SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA-185; File No. SIPC-2026-01]

Securities Investor Protection Corporation; Notice of Inflation Adjustment Determination

AGENCY: Securities and Exchange Commission.

ACTION: Notice.

SUMMARY: Pursuant to section 3(e)(2) of the Securities Investor Protection Act of 1970 ("SIPA"), notice is hereby given that the Board of Directors of SIPC (the "Board") filed with the Securities and Exchange Commission ("Commission") on January 6, 2026, notification that the Board has determined, beginning January 1, 2027, and for the five year period immediately thereafter, that the standard maximum cash advance amount available to satisfy customer claims for cash in a SIPA liquidation proceeding will remain at $250,000. The Commission is publishing this notice to solicit comments on Board's determination from interested parties.

DATES: Comments are to be received on or before [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Comments may be submitted by any of the following methods::

Electronic comments:

- Use the Commission's internet comment form (); or
- Send an email to rule-comments@sec.gov. Please include File Number SIPC-2026-01 on the subject line.

Paper comments:

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SIPC-2026-01. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's internet website (). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: Michael Macchiaroli, Office of Financial Responsibility, at (202) 551-5777, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

I. SIPC'S STATEMENT OF THE PURPOSE OF AND STATUORY BASIS OF THE DETERMINATION OF THE BOARD OF DIRECTORS OF SIPC NOT TO ADJUST THE STANDARD MAXIMUM CASH ADVANCE AMOUNT FOR INFLATION

In its filing with the Commission, SIPC included statements concerning the purpose of and statutory basis of the SIPC Board's determination. The text of these statements may be examined at the places specified above, and appear in the text, below.

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"Under Section 9(e)(1) of the Securities Investor Protection Act, ("SIPA", 15 U.S.C. Section 78aaa *et seq*.),[1] the Board of Directors ("Board") of the Securities Investor Protection Corporation ("SIPC") must determine, every five years beginning no earlier and no later than January 1, 2011, whether to adjust for inflation the standard maximum amount that SIPC can advance to satisfy customer claims for cash under SIPA. *See* SIPA § 78fff-3(e)(1). The Board analyzed the issue at its Meeting on September 18, 2025, considering the criteria set forth in SIPA § 78fff-3(e)(5).

The Board has determined that an inflation adjustment of the maximum cash advance amount would not be appropriate. Pursuant to SIPA § 78fff-3(e)(4), and subject to the approval of the Securities and Exchange Commission ("Commission") as provided under SIPA § § 78ccc(e)(2) and 78fff-3(e)(1),[2] the standard maximum cash advance amount of $250,000 will become effective

1 For convenience, references herein to provisions of SIPA shall be to the United States Code, and shall omit "15 U.S.C."

2 SIPA §78fff-3(e)(1) provides that approval by the Commission be obtained "as provided under section 78ccc(e)(2)" of SIPA. SIPA §78ccc(e)(2) establishes procedures governing proposed changes to SIPC's rules.

on January 1, 2027. *See* SIPA 78fff-3(e)(4).[3] Under SIPA section 78fff-3(e)(3)(A), the Commission is required to publish in the *Federal Register* notice of the maximum amount.

Amount of Potential Adjustment

As a threshold matter, were the Board to have determined that an adjustment to the maximum cash advance amount should be made, the adjustment is calculated by multiplying $250,000 by

> [t]he ratio of the annual value of the Personal Consumption Expenditures Chain-Type Price Index (or any successor index thereto), published by the Department of Commerce, for the calendar year preceding the year in which such determination is made, to the published annual value of such index for the calendar year preceding the year in which this subsection was enacted.

SIPA section 78fff-3(e)(1)(B). Application of the formula based on currently available data projects to increase the limit by $100,000 to $350,000.[4]

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3 Under SIPA section 78fff-3(e)(4), any adjustment to the amount of the cash advance would take effect on January 1 of the year immediately after the year in which the adjustment was made.

4 Pursuant to SIPA §78fff-3(e), the $100,000 amount was determined as follows: $250,000 multiplied by 1.3907 (the ratio of the annual value of the Price Index for calendar year 2024, to the annual value of the index for 2009), equals $97,684. The determination is to be made using the annual value of the Price Index for the "calendar year preceding the year in which such determination is made" namely, the year 2025; however, the 2025 annual value will not be available until later in 2026. Nevertheless, official releases available as of December 5, 2025, imply that in the first half of 2025 the index increased by approximately 1.38%. Adding to that number the inflation increase expected by market analysts (as per the most recent edition of the Survey of Professional Forecasters by the Federal Reserve Bank of Philadelphia) for the second half of the year, yields an estimated total increase for 2025 of 2.88%. Consequently, if the forecast inflation for 2025 is added to the total adjusted amount for 2024, the resulting total adjusted amount for 2025 would be $357,698 ($250,000 plus $107,698). Under SIPA section 78fff-3(e)(2), "If the standard maximum cash advance amount determined under paragraph (1) for any period is not a multiple of $10,000, the amount so determined shall be rounded down to the nearest $10,000". Accordingly, the adjusted amount considering the forecasted value of the index for 2025 would be $350,000.

<u>Consideration of the Statutory Criteria</u>

In deciding whether to adjust the maximum cash advance amount, the Board is to consider the following criteria under SIPA section 78fff-3(e)(5):

(A) The overall state of the fund and the economic conditions affecting members of SIPC;

(B) The potential problems affecting members of SIPC; and

(C) Such other factors as the Board of Directors of SIPC may determine appropriate.

In furtherance of the Board's consideration of the statutory factors, input from the staffs of the Commission, Financial Industry Regulatory Authority ("FINRA"), and the Federal Depository Insurance Corporation ("FDIC") along with the staffs of the Securities Industry and Financial Markets Association ("SIFMA") and the American Securities Association ("ASA") was solicited and received.

A. The Overall State of the SIPC Fund and Economic Conditions Affecting Members, and Potential Problems Affecting Members of SIPC

In considering the overall state of the SIPC Fund and the economic conditions affecting members of SIPC, the Board reviewed SIPC's historical experience and examined SIPC advances in past and present liquidation proceedings. The Board also considered potential problems affecting members of SIPC by reviewing the current state of the financial markets, technology advancements that may affect the securities industry, and recent and pending changes in legislation that may affect the securities industry. The Board believed consideration of these statutory factors did not warrant an inflation adjustment of the standard cash advance amount.

B. Other Factors Considered by the Board

1. Potential Divergence between FDIC and SIPC Protections May be Undesirable

The Board noted, as it has in the past, the equivalency between SIPA's cash advance limit and the "standard maximum deposit insurance amount" that fixes the limit on bank deposit insurance under the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1821 *et seq.* An inflation adjustment to the former without a corresponding adjustment to the latter would result in an undesirable divergence between the cash advance limit under SIPA and the deposit insurance limit under the FDIA.

Increases to the limit of protection for cash claims under SIPA historically have been in lockstep with increases in FDIC deposit insurance.[5] In 2008, and again, in 2010, parity with deposit insurance was the primary reason for SIPC's request to Congress to increase the SIPA limit of protection for cash claims. FDIC coverage is currently \$250,000.[6] In 2016 and 2021, uniformity

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5 The below compares the limits of protection for cash under SIPA and the FDIA:

<u>SIPA</u>	<u>FDIA</u>
\$20,000 (Pub. L. No. 91-598, § 6(f)(1)(A), 84 Stat. 1636, 1651 (1970))	\$20,000 (Pub. L. No. 91-151, §7, 83 Stat. 371, 375 (1969))
\$40,000 (Pub. L. No. 95-283, § 9, 92 Stat. 249, 265 (1978))	\$40,000 (Pub. L. No. 93-495, § 102(a), 88 Stat. 1500, 1502 (1974))
\$100,000 (Pub. L. No. 96-433, § 1, 94 Stat. 1855 (1980))	\$100,000 (Pub. L. No. 96-221, § 308, 94 Stat. 132, 147 (1980))
\$250,000 (Pub. L. No. 111-203, § 929H, 124 Stat. 1376, 1865 (2010)	\$250,000 ((temporary until 12/31/2009) Pub. L. No. 110-343, § 136, 122 Stat. 3765, 3799 (2008); (permanent) Pub. L. No. 111-203, § 335, 124 Stat. 1376, 1540 (2010))

6 While the FDIA includes similar language to SIPA related to adjusting for inflation, its adjustment is based upon a \$100,000 coverage level, and the FDIC has not increased coverage under the inflation provision. 12 U.S.C. section 1821(a)(1)(F)(i)(I). *See* Deposit Insurance Regulations; Permanent Increase in Standard Coverage Amount; Advertisement of Membership; International Banking; Foreign Banks, 75 Fed. Reg. 49363 n.6 (Aug. 13, 2010).

with deposit insurance was a primary factor in the Board's determination not to adjust the standard maximum cash advance amount.

The Board considered that a unilateral increase to the SIPA limit could have unintended consequences considering the issue has not been widely studied or discussed. For example, increasing the SIPA limit above the deposit insurance limit could incentivize the movement of funds to brokerage accounts as a savings or cash management vehicle. These investors may not know that they would be ineligible for SIPC protection if their deposits were unrelated to securities investments.[7]

2. *Based on Historical Claims Experience, an Inflation Adjustment May Provide Limited Benefit to Retail Customers*

The Board also reviewed the number of claims for cash exceeding the limit of protection in past and present liquidation proceedings. This data suggests that the benefit to retail customers of an inflation adjustment may be limited. Of the more than 770,000 allowed claims in completed or substantially completed liquidation proceedings as of year-end 2024, only 355 were for cash and securities over the limits of protection under SIPA, and the unsatisfied portion of cash claims amounted to $25 million. More than half of that amount involved only three claims. In the seven SIPA proceedings initiated since 2010, when the cash limit was raised to $250,000, only one allowed cash claim remains unsatisfied.

3. *Aggregate Credit Balances, Retail Market Participation Rate, and Sweeps Programs Indicate that Individual Credit Balances May Not Be Increasing*

The Board also considered that aggregate free credit balances in customer securities accounts did not increase appreciably in the four years since March 2021, despite the unusually

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[7] See SIPA §78*lll*(2)(b)(i) (defining a "customer" under SIPA as including "any person who has deposited cash with the debtor for the purpose of purchasing securities").

robust inflation during that same period. In addition, the Board considered that with projected positive demographic growth and high retail market participation rates, the number of securities accounts carried by SIPC members will likely increase in the future, but the average free cash balance in customer securities accounts is expected to show a stagnant or declining trend in real terms over time. Finally, the Board considered that the significant amount of free cash balances moved by members as part of "sweeps" programs continues. Member firms have continued to experience the movement of customer free credit balances to banks through sweeps programs.

Consequently, the lack of impact of inflation on aggregate credit balances, the likelihood of stagnant or declining free-credit balances in customer accounts, and the continuation in the movement of customer free credit balances to FDIC-protected bank sweep products all mitigate any need for an inflation adjustment.

Conclusion

The Board weighed the statutory considerations and other appropriate factors as related to a potential inflation adjustment of $100,000. The Board concluded that, on balance, in light of the undesirable break with the FDIC limit that would result, with possibly harmful consequences, and the absence of evidence that an appreciable number of investors would benefit, an inflation adjustment to the limit of protection for cash claims was not appropriate. Accordingly, the Board determined, subject to Commission approval, that the standard maximum cash advance amount will remain at $250,000 per customer."

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II. DATE OF EFFECTIVENESS AND TIMING FOR COMMISSION ACTION

Within thirty-five days of the date of publication of this notice of the SIPC Board's determination in the *Federal Register*, or within such longer period (i) as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SIPC consents, the Commission shall:

(A) By order approve such determination or

(B) Institute proceedings to determine whether such determination should be disapproved.

III. NOTICE OF THE DETERMINATION OF THE SIPC BOARD NOT TO ADJUST THE STANDARD MAXIMUM CASH ADVANCE AMOUNT FOR INFLATION

Effective January 1, 2026, the Board determined, under section 9(e)(1) of the SIPA, 15 U.S.C. 78fff-3(e)(1), that an inflation adjustment to the standard maximum cash advance amount, as defined in section 9(d) of the Securities Investor Protection Act, 15 U.S.C. 78fff-3(d), would not be appropriate for the five-year period beginning on January 1, 2027. Accordingly, the standard maximum cash advance amount will remain at $250,000 per customer, effective January 1, 2027, and for the five years immediately thereafter.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[8]

Dated: January 14, 2026.

J. Matthew DeLesDernier,
Deputy Secretary.

8 17 CFR 200.30-3(f)(3).