

Regulatory Notice

26-10

Margin Standards

FINRA Adopts New Intraday Margin Standards to Replace the Day Trading Margin Requirements

Effective Date: June 4, 2026

Phase-in Period: Ends October 20, 2027

Summary

FINRA has adopted new intraday margin standards to replace in their entirety the outdated day trading margin requirements, including the day trade count requirements for designating a customer as a “pattern day trader” and the \$25,000 pattern day trader minimum equity requirement. The new standards—amendments to Rule 4210—will give customers more freedom to participate in the markets while also ensuring 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. This *Notice* provides an overview of the new intraday margin standards.

The effective date of the amendments is June 4, 2026, 45 days from publication of this *Notice*. Members that need more time to implement the rule change will be permitted to phase in their implementation over a period of 18 months, until October 20, 2027. To assist members, FINRA is planning to issue shortly a separate *Notice* announcing the availability of interpretive guidance and other resources.

The text of the amendments is included as [Attachment A](#). In this *Notice*, all references to provisions of the amendments are to the rule text as shown in Attachment A.

Questions regarding this *Notice* may be directed to:

- ▶ James Barry, Director, Credit Regulation, Office of Financial and Operational Risk Policy (OFORP), at (646) 315-8347 or james.barry@finra.org;
- ▶ Joseph David, Senior Principal Specialist, Credit Regulation, OFORP, at (646) 315-8444 or joseph.david@finra.org;

April 20, 2026

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Margin Department
- ▶ Operations
- ▶ Regulatory Reporting
- ▶ Risk Management
- ▶ Senior Management

Key Topic

- ▶ Margin

Referenced Rules & Notices

- ▶ FINRA Rule 4210
- ▶ SEA Rule 15c3-3
- ▶ Regulatory Notice 24-13

- ▶ David Aman, Senior Advisor, OFORP, at (212) 858-5183 or david.aman@finra.org; or
- ▶ Adam Arkel, Associate General Counsel, Office of General Counsel at (202) 728-6961 or adam.arkel@finra.org.

Questions may also be directed to idm@finra.org.

Background & Discussion

The SEC has approved¹ FINRA's amendments² to replace the outdated rules, adopted nearly a quarter of a century ago, that govern day trading in customer margin accounts. In this *Notice*, the new requirements are referred to as the "intraday margin rule" and the old requirements are referred to as the "day trading margin requirements." Up until now, the day trading margin requirements imposed, among other things, day trade count requirements for designating a customer a "pattern day trader" and applied a minimum equity requirement of \$25,000 to pattern day traders. Customers and members have for some time voiced concern that the day trading margin requirements are restrictive, onerous and unnecessary in today's markets.³ In response to these concerns, FINRA launched a retrospective review⁴ and engaged in extensive outreach to develop new intraday margin standards.

The new intraday margin rule replaces the outdated requirements in their entirety. The new rule is designed to give customers more freedom to participate in the markets while ensuring 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. The new rule does not change the regular maintenance margin requirements as they exist today, but rather supplements them. Below is an overview of the new requirements.

Intraday Margin: The Basics

The core, operative provisions of the new requirements are set forth in new paragraph (d)(2) of Rule 4210, which establishes the requirement on each member to determine the "intraday margin deficit" for each margin account of a customer⁵ that it maintains, other than a good faith account or portfolio margin account, and for each day in which there is any "intraday margin level (or 'IML') reducing transaction." The term "intraday margin deficit" refers, broadly, to the highest deficiency following an IML-reducing transaction between the margin to be maintained and the equity in the account. The term "IML-reducing transaction" refers, broadly, to any transaction that reduces the amount that the customer could withdraw while still meeting the maintenance margin requirement (for example, the execution of a short sale or the purchase of a security other than to cover a short position would generally be IML-reducing transactions). The terms "intraday margin level" (or IML), "IML-reducing

transaction,” and “intraday margin deficit” are all defined in further detail under the new amendments.⁶

The new rule is designed so that members may implement real-time monitoring of customer positions and blocking transactions that would otherwise create or increase intraday margin deficits. However, real-time monitoring is not a requirement under the rule and, rather than monitoring the account’s IML throughout the day, members are permitted to make a single calculation of an account’s intraday margin deficit as they currently do for maintenance margin requirements. The rule sets several key parameters for members to take into account in determining an IML or intraday margin deficit:

- ▶ Sweep Programs:⁷ A member may treat a customer’s deposits at FDIC-insured banks under a Sweep Program, operated by the member, as a credit balance in the customer’s account for purposes of computing an IML or intraday margin deficit.⁸ FINRA notes members are permitted to apply such treatment regardless of whether the customer does any day trading.
- ▶ Market value: The new rule permits a member to use values more recent than the execution price or previous day’s closing price to determine the current market value of a position. FINRA notes, for example, a member that makes a single end-of-day calculation of its customers’ intraday margin deficits could use the same end-of-day prices for that calculation as it uses for determining whether the customer has a maintenance margin deficiency as of the end of the day.⁹
- ▶ “As of” actions: Members are permitted 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.¹⁰
- ▶ Treatment of deposits and withdrawals: Members are permitted to treat all deposits and withdrawals of cash or securities into a margin account during the day as occurring simultaneously and immediately after the beginning of the day, notwithstanding the time of occurrence. The same is permitted for any transaction that closes a position that was open at the beginning of the day. FINRA notes 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.¹¹
- ▶ Multiple legs of a strategy and options exercised and liquidated on the same day: Members are permitted to treat as occurring simultaneously the substantially contemporaneous execution of multiple legs of a spread or other strategy with a reduced maintenance margin requirement, or the creation of a position by the assignment or exercise of an option and the liquidation of such position during the same day.¹²

- ▶ Computing IML: The new rule provides that 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.¹³

Satisfaction of Intraday Margin Deficits; 90 Day Freeze

The new rule's provisions governing satisfaction of intraday margin deficits and the conditions for imposing a 90 day freeze on a customer margin account are designed to help support a disciplined approach to intraday margin.

- ▶ Satisfaction of intraday margin deficit: If a margin account (other than a good faith account or portfolio margin account) has an intraday margin deficit with respect to a day in which there is an IML-reducing transaction in such account, then the member must require such intraday margin deficit to be satisfied as promptly as possible.¹⁴ Further:
 - ▶ An intraday margin deficit for a day is "satisfied" for purposes of the rule if, from the end of such day to the end of a subsequent day, the customer has made net deposits, or otherwise caused an increase in the account's IML, sufficient to equal such intraday margin deficit. The rule provides that net deposits or increases in IMLs may satisfy multiple outstanding intraday margin deficits for the same margin account.¹⁵
 - ▶ An intraday margin deficit remains outstanding until satisfied or until immediately after the close of business on the 15th business day after the date of the intraday margin deficit.¹⁶
- ▶ 90 Day Freeze: 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 must enforce written policies and procedures reasonably designed to prevent the customer from creating or increasing a short position or 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.¹⁷ The rule provides 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:
 - ▶ do not exceed the lesser of 5 percent of the equity in the margin account or \$1,000; or
 - ▶ 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.¹⁸

Portfolio Margin

The amendments update the portfolio margin provisions under paragraph (g) of Rule 4210 to take account of the new intraday margin standards.¹⁹ Specifically, the amendments add new paragraphs (g)(1)(J) and (g)(1)(K), which provide that, among the other monitoring provisions for portfolio margin, a member needs to include in its written risk analysis methodology procedures and guidelines for determining and monitoring intraday risk created by activity in each portfolio margin account,²⁰ and 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 the member requires for positions existing at the end of the day.²¹ FINRA notes this approach preserves the \$5 million threshold that currently applies under the portfolio margin provisions.

Implementation; Availability of Interpretive Materials and Other Resources

The effective date of the amendments is June 4, 2026, 45 days from publication of this *Notice*. Members that need more time to implement the rule change will be permitted to phase in their implementation over a period of 18 months, until October 20, 2027.

To assist members, FINRA is planning to issue shortly a separate *Notice* announcing the availability of interpretive guidance and other resources relating to the new intraday margin standards. Questions may also be directed to edm@finra.org or the FINRA staff identified above.

Endnotes

- 1 See Securities Exchange Act Release No. 105226 (April 14, 2026), 91 FR 20731 (April 17, 2026) (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; File No. SR-FINRA-2025-017).
- 2 Specifically, the amendments establish under Rule 4210 new paragraphs (a)(17) through (a)(19), new paragraph (d)(2) and new paragraphs (g)(1)(J) and (g)(1)(K). The amendments eliminate paragraph (f)(8)(B) together with associated provisions relating to the day trading margin requirements under paragraphs (b), (f)(10) and (g)(13), and make some minor conforming amendments. In alignment with the amendments, FINRA is also revising the interpretations of Rule 4210 that FINRA maintains on its website by deleting interpretations of the former day trading margin requirements and other references to those requirements. The affected interpretations include Interpretations /023, /025 and /034 under Rule 4210(b)(4); Interpretation /03 under Rule 4210(f)(5); Interpretations /01, /02 and /03 under Rule 4210(f)(8)(B)(ii); and all interpretations under Rule 4210(f)(8)(B) and Rule 4210(g)(13).
- 3 For further background on the history of the former day trading margin requirements, and feedback received from customers and members, see Securities Exchange Act Release No. 104572 (January 9, 2026), 91 FR 1580 (January 14, 2026) (Notice of Filing of a Proposed Rule Change to Amend FINRA Rule 4210 (Margin Requirements) to Replace the Day Trading Margin Provisions with Intraday Margin Standards; File No. SR-FINRA-2025-017).
- 4 See [Regulatory Notice 24-13](#) (October 2024) (FINRA Requests Comment on the Effectiveness and Efficiency of its Requirements Relating to Day Trading).
- 5 The term “customer” is defined under Rule 4210(a)(3).
- 6 See new paragraphs (a)(17), (a)(18) and (a)(19) of Rule 4210, respectively, in Attachment A for the specific rule language.
- 7 See the provisions under SEA Rule 15c3-3(j) governing “Sweep Programs” as defined under SEA Rule 15c3-3(a)(17).
- 8 See Rule 4210(d)(2)(B)(i) in Attachment A (stating the member “may follow a written policy or procedure of treating the aggregate amount of such customer’s deposits at FDIC-insured banks under a Sweep Program operated by such member as a credit balance in such account”).
- 9 See Rule 4210(d)(2)(B)(ii) in Attachment A (stating “the member may follow a written policy or procedure of using values that are 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 for the purpose of making computations using more current market values rather than reducing intraday margin requirements”).
- 10 See Rule 4210(d)(2)(B)(iii) in Attachment A (stating “the member may follow a written policy or procedure for the allocation of ‘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 for the purpose of addressing ‘as of’ actions rather than reducing intraday margin requirements,

and the member redetermines any previously determined intraday margin deficit that is impacted by the allocation of an 'as of' action to the earlier time or day").

- 11 See Rule 4210(d)(2)(B)(iv) in Attachment A (stating "the member may treat the following as occurring simultaneously and immediately after the beginning of the day, notwithstanding the actual time of their occurrence: a. all deposits and withdrawals of cash or securities into or from such margin account during such day; or b. any transaction that closes a position that was open at the beginning of such day").
- 12 See Rule 4210(d)(2)(B)(v) in Attachment A (stating "the member may treat as occurring simultaneously: a. the execution of multiple legs of a spread, or other strategy with a reduced maintenance margin requirement, as a result of a single order submission, or otherwise substantially contemporaneously; or b. the creation of a position by the assignment or exercise of an option and the liquidation of such position during the same day").
- 13 See Rule 4210(d)(2)(B)(vi) in Attachment A.
- 14 See Rule 4210(d)(2)(C)(i) in Attachment A.
- 15 See Rule 4210(d)(2)(C)(ii) in Attachment A.
- 16 See Rule 4210(d)(2)(C)(iii) in Attachment A.
- 17 See Rule 4210(d)(2)(D) in Attachment A.
- 18 See Rules 4210(d)(2)(D)(i) through (ii) in Attachment A.
- 19 Correspondingly, the amendments delete paragraph (g)(13) as rendered obsolete by the elimination of the day trading margin requirements. See note 2 and Rule 4210(g) in Attachment A.
- 20 See Rule 4210(g)(1)(J) in Attachment A.
- 21 See Rule 4210(g)(1)(K) in Attachment A.