

Regulatory Notice

26-17

October 9, 2026

Notice Type

- ▶ Rule Amendment

Suggested Routing:

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Senior Management
- ▶ Systems

Key Topics:

- ▶ Allocations
- ▶ Books and Records
- ▶ Investment Adviser Orders
- ▶ Principal Approval Requirements

Referenced Rules & Notices:

- ▶ FINRA Rule 4515

Allocation of Orders

FINRA Adopts Amendments to FINRA Rule 4515.01 Regarding Allocations of Investment Adviser Bulk Orders

Effective Date: November 16, 2026

Summary

FINRA has adopted amendments to FINRA Rule 4515.01 (Allocations of Orders Made by Investment Advisers) to eliminate the requirement that a principal review and approve allocations of bulk investment adviser orders received after trade date. The amendments preserve investor protections while removing unnecessary burdens in light of technological advances in the processing of allocations. The amendments will become effective on November 16, 2026.

The text of the rule change is set forth in [Attachment A](#).

Questions concerning this *Notice* should be directed to:

- ▶ Afshin Atabaki, Vice President and Associate General Counsel, Office of General Counsel (OGC), by [email](#) or (202) 728-8902; or
- ▶ Britny Auletti, Assistant General Counsel, OGC, by [email](#) or (212) 858-4039.

Background & Discussion

The amendments to Rule 4515.01 are part of the FINRA Forward initiative, which is intended to modernize FINRA's rules, guidance and processes, and empower member compliance. FINRA Rule 4515 (Approval and Documentation of Changes in Account Name or Designation) requires members to identify the account associated with the customer order before it is executed. A change in an account for an order generally must be authorized by a qualified principal of the member. The essential facts relied upon by the principal approving the change must be documented and retained. With respect to any change that takes place prior to execution of the trade, the required principal approval and documentation must occur before execution.

Rule 4515.01 provides a limited exception for orders that a member receives from an investment adviser (IA) on behalf of more than one customer account (referred to herein as “IA bulk orders”). Specifically, a member is not required to obtain principal approval for account name or designation changes relating to an IA bulk order if the member receives allocation instructions from the IA by the end of trade date. By its terms, the exception applies to outside IAs as well as associated persons of a member who provide investment advisory services on behalf of a member acting as an IA.

FINRA has amended Rule 4515.01 to expand this exception to apply to all IA bulk orders, irrespective of when allocation instructions are received. As the settlement cycle has been shortened,¹ IAs have less time to provide allocation instructions. Although most allocation instructions are received by the end of trade date and therefore already fall outside the rule’s principal approval requirement, some do not. The amendments are intended to eliminate operational burdens that can delay timely allocation processing and the attendant risks, while preserving investor protection safeguards.

The investor safeguards in Rule 4515.01 remain unchanged, including the rule’s prohibition on firms knowingly facilitating allocations that are inconsistent with both the IA’s intent at the time of trade execution to allocate shares on a percentage basis to the participating accounts and the IA’s fiduciary duty with respect to allocations for such participating accounts. This prohibition extends to allocations based on the performance of a transaction between the time of trade execution and the time of allocation.²

Effective Date

The amendments will become effective on November 16, 2026.³

Endnotes

- 1 See Securities Exchange Act Release No. 96930 (February 15, 2023), 88 FR 13872, 13873 (March 6, 2023) (File No. S7- 05-22) (SEC T+1 Adopting Release).
- 2 Firms also are reminded of their obligations under Exchange Act Rule 15c6-2(a), which generally requires broker-dealers to ensure completion of allocations as soon as technologically practicable and no later than the end of trade date through written agreements or reasonably designed written policies and procedures.
- 3 See Securities Exchange Act Release No. 106259 (September 2, 2026), 91 FR 57174 (September 8, 2026) (Order Approving File No. SR-FINRA-2026-016).