The staff of the Commission estimates that the total reporting burden for using the OMMS Submission Form is 750 hours. The calculation of this estimate depends on the number of investors who use the forms each year and the estimated time it takes to complete the forms: 1,500 respondents × 30 minutes = 750 burden hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (b) the accuracy of the SEC's estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

Please direct your written comments on this 60-Day Collection Notice to Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg via email to *PaperworkReductionAct@sec.gov* by November 9, 2026.

Dated: September 3, 2026.

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106259; File No. SR–FINRA–2026–016]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change To Amend FINRA Rule 4515.01 (Allocations of Orders Made by Investment Advisers)

September 2, 2026.

I. Introduction

On July 9, 2026, the Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend FINRA Rule 4515.01 (Allocations of Orders Made by Investment Advisers) to expand the current exception from the rule's principal approval requirements to apply to all allocations of bulk investment adviser orders, irrespective of when allocation instructions are received. The proposed rule change was published for comment in the **Federal Register** on July 21, 2026.[3] The Commission received no comments in response to the Notice. This order approves the proposed rule change.

II. Summary of the Proposed Rule Change

FINRA Rule 4515 (Approval and Documentation of Changes in Account Name or Designation) requires members to place the account name(s) or designation(s) on the customer order form or other similar record before an order is executed. No change in such account name(s) (including related accounts) or designation(s) (including error accounts) shall be made unless the change has been authorized by a qualified and registered principal designated by the member. The essential facts relied upon by the principal approving the change must be documented in writing and preserved in accordance with Exchange Act Rule 17a–4(b). With respect to any change that takes place prior to the execution of the trade, the required principal approval and documentation must occur prior to execution.

FINRA Rule 4515.01 provides a limited exception to the requirements of Rule 4515 for orders from investment advisers (''IAs'') for which there is more than one customer (herein referred to as ''IA bulk orders''). Specifically, members are not required to obtain principal approval for any account name or designation changes relating to IA bulk orders provided that the member receives allocation instructions from the IA no later than the end of the trade date. This exception applies to outside IAs and associated persons of a member who provide investment advisory services on behalf of a member acting as an IA.

Further, FINRA Rule 4515.01 prohibits members from knowingly facilitating the allocation of orders from IAs in a manner other than in compliance with both (1) the IA's intent at the time of trade execution to allocate shares on a percentage basis to the participating accounts; and (2) the IA's fiduciary duty with respect to allocations for such participating accounts, including but not limited to allocations based on the performance of a transaction between the time of execution and the time of allocation.

As described in more detail in the Notice,[4] FINRA is proposing to amend Rule 4515.01 to expand the current exception from the rule's principal approval requirements to apply to all IA bulk orders, notwithstanding when the allocation instructions are received. Specifically, FINRA is proposing to amend Rule 4515.01 to remove the phrase ''provided that members receive specific account designations or customer names from such investment advisers by no later than the end of the day on the trade date'' and replace it with the phrase ''without the principal approval required by this Rule.'' [5]

III. Discussion and Commission Findings

After carefully reviewing the proposed rule change, 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.[6] In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Exchange Act,[7] which requires, among other things, that the association's 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the

[1] *See* 15 U.S.C. 78s(b)(1).

[2] *See* 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 105925, 91 FR 45862 (July 21, 2026) (''Notice'').

[4] *See* Notice, *supra* note 3.

[5] For the avoidance of doubt, FINRA notes that the proposed rule change would apply to delivery versus payment (''DVP'') and receive versus payment (''RVP'') arrangements and to prime brokers that receive allocation instructions directly from the IA.

[6] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation, including FINRA's representation that it has undertaken an ''economic impact assessment'' to analyze the regulatory need for the proposed rule change, its potential economic impacts, including anticipated costs, benefits, and distributional and competitive effects, relative to the current baseline, and the alternatives FINRA considered in assessing how best to meet FINRA's regulatory objectives. *See* 15 U.S.C. 78c(f); Notice.

[7] *See* 15 U.S.C. 78*o*–3(b)(6).

public interest. The Commission concludes that the proposed rule change is consistent with section 15A(b)(6) of the Exchange Act,[8] because it eliminates operational burdens that can delay timely allocation processing and increase settlement risks, while preserving investor protection safeguards.

There have been significant changes in the regulatory landscape since the adoption of Rule 4515, which mitigate concerns about timely completion of transactions that existed when FINRA Rule 4515 was adopted. In February 2023, the Commission amended Exchange Act Rule 15c6–1 to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.[9] T+1 settlement, which became effective on May 28, 2024, is expected to reduce credit, market and liquidity risks in securities transactions.[10]

In addition, many broker-dealers use straight-through processing (''STP''), which refers generally to processes that allow for the automation of the entire trade lifecycle from trade execution through settlement without manual intervention.[11] As the Commission observed in proposing T+1 settlement, ''[i]mproved automation in the settlement process has enabled better straight-through processing and contributed to increases in affirmation rates on trade date and increases in settlement rates, with an attendant decrease in exceptions and fails.'' [12]

In contrast, FINRA Rule 4515.01's limitations on allocations of IA bulk orders could result in delays in allocations if, for example, allocation instructions are received late in the day from the IA because the IA is waiting for customer approval or setting up a new customer account. These processing delays, in turn, create settlement risk and the risk that customer accounts do not accurately reflect cash and securities positions. As the Commission highlighted in the SEC T+2 Adopting Release, delays in settlement may cause routine rebalancing or asset allocation changes in an investor's portfolio to become ''lengthy and complicated multi-step processes.'' [13]

The Commission notes that a number of safeguards to protect investors and the public interest remain in place even with the approval of the proposed rule change, including:

- Exchange Act Rule 15c6–2(a), which requires that broker-dealers ''[e]nter into a written agreement with the relevant parties to ensure completion of the allocation, confirmation, affirmation, or any combination thereof, for the transaction as soon as technologically practicable and no later than the end of the day on trade date in such form as necessary to achieve settlement of the transaction'' or ''[e]stablish, maintain, and enforce written policies and procedures reasonably designed to ensure completion of the allocation, confirmation, affirmation, or any combination thereof, for the transaction as soon as technologically practicable and no later than the end of the day on trade date in such form as necessary to achieve settlement of the transaction.'' [14] Among other things, such policies and procedures must measure and monitor allocation rates and investigate any discrepancies in trade information.[15]
- Exchange Act Rule 17Ad–27, which requires clearing agencies providing central matching services to develop written policies and procedures that facilitate STP of securities transactions.[16] In adopting this rule, the Commission noted that ''eliminating the use of tools that encourage or require manual processing, alongside the continued development and implementation of more efficient automated systems in the institutional trade processing environment, is essential to reducing risk and costs to ensure the prompt and accurate clearance and settlement of securities transactions, particularly in a T+1 environment.'' [17]
- Section 206 of the Investment Advisers Act of 1940 (''Advisers Act''), which makes it unlawful for an IA to, among other things, engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client, or to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative.[18] IAs are also subject to examinations by Commission staff, which can include reviews of allocation practices.[19]
- FINRA Rule 4515.01, which continues to prohibit FINRA members from ''knowingly [facilitating] the allocation of orders from investment advisers in a manner other than in compliance with both (i) the investment adviser's intent at the time of trade execution to allocate shares on a percentage basis to the participating accounts and (ii) the investment adviser's fiduciary duty with respect to allocations for such participating accounts, including but not limited to allocations based on the performance of a transaction between the time of execution and the time of allocation.''
- FINRA Rule 2010, which requires FINRA members to ''observe high standards of commercial honor and just and equitable principles of trade.''
- FINRA Rule 3110, which requires members to maintain policies and procedures reasonably designed to achieve compliance with applicable securities laws and regulations.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,[20] that the proposed rule change (SR–FINRA–2026–016) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[21]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–18206 Filed 9–4–26; 8:45 am]

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[8] *See id.*

[9] *See* Securities Exchange Act Release No. 80295 (March 22, 2017), 82 FR 15564, 15575 (March 29, 2017) (''SEC T+2 Adopting Release'') (stating, ''significant advancements in technology and the changes in market infrastructures and operations that have occurred since 1993, which are widely assimilated into market practices, provide a basis to accommodate shortening the standard settlement cycle to T+2.''); Securities Exchange Act Release No. 96930 (February 15, 2023), 88 FR 13872, 13873 (March 6, 2023) (''SEC T+1 Adopting Release'') (citing Securities Exchange Act Release No. 94196 (February 9, 2022), 87 FR 10436 (February 24, 2022) (''SEC T+1 Proposing Release'').

[10] *See* SEC T+1 Adopting Release at 13926, 13936.

[11] *See* SEC T+1 Adopting Release at 13873 n.9.

[12] *See* SEC T+1 Proposing Release at 10471.

[13] *See* SEC T+2 Adopting Release at 15572.

[14] *See* 17 CFR 240.15c6–2(a)(1)–(2).

[15] *See* 17 CFR 240.15c6–2(b)(5).

[16] *See* 17 CFR 240.17Ad–27.

[17] *See* SEC T+1 Adopting Release at 13899.

[18] *See* 15 U.S.C. 80b–6. *See* Investment Advisers Act Release No. 5248 (June 5, 2019), 84 FR 33669, 33669 (July 12, 2019) (Commission Interpretation Regarding Standard of Conduct for Investment Advisers).

[19] *See* SEC Division of Examinations, *Fiscal Year 2026: Examination Priorities* 9 (November 17, 2025), *https://www.sec.gov/files/2026-exam-priorities.pdf.* The report notes allocation practices as a priority examination item for 2026.

[20] *See* 15 U.S.C. 78s(b)(2).

[21] *See* 17 CFR 200.30–3(a)(12).