SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33-11428; 34-105832; IA-6977; IC-36237]

No Adjustment to Civil Monetary Penalty Amounts

AGENCY: Securities and Exchange Commission.

ACTION: Notice that maximum civil monetary penalties will not increase for inflation in the 2026 calendar year.

SUMMARY: The Securities and Exchange Commission ("Commission") is publishing this notice ("Notice") pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 ("2015 Act"). This Act requires all agencies to annually adjust for inflation the civil monetary penalties that may be imposed under the statutes administered by the agency and publish the adjusted amounts in the *Federal Register.* This Notice informs the public that, in accordance with the April 17, 2026, guidance from the Office of Management and Budget ("OMB"), there will be no inflation adjustment for 2026. The maximum inflation-adjusted civil monetary penalty amounts published in January 2025 for penalties under the Securities Act of 1933 ("Securities Act"), the Securities Exchange Act of 1934 ("Exchange Act"), the Investment Company Act of 1940 ("Investment Company Act"), the Investment Advisers Act of 1940 ("Advisers Act"), and certain penalties under the Sarbanes-Oxley Act of 2002 will continue to apply to all civil monetary penalties imposed after January 15, 2025, for violations of the aforementioned statutes that occurred after November 2, 2015.

FOR FURTHER INFORMATION CONTACT: Stephen Ng, Senior Special Counsel, Office of the General Counsel, at (202) 551-7957, or Hannah Riedel, Senior Counsel, Office of the General Counsel, at (202) 551-7918.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND

This Notice is being published pursuant to the 2015 Act,[1] which amended the Federal Civil Penalties Inflation Adjustment Act of 1990.[2] The 2015 Act requires that agencies use a specific formula to calculate the maximum inflation-adjusted amounts of civil monetary penalties they administer on an annual basis and publish these new amounts in the *Federal Register* by January 15th of each year.[3] The Commission published the first annual adjustment required by the 2015 Act on January 6, 2017 ("2017 Adjustment").[4]

Since 2017, the Commission has published annual adjustments as required by the 2015 Act, the most recent of which was published on January 7, 2025 ("2025 Adjustment").[5] The annual adjustments apply to the civil monetary penalty provisions contained in four statutes administered by the Commission: the Securities Act, the Exchange Act, the Investment Company Act, and the Investment Advisers Act.[6] In addition, the Sarbanes-Oxley Act provides the Public Company Accounting Oversight Board ("PCAOB") authority to levy civil monetary penalties in its disciplinary proceedings.[7] Penalties assessed by the PCAOB in its disciplinary proceedings are penalties "enforced" by the Commission for purposes of the 2015 Act.[8]

II. CANCELLATION OF 2026 PENALTY INFLATION ADJUSTMENT

Since 2017, the Commission has, as provided in the 2015 Act, annually adjusted these

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1 Pub. L. 114-74 Sec. 701, 129 Stat. 599-601 (Nov. 2, 2015), codified at 28 U.S.C. 2461 note.

2 Pub. L. 101-410, 104 Stat. 890-892 (1990), codified at 28 U.S.C. 2461 note. The Inflation Adjustment Act previously had been amended by the Debt Collection Improvement Act of 1996 ("DCIA") to require that each Federal agency adopt regulations at least once every four years that adjust for inflation the civil penalties that may be imposed under the statutes administered by the agency. Pub. L. 104-134, Title III, Sec. 31001(s)(1), 110 Stat. 1321-373 (1996), codified at 28 U.S.C. 2461 note.

3 28 U.S.C. 2461 note Sec. 4. The 2015 Act replaced the formula prescribed in the DCIA with a new formula for calculating the inflation-adjusted amount of relevant civil monetary penalties.

4 Release Nos. 33-10276; 34-79749; IA-4599; IC-32414 (effective Jan. 18, 2017). As part of the 2017 Adjustment, the Commission promulgated 17 CFR 201.1001(a) and Table I to Subsection 1001, which lists the penalty amounts for all violations that occurred on or before November 2, 2015. For violations

maximum civil penalties for inflation by increasing them by a multiplier ("CPI-U Multiplier") that represents the percentage change between the Consumer Price Index for all Urban Consumers ("CPI-U") from the Bureau of Labor Statistics ("BLS") for October of the prior year and October of the year directly preceding the January adjustment.[9] OMB provides the CPI-U Multiplier to Federal agencies in an annual memorandum.[10] The Commission adjusted civil monetary penalty amounts for 2025 Adjustment by multiplying the amounts in its previous adjustment by the CPI-U Multiplier and then rounding to the nearest dollar.[11]

Due to a lapse in appropriations from October 1, 2025, until November 12, 2025, BLS was unable to produce the October 2025 CPI-U data. As a result, there was no inflation adjustment multiplier for 2026, which is needed to adjust civil monetary penalties for the 2026 calendar year under the 2015 Act. On April 17, 2026, OMB issued Memorandum M-26-11

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occurring after November 2, 2015, Subsection 1001(b) provides that the applicable penalty amounts will be adjusted annually based on the formula set forth in the 2015 Act. Subsection 1001(b) further provides that these adjusted amounts will be published in the *Federal Register* and on the Commission's website.

5 Release Nos. 33-11350; 34-102134; IA-6808; IC-35442 (effective Jan. 15, 2025).

6 *See* 28 U.S.C. 2461 note Sec. 3(2).

7 15 U.S.C. 7215(c)(4)(D).

8 The Commission may by order affirm, modify, remand, or set aside sanctions, including civil monetary penalties, imposed by the PCAOB. *See* Sarbanes-Oxley Act of 2002, 15 U.S.C. 7217(c).

9 *See* 28 U.S.C. 2461 note Sec. 5.

10 *Id.* Sec. 7(a) (requiring OMB to issue annual guidance to agencies on implementing the inflation adjustments required under the 2015 Act); OMB, M-16-06, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Feb. 24, 2016), at 4, available at https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2016/m-16-06.pdf (indicating that OMB will issue annual adjustment rate guidance).

11 *See* Release Nos. 33-11350; 34-102134; IA-6808; IC-35442 (effective Jan. 15, 2025), at 5-7. The CPI-U Multiplier for the 2025 Adjustment was 1.02598. *See* OMB, M-25-02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Dec. 17, 2024), available at available at https://www.whitehouse.gov/wp-content/uploads/2024/12/M-25-02.pdf.

informing agencies of the cancellation of the inflation adjustment for 2026.[12] Accordingly, the Commission will continue using the maximum civil monetary penalties as adjusted for inflation by the 2025 Adjustment for all penalties imposed after January 15, 2025, for violations that occurred after November 2, 2015.[13] For violations that occurred on or before November 2, 2015, the penalty amounts in Table I to 17 CFR 201.1001 continue to apply.[14]

By the Commission.

Date: July 1, 2026.

Sherry R. Haywood,

Assistant Secretary.

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12 *See* OMB, M-26-11, Cancellation of Penalty Inflation Adjustments for 2026, Regarding the Federal, Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Apr. 17, 2026), available at https://www.whitehouse.gov/wp-content/uploads/2026/04/M-26-11-Cancellation-of-Penalty-Inflation-Adjustments-for-2026-Regarding-the-Federal-Civil-Penalties-Inflation-Adjustment-Act-Improvements-Act-of-2015.pdf.

13 The maximum civil penalty amounts from the 2025 Adjustment are available in the *Federal Register*, 90 FR 2767 (published Jan. 13, 2025), and on the Commission's website*,* available at https://www.sec.gov/files/civil-penalties-inflation-adjustments-011525.pdf.

14 17 CFR 201.1001(a).