Standards

April 14, 2026.

#### I. Introduction

On December 29, 2025, the Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or the "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend FINRA Rule 4210 (Margin Requirements) to replace its current day trading margin provisions with a modern intraday margin standard.<sup>3</sup>

The proposed rule change was published for comment in the **Federal Register** on January 14, 2026.<sup>4</sup> The public comment period closed on February 4, 2026. The Commission received comment letters in response to the Notice.<sup>5</sup> On January 28, 2026, the Commission extended the time period in which the Commission must approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change to April 14, 2026.<sup>6</sup>

On March 18, 2026, FINRA responded to the comment letters received in response to the Notice.<sup>7</sup> On April 2, 2026, FINRA filed a partial amendment ("Amendment No. 1") to the proposed rule change, to amend language

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Exchange Act Release No. 104572 (Jan. 9, 2026), 91 FR 1580 (Jan. 14, 2026) (File No. SR-FINRA-2025-017) ("Notice").

<sup>4</sup> See Notice.

<sup>5</sup> The comment letters are available at: <https://www.sec.gov/rules-regulations/public-comments/sr-finra-2025-017> ("Comment File").

<sup>6</sup> See Exchange Act Release No. 104732 (Jan. 28, 2026), 91 FR 4750 (Feb. 2, 2026) (File No. SR-FINRA-2025-017).

<sup>7</sup> See letter from Adam Arkel, Associate General Counsel, Office of General Counsel, FINRA (Mar. 18, 2026) ("FINRA Letter"), available at: <https://www.sec.gov/comments/sr-finra-2025-017/srfinra2025017-729267-2273314.pdf>.

regarding the timing of the implementation of the proposed rule change.<sup>8</sup> The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

## II. Description of the Proposed Rule Change, as Modified by Amendment No. 1

The proposed rule change would, among other things, eliminate provisions relating to “pattern day traders,” the computation and use of “day-trading buying power,” and the minimum equity requirement of \$25,000 for pattern day traders, and would implement instead new intraday margin standards. Additionally, the proposed rule change would update certain provisions in Rule 4210 in light of the proposed change implementing intraday margin requirements and delete obsolete references.

As such, the proposed rule change would eliminate paragraph (f)(8)(B) under Rule 4210 together with associated provisions relating to the day trading margin requirements under paragraphs (b), (f)(10) and (g)(13), would establish new paragraphs (a)(17) through (a)(19), new paragraph (d)(2) and new paragraphs (g)(1)(J) and (g)(1)(K), and would make minor conforming amendments.<sup>9</sup>

### A. Current Day Trading Margin Requirements of Rule 4210

FINRA Rule 4210 (Margin Requirements) establishes special requirements for pattern day traders.<sup>10</sup> The rule defines the term “day trading,” subject to specified exceptions, as the purchasing and selling or the selling and purchasing of the same security on the same day in a margin account.<sup>11</sup> A “pattern day trader” means any customer who executes four or more day trades within five business days.<sup>12</sup> A

<sup>8</sup> See Amendment No. 1, available at: <https://www.finra.org/sites/default/files/2026-04/FINRA-2025-017-Partial-A-1.pdf>.

<sup>9</sup> See Notice, 91 FR at 1580.

<sup>10</sup> See current FINRA Rule 4210(f)(8)(B). Associated provisions are found in references to pattern day trader minimum equity requirements in paragraph (b) of the rule, as well as paragraph (g)(13), which addresses the conditions for applicability of the day trading margin requirements in portfolio margin accounts, and corresponding references to the day trading requirements under paragraph (f)(10), which addresses security futures. See Notice, 91 FR at 1580, n.3.

<sup>11</sup> See current FINRA Rule 4210(f)(8)(B)(i).

<sup>12</sup> See current FINRA Rule 4210(f)(8)(B)(ii). A customer will not be considered a pattern day trader if the number of day trades is 6% or less of their total trades for a five business-day period.

customer who is deemed a pattern day trader becomes subject to the special requirements under paragraph (f)(8)(b)(iv) of Rule 4210 that apply to pattern day traders. Minimum equity of \$25,000 is required for the account of the customer deemed to be a pattern day trader, which must be deposited into the account before the customer may continue day trading, and which must be maintained in the account at all times.<sup>13</sup>

Further, the special requirements prohibit pattern day traders from trading in excess of their “day-trading buying power.”<sup>14</sup> When pattern day traders exceed their day-trading buying power, that creates a special maintenance margin deficiency, and the rule requires the member to take several specified actions.<sup>15</sup>

If a pattern day trader fails to meet a special maintenance margin call within five business days from the date the margin deficiency occurs, they are permitted to execute transactions only on a cash available basis for 90 days or until the special maintenance margin call is met.<sup>16</sup>

Pattern day traders are restricted from using the guaranteed account provision pursuant to paragraph (f)(4) of Rule 4210 for meeting the requirements of paragraph (f)(8)(B).<sup>17</sup> Further, funds deposited into a pattern day trader’s account to meet the minimum equity or maintenance margin requirements of paragraph (f)(8)(B) of the rule cannot be withdrawn for a minimum of two business days following the close of business on the day of deposit.<sup>18</sup>

<sup>13</sup> See current FINRA Rule 4210(f)(8)(B)(iv)a.

<sup>14</sup> See current FINRA Rule 4210(f)(8)(B)(iv)c. FINRA Rule 4210 defines day-trading buying power as the equity in a customer’s account at the close of business of the previous day, less any maintenance margin requirement set forth in paragraph (c) of Rule 4210, multiplied by four for equity securities, or computed using applicable special maintenance margin requirements pursuant to other provisions of the rule for non-equity securities. See current FINRA Rule 4210(f)(8)(B)(iii).

<sup>15</sup> Specifically: the account must be margined based on the cost of all the day trades made during the day; the customer’s day-trading buying power must be limited to the equity in the customer’s account at the close of business of the previous day, less the maintenance margin required in paragraph (c) of Rule 4210, multiplied by two for equity securities; and “time and tick” (that is, calculating margin using each trade in the sequence that it is executed, using the highest open position during the day) may not be used. See current FINRA Rule 4210(f)(8)(B)(iv)c.1. through c.3. See Notice, 91 FR 1581, n.9.

<sup>16</sup> See current FINRA Rule 4210(8)(B)(iv)d.

<sup>17</sup> See current FINRA Rule 4210(f)(8)(B)(iv)e. Broadly, paragraph (f)(4) of Rule 4210 permits an account guaranteed by another account to be consolidated with that other account, for purposes of margin, subject to specified conditions under the rule.

<sup>18</sup> See current FINRA Rule 4210(f)(8)(B)(iv)f.

Finally, in the event a customer does not meet a special margin maintenance call by the fifth business day, then on the sixth business day only, members are required to deduct from net capital the amount of the unmet special margin maintenance call pursuant to the Commission’s net capital rule (Exchange Act Rule 15c3–1) and, if applicable, Rule 4110(a).<sup>19</sup>

### B. Proposed Amendments

Based on engagement with customers and members,<sup>20</sup> FINRA proposed to eliminate the current day trading margin requirements, including the definition of “day trading” and “pattern day trader,” as well as the computation and use of day-trading buying power, and the \$25,000 minimum equity requirement<sup>21</sup> and replace these provisions with new intraday margin requirements. FINRA stated that the new provisions for intraday margin would ensure customers maintain equity in their margin account commensurate with the amount of market exposure they have at any given point in time during the trading day, irrespective of whether they engage in day trading. FINRA believes that the proposed rule change will benefit customers and members alike by reducing risks of intraday trading exposures more broadly and giving customers more freedom to participate in the markets, while reducing

<sup>19</sup> FINRA Rule 4110(a) is a component of FINRA’s capital compliance rules. See Notice, 91 FR at 1581.

<sup>20</sup> See Notice, 91 FR at 1581–82 (describing adoption of day trading requirements, developments in financial markets since the adoption of the day trading requirements, and input from retrospective review and industry outreach).

<sup>21</sup> As such, FINRA stated that the proposed rule change would delete paragraph (f)(8)(B) of FINRA Rule 4210 in its entirety. In addition, the proposed rule change would delete, as rendered obsolete, provisions elsewhere in FINRA Rule 4210 that refer to or are premised upon the current day trading margin requirements, including: in paragraph (b) the references to the pattern day trader minimum equity requirement; paragraphs (f)(10)(G)(ii) and (f)(10)(G)(iii) in their entirety, given those provisions are premised on applying the current day trading margin requirements in the context of security futures; and paragraph (g)(13) in its entirety, given that provision is premised on specified conditions for applicability of the current day trading margin requirements in portfolio margin accounts. See Exhibit 5. All references to the proposed rule text can be found in Exhibit 5, available at: <https://www.sec.gov/files/rules/sro/finra/2026/34-104572-ex5.pdf>. If the proposed rule change is approved by the SEC, FINRA stated it would also delete associated interpretations relating to the day trading margin requirements that FINRA maintains on its website, FINRA.org. These associated interpretations include: Interpretations/023/025 and/034 under FINRA Rule 4210(b)(4); Interpretation/03 under Rule 4210(f)(5); Interpretations/01./02 and/03 under FINRA Rule 4210(f)(8)(B)(ii); and all interpretations under FINRA Rule 4210(f)(8)(B) and FINRA Rule 4210(g)(13). See Notice, 91 FR at 1582, n.24.

compliance costs for members. FINRA stated that one of the primary rationales for the current requirements—that commission costs would seriously undermine returns when investors over-traded in their accounts—is largely gone: customers today have the benefit of zero commission trading.<sup>22</sup>

In addition, by removing the current day trading margin requirements, FINRA stated that more retail investors may choose to participate in the markets and pursue their preferred trading strategies. Further, FINRA believes customers should also find the intraday margin approach significantly easier to understand than the current day trading margin requirements. FINRA stated that members, relieved of the burdens associated with enforcing outdated pattern day trading requirements, should benefit from lower compliance costs, while reducing risks of overextended trading. Finally, FINRA stated that it anticipates that the new proposed requirements, by requiring appropriate margin for intraday risk created by day trades and other intraday activity, such as transactions in options on their expiration dates (“zero day to expiration” or “ODTE” options trading), will be effective in avoiding the build-up of unmarginated positions that could hurt both customers and members during large shifts in market prices.<sup>23</sup>

FINRA stated that the proposed rule change makes no change to the regular maintenance margin requirements as they exist today.<sup>24</sup> Rather, the proposed rule change supplements these existing maintenance margin requirements.

FINRA stated that the key features of the proposed intraday margin provisions include:

- Members would be empowered to use real-time monitoring to block trades that would create or increase customer intraday margin deficits;
- Alternatively, members could, at the end of the day, compute each customer’s intraday margin deficit, which, for customers that are not day trading or opening option positions on their expiration date, is comparable to their regular maintenance deficits;
- When an account has an intraday margin deficit, the member would require the intraday deficit to be satisfied as promptly as possible, by deposits to the account or liquidations of positions to increase the maintenance margin excess;
- If an intraday margin deficit is not satisfied within five business days, the

member would be required to deduct the deficit in its net capital computations (for up to ten business days). If the customer makes a practice of failing to satisfy intraday margin deficits promptly, the member would be required to “freeze” the customer from obtaining additional extensions of credit until the deficit is satisfied (or 90 days elapse).<sup>25</sup>

The proposed changes are described in detail below.

#### 1. Requirement To Determine Intraday Margin

FINRA proposed to establish a new paragraph (d)(2) (“Intraday Margin”) under Rule 4210.<sup>26</sup> The core, operative provision would be set forth in paragraph (d)(2)(A), which establishes the requirement on each member to determine the “intraday margin deficit”<sup>27</sup> for each margin account of a customer, as further specified in the rule. Paragraph (d)(2)(B) sets parameters for purposes of making the required determination. Paragraphs (d)(2)(C) and (d)(2)(D) govern the satisfaction of an intraday margin deficit and set forth the provisions for a specified 90 day freeze in the event of failure to satisfy a deficit. FINRA stated that the requirements of new paragraph (d)(2) are designed so that members could comply with the rule by implementing real-time monitoring of customer positions and blocking transactions that would otherwise create or increase intraday margin deficits.<sup>28</sup> As a result, these members’ customers should never incur intraday margin deficits.

FINRA stated, however, that real-time monitoring is not a requirement under the rule and that members would be permitted, alternatively, to continue to make a single margin calculation at the end of the day, rather than throughout the day, as they do under the current requirements.<sup>29</sup> FINRA expects that, for customers that do not day trade or do not open option positions on their expiration date, the end of day intraday margin computation should not be more burdensome than the regular maintenance margin computation because their intraday margin deficits should not exceed their regular maintenance deficits. FINRA stated that

it believes this approach would be effective because, whether the member implements real-time monitoring, or conducts end-of-day computations, the rule is designed to result in an effective, disciplined approach to margin.<sup>30</sup> FINRA described the elements of proposed paragraphs (d)(2)(A) and (d)(2)(B).<sup>31</sup>

Proposed paragraph (d)(2)(A) would establish the requirement that each FINRA member firm determine the “intraday margin deficit,” if any, for each margin account of a customer, other than a good faith account or a portfolio margin account, and for each day in which there is any “IML-reducing transaction.”<sup>32</sup> In order to implement this core requirement, FINRA proposed to adopt several new key terms: “intraday margin level”; “IML-reducing transaction”; and “intraday margin deficit.”

First, the term “intraday margin level” (or “IML”) under new paragraph (a)(17) would mean, with respect to a customer’s margin account for a time or IML-reducing transaction in such margin account during a day, either: (A) the amount of cash that the customer could withdraw while still having the maintenance margin required by the provisions of FINRA Rule 4210 other than FINRA Rule 4210(d)(2); or (B) the amount of additional cash (expressed as a negative number) that the customer would need to deposit into such margin account for it to have the maintenance margin required by the provisions of Rule 4210 other than Rule 4210(d)(2), in each case (that, is (A) or (B)) determined as of such time or immediately after such IML-reducing transaction in accordance with Rule 4210(d)(2)(B).<sup>33</sup>

Second, the term “IML-reducing transaction” under new paragraph (a)(18) would refer, broadly, to any transaction that reduces the amount available to a customer to withdraw while still meeting the maintenance margin requirement (for example, the purchase of a stock other than to cover a short position or the short sale of an option).<sup>34</sup>

<sup>22</sup> See Notice, 91 FR at 1583.

<sup>23</sup> See Notice, 91 FR at 1583–84.

<sup>24</sup> See proposed FINRA Rule 4210(d)(2)(A). See also Notice, 91 FR at 1583.

<sup>25</sup> See proposed FINRA Rule 4210(a)(17). See also Notice, 91 FR at 1583.

<sup>26</sup> See proposed FINRA Rule 4210(a)(18). Paragraph (a)(18) would define “IML-reducing transaction” to mean “with respect to a margin account, any purchase or sale effected in such account (including as the result of the exercise or assignment of an option) that has the effect of reducing the account’s IML, the expiration of any option long in the account that has the effect of reducing the account’s IML, and any withdrawal of

<sup>22</sup> See Notice, 91 FR at 1582.

<sup>23</sup> See Notice, 91 FR at 1582.

<sup>24</sup> The maintenance margin requirements are set forth under current paragraph (c) of FINRA Rule 4210.

<sup>25</sup> See Notice, 91 FR at 1582.

<sup>26</sup> The provisions under current paragraph (d) would be redesignated, without material change, as paragraph (d)(1), under a new header (“House Margin and Limits”), which FINRA stated it believes is appropriate to the subject matter and function of that paragraph. See Notice, 91 FR at 1582, n.26.

<sup>27</sup> See further discussion below for the proposed definition of “intraday margin deficit.”

<sup>28</sup> See Notice, 91 FR at 1582–83.

<sup>29</sup> See Notice, 91 FR at 1583.

Lastly, FINRA stated that the term “intraday margin deficit” would be defined under new paragraph (a)(19) to refer, broadly, to the highest deficiency following an “IML-reducing transaction” between the margin to be maintained and the equity in the account.<sup>35</sup>

## 2. Parameters for Determining IML or Intraday Margin Deficit

In addition to the core requirement and proposed defined terms, FINRA also proposed paragraph (d)(2)(B) to establish certain parameters for member firms to take into account when determining an IML or intraday margin deficit.<sup>36</sup>

Pursuant to the proposed amendments:

(a) *Sweep Programs*. Members would be permitted to follow a written policy or procedure to treat a customer’s deposits at FDIC-insured banks under a Sweep Program,<sup>37</sup> operated by the member, as a credit balance in the customer’s account for this purpose;<sup>38</sup>

(b) *Market Value*. Members would be permitted to follow a written policy or procedure to use values more recent than the execution price or the previous business day’s closing price to determine the current market value of a position, provided that such procedure is reasonably designed;<sup>39</sup> and

(c) *“As of” actions*. Members would be permitted to follow a written policy or procedure to allocate “as of” actions either to the approximate time and day during which they are processed or to the earlier time or day recorded for their occurrence, provided that such procedure is reasonably designed;<sup>40</sup>

cash or securities from such account.” See also Notice, 91 FR at 1583.

<sup>35</sup> See proposed FINRA Rule 4210(a)(19). Specifically, “intraday margin deficit” would be defined to mean “with respect to a margin account for a day in which there is any IML-reducing transaction in such account, an amount determined in accordance with FINRA Rule 4210(d)(2)(B) by the member maintaining such account that is not less than the absolute value of the largest negative IML (if any) with respect to any IML-reducing transaction in such margin account during such day.” See also Notice, 91 FR at 1583.

<sup>36</sup> See also Notice, 91 FR at 1583.

<sup>37</sup> See the provisions under Exchange Act Rule 15c3-3(j) governing “Sweep Programs” as defined under Exchange Act Rule 15c3-3(a)(17).

<sup>38</sup> See proposed FINRA Rule 4210(d)(2)(B)(i). FINRA noted members would be able to apply such treatment regardless of whether the customer does any day trading. See Notice, 91 FR at 1583.

<sup>39</sup> See proposed FINRA Rule 4210(d)(2)(B)(ii). FINRA noted, for example, a member that makes a single end of day calculation of its customers’ intraday margin deficits could utilize the same end of day prices for that calculation as it uses for determining whether the customer has a maintenance margin deficiency as the end of the day. See also Notice, 91 FR at 1583.

<sup>40</sup> See proposed FINRA Rule 4210(d)(2)(B)(iii). See also Notice, 91 FR at 1583.

(d) *Treatment of deposits and withdrawals*. Further, member firms would be permitted to treat all deposits and withdrawals of cash or securities into or from a margin account during the day as occurring simultaneously and immediately after the beginning of the day, notwithstanding the time of occurrence. The same would be permitted for any transaction that closes a position that was open at the beginning of the day. FINRA stated this allows net deposits, and margin released by closing positions existing at the end of the day, to reduce or eliminate intraday margin deficits that otherwise would have occurred as a result of activity before the deposits or liquidations took place.<sup>41</sup>

(e) *Multiple legs of a spread and options exercised and liquidated on the same day*. Member firms would also be able to treat as occurring simultaneously:

(1) the execution of multiple legs of a spread as a result of a single order submission or otherwise substantially contemporaneously;<sup>42</sup> or

(2) the creation of a position by the assignment or exercise of an option and the liquidation of such position during the same day.<sup>43</sup>

(f) *Computing IML*. FINRA proposed, for purposes of paragraph (d)(2)(B) of FINRA Rule 4210, if two or more activities in a margin account occurred during a day and the member cannot demonstrate that one activity occurred before another activity, then the IML with respect to such activities must be computed on the assumption that the activities occurred in an order that results in the highest intraday margin deficit for such day.<sup>44</sup>

## 3. Satisfaction of Intraday Margin Deficits and 90-Day Freeze

To promote a disciplined approach to intraday margin, FINRA proposed paragraphs (d)(2)(C) and (d)(2)(D) of FINRA Rule 4210 that would establish specified timeframes for the satisfaction of intraday margin deficits, and requirement to freeze an account where a customer makes a practice of failing to satisfy intraday margin deficits as promptly as possible.

First, FINRA proposed new paragraph (d)(2)(C) which includes three core provisions. The first provision would require intraday margin deficits to be

<sup>41</sup> See proposed FINRA Rule 4210(d)(2)(B)(iii). See also Notice, 91 FR at 1583.

<sup>42</sup> See proposed FINRA Rule 4210(d)(2)(B)(v)a. See also Notice, 91 FR at 1583.

<sup>43</sup> See proposed FINRA Rule 4210(d)(2)(B)(v)b. See also Notice, 91 FR at 1583–84.

<sup>44</sup> See proposed FINRA Rule 4210(d)(2)(B)(vi). See also Notice, 91 FR at 1584.

satisfied as promptly as possible if a margin account (other than a good faith account or a portfolio margin account) has an intraday margin deficit with respect to a day in which there is an IML-reducing transaction in such account.<sup>45</sup> Second, FINRA proposed that an intraday margin deficit for a day would be “satisfied” for purposes of the rule if, from the end of such day to the end of a subsequent day, the customer made net deposits, or otherwise caused an increase in the account’s IML, sufficient to equal the intraday margin deficit. The rule would provide that net deposits or increases in IMLs may satisfy multiple outstanding intraday margin deficits for the same margin account.<sup>46</sup> Third, FINRA proposed that an intraday margin deficit would remain outstanding until satisfied or until immediately after the close of business on the fifteenth business day after the date of the intraday margin deficit.<sup>47</sup>

Under proposed new paragraph (d)(2)(D), FINRA proposed that if a customer makes a practice of failing to satisfy intraday margin deficits as promptly as possible, and fails to satisfy an intraday margin deficit by the close of business on the fifth business day after it occurs, the member firm must enforce written policies and procedures reasonably designed to prevent the customer from creating or increasing a short position or a debit balance (other than by closing a short position) for 90 calendar days after such fifth business day or until the intraday margin deficit has been satisfied (without regard to its expiration pursuant to proposed Rule 4210(d)(2)(C)(iii)).<sup>48</sup> The proposed amendment would provide that a customer shall not be considered to be making a practice of failing to satisfy intraday margin deficits as promptly as possible due to intraday margin deficits that:

(i) Do not exceed the lesser of 5% of the equity in the margin account or \$1,000; or

(ii) Are reasonably determined by the member to have occurred under extraordinary circumstances such that failures to satisfy such intraday margin deficits do not reflect a practice of failing to satisfy intraday margin deficits as promptly as possible.<sup>49</sup>

<sup>45</sup> See proposed FINRA Rule 4210(d)(2)(C)(i). See also Notice, 91 FR at 1584.

<sup>46</sup> See proposed FINRA Rule 4210(d)(2)(C)(ii). See also Notice, 91 FR at 1584.

<sup>47</sup> See proposed FINRA Rule 4210(d)(2)(C)(iii). See also Notice, 91 FR at 1584.

<sup>48</sup> See proposed FINRA Rule 4210(d)(2)(D). See also Notice, 91 FR at 1584.

<sup>49</sup> See proposed FINRA Rule 4210(d)(2)(D)(i)–(ii). See also Notice, 91 FR at 1584.

#### 4. Portfolio Margin Amendments

The proposed rule change would update provisions of paragraph (g) of FINRA Rule 4210 with respect to portfolio margin. Specifically, because the proposed rule change would render obsolete references under FINRA Rule 4210 that are premised on specified conditions for the applicability of the current day trading margin requirements, FINRA proposed to delete paragraph (g)(13).<sup>50</sup>

In lieu of paragraph (g)(13), the proposed rule change would establish new paragraphs (g)(1)(J) and (g)(1)(K) of FINRA Rule 4210, which would provide that, among the other monitoring provisions for portfolio margin, a member, in performing the risk analysis of portfolio margin accounts required by the rule, would need to include in the written risk analysis methodology procedures and guidelines for: (1) determining and monitoring intraday risk created by activity in each portfolio margin account; and (2) requiring each portfolio margin account that maintains less than \$5 million in equity to maintain margin for intraday risk that is substantially similar to the margin required for positions existing at the end of the day.<sup>51</sup> FINRA stated it believes this approach, which preserves the \$5 million threshold that currently applies, is well understood by industry participants and appropriate given the nature of portfolio margin activity.<sup>52</sup>

#### C. Implementation and Amendment No. 1

FINRA stated that if the Commission approves the proposed changes, FINRA would announce the effective date in a *Regulatory Notice*. Noting that member firms may need adequate time to prepare to implement the new requirements, while others may be able to implement them more quickly, FINRA stated that members should be provided with an interim period in which they may continue applying the current day trading margin requirements as appropriate (e.g., by account) while preparing to implement the new requirements.<sup>53</sup> FINRA also stated that it believes that member firms that prefer to implement the new requirements more quickly should be allowed to do so prior to the expiration of this interim period. Consequently, FINRA anticipated that the interim period would be for 12 months after FINRA announces the effective date of the

proposed rule change in a *Regulatory Notice*.

On April 2, 2026, FINRA filed Amendment No. 1 to the proposed rule change.<sup>54</sup> Amendment No. 1 revised language in the Notice regarding the implementation date of the proposed rule change to provide that if the Commission approves the proposal, FINRA would issue a *Regulatory Notice* announcing an effective date of 45 days from the publication of that *Regulatory Notice*, and to provide that members that need more time to implement the new requirements are permitted to phase-in implementation over a period of 18 months following the publication of the *Regulatory Notice*. Amendment No. 1 also made certain non-substantive edits to the same paragraph in the Notice.<sup>55</sup>

Finally, FINRA stated that to aid members in preparing for implementation of the proposed rule change, FINRA will make available on its website training materials, illustrative examples and other guidance as appropriate regarding the application of intraday margin.<sup>56</sup>

#### III. Discussion and Commission Findings

After careful review of the proposed rule change, as modified by Amendment No. 1, comment letters, and FINRA's responses to the comments, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities association.<sup>57</sup> Specifically, for the reasons discussed below, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Exchange Act,<sup>58</sup> which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open

market and, in general, to protect investors and the public interest.

#### A. New Intraday Margin Requirements

As stated in section I. above, the Commission received comments to the Notice.<sup>59</sup> Most commenters, including individual investors,<sup>60</sup> overwhelmingly supported the proposal to replace the current day trading margin requirements with the proposed intraday margin requirements, including elimination of the \$25,000 minimum equity requirements and definition of pattern day trader.<sup>61</sup> Commenters supported the

<sup>59</sup> See Comment File.

<sup>60</sup> See, e.g., Letters from Roger Allen (Feb. 6, 2026); Angel Anderson (Jan. 28, 2026 and Jan. 31, 2026); Thomas Androxman (Feb. 17, 2026); Thomas Berk (Mar. 10, 2026) ("Berk Letter"); Chao (Jan. 30, 2026) ("Chao Letter"); Charles A (Jan. 15, 2026); Ethan Chia (various letters) ("Chia Letter"); Monica Cutsforth-Balele (Feb. 13, 2026) ("Cutsforth Letter"); Cenk Darendeli (Feb. 16, 2026) ("Darendeli Letter"); David (Jan. 28, 2026); Katherine Diamond (Mar. 2, 2026) ("Diamond Letter"); Treavor Anthony English (Jan. 15, 2026) ("English Letter"); Findley Flanagan (Jan. 11, 2026) ("Flanagan Letter"); Ernest F. Fleming, Jr. (Mar. 2, 2026) ("Fleming Letter"); Teri Gonzales (Jan. 12, 2026); Moshe Grama (Jan. 31, 2026) ("Grama Letter"); Russell Grove (Jan. 27, 2026) ("Grove Letter"); Frieda Gail Hedglin (Jan. 22, 2026); Abi Hernandez (Jan. 13, 2026); Randy Lee Hockenberry (Jan. 14, 2026) ("Hockenberry Letter"); Wade Horner (Feb. 24, 2026) ("Horner Letter"); Alecia Johnson (Jan. 25, 2025) (A. Johnson Letter"); J. Johnson (Jan. 29, 2026); Michael Kramer (Jan. 28, 2026 and Feb. 5, 2026) ("Kramer Letter"); Steven Lee (Jan. 23, 2026); Roberto Lopez (Jan. 22, 2026); Caleb Miner (Feb. 2, 2026); William Minerich (Jan. 27, 2026); Terry Monroe (Jan. 15, 2026); Joseph Morrell (Jan. 16, 2026); Christopher Murrow (Mar. 8, 2026) ("Murrow Letter"); Wanson Ng (Feb. 27, 2026) ("Ng Letter"); Warren Odom (Feb. 26, 2026); Daniel Pardo (Jan. 16, 2026) ("Pardo Letter"); Sagar Paudel (Feb. 2, 2026) ("Paudel Letter"); Karmic Pretizas (Mar. 16, 2026) ("Pretizas Letter"); M.E. Raatz (Jan. 12, 2026); Jonathan Rimdzius (Feb. 4, 2026) ("Rimdzius Letter"); Christopher Rodriguez (Feb. 5, 2026); Kyle Sandvold (Jan. 16, 2026) ("Sandvold Letter"); Alexander Ski (Jan. 12, 2026) ("Ski Letter"); James A. Steward (Feb. 2, 2026); J.W. Sung (Jan. 13, 2026); Swag City (Jan. 24, 2026); Tim Taylor (Jan. 27, 2026); James Walker (Feb. 3, 2026); James D.B. Williams (Feb. 4, 2026) ("Williams Letter").

<sup>61</sup> See, e.g., Letters from Kevin Skarbek, Chairman of the Board and James Toes, President & CEO, Security Traders Association (Feb. 20, 2026) ("STA Letter"); Jake Chupick, SVP, Active Trading, Lightspeed Financial Services Group, LLC (Feb. 19, 2026) ("Lightspeed Letter"); Patrick Sexton EVP, General Counsel, and Corporate Secretary, Cboe Global Markets, Inc. (Feb. 17, 2026) ("Cboe Letter"); Faris Matalka, Managing Director, Trading and Margin Services, Charles Schwab & Co., Inc. (Feb. 12, 2026) ("Schwab Letter"); Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure, and Joseph Corcoran, Managing Director & Associate General Counsel, SIFMA (Feb. 6, 2026) ("SIFMA Letter"); Edward Nasti, Vice President, Head of Legal, Alpaca Securities, LLC (Feb. 4, 2026) ("Alpaca Letter"); Matt Billings, President, Robinhood Financial LLC and Robinhood Securities, LLC. (Feb. 4, 2026) ("Robinhood Letter"); Nicolas Morgan, President, Investor Choice Advocates Network (Feb. 4, 2026) ("ICAN Letter"); Jennifer Nayar, Chief Executive

Continued

<sup>50</sup> See also Notice, 91 FR at 1584.

<sup>51</sup> See proposed FINRA Rules 4210(g)(1)(J) and (K). See also Notice, 91 FR at 1584.

<sup>52</sup> See Notice, 91 FR at 1584.

<sup>53</sup> See Notice, 91 FR at 1584.

<sup>54</sup> See Amendment No. 1.

<sup>55</sup> See *id.* See also section III.C. of this order (discussing FINRA's response to comments received regarding the proposed implementation period and the Commission's findings with respect to FINRA's revised implementation proposal, as set forth in Amendment No. 1).

<sup>56</sup> See Notice, 91 FR at 1584.

<sup>57</sup> In approving this rule change, the Commission has considered the rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>58</sup> 15 U.S.C. 78o-3(b)(6).

elimination of the \$25,000 minimum equity stating that it favors wealthier investors and creates an arbitrary barrier for smaller investors.<sup>62</sup> Commenters stated that the proposed intraday margin requirements rather than arbitrary thresholds (e.g., \$25,000 equity requirement) would be a more effective way to align trading activity with risk exposure in real-time and better enable retail traders to manage their actual risk.<sup>63</sup> Other commenters stated that individual day traders play an important role in the markets, and that the new intraday requirements will provide equal opportunity for retail participants, while still maintaining appropriate safeguards.<sup>64</sup>

Commenters also stated that the current day trading requirements may prevent retail investors from exiting losing positions or force them to stay in disadvantageous ones to prevent themselves from being designated a pattern day trader.<sup>65</sup> As such, commenters stated that these requirements subject day traders to higher risk and the potential for financial harm.<sup>66</sup> Another commenter stated that the existing requirements are difficult for investors to comprehend and operate unfairly in practice, resulting in frequent investor complaints.<sup>67</sup> Other commenters stated that aligning margin requirements with actual intraday exposure would result in better and more efficient customer margining, and promote capital efficiency, fairness, and stability while maintaining appropriate safeguards against excessive leverage.<sup>68</sup>

Commenters stated that significant technological advances since the adoption of FINRA Rule 4210 have enabled firms to implement robust, real-time risk management systems capable of assessing intraday risk and client balances dynamically.<sup>69</sup> A commenter also stated that technological advancements such as low-cost trading apps, real-time market data, and educational resources, which were

previously available only to professional traders or those with significant capital lowered the barrier to entry making it possible for a broader demographic of investors to engage with the financial markets with minimal capital.<sup>70</sup> Another commenter stated that the proposal appropriately focuses on the practical risk concern that matters most in today's fast markets—the risk of intraday maintenance margin shortfalls at the time exposure is created, rather than the customer's day trade count or a prior day-trading buying power snapshot.<sup>71</sup>

Commenters stated that implementing the intraday margin approach should also be easier for customers to understand, which will reduce confusion and the likelihood of complaints, and will reduce “firm hopping” that occurs if a customer is designated a “pattern day trader.”<sup>72</sup> Another commenter stated that the proposal maintains strong safeguards because firms would still be required to monitor accounts continuously, restrict activity when intraday deficits arise, and impose consequences for repeated failures to meet margin obligations. The commenter stated that this ensures investor protection without unnecessarily limiting market participation.<sup>73</sup>

One commenter supported FINRA's decision to structure the proposal so that member firms may comply by either implementing real-time controls to prevent intraday margin deficits from arising or by using a single end-of-day computation.<sup>74</sup> Commenters stated that this flexibility encourages continued industry modernization without prescribing specific technologies or implementation paths and accommodates diverse business models and systems, while requiring prompt satisfaction of identified deficits and meaningful consequences for repeated failures, resulting in a more coherent framework for intraday risk.<sup>75</sup>

One commenter stated that while targeted revisions may be in order, FINRA has not made the case for wholesale changes to the day trading margin requirements without adequate justification and that many of the risks and concerns that originally led to the adoption of the day trading rules exist today.<sup>76</sup> The commenter stated that zero

commission trading platforms may pose harm to small, less experience retail investors, the “finfluencers” on social media platforms have proliferated and are encouraging risk taking and speculation, and that entry of younger investors into the markets with higher risk appetites bolsters the need for strong day trading rules.<sup>77</sup> The commenter stated it would be inappropriate for FINRA to remove or dilute important regulatory guardrails without assurance that firms will manage day trading risks.<sup>78</sup> This commenter also stated that permitting members to use real-time monitoring or an end-of-day calculation would give firms too much discretion.<sup>79</sup> Finally, this commenter stated that FINRA did not seek adequate notice and comment on the proposal, that FINRA's retrospective review of the day trading requirements in Regulatory Notice 24–13 was insufficient, and that FINRA should collect more empirical evidence.<sup>80</sup>

In response to the comments raising concerns about the elimination of the current day trading requirements, FINRA agreed with the commenter about the importance of margin as a regulatory guardrail.<sup>81</sup> FINRA stated that the proposal does not eliminate margin, but replaces the outdated day trading margin requirements with modern effective standards that recognize the significant advances in market technology since the time when day trading margin rules were adopted. FINRA stated that real-time monitoring of intraday risk is something that firms are already doing.<sup>82</sup> FINRA stated that the claim that FINRA does not have adequate justification of the rule changes minimizes the changes in modern markets and the needs of today's investors, as many expressed in comments to the proposal.<sup>83</sup> FINRA also highlighted that other commenters disagreed with the statements in the commenter's letter by stating that they were frustrated with the commenter's portrayal of retail investors, believed the insistence on maintaining the \$25,000 minimum equity is a discriminatory type of wealth test, and stated that the proposed rule change is quite obviously

of Financial Institutions, North American Securities Administration Association (Feb. 4, 2026) (“NASAA Letter”).

<sup>77</sup> See NASAA Letter.

<sup>78</sup> See NASAA Letter.

<sup>79</sup> See NASAA Letter.

<sup>80</sup> See NASAA Letter.

<sup>81</sup> See FINRA Letter.

<sup>82</sup> See FINRA Letter.

<sup>83</sup> See FINRA Letter.

Officer, Sterling Trading Tech (Jan. 15, 2026) (“Sterling Letter”).

<sup>62</sup> See STA Letter; Choe Letter; ICAN Letter; Pretizas Letter; Berk Letter; Fleming Letter; Williams Letter; Pardo Letter; Sandvold Letter; English Letter; Hockenberry Letter; Letter from Gerald J. Driver (Jan. 13, 2026); Letter from Tom Edic (Jan. 12, 2026); Flanagan Letter.

<sup>63</sup> See Ng Letter.

<sup>64</sup> See Murrow Letter; Paudel Letter; Schwab Letter.

<sup>65</sup> See Diamond Letter; Rimdzius Letter; Ski Letter.

<sup>66</sup> See Cutsforth Letter; Grama Letter; Chao Letter; Grove Letter.

<sup>67</sup> See Robinhood Letter.

<sup>68</sup> See Horner Letter; Lightspeed Letter; SIFMA Letter.

<sup>69</sup> See STA Letter; Choe Letter.

<sup>70</sup> See STA Letter.

<sup>71</sup> See Alpaca Letter.

<sup>72</sup> See Robinhood Letter; A. Johnson Letter.

<sup>73</sup> See Letter from Justin Bentley Letter (Jan. 24, 2026).

<sup>74</sup> See Alpaca Letter.

<sup>75</sup> See Alpaca Letter; Sterling Letter.

<sup>76</sup> See Letter from Marni Rock Gibson, NASAA President and Commissioner, Kentucky Department

before the Commission for public comment.<sup>84</sup>

In addition, FINRA stated that it does not share the commenter's view that a retrospective review cannot provide a sufficient foundation from which to put forward a proposed rule change.<sup>85</sup> FINRA stated, as discussed in the proposal, that it received broad input in response to the retrospective review, and engaged in extensive outreach, the tenor of which reflected strong value in moving to an intraday margin rule.<sup>86</sup> FINRA stated it disagrees with the commenter that the proposal dilutes margin and that it is problematic for FINRA to permit flexibility as to the methods members use to implement the requirements.<sup>87</sup> FINRA also stated that it has been clear that margin determinations are a matter of the objective definitions and parameters set forth in the proposal, and members will be expected to act consistently with those standards.<sup>88</sup>

The proposed rule change modernizes current day trading margin requirements to alleviate unnecessary burdens on broker-dealers and customers, while continuing to address the risks of intraday trading exposures. Additionally, the requirement that a broker-dealer collect the largest intraday margin deficit from customers will ensure customers maintain equity in their margin accounts aligned with the amount of market exposure they have at any point in a trading day, whether they day trade or not. This intraday margin requirement will address the risks of intraday margin exposures without diminishing the protections of the current day trading requirements that require customers to post additional margin related to intraday trading to supplement regular maintenance margin requirements under FINRA Rule 4210.<sup>89</sup>

The proposed rule will provide broker-dealers flexibility in determining the intraday margin deficit on a day in which there is an IML-reducing transaction, and provides certain parameters a broker-dealer may follow in determining the intraday margin deficit.<sup>90</sup> This flexibility reflects advances in technology and risk management since the adoption of the day trading margin requirements. Broker-dealers may use real-time

monitoring to block trades that would create or increase a customer's intraday margin deficits. Alternatively, the proposed rule permits a broker-dealer to compute a customer's intraday margin deficit at the end of the day.<sup>91</sup> This flexibility recognizes that broker-dealers have diverse business models and serve a range of customers, from large retail broker-dealers with many day trading accounts to broker-dealers with primarily wealth management clients who rarely engage in day trading.

While the new intraday margin requirements provide flexibility to broker-dealers, the proposed rule's requirements tie the computation of a customer's intraday margin deficit to the current maintenance margin requirements under Rule 4210 (through the definition of intraday margin level or IML).<sup>92</sup> As a result, the proposed rule allows broker-dealers to determine intraday margin deficits in the most effective way for their specific business model or customer base, while requiring computations based on existing maintenance margin requirements.<sup>93</sup> This requirement will promote consistent margin practices among FINRA broker-dealer members and mitigate risks that broker-dealers compete by implementing lower intraday margin standards.

Further, the new intraday margin requirement will enhance market access allowing increased investor participation in the securities markets and facilitating capital formation. More specifically, removing the \$25,000 minimum equity requirement for accounts of customers deemed pattern day traders<sup>94</sup> will enhance access to the securities markets by eliminating financial barriers for individuals with limited capital. Therefore, the new intraday margin requirements will permit more investors to participate in the securities markets and pursue their chosen trading strategies while maintaining safeguards for broker-dealers and investors against the current risks of intraday trading exposures. Additionally, customers of FINRA member broker-dealers remain subject to current initial and regular maintenance margin requirements under FINRA Rule 4210.<sup>95</sup> This

promotes fair, orderly and efficient markets by requiring uniform initial and maintenance margin requirements for customers of FINRA members under Rule 4210 regardless of whether they engage in day trading.

Removing the \$25,000 minimum equity rule and other day trading requirements—such as defining “pattern day trader” (generally any customer who executes four or more day trades within five business days)<sup>96</sup> and standards for “day-trading buying power”<sup>97</sup>—will ease regulatory burdens, reduce customer confusion, and lower compliance costs. The new intraday margin rules should be easier for customers to understand, as they no longer depend on counting trades over several days to determine pattern day trader status or require customers to monitor their day-trading buying power. Further, eliminating the definition of pattern day trader may reduce customers' potential losses, as they no longer will need to base trade decisions on whether they will fall within that designation. This streamlining of the day trading margin requirements to address intraday margin exposures may decrease compliance costs for broker-dealers because customer complaints may be reduced, and the rule will no longer require broker-dealers to track a customer's day trades or compute day-trading buying power. Consequently, the new intraday margin requirements will enable broker-dealers to compute intraday margin requirements more efficiently and reduce burdens for customers, while continuing to protect investors by addressing the risks of intraday margin exposures.

In response to the commenter that supported targeted changes to the current day trading margin requirements, but stated that FINRA did not make a case for wholesale changes to the rule because of the risks that retail traders continue to face,<sup>98</sup> the Commission agrees with FINRA that the proposal does not eliminate margin but replaces outdated day trading margin requirements with modern, effective standards that recognize the significant advances in market technology since the day trading rules were originally adopted.<sup>99</sup> Technological advances such as app-based trading platforms, increased availability of information,

including the \$2,000 minimum equity requirement or the initial margin requirements under the Federal Reserve Board's Regulation T (12 CFR 220.1, *et seq.*). See current FINRA Rule 4210(b)(1) through (4).

<sup>96</sup> See current FINRA Rule 4210(f)(8)(B)(ii).

<sup>97</sup> See current FINRA Rule 4210(f)(8)(B)(iii).

<sup>98</sup> See NASAA Letter.

<sup>99</sup> See FINRA Letter.

<sup>84</sup> See FINRA Letter. See also Chia Letter (Feb. 7, 2026) and Kramer Letter (Feb. 5, 2026).

<sup>85</sup> See FINRA Letter.

<sup>86</sup> See FINRA Letter; see also Notice, 91 FR at 1581–82.

<sup>87</sup> See FINRA Letter.

<sup>88</sup> See FINRA Letter.

<sup>89</sup> See current FINRA Rule 4210(f)(8).

<sup>90</sup> See proposed FINRA Rule 4210(d)(2)(A) and (B).

<sup>91</sup> See Notice, 91 FR at 1582.

<sup>92</sup> See proposed FINRA Rule 4210(a)(17) (defining the term “IML” or “intraday margin level” which is tied to the maintenance margin requirements under Rule 4210 (other than paragraph (d)(2)).

<sup>93</sup> *Id.*

<sup>94</sup> See current FINRA Rule 4210(f)(8)(B)(iv)a.

<sup>95</sup> For example, the minimum initial margin requirement for the purpose of effecting new securities transactions under current FINRA Rule 4210 is the greater of certain requirements,

and influence of social media do not mitigate the risk inherent in day trading or the fact the using margin may amplify those risks. The new intraday margin requirements, however, continue to address the risks of intraday exposures present in a day trading strategy, as well as intraday exposure risks in customer margin accounts, while eliminating outdated requirements that are a burden on both customers and broker-dealers. In addition, the new intraday margin requirements will address gaps in the current day trading requirements by covering the use of intraday leverage through intraday margin requirements that will include trading in ODTE that the current day trading requirements do not consider.<sup>100</sup> Therefore, the new intraday margin requirement retains the protections of the current rule in requiring customers to post additional margin to cover intraday leverage to supplement regular maintenance margin requirements without diminishing investor protection. Further, the rule will limit a customer's (including a customer with limited equity) ability to create or increase a short position or debit balance (other than by closing a short position) for a specified time period if an intraday margin deficit has not been satisfied under the requirements of the rule.<sup>101</sup>

Moreover, in addition to the new intraday margin requirements, other existing margin requirements will continue to require that broker-dealers ensure that customers maintain sufficient equity in their margin accounts. As stated in the Notice, the intraday margin requirements will supplement the existing maintenance margin requirements under Rule 4210.<sup>102</sup> Further, other existing requirements under Rule 4210 also safeguard broker-dealers from the risks of intraday exposures. For example, broker-dealers may always collect additional margin from customers than required under Rule 4210 under their "house" margin requirements.<sup>103</sup> Existing requirements in Rule 4210 also require broker-dealers to have procedures to review the need for

instituting higher margin requirements, mark-to-markets and collateral deposits than are required by Rule 4210 for individual securities or customer accounts.<sup>104</sup> Consequently, the new intraday margin requirements and existing requirements under Rule 4210 will protect broker-dealers and customers against the risks of intraday exposures and the build-up of unmarginated positions intraday, while eliminating the outdated and burdensome provisions of the current day trading requirements.

In addition, in response to the comment that FINRA seeks regulatory approval without adequate notice and comment because it did not seek public comment on the notice before filing it with the Commission,<sup>105</sup> FINRA appropriately highlighted its retrospective review of the current day trading rules, the broad response received in response to its retrospective review, and the extensive outreach it engaged in developing the rule proposal.<sup>106</sup> There is no requirement for FINRA to seek public comment on a proposed rule change prior to filing it with the Commission. Further, the proposal is subject to the notice and comment process under section 19(b) of the Exchange Act.<sup>107</sup> As discussed above, the Commission received numerous comments on the proposal from various market participants including individuals, broker-dealers, and associations.<sup>108</sup> Commenters overwhelmingly supported replacing the current day trading margin requirements with an intraday margin requirement.<sup>109</sup> This proposed rule change will eliminate burdensome requirements with an intraday margin requirement that will continue to address the risks of intraday margin exposures. Further, FINRA undertook an economic impact assessment of the proposed rule change, which included discussion of the regulatory need for the proposed rule change, economic baseline, economic impacts, and alternatives considered.<sup>110</sup>

<sup>104</sup> See proposed FINRA Rule 4210(d)(1)(C).

<sup>105</sup> See NASAA Letter.

<sup>106</sup> See FINRA Letter and Notice, 91 FR at 1581–82.

<sup>107</sup> Under Section 19(b) of the Exchange Act, self-regulatory organizations ("SROs") generally must file proposed rule changes with the Commission for notice, public comment, and Commission approval, prior to implementation. 15 U.S.C. 78s(b). Section 19(b)(1) of the Exchange Act requires each SRO to file with the SEC "any proposed rule or any proposed change in, addition to, or deletion from the rules of . . . [a] self-regulatory organization." 15 U.S.C. 78s(b)(1).

<sup>108</sup> See Comment File.

<sup>109</sup> See section III.B. above (discussing comments).

<sup>110</sup> See Notice, 91 FR at 1585–89.

### B. Requests for Clarifications and Guidance on Certain Aspects of the Proposal

In response to the Notice, some commenters requested clarifications or guidance regarding certain aspects of the proposed rule change.<sup>111</sup> FINRA appropriately responded to those comments or stated it will provide further explanation and guidance to assist members with these and other operational issues, as appropriate, if the Commission approves the proposal.<sup>112</sup> This is consistent with other proposed rule changes where FINRA answered questions and provided further guidance to market participants regarding implementation of new rules.<sup>113</sup>

### C. Implementation Period

Finally, in response to the proposed implementation period of 12 months after FINRA announces the effective date of the proposed rule change in a *Regulatory Notice*, commenters expressed strong preferences for prompt implementation of the proposal.<sup>114</sup> Two commenters expressed support for the 12-month timeframe,<sup>115</sup> with one stating there is a risk that customers will migrate to firms that implement the intraday margin requirements more quickly than others.<sup>116</sup> Two commenters recommended that FINRA extend the implementation timeframe to 18-months to provide members more time to update their processes and methodologies.<sup>117</sup> One commenter supporting an 18-month timeframe also recommended an interval of 30 to 60 days between FINRA's announcement of the new requirements and the effective date when members can apply the new requirements to prevent broker-dealers from being placed at a competitive disadvantage while completing their operational preparations.<sup>118</sup> Another

<sup>111</sup> See Alpaca Letter; SIFMA Letter.

<sup>112</sup> See FINRA Letter—Specific Suggestions from Commenters Supporting the Proposal. In the Notice, FINRA stated that it will make further guidance available on its website, including training materials, illustrative examples, and other guidance as appropriate, regarding the application of intraday margin. See Notice, 91 FR at 1584.

<sup>113</sup> See, e.g., Frequently Asked Questions ("FAQs") Regarding Covered Agency Transaction Margin under FINRA Rule 4210, available at: [www.finra.org](http://www.finra.org) (providing guidance from FINRA in the form of answers to FAQs regarding the application of Rule 4210 as amended by SR–FINRA–2021–010).

<sup>114</sup> See Darendeli Letter; Letter from Abi Hernandez (Feb. 13, 2026); Letter from Ethan Chia (Feb. 12, 2026); Letter from Jack Griffith (Jan. 23, 2026).

<sup>115</sup> See Alpaca Letter; Lightspeed Letter.

<sup>116</sup> See Lightspeed Letter.

<sup>117</sup> See SIFMA Letter; STA Letter.

<sup>118</sup> See STA Letter.

<sup>100</sup> See Notice, 91 FR at 1582. The current day trading requirements do not consider ODTE trades because a day trade is defined as the purchasing and selling or the selling and purchasing of the same security on the same day in a margin account (with certain exceptions). See current FINRA Rule 4210(f)(8)(B)(i).

<sup>101</sup> See proposed FINRA Rule 4210(d)(2)(D).

<sup>102</sup> See e.g., current FINRA Rule 4210(c) and Notice, 91 FR at 1584.

<sup>103</sup> See proposed FINRA Rule 4210(d)(1)(B). This existing paragraph was renumbered in the proposal to account for the new intraday margin requirements under proposed paragraph (d)(2) of Rule 4210. See Notice, 91 FR at 1582, at n.26.

commenter stated that a 12-month phased implementation may create confusion among customers and competitive pressures for firms to attempt to gain an advantage through early adoption of the new intraday requirements.<sup>119</sup> This commenter suggested a single, uniform implementation date of six months after the Commission approves the proposed rule change or a date that would be no earlier than late-2026.<sup>120</sup>

In response to the comments, FINRA highlighted the very strong interest numerous commenters expressed in replacing the current day trading requirements with the new intraday margin requirements and their expectation that implementation will proceed promptly.<sup>121</sup> Balanced with this, FINRA stated it is important to ensure, to the extent possible, that the transition to the new requirements takes place in an orderly and fair fashion.<sup>122</sup> Having considered the comments, FINRA stated that it believes a limited interval could serve the interest of orderly markets, but should not be so long as to frustrate the general desire for the transition to proceed expeditiously.<sup>123</sup>

As such, FINRA stated if the Commission approves the proposal, it intends to issue a *Regulatory Notice* announcing an effective date of 45 days from publication of the *Regulatory Notice*, while allowing members that need more time to implement the new requirements to phase-in implementation over a period of 18 months from publication of the *Regulatory Notice*.<sup>124</sup> With regard to the timeframe for the phase-in period given the additional information gained from the comments on how much time members may need to prepare, FINRA believes extending the phased implementation to 18 months from the date of the *Regulatory Notice* is appropriate.<sup>125</sup>

FINRA's proposed implementation schedule is appropriate and consistent with the requirements of the Exchange Act. An 18-month phased-in implementation timeframe from the date of publication of the *Regulatory Notice* will provide flexibility for broker-dealers to implement the new intraday margin requirements any time after the 45-day effective date. The 45-day effective date following the publication

of the *Regulatory Notice*, during which all member firms must apply the current day trading rules should facilitate a smooth transition to implementation.

#### IV. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 1 is consistent with the Act.

Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-FINRA-2025-017 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number SR-FINRA-2025-017. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FINRA-2025-017 and should be submitted on or before May 8, 2026.

#### V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of the notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 revised the timing of the phased implementation of the proposed rule change in direct response to comments received, balancing the interest expressed by commenters for implementation to proceed promptly with the need for an orderly and fair transition to the new

requirements. Amendment No. 1 does not alter any substantive provisions of the proposed rule change from what is set forth in the Notice, which was subject to public comment. Further, Amendment No. 1 does not raise any novel regulatory concerns that have not previously been subject to comment.

Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>126</sup> to approve the proposed rule change, SR-FINRA-2025-017, as modified by Amendment No. 1, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered* pursuant to Section 19(b)(2) of the Exchange Act<sup>127</sup> that the proposed rule change (SR-FINRA-2025-017), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>128</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2026-07485 Filed 4-16-26; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105227; File No. SR-LTSE-2026-08]

### Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend LTSE Fee Schedule To Modify Transaction Fees

April 14, 2026.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 31, 2026, Long-Term Stock Exchange, Inc. ("LTSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>126</sup> 15 U.S.C. 78s(b)(2).

<sup>127</sup> 15 U.S.C. 78s(b)(2).

<sup>128</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>119</sup> See Schwab Letter.

<sup>120</sup> See Schwab Letter.

<sup>121</sup> See FINRA Letter.

<sup>122</sup> See FINRA Letter.

<sup>123</sup> See FINRA Letter.

<sup>124</sup> See Amendment No. 1; FINRA Letter.

<sup>125</sup> See FINRA Letter; Amendment No. 1.