

January 15, 2026
Hon. J. Matthew DeLesDernier
Deputy Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Comment on SR-FINRA-2025-017 — Intraday Margin Standards

Dear Deputy Secretary DeLesDernier:

Sterling Trading Tech appreciates the opportunity to comment on the proposed amendments to FINRA Rule 4210 set forth in SR-FINRA-2025-017, as published in the *Federal Register* on January 14, 2026.¹

Introduction

Sterling Trading Tech believes the proposed amendments in SR-FINRA-2025-017 represent a thoughtful and necessary modernization of margin regulation under Rule 4210. By aligning regulatory requirements with how intraday risk is measured and controlled in current market conditions, the proposal enhances investor protection, supports market stability, and reduces reliance on outdated, classification-based rules. We offer these comments in the spirit of collaboration and welcome any clarification from FINRA or the Commission should our understanding of the proposal differ from FINRA's intent. We appreciate FINRA's continued engagement with market participants and stand ready to provide further input as the rulemaking process progresses.

Amendments to FINRA Rule 4210 (Margin Requirements)

The proposal would replace the existing day trading margin provisions with a principles-based intraday margin framework. As a provider of order management and risk technology used by broker-dealers and clearing firms, we support the proposal and offer the following observations to assist FINRA and the Securities and Exchange Commission in evaluating its practical application.

Modernization of Day Trading Margin Requirements

First, we support FINRA's proposal to eliminate pattern-based day trading margin requirements and replace them with intraday margin standards, as reflected in the deletion of Rule 4210(f)(8)(B) and associated provisions and the adoption of new Rule 4210(d)(2).² In our experience, risk in modern markets accumulates as a function of real-time exposure and leverage rather than trade frequency or customer classification. The proposed introduction of **Intraday Margin Level ("IML")**, **IML-reducing transactions**, and **intraday margin deficits** more closely aligns regulatory



requirements with how intraday risk is generated and managed in today's high-velocity trading environments.³

Expanded Access and Increased Intraday Leverage

Second, we acknowledge that the proposed removal of the \$25,000 minimum equity requirement and related pattern day trader restrictions will broaden access to margin trading for a larger population of investors.⁴ At the same time, this change will increase aggregate intraday leverage across more accounts. We believe FINRA appropriately addresses this tradeoff by pairing increased access with enhanced intraday margin oversight under proposed Rule 4210(d)(2), rather than relying on static minimum equity thresholds that do not scale with actual market exposure.⁵

Dynamic Margin Calculation and Intraday Risk Measurement

Third, we agree with FINRA's recognition that effective management of increased intraday leverage requires margin calculations that respond dynamically to changes in exposure throughout the trading day. The framework set forth in proposed Rule 4210(d)(2)(A) and (B), including the requirement to determine the **largest negative intraday margin level reached during the day**, reflects the operational reality that prior-day equity snapshots alone are insufficient to capture intraday risk, particularly during periods of volatility or rapid position turnover.⁶

Proactive Prevention of Intraday Margin Deficits

Fourth, we support FINRA's emphasis on preventing or addressing intraday margin deficits before they materialize into losses. The proposal expressly permits members to implement **real-time monitoring** and to **block transactions** that would create or increase an intraday margin deficit.⁷ In our view, this proactive approach better protects customers, firms, and the broader market than post-trade remediation models by reducing the likelihood of uncollateralized intraday exposure.

Principles-Based Flexibility in Implementation

Finally, we appreciate FINRA's decision to adopt a principles-based framework that allows firms to comply either through **real-time enforcement** or through a **single end-of-day intraday margin calculation**.⁸ This flexibility acknowledges the diversity of firm architectures and operational models while establishing a consistent regulatory expectation that intraday risk be appropriately margined at all times. We believe this approach encourages continued industry modernization without prescribing specific technologies or implementation paths.

Footnotes - Federal Register Page Citations

1. **Notice of filing and publication.**

Securities Exchange Act Release No. 34-104572; File No. SR-FINRA-2025-017, *Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.*;

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, 91 FR 1580 (Jan. 14, 2026).

2. **Elimination of PDT rules and adoption of intraday margin standards.**
Id. at **91 FR 1580–1583** (describing deletion of Rule 4210(f)(8)(B), removal of pattern day trading margin requirements, and adoption of new Rule 4210(d)(2)).
3. **Definitions of Intraday Margin Level and related terms.**
Id. at **91 FR 1583–1584** (proposed Rule 4210(a)(17)–(19), defining “Intraday Margin Level,” “IML-reducing transaction,” and “intraday margin deficit”).
4. **Removal of \$25,000 minimum equity requirement.**
Id. at **91 FR 1581–1583** (discussion of existing pattern day trader minimum equity requirements and FINRA’s rationale for eliminating them).
5. **Shift from static equity thresholds to exposure-based oversight.**
Id. at **91 FR 1582–1584** (FINRA explanation that intraday margin standards replace pattern-based thresholds with exposure-based margin requirements).
6. **Determination of intraday margin deficits.**
Id. at **91 FR 1584–1586** (proposed Rule 4210(d)(2)(A)–(B), including requirement to determine the largest negative intraday margin level reached during the trading day).
7. **Real-time monitoring and transaction blocking.**
Id. at **91 FR 1583–1585** (discussion permitting real-time margin monitoring and blocking of transactions that would create or increase intraday margin deficits).
8. **Principles-based compliance options.**
Id. at **91 FR 1585–1587** (FINRA explanation allowing compliance through real-time enforcement or a single end-of-day intraday margin calculation).

Respectfully Submitted,

Jennifer Nayar
Chief Executive Officer