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AI

AI: Council Gives Final Green Light to Simplify and Streamline Rules

On 29 June 2026, the Council of the EU (Council) gave its final green light on a new regulation, which it says aims to streamline and simplify certain rules regarding artificial intelligence (AI). The new law forms part of the so-called 'Omnibus VII' legislative package in the EU's simplification agenda.

The package includes proposals for two regulations aiming to simplify the EU's digital legislative framework and the implementation of harmonised rules on AI.

The Council says that given that provisions on high-risk AI systems were due to enter into force on **2 August 2026**, the co-legislators treated this part of the package with utmost priority and agreed on a fixed timeline for the delayed application of high-risk rules: the new application dates would be **2 December 2027** for stand-alone high-risk AI systems and **2 August 2028** for high-risk AI systems embedded in products.

The legislative act will be published in the EU's official journal shortly and will enter into force on the third day after this publication.

Link to Council Press Release here

FSB Consults on Sound Practices for the Responsible Adoption of AI

On 10 June 2026, the Financial Stability Board (FSB) published a consultation report on 'Sound Practices for Responsible Adoption of Artificial Intelligence (AI)' and says that the sound practices focus on AI-specific aspects and risks that are relevant to financial institutions and financial stability.

The FSB states that it has identified 12 sound practices to help financial institutions responsibly adopt AI. The sound practices build on and are broadly compatible with existing and ongoing work by the FSB and other standard-setting bodies. The FSB says that they seek to foster coordination, cooperation and information-sharing among stakeholders, including financial institutions and supervisors, within and across jurisdictions.

The sound practices cover:

- Organisation-wide AI governance (sound practices 1 to 4);
- The management and mitigation of AI risks through the different stages of AI development and deployment (sound practices 5 to 10); and
- The management of AI-related cyber, information and communication technology, and third-party risks (sound practices 11 and 12).

The FSB says that it strongly encourages the board and senior management of financial institutions to reference this toolkit as they consider business strategy, technology adoption, and risk management in an increasingly AI enabled environment.

Quick Links

Also, the FSB says that the sound practices are not intended to establish an international standard, to impose a prescriptive approach for responsible AI adoption by financial institutions, nor to influence business decisions in adopting a certain AI technology. They are also not developed to address recent risks that have emerged related to frontier AI models, although some sound practices would help financial institutions respond to such risks.

The FSB is inviting comments on this consultation report and the questions set out within it. Responses should be submitted by **22 July 2026**. The final report will be published in **October 2026**.

On **7 July 2026**, the FSB also held a virtual event as part of the consultation process, explaining that the event aimed to inform stakeholders about the consultation and to gather preliminary perspectives on the topics covered in the consultation report.

Link to Consultation Report here

CRYPTOASSETS

FCA Sets Crypto Rules Aimed at Cementing the UK's Place as a Global Hub
On 30 June 2026, the Financial Conduct Authority (FCA) published five policy statements and final rules, which aim to deliver a significant package as part of the FCA's Cryptoasset Roadmap and a comprehensive regime that, it says, puts the UK at the forefront of responsible cryptoasset regulation.

Legislation in February 2026 brought cryptoassets into the FCA's remit, which the FCA says marks one of the most significant expansions of its oversight in years.

The FCA explains that amongst the new requirements:

- All firms must meet financial resilience requirements including capital and stress testing;
- The FCA is introducing new market integrity rules covering areas such as insider trading and market manipulation; and
- The FCA sets out specific rules for stablecoins, which will be subject to clear, strong and transparent standards, helping to build trust in how they are used over time.

The FCA explains that it drew upon responses to its consultations as well as international best practice, and applying established financial services standards where risks are comparable, including the Consumer Duty.

Until the new rules come into effect in **October 2027**, the FCA's says that its oversight of crypto will continue to be limited to financial promotions and anti-money laundering controls.

The FCA states that it is encouraging firms to prepare now and make use of its pre-application support meetings available from July. Firms can apply for authorisation between **30 September 2026** and **28 February 2027**, so they are ready to start or continue to trade under the new mandatory regime which will come into force on **25 October 2027**.

Next steps
The FCA says that it will publish a further policy statement in **September 2026** setting out how the regulatory perimeter applies to cryptoasset activities.

The FCA also says that later this year, it will consult on decentralised finance (DeFi) guidance and separately on operational resilience guidance for firms using distributed ledger technology (DLT). It will also consult on updates to the Financial Crime Guide relevant to cryptoasset firms.

Finally, on the same day, the Bank of England and the FCA published a joint approach setting out how they, and where relevant other authorities, will work together to regulate systemic stablecoin issuers in the UK.

It explains how responsibilities will be split between the authorities, and how UK stablecoin issuers may move from FCA supervision to joint regulation once recognised as systemic by HM Treasury.

The FCA says the approach aims to provide clarity and predictability for firms as the market develops.

Link to FCA Press Release here

Link to FCA Overview of its Cryptoassets Regime Policy Statements here

Link to FCA and the Bank of England Announcement to Set Out Approach to Joint Regulation of Systemic Stablecoin Issuers here

Link to FCA's Crypto Roadmap here

BoE Launches Policy Statement and Draft Rules on Regulating Systemic Stablecoins

On 22 June 2026, the Bank of England (BoE) published its policy statement and draft Code of Practice (rules) for systemic stablecoin issuers, which it says mark a key milestone in establishing the UK's stablecoin regime. The BoE states that the framework supports safe innovation, enabling UK issued stablecoins to develop as trusted forms of digital money.

The BoE says that its policy statement and draft rules reflect feedback from last year's consultation and that it provides coin issuers with clarity to innovate and scale within a framework that maintains resilience, confidence and trust in money.

The BoE explains that it and the FCA are working closely to deliver an end-to-end regime, including a managed transition as firms grow from non-systemic to systemic. Further details were published on 30 June 2026 (see above).

Key policy decisions

Following extensive engagement with industry and stakeholders, the BoE says that it has made targeted revisions to the proposals consulted on last year. These include:

- ***Backing assets***: The maximum share held in interest-bearing assets (short-term UK government debt) has been increased from 60% to 70%, with the remainder in central bank deposits. These deposits enable issuers to meet redemptions promptly. The BoE says that the change supports more viable business models while still allowing issuers to deal with outflows.
- ***Temporary issuance guardrails***: The BoE says that it will safeguard the economy's access to credit without introducing the temporary holding limits it consulted on last year. Instead, a temporary issuance guardrail will apply to each systemic stablecoin, initially set at GBP40 billion. This, the BoE explains, delivers the same policy outcome, while being cheaper and easier to implement, and allowing unrestricted use by household and businesses. The BoE adds that the guardrail will be reviewed regularly and removed once risks to credit provision have been addressed.

Subject to feedback by **22 September 2026**, the BoE says that it intends to finalise the Code of Practice by the end of 2026.

This, the BoE says, will allow regulated stablecoins to operate in the UK from 2027.

Link to Policy Statement on Sterling-denominated Systemic Stablecoins here

Link to Proposed Regulatory Regime for Sterling-denominated Systemic Stablecoins here

FSRC Publishes a Report on Regulation of Stablecoins

On 3 June 2026, the UK's Financial Services Regulation Committee (FSRC) published its report 'Stablecoins: waiting for regulation'.

In January 2026, the FSRC launched an inquiry into the growth and proposed regulation of stablecoins in the UK, with a focus on the regulatory proposals from the BoE and the FCA.

The FSRC report includes findings that:

- The UK is currently lagging in developing its regulatory regime compared to the USA and EU;
- The regulators must adhere to current timelines and ensure that the final regulatory regime must not be delayed;
- There are several elements of the UK's proposed regime which would diverge from international equivalents, including in requirements for systemic issuers to hold unremunerated backing assets, the proposed stablecoin holding limits, and the restrictions on commercial banks issuing stablecoins;

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

- The Bank of England should conduct more granular modelling of the impact of imposing holding limits on high-value use cases;
- HM Treasury should consider with the Bank of England and the FCA whether the existing legal frameworks are sufficient to detect and deter illicit activity using private unhosted and unregulated wallets, and should be prepared to legislate to restrict their use if necessary;
- HM Treasury should set out further details about how it will determine whether stablecoins are systemic;
- The FCA should reconsider whether a k-factor requirement for stablecoin issuers that increases with the volume of stablecoins is appropriate.

Link to Report here

CYBER

SFC Urges Licensed Firms to Guard Against Emerging AI-enabled Cyber Threats
On 2 June 2026, the Securities and Futures Commission (SFC) issued a circular calling upon licensed firms to strengthen their cybersecurity measures against emerging threats enabled by frontier artificial intelligence (AI) models.

The SFC says that AI-enabled cyber threats came to the fore as cyberattacks continued to evolve locally and globally. Notably, the SFC says that Hong Kong recorded a double-digit increase in overall cyberattack incidents last year. Against this backdrop, the SFC warns in the circular that fast-advancing frontier AI models have the potential to enable more frequent, targeted and sophisticated cyberattacks, which could result in significant operational disruptions and risks for licensed firms, their staff and clients.

The SFC also noted that recent advancements in AI have made it easier for malicious actors to identify and exploit system vulnerabilities at a faster pace, coordinate attacks across multiple interconnected systems and orchestrate large-scale attacks. At the same time, the SFC says that the proliferation of AI-enabled tools lowers the barriers for them to engage in phishing, social engineering, deepfake impersonation and reconnaissance. Consequently, the SFC states that licensed firms are exposed to heightened cybersecurity risks.

In its circular, the SFC urges licensed firms, especially internet brokers and virtual asset trading platforms, to implement robust and up-to-date measures to protect their systems, prevent confidential client information from unauthorised access or disclosure, and safeguard client assets against misappropriation.

In addition, the SFC sets out areas for licensed firms to review and enhance their cybersecurity frameworks to ensure they remain up-to-date and effective. The SFC says that these areas include patching and vulnerability management, detection and monitoring measures, as well as incident response and recovery.

Link to Circular here

DORA

Dutch AFM: Trading Systems Require Stricter ICT Risk Management Under DORA
On 11 June 2026, the Dutch Authority for the Financial Markets (AFM) published a report – 'DORA in practice: Observations and recommendations on ICT risk management framework'. The AFM says that since January 2025, European rules for digital resilience via DORA (Digital Operational Resilience Act) have therefore been fully applicable.

The AFM states that it has investigated how trading platforms have set up their Information and Communication Technology (ICT) risk management framework and calls on them to consider the findings and recommendations from its thematic exploration and, where possible, to apply them in their further DORA implementation.

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

The AFM says that its research shows that the basis is usually in place, but that further steps are needed to fully and sustainably comply with DORA. The AFM says that:

- ***DORA-gap analyses are not yet sufficiently elaborated.*** Trading venues (regulated markets, multilateral trading facilities and organised trading facilities) have generally carried out gap analyses, but these are often too global. As a result, relevant DORA requirements sometimes remain out of the picture and shortcomings only become visible later. A more detailed and periodic assessment helps to identify risks in a timely manner and to make targeted adjustments.
- ***Certain parts of the ICT risk management framework require better coverage.*** A number of parts of the ICT management framework require attention in view of the requirements that DORA sets for this. Improvements can be made in the areas of security monitoring, access control, logging, emergency changes and continuity management. The AFM says that it is precisely these measures that are crucial for cyber resilience and the orderly functioning of the market.
- ***Qualification of required documentation could be more consistent.*** Policies and procedures are not always clearly distinguished from each other. It is therefore not always clear whether certain requirements are included in policy if the regulations require it. The AFM says that this is important for the governance and formal approval of the policy. Clear governance and formal approval of policy are essential to demonstrably comply with the regulations.
- ***DORA policy for intragroup ICT services.*** When using ICT services within the group, the AFM says that it sees that DORA requirements are not always unambiguously incorporated into the policy and documentation at group level. By establishing DORA-compliant policy frameworks at group level, institutions can ensure greater consistency and better management of ICT risks.
- ***Monitoring digital operational resilience.*** Digital operational resilience is important. The AFM says that this is why it monitors compliance with the DORA requirements. The AFM monitor the extent to which financial institutions comply with these rules. The AFM adds that, in its research, it also looks not only at policies and procedures on paper, but increasingly at the application in practice. In doing so, the AFM assess, among other things, whether measures work and contribute to the digital resilience of institutions. If institutions do not (fully) comply with the legal requirements, the AFM says that it will intervene.

Link to DORA ICT Report here

ESAs Publish the First Report on DORA Major ICT-related Incidents

On 3 June 2026, the European Supervisory Authorities (EBA, EIOPA and ESMA – the ESAs) published their first annual overview of major ICT-related incidents in the EU financial sector based on a reporting mechanism established by the DORA.

In its press release, ESMA says that it shows that ICT risks are increasingly borderless and interconnected. The ESAs also note that the recent evolution of highly capable AI-driven tools should encourage financial entities to strengthen cybersecurity measures to maintain their resilience going forward.

With the objective to harmonise and streamline the reporting regime of major ICT-related incidents, ESMA says that DORA introduces consistent requirements for financial entities on management, classification and reporting of ICT-related incidents. By ensuring major ICT-related incidents are properly notified to all Competent Authorities involved, this mechanism allows a faster and more coordinated response in case of borderless and interconnected major ICT-related incidents, ultimately contributing to the resilience of the European financial system.

ESMA says that the report indicates that around one third of the 3,383 major incidents reported by financial entities in the EU (i.e. 0.18 per entity subject to DORA) had a cross-border impact, underscoring the growing interconnectedness through shared infrastructures and services. On the other hand, the direct impact on clients and transactions was generally limited. System failures and external events were the main drivers, highlighting the need for robust third-party risk management, effective oversight of outsourced services and close coordination with service providers during incident response and remediation.

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

While only 10% of the reported incidents were related to cybersecurity, ESMA says it is key that financial entities uphold to the highest cybersecurity standards to be able to keep pace with the potential use of highly capable AI-driven tools.

ESMA says that these findings illustrate the growing systemic dimension of ICT risk as well as the importance of resilience and supervision in strengthening the financial sector's ability to prevent, absorb and recover from future incidents.

Link to ESMA Press Release here

Link to First Annual Overview here

IOSCO

IOSCO Publishes Report on Supervisory Technology

On 18 June 2026, the International Organization of Securities Commissions (IOSCO) published 'SupTech: Mapping the Use of Technology in Financial Supervision'.

IOSCO says that authorities are increasingly seeking to integrate SupTech into core supervisory functions. It says that artificial intelligence, data access, and cloud infrastructure are seen as critical enablers, with efficiency, timeliness of information reception and analysis, and improved capabilities driving adoption.

IOSCO states that consumer and investor protection, along with capital markets supervision, are currently the most developed areas of SupTech application, but interest is shifting toward new domains such as digital assets.

IOSCO says that the report also highlights the need for more structured long-term workforce planning to complement the integration of SupTech tools and that external hiring is currently prioritised over internal capability building, and upskilling efforts rely heavily on online and ad hoc training.

Link to Report here

MONEY MARKET FUNDS

Jurisdictions Consult on Guidance on Money Market Fund Liquid Asset Levels

On 8 June 2026, the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) and the Central Bank of Ireland (Central Bank) each published Consultation Papers on 'Guidance on Money Market Fund Weekly Liquid Asset Levels' (the Consultation Papers).

On 11 May 2026, the European Commission (the Commission) published a report to the European Parliament and the Council on the adequacy of the Money Market Funds Regulation (MMFR) from a prudential and economic point of view and related frequently asked questions on the interpretation and implementation of certain legal provisions of the MMFR (the 2026 MMF report).

Following the publication of the 2026 MMF report, and in close coordination with the Commission, the CSSF and Central Bank are consulting on national guidance for enhanced MMF liquidity risk management practices based on the Commission-suggested market resilience levels, supported by increased supervisory scrutiny and engagement where MMFs fall below the market resilience levels of liquidity.

The CSSF and Central Bank are now seeking feedback from stakeholders on its proposals. The Consultation Papers contains the following:

- The guidance on Money Market Fund WLA levels; and
- The questions addressed to the industry on the proposed guidance.

The CSSF and Central Bank invite all stakeholders to provide responses to the consultation questions by **3 August 2026**.

Link to CSSF Consultation Paper here

Link to Central Bank Consultation Paper here

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

FCA Provide Update on Reforms to the UK Money Market Fund Regulation
On 8 June 2026, the Financial Conduct Authority (FCA) provided an update on Reforms to the UK Money Market Fund Regulation (UK MMFR).

The FCA says that it is setting out next steps on issuing new rules and guidance on Money Market Funds (MMFs), following the Government plans to replace the current rules.

The FCA says that it is planning to introduce, through a new rule, a requirement that all MMFs hold sufficient liquidity for adequate resilience.

The FCA says that it intends to retain in rules the current minimum Weekly Liquid Assets (WLA) requirements as set out in UK MMFR. However, the FCA explains that it intends to set out in guidance its strong supervisory expectation that stable NAV MMFs will need to hold 40% WLA and variable NAV MMFs will need to hold 20% WLA to meet the new resilience requirement.

Given this modified approach to WLA compared to what had been proposed in the original consultation, the FCA says that its expectation is that MMFs' ability to be temporarily below the 40% / 20% WLA levels should be used only to meet redemptions or for reasons that are beyond the manager's control (which the FCA says it considers would arise very rarely). The FCA adds that it would not expect MMFs to regularly hold lower levels of WLA at quarter and year-end.

However, the FCA says it is planning to retain the current minimum Daily Liquid Assets (DLA) requirements and do not plan new guidance on DLA levels.

The FCA says that its updated proposals will deliver a clear increase in the level of resilience expected of UK MMFs while making sure they can continue to meet the needs of investors. They are subject to final consideration and sign-off within the FCA.

Next steps
The FCA says that the Government has set out its expectation that legislation for the repeal of the MMFR will be introduced by the end of 2026. The FCA therefore plan to make its new MMF rules to this timescale.

The FCA's policy statement will provide more detail on the updated proposals and the modelling on which they are based, and it also plans to publish interim final guidance on UK MMF WLA levels before this.

Link to FCA Update here
Link to Government Statement here

SUSTAINABLE FINANCE/ESG

ESMA Consults on Simplifying EU Taxonomy Disclosure Framework
On 1 July 2026, the European Securities and Markets Authority (ESMA) launched a consultation on technical advice to the European Commission (Commission) on selected Key Performance Indicators under the Taxonomy Disclosures Delegated Act, focusing on simplification and reduction of reporting burdens for market participants.

ESMA says that the consultation builds on recent simplification efforts under the Commission's Omnibus package and aims to support the broader review of Taxonomy reporting, focusing on simplifying the reporting framework while preserving the relevance of disclosures for investors.

ESMA proposes several simplifications to the Taxonomy disclosure framework for non-financial undertakings and asset managers. ESMA says that these include the operational expenditure key performance indicator (OpEX), addressing stakeholder concerns about complexity and reporting burden. ESMA also seeks feedback on a possible pragmatic solution for group-level reporting in mixed groups, based on the parent undertaking's reporting model.

ESMA explains that the Commission requested each European Supervisory Authority (ESA) to provide advice on targeted aspects of the review the Taxonomy disclosure framework. The ESAs are requested to address specific issues within their remit, as well as horizontal topics of common interest.

The consultation will run for six weeks, until **12 August 2026**, in parallel to the consultations by the other ESAs. ESMA says that it will hold a public hearing to present the proposals and engage with stakeholders on **22 July 2026**.

Following the consultation, ESMA says that it will deliver its final technical advice by end-October 2026, as requested by the Commission.

Link to Consultation here

Council Agrees Position on Simpler Transparency Rules for Sustainable Financial Products

On 24 June 2026, the Council of the EU (Council) announced that it had agreed its negotiating position on an updated sustainability transparency framework for financial products sold in the EU. The Council states that the objective is to ease administrative burdens and help investors better understand and compare sustainability-related financial products.

In its press release, the Council explains that the review updates the already existing Sustainable Finance Disclosure Regulation (SFDR) which requires market participants to disclose how they integrate social, environmental and governance (ESG) sustainability risks and adverse impacts into their investment offers.

The Council goes on to say that the review will improve the current rules by introducing three new categories of financial products, as well as the criteria that should be used to define them. These are:

- **Sustainable**: products that contribute to sustainability goals, such as investments in companies or projects already meeting high standards;
- **Transition**: products channelling investments towards companies or projects that while not yet sustainable are on a credible path; and
- **ESG basics**: other products that may integrate ESG approaches but do not meet the criteria of sustainable or transition categories.

The Council says that these categories would replace existing concepts in the framework which have been shown to lead to 'greenwashing'. At the same time, the Council states that the proposed disclosure structure would help financial market participants to drastically cut down on their administrative burden.

The negotiating position approved by the Council represents its mandate to start negotiations with the European Parliament (Parliament) on the updated SFDR, once the Parliament has agreed on its respective position.

Link to Council Press Release here

Link to SFDR Council Mandate (Legal Text) here

FCA Publishes Regulatory Sandbox: Climate Scenarios Cohort

On 23 June 2026, the Financial Conduct Authority (FCA) announced that in the autumn it will open a Sandbox cohort for testing innovative climate scenario tools or approaches.

The FCA says that the planned climate scenarios cohort will be part of the Regulatory Sandbox and that it will be inviting firms and specialists to test innovative approaches, whether quantitative or narrative based.

The FCA also says that this cohort is aligned with its regulatory approach, which aims to ensure that market participants manage the risks of moving to a more sustainable economy, as well as the risks from a changing climate.

The FCA adds that it will update its dedicated webpage as planning progresses.

Link to FCA Webpage here

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

European Commission Publishes Consultation on CSDDD Guidelines

On 12 June 2026, the European Commission (Commission) published a consultation on the Corporate Sustainability Due Diligence Directive (CSDDD).

The Commission says that the consultation will inform the development of guidelines to support the effective implementation of the CSDDD and that it will issue guidelines that provide practical orientation to companies on how to fulfil their due diligence obligations, to Member State authorities on how to implement and enforce the CSDDD, and to stakeholders on how to pursue their rights.

The Commission also says that the guidelines will also be relevant for companies and other stakeholders in non-EU countries that are linked to the supply chains of companies with obligations under the CSDDD.

The Commission explains that the purpose of this questionnaire is to pre-consult stakeholders with a view to collect evidence and assess needs to inform the development of the future guidelines.

The consultation closes on **24 July 2026**.

Link to European Commission Consultation here

Simplifying Climate Disclosure Requirements for Investment Products

On 5 June 2026, in Chapter 2 of its Quarterly Consultation CP26/17, the FCA stated that it is proposing to remove Taskforce on Climate-related Financial Disclosures (TCFD) product reporting requirements.

In their place, the FCA says that it is proposing to introduce fewer, more targeted, and more outcomes-based rules, while maintaining the same overall scope. This aims, the FCA explains, to ensure that retail and institutional investors get the right information based on their specific needs, while giving firms more flexibility in how they communicate with them.

In CP26/17, the FCA explains that its proposals form part of its wider work to streamline sustainability reporting requirements for asset managers and FCA-regulated asset owners.

Under the proposals in CP26/17, the FCA says that:

- Retail investors would receive relevant information on how material climate risks could affect a product's financial performance; and
- Institutional clients would be able to request key emissions data from firms, but this would no longer need to be published in full reports.

The FCA also says that the proposals complement its Sustainability Disclosure Requirements for asset managers, which aim to help retail investors navigate the market for sustainable investment products and reduce greenwashing.

Areas covered by the FCA in CP26/17 are:

- Communicating with retail clients;
- Communicating with institutional clients;
- Consequential amendments;
  - Environmental, Social and Governance (ESG) sourcebook;
  - Collective Investment Schemes (COLL) sourcebook; and
- Rule Review Framework.

CP26/17 is open until **13 July 2026** and the FCA says that it aims to finalise and implement the rule change in the autumn.

Link to FCA Press Release here
Link to CP26/17 here

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

TNFD and A4S Release Guide for CFOs on Nature-related Issues
On 2 June 2026, the Taskforce on Nature-related Financial Disclosures (TNFD), in partnership with Accounting for Sustainability (A4S), announced it had released a new guide - 'Asking Better Questions on Nature for CFOs' (the Guide). The TNFD says the Guide is to support Chief Financial Officers (CFOs) assess how nature-related dependencies, impacts, risks and opportunities could affect the financial performance and future prospects of the business.

In terms of key outcomes, the TNFD says the Guide:

- Sets out the key questions CFOs should ask themselves, their finance teams and others across their organisation to ensure nature-related issues are integrated into risk management, capital allocation, valuation, performance management, financial planning and strategic decision-making;
- Explains how risks arising from a company's impacts and dependencies on nature can include stranded assets, disruption to operations, higher production costs, increased insurance premiums and reduced asset values;
- Presents 11 questions for CFOs to consider on how nature-related information and insights can be integrated into financial and risk management processes, and ultimately into decision-making by CFOs and their leadership teams; and
- Outlines the information CFOs should look for in materials and recommendations prepared by their teams, helping them prepare for increasing scrutiny from boards, investors and other stakeholders.

The TFND explains that this Guide is the latest in its Asking Better Questions on Nature series, which also includes guides for board directors and asset owner chief investment officers. The TFND adds that it features practical examples and signposts to further resources, including the A4S Nature Guidance Series and TNFD guidance to support organisations with identifying, assessing, managing and disclosing their nature-related issues.

Link to TNFD Press Release here

Link to Guide here

ASIA PACIFIC

SFC Publishes Annual Report for 2025-26
On 24 June 2026, the Securities and Futures Commission (SFC) published its latest Annual Report for 2025-26.

The SFC says that, with a world-class regulatory regime, Hong Kong's asset management sector flourished with exchange-traded funds (ETFs) and locally domiciled funds posting strong growth, while the digital asset ecosystem expanded through innovative products and services. Equity market reforms and deeper Mainland connectivity also boosted Hong Kong's market depth and breadth.

On the asset and wealth management front, the SFC also says that Hong Kong has strengthened its role as a global hub over the past year. SFC-authorised ETFs and leveraged and inverse (L&I) products represent a fast-growing segment, as average daily turnover surged 50.6% year-on-year (YoY) to HKD38.1 billion and total market capitalisation grew 25.2% to HKD651.2 billion over the year ending March 2026.

In particular, the SFC says that single-stock L&I products' market capitalisation soared 60 times in the year. Additionally, Hong Kong-domiciled funds' assets under management (AUM) jumped 19.4% to HKD2.3 trillion, driven by strong net inflows.

The SFC states that the digital asset ecosystem also saw vibrant developments. Tokenised investment products showed faster growth, with 13 SFC-authorised retail products' AUM gaining nearly six times YoY to HKD10.8 billion as of March.

Lastly, the SFC says that Stock Connect remained a strong driver of market trading, as southbound daily turnover jumped 84% YoY to HKD124.1 billion and accounted for a record-high 24% of Hong Kong's market turnover.

Link to Annual Report 2025-26 here

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

SFC Concludes Consultation on the Investor Identification Regime for Hong Kong's Exchange-traded Derivatives Market
On 23 June 2026, the SFC published its consultation conclusions concerning its proposals to extend the investor identification regime to the exchange-traded derivatives market in Hong Kong (HKIDR-DM), following the successful implementation of a similar regime for the securities market (HKIDR-S) since March 2023.

The SFC says that respondents to its consultation generally supported the proposals, recognising their alignment with international practices, enhancement of the SFC's surveillance ability, and reinforcement of investor protection. The SFC says that it intends to proceed with the regime, and targets to implement it in the second quarter of 2028, subject to completion of system testing and market rehearsals.

The SFC states that the HKIDR-DM will apply to on-exchange orders for futures contracts, options contracts and stock options executed through the trading system of the Hong Kong Futures Exchange Limited.

The SFC adds that the regime will adopt an operational model like that of the HKIDR-S, requiring licensed corporations and registered institutions offering brokerage services or conducting proprietary trading to submit clients' names and identity information to a centralised data repository.

Finally, the SFC explains that a dedicated HKIDR-DM webpage has been established to assist industry preparations and promote investor education. In the coming months, the SFC will issue further guidance and Frequently Asked Questions to facilitate market participants' adoption of the regime and enhance their understanding.

Link to Consultation Conclusions here

MAS Consults on Proposed Amendments to Notices on Technology Risk Management
On 10 June 2026, the Monetary Authority of Singapore (MAS) published a Consultation Paper on 'Proposed Amendments to Notices on Technology Risk Management'.

MAS says that the Consultation Paper proposes to amend MAS Notices on Technology Risk Management (FSM-N03, FSM-N05, FSM-N07, FSM-N09, FSM-N11, FSM-N13, FSM-N17, FSM-N19, FSM-N21, FSM-N23 and FSM-N25) (the "Notice") to strengthen the technology resilience of the financial services sector.

MAS says that the proposed amendments to the Notice will require the relevant Financial Institutions (FIs) to implement measures across the following key areas:

- IT asset management;
- IT risk assessment and monitoring;
- Capacity planning and management;
- Change management controls;
- Continuous system and security monitoring;
- Immutable and offline data backup; and
- Incident management.

The deadline for comments to be submitted is **31 July 2026**.

MAS proposes that the requirements set out in the revised Notice shall take effect 12 months after the date that the finalised Notice is published.

Link to MAS Website here

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

SFC Expands Listed Fund Universe to L&I Products Referencing Hong Kong-listed Single Stocks with Enhanced Safeguards

On 5 June 2026, the SFC issued a revised circular to broaden the range of listed structured funds to include Single Stock Leveraged and Inverse (L&I) Products referencing highly liquid Hong Kong-listed mega-cap stocks.

Considering strong market reception for Single Stock L&I Products over the past year, the SFC says that the time is ripe to extend the regulatory framework from products referencing overseas-listed stocks to those based on popular Hong Kong-listed stocks. The SFC goes on to say that this will not only expand retail investors' tools to customise investment exposure but will also address issuers' growing interests to launch products with Hong Kong equities as underlying.

To support orderly market development over the long term, the SFC has explains that it has also strengthened investor safeguards in the revised circular. For all L&I Products, product providers are now explicitly required to continuously monitor their products' capacities to support the targeted leveraged or inverse exposure, maintain a reasonable buffer, and promptly notify the SFC of any potential issues disrupting product operations. For Single Stock L&I Products, the SFC has also introduced enhanced eligibility criteria for product providers, together with requirements to establish robust business continuity plans to mitigate heightened operational risks for such products. The SFC says that these plans should set out clear contingency and defensive measures with defined triggers for activation.

In addition, the SFC requires automatic trading suspension for Single Stock L&I Products referencing Hong Kong-listed stocks if their underlying shares are halted or suspended from trading. Other safeguards for these complex products continue to apply, including a maximum leverage factor of 2x to -2x.

Link to Revised Circular here

SFC and HKMA Conclude Joint Consultation on Amendments to Clearing Rules for OTC Derivative Transactions

On 5 June 2026, the SFC and the Hong Kong Monetary Authority (HKMA) issued joint consultation conclusions on standardising the calculation periods for each year under the Clearing Rules for the over-the-counter (OTC) derivatives regulatory regime.

The SFC says that respondents to the consultation expressed broad support for the proposed approach to accommodate future Calculation Periods and the corresponding Prescribed Days under the Clearing Rules. There was general consensus that the proposal increases certainty on the clearing obligation, thus enabling more effective internal planning for market participants.

In a move to further increase the efficiency of the operation of the Clearing Rules, the SFC and the HKMA consulted the public in early 2026 on proposals to designate, once and for all, standard calculation periods for each year with effect from **1 March 2027.** This would improve on the current approach where the existing list of calculation periods specified in the Clearing Rules needs to be updated by legislative amendments regularly to facilitate the central clearing of OTC derivative transactions.

In view of broad market support, the SFC and the HKMA will proceed with the legislative process to introduce the proposed amendments to the Clearing Rules and aim to bring the amendments into effect on **1 March 2027**, i.e., the starting date of the proposed new series of Calculation Periods.

Link to Joint Consultation Conclusions here

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

AUSTRALIA

ASIC Pushes for Coordinated Action to Strengthen Competitiveness of Australian Markets
On 30 June 2026, the Australian Securities and Investments Commission (ASIC) announced it was gathering market and financial services leaders in a push to bolster competitiveness in Australia's capital markets, after it said that new research finds Australia needs to move quickly or be left behind as other jurisdictions adopt financial market innovation at speed.

On the same day, ASIC explains that the 'Innovation in Financial Markets and Financial Market Infrastructure' report (REP 835), which was prepared by the Digital Finance Cooperative Research Centre (DFCRC) for ASIC, shows financial markets are increasingly becoming more automated, compressing settlement cycles and enabling extended hours in traditional markets, supported by technology developments.

Against the backdrop of accelerating globalisation of capital flows and offerings, ASIC says that this innovation is enabling new market models and blurring lines between digital-first and established financial services players and raises new implications for capital markets as agentic AI and machine-speed, autonomous trading, and supervision tools enter the hands of traders, market participants, and market operators.

ASIC says that the report also shows how standards bodies, governments and regulators across major jurisdictions are reshaping market frameworks to accommodate developments in distributed ledger technologies (DLT), tokenised assets, AI, and enhancements to information technology systems, increasing pressure on Australia to keep pace.

ASIC says that these shifts create opportunities to:

- Improve capital and operational efficiencies through modernised market infrastructure, automated market surveillance methods, ongoing public-private collaboration and regular global cross-regulator coordination;
- Give firms clear and accessible pathways to test and operationalise new products with constructive regulatory support; and
- Enhance competitiveness by supporting responsible innovation while protecting investors.

However, ASIC says that some of these developments could introduce pockets of heightened concentration risk at a business- and economic-level through the use of external service providers and could also amplify retail risks in gamified and social trading. ASIC adds that maintaining resilience standards in the era of Frontier AI and rising cyber risk is also critical.

ASIC says that it will release a summary of the themes and practical actions from the roundtable and that discussions will be focused on what ASIC can and should do about the priority opportunities that innovation for safe growth offers.

Link to REP 835 here

EUROPE

ESMA 2025 Annual Report: Focus on Stronger Supervision, Regulatory Simplification, and Innovation
On 17 June 2026, the European Securities and Markets Authority (ESMA) published its Annual Report for 2025, highlighting a year of progress in strengthening the EU's financial markets through enhanced supervision, regulatory simplification and innovation. Set against a backdrop of heightened global uncertainty and ongoing discussions on the Savings and Investments Union (SIU), ESMA says that the report illustrates its continued contribution to orderly, resilient and attractive EU capital markets.

Regulatory delivery and new mandates in action
In 2025, ESMA says that it played a key role in implementing major EU legislative frameworks, including the MiCA, the Digital Operational Resilience Act (DORA), and the European Market Infrastructure Regulation (EMIR 3). The work supported supervisory convergence, advanced the authorisation of crypto-asset service providers, and strengthened digital resilience across the financial sector. ESMA says that it has also helped enhancing the supervision of clearing infrastructures, including the recognition and risk assessment of third-country central counterparties.

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

Additionally, ESMA says that it continued to support the development of sustainable finance in the EU by improving ESG disclosures, addressing greenwashing risks and implementing new regulatory frameworks. ESMA states that these included the Green Bond Regulation under which it established a supervisory framework for external reviewers, and the ESG Rating Regulation.

Driving regulatory simplification and burden reduction

A central focus of ESMA's work in 2025 was simplifying the rulebook and reducing unnecessary burden for market participants. ESMA says that this was supported by a strategic approach to supervisory reporting, including flagship initiatives to streamline transaction reporting and fund reporting under AIFMD and UCITS.

ESMA has also launched the retail investor journey initiative, focusing on making the investment process simpler and more transparent, whilst ensuring that investors have access to clear, reliable and accessible information.

Enhancing market efficiency and digital innovation

ESMA says that a major milestone in 2025 was the selection of the first consolidated tape providers (CTPs) under MiFIR. This marked a significant step towards improving transparency and accessibility of market data across the EU.

Finally, ESMA states that it also supported the transition towards a shorter T+1 settlement cycle, contributing to global efforts to enhance post-trade efficiency and reduce systemic risk.

Link to Annual Report 2025 here

ESMA Chair Speech: Priorities for European Asset Management

On 12 June 2026, the Chair of the European Securities and Markets Authority (ESMA) delivered a speech at the European Fund and Asset Management Association's (EFAMA's) Annual General Meeting. The speech was entitled 'Priorities for European asset management: simplification, innovation, resilience and trust'.

In her speech the Chair focused on four areas:

- First, how ESMA can simplify regulatory frameworks, notably through more integrated and efficient reporting systems.
- Second, how digital innovation, including distributed ledger technology and fund tokenisation, is beginning to reshape market practices.
- Third, how ESMA assesses the current market environment and financial stability risks, where resilience coexists with growing underlying vulnerabilities.
- And finally, how ESMA can strengthen retail participation, by making the investor journey more accessible, more effective and more trusted.

In her comments the Chair states that these topics are closely interconnected. Together, they reflect a broader and common objective for all: ensuring that European capital markets remain efficient, resilient and capable of supporting sustainable growth, while continuing to deliver for investors.

Link to Speech here

ESMA Deprioritises Certain of its 2026 Deliverables

On 2 June 2026, ESMA wrote to the European Commission, setting out the prioritisation of its 2026 deliverables. As part of a wider effort to continually increase efficiency within ESMA, it says that this annual prioritisation exercise aims to ensure that resources are appropriately allocated, especially in light of external factors that have impacted ESMA's workload since the publication of the 2026 Annual Work Programme.

ESMA explains that it has identified a small number of planned policy deliverables (set out in Table A of Annex I of its Letter), which could become obsolete or altered depending on the final outcome of the legislative negotiations of the Market Integration and Supervision Package (MISP).

With an eye to burden reduction, ESMA states that it has decided to postpone public consultations on those deliverables until after the MISP has been adopted – to avoid mandating multiple, potentially inconsistent, changes and thus burden for financial market participants.

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

ESMA says it has also identified a short list of reports whose marginal added value would be limited due to lack of new available data or because of interaction with the MISP package (see Table B of Annex I of its Letter).

ESMA explains that the resources freed up from postponing and deprioritising the deliverables listed in Annex I will be diverted towards delivering on the highest priority workstreams for ESMA in 2026.

Link to Letter here

IRELAND

Central Bank Launches Consultation on Evolving Regulation
On 22 June 2026, the Central Bank of Ireland (Central Bank) launched a public consultation seeking views on its approach to Regulatory Impact Assessment (RIA) and on its approach to consultation with stakeholders.

The Central Bank says that the consultation forms part of its ongoing work to deliver a more effective and efficient regulatory framework, building on its recent new supervisory approach and roadmap of regulatory initiatives.

The Central Banks says that it reflects its commitment to ensuring that regulation remains clear, coherent and proportionate, while continuing to support the protections and resilience on which the financial system depends.

In terms of scope, the Central Bank outlines that the public consultation seeks views on two related elements of its regulatory process:

1. It presents a draft Statement of Approach to RIA. This element of the Consultation Paper sets out how the Central Bank proposes to assess regulatory interventions, including identifying problems, considering options and evaluating potential impacts; and
2. It outlines a proposed updated approach to public consultation. The Central Bank explains that this reflects current practices and emerging thinking on how consultation can most effectively support policy development. The Central Bank says that feedback on this section will inform an update of its consultation policy to be published in due course.

Finally, the Central Bank states that its public consultation does not introduce new regulatory requirements or amend existing rules. It focuses on the frameworks and processes that support regulatory policy development and communication.

The deadline for submissions is **30 September 2026**.

Link to Consultation here

LUXEMBOURG

CSSF Feedback Report – Thematic Review – Valuation Framework for Less Liquid and Illiquid Assets
On 4 June 2026, the Commission de Surveillance du Secteur Financier (CSSF) published 'Communication on the CSSF Feedback Report – Thematic Review – Valuation Framework for Less Liquid and Illiquid Assets'.

In its press release the CSSF says that over the past years, against the backdrop of successive crisis episodes, the global geopolitical and economic environment and the substantial increase of assets under management of AIFs investing in less liquid/illiquid assets, the CSSF has intensified its focus and scrutiny on valuation risks within the asset management sector.

The CSSF states that it has carried out significant supervisory work, both off-site and on-site (e.g. CSSF Feedback Report on the CSA, CSSF Feedback Report – Self-assessment questionnaire, separate report and management letter for funds, CSSF Annual Report 2024 sharing feedback from on-site controls).

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

The CSSF adds that it launched at the end of 2023, by means of a dedicated questionnaire, an ad hoc thematic review ("Thematic Review") with work carried out throughout 2024 and 2025 and focused primarily on valuation practices of AIFMs managing AIFs investing in less liquid/illiquid assets (e.g. private equity, real estate, infrastructure, private debt or fund of funds). On an ancillary basis, the review also dealt with valuation aspects/risks related to investments of UCITS under Article 41(2) of the UCI Law (i.e. the so-called "trash ratio" investments), notably unlisted securities or listed securities that are not actively traded.

The CSSF says that the Thematic Review scrutinised more particularly some specific aspects/ areas of the valuation policies and procedures of Investment Fund Managers (IFMs) as well as the valuation controls in place during the life cycle of the investments.

The CSSF explains that the objective of its communique is to inform market participants about the publication of the CSSF Feedback Report "Thematic review – Valuation framework for less liquid and illiquid assets". It says that the Feedback Report provides IFMs, based on the applicable regulation, with guidance in relation to the implementation and maintenance of robust and appropriate valuation policies and procedures as well as valuation controls for the AIFs/UCITS they manage.

Also, the CSSF says that it sets out, more particularly, a number of observations/recommendations which aim at harmonising and enhancing valuation practices of IFMs in certain areas. The CSSF says that all IFMs are expected to carry out a benchmarking exercise against these observations/ recommendations and, if applicable, to proceed in a next step to the necessary corrective measures.

Finally, considering the growth of AIFs investing in less liquid and illiquid assets, the increasing participation of retail investors in these funds, but also the current geopolitical uncertainties, the CSSF says that valuation risk remains a key supervisory priority of the CSSF in 2026.

Link to CSSF Feedback Report here

NORTH AMERICA

SEC Seeks Public Comment on Novel Exchange-Traded Funds

On 30 June 2026, the Securities and Exchange Commission (SEC) issued a request for public comment on exchange-traded funds (ETFs) seeking to invest in innovative asset classes or engage in novel investment strategies. The SEC says that the request focuses on ways to facilitate innovation in the ETF space while protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

The SEC says that it encourages feedback on the important questions raised in its release. The SEC requests comment with respect to:

- The status of certain novel ETFs as investment companies;
- The regulation of novel ETFs; and
- How the registration process for novel ETFs can continue to operate effectively.

The public comment period will remain open for 60 days following publication of the request for comment in the Federal Register.

Link to Request for Comment on Novel ETFs here

SEC and CFTC Seek Public Comment on the Harmonization of Portfolio Margining Frameworks

On 26 June 2026, the SEC and the Commodity Futures Trading Commission (CFTC) issued a joint request for public comment on potential approaches to further harmonize regulatory frameworks applicable to portfolio margining across securities, security-based swaps, futures, swaps, and related positions.

In its press release, the SEC says that the request for comment is intended to assist the agencies in evaluating whether greater coordination or alignment in portfolio margining requirements may improve risk management efficiency, reduce unnecessary market fragmentation, and enhance customer protections consistent with the agencies' respective statutory authorities and responsibilities.

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

The SEC says that the joint request for comment seeks input on a range of issues, including:

- Existing portfolio margining models and practices;
- Customer protection considerations;
- Cross-margining and cross-product offsets;
- Capital, segregation, and collateral treatment;
- Risk management and margin methodologies;
- Clearing agency and derivatives clearing organization considerations;
- Operational and technical implementation issues; and
- Potential impacts on market liquidity and competition.

The public comment period will remain open for 60 days following publication of the request for comment in the Federal Register.

Link to Joint Request for Comment here

SEC and CFTC Seek Public Comment to Further Clarify and Harmonize Derivatives Product Definitions

On 18 June 2026, the SEC and the CFTC issued a joint request for public comment on potential opportunities to further update, clarify, and harmonize certain derivatives product definitions and interpretive issues.

The SEC says that the request for comment is intended to support its ongoing evaluation of whether current regulatory definitions, interpretations, and jurisdictional frameworks appropriately reflect evolving market structures, financial products, and trading practices.

The joint request for comment seeks input on topics including:

- Definitions relating to swaps and security-based swaps, including the scope of certain exclusions from the swap definition;
- Treatment of mixed swaps;
- Treatment of novel or emerging products;
- Jurisdictional and interpretive questions;
- Potential areas in need of greater clarity regarding regulatory definitional lines; and
- Potential areas for alternative compliance.

The public comment period will remain open for 60 days following publication of the request for comment in the Federal Register.

Link to Joint Request for Comment here

Examinations Observations of Investment Adviser Obligations Related to Economic Conflicts of Interest

On 9 June 2026, the SEC's Division of Examinations (the Division) issued a Risk Alert highlighting critical observations regarding investment adviser obligations concerning economic conflicts of interest, despite their fiduciary duty to eliminate or fully disclose such conflicts.

The Division's review of adviser activities identified economic conflicts of interest that were undisclosed, or the disclosures were incomplete or misleading. Additionally, the Division also observed adviser practices that were inconsistent with advisory agreements and disclosures. Finally, the Division says that staff observed compliance programs that did not fully address economic conflicts of interest and risks.

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

Areas of Observation:

- *Conflicts of Interest Associated with Advisers' Cash Management Recommendations*
  - Disclosures related to revenue sharing arrangements.
  - Disclosures related to fees, expenses, and conflicts of interest.
  - Disclosures related to money market fund share class selection.
- *Conflicts of Interest Associated with Other Revenue Opportunities*
  - Disclosures related to mutual fund share class selection.
  - Disclosures regarding other economic benefits.
- *Disclosing Fees and Economic Conflicts of Interest in Form ADV*
  - Disclosures under Item 10 of the brochure.
  - Disclosures under Item 12 of the brochure.
- *Fees Deviating from Advisory Agreements and Fee-Related Disclosures*
  - Calculating fees consistent with advisory agreements and disclosures.
  - Calculating fees consistent with services actually provided.
  - Refunding unearned fees.
- *Compliance Programs Identifying and Addressing Fee-Related Issues*
  - Addressing all types of billing arrangements.
  - Describing advisory fee-related practices clearly and consistently.
  - Monitoring for accurate fee-billing.

In its conclusion, the Division says that its staff continue to observe compliance issues when advisers have economic conflicts of interest with their clients.

The Division says that it encourages advisers to review and refine, as appropriate, their billing policies, procedures, and practices on a routine basis with an eye towards ensuring they are accurate and consistent with disclosures and agreements.

Additionally, it says that advisers should also identify and address timely new conflicts of interest.

Lastly, the Division says in the Risk Alert that advisers are encouraged to review their disclosures regarding their economic conflicts of interest to ensure that clients are provided with full and fair disclosure.

Link to Risk Alert here

SEC Publishes Draft Strategic Plan (FY26-FY30)
On 2 June 2026, the SEC released a Draft Strategic Plan for public comment, outlining goals for 2026-2030, focusing on protecting investors, maintaining fair markets, and facilitating capital formation.

The three Goals set forth in the Draft Strategic Plan are:

1. ***Renew the SEC's regulatory policy focus to support innovation, capital formation, market efficiency, and investor protection***. The SEC says that this goal promotes clear, fit-for-purpose rules that foster responsible innovation and deter misconduct. The SEC also says that one objective is to provide a firm regulatory foundation for digital assets and distributed ledger technologies through a rational, coherent, and principled approach.

Quick Links

2. ***Shift the SEC's regulatory practices to increase stakeholder engagement, facilitate compliance efforts of market participants, and effectively return its enforcement approach to Congress' original intent***. The SEC explains that this goal seeks to increase staff engagement with business and industry groups while restoring an enforcement approach that polices violations of established law such as fraud and manipulation rather than expanding regulatory reach through ad hoc enforcement actions.

3. ***Optimize the SEC's operational efficiency by enhancing its organizational structure, modernizing its technology, reforming employee performance management, and implementing robust internal performance reporting that incorporates accountability for resources and program success***. The SEC says that this goal prioritizes technology modernization as a critical enabler of regulatory effectiveness. A comprehensive review of legacy systems – such as EDGAR – and the adoption of secure, scalable infrastructure will enhance data integrity, reduce operational risk, and support advanced analytics. Also, that the responsible use of artificial intelligence and blockchain technologies can further improve oversight, reduce costs, and unlock new efficiencies.

Link to Draft Strategic Plan Fiscal Years 2026-2030 here

UNITED KINGDOM

FCA Publishes Consultation on Simplifying Consumer Investment Disclosures
On 2 July 2026, the Financial Conduct Authority (FCA) published CP26/24 on 'Simplifying Consumer Investment Disclosures'. The FCA explains that it is proposing to simplify how platforms, advisers and wealth managers communicate the costs of investing while reminding firms to communicate with consumers about investing in plain English.

The FCA says that this move will bring all investment cost disclosures into line with previous investment product disclosure reforms and create a more consistent framework for firms to give customers clearer, more useful information.

The FCA also states that the proposals will allow firms to innovate, test and compete to inform and engage retail investors, communicate clearly in plain English, not jargon and give information in engaging ways. It says that this will also help consumers compare products more easily and invest with greater confidence, supporting a stronger investment culture.

Under its proposals, the FCA says that distributors would present their own costs alongside product costs consistent with the Consumer Composite Investments (CCI) format when selling products, and account regularly for the total cost of investing. The FCA adds that the proposals also cover firms' disclosures to consumers when they charge fees or pay interest on client cash.

The deadline for responses is **21 August 2026**.

Review of disclosure documents
In the same press release, the FCA reiterated that from June next year, firms will need to follow its CCI rules. And to support firms making this change, the FCA also published the results from its review of current pre-sale investment disclosures documents, which will need to be updated as firms embed the CCI rules. The FCA states that the review found that of 132 examined for readability, only 6% were written in plain English.

The FCA says that it also looked at these and a further 40 documents, from firms that both manufacture and distribute products, to see how easy they were to understand. The FCA found that all the documents were more complex than GCSE level.

The FCA says that it will continue to work with industry to embed the CCI rules to make sure consumers have clear information to make better informed investment decisions.

Link to CP26/24 here
Link to Review of How Well Pre-sale Investment Disclosure Documents Work for Consumers here

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

FCA Consults on Consumer Duty – Scope and Proportionality

On 29 June 2026, the FCA published a Consultation Paper on 'Consumer Duty – Scope and Proportionality' (CP26/23). The FCA says that the changes are part of its plans to give wholesale firms the confidence to apply the Consumer Duty proportionately.

The FCA explains that it is consulting on a targeted package of changes to its rules and non-Handbook guidance to:

- Remove business with non-UK customers from the Consumer Duty's scope;
- Make it clearer where the Consumer Duty applies and where it does not;
- Clarify when and how firms can rely on each other when they work together in distribution chains, and how they can apply the Consumer Duty more proportionately; and
- Explain the interaction between the Consumer Duty and other product governance rules.

The FCA says that its changes are intended to clarify when the Consumer Duty applies – and when it does not – to give firms greater confidence in its scope. The FCA adds that they also promote a more proportionate approach based on a firm's role, helping reduce unnecessary cost and complexity while preserving strong protections for retail customers.

Comments are due by **18 September 2026**.

Link to CP26/23 here
Link to 'Refining the Consumer Duty to give greater confidence to wholesale firms' – Simon Walls, Executive Director of Markets, FCA here

FCA Consults on Targeted Changes to Listing Rules for Closed-ended Investment Funds

On 26 June 2026, the FCA published a consultation paper on proposed changes to its UK Listing Rules for closed-ended investment funds, focused on the management of conflicts of interest.

The review, announced in March 2026 as part of the FCA's ongoing work on the UK Listing Rules, considers how its rules support strong shareholder rights and effective management of conflicts of interest in a range of potential future scenarios. As part of good regulatory practice, the FCA explains that it has been stress testing how the rules would operate in different hypothetical situations to ensure they remain robust over time and as markets evolve.

The FCA says that this has included exploring a range of plausible scenarios to test whether the FCA's conflicts of interest framework would operate consistently in future. As a result of this work, the FCA states that it has identified a small number of targeted and proportionate adjustments to ensure its rules continue to apply consistently in all relevant scenarios. Specifically, they aim to:

- Ensure the same protections that apply to arrangements with an existing investment manager also apply when a new manager is being appointed, to ensure consistent protections for all changes to investment manager fees and strategies;
- Recognise the association between a director and a substantial shareholder that proposed them for a board appointment, to strengthen the integrity of boards acting independently of any investment manager; and
- Recognise the conflict arising where a substantial shareholder is also an investment manager and votes on material changes to investment policies, to ensure that the rights of minority shareholders are appropriately protected.

The FCA says that it believes these changes are important given the central role of the investment management contract in shaping outcomes for shareholders.

The FCA also says that it welcomes views on whether these proposals strike the right balance by **14 August 2026** and aims to finalise rules before the end of the year.

Alongside this consultation, the FCA has also published examples of good practice to support retail investors in exercising their voting rights, as part of its broader work to promote effective shareholder engagement.

Link to Consultation Paper here
Link to Good Practice Guidance here

Quick Links

AI
CRYPTOASSETS
CYBER
DORA
IOSCO
MONEY MARKET FUNDS
SUSTAINABLE FINANCE/ESG
ASIA PACIFIC
AUSTRALIA
EUROPE
IRELAND
LUXEMBOURG
NORTH AMERICA
UNITED KINGDOM

FCA Publishes First Emerging Technology Horizon Scan 2026

On 10 June 2026, the FCA published its first 'Emerging Technology Horizon Scan 2026', which it says explores how emerging technologies could reshape financial services – and what that means for consumers, firms, and markets.

The FCA explains that it wants to understand technological change to anticipate its outcomes and gain early insight on what it may mean for financial services and for the FCA as a regulator.

Key findings include:

- ***Personalised intelligence***: The FCA says that artificial intelligence (AI) tools are becoming more embedded in consumers' financial lives, which could change how people budget, save and make financial choices. This may empower people but also raises questions around autonomy, digital exclusion and harm.
- ***Synthetic crime***: Here the FCA says that synthetic media is becoming harder to tell apart from real content. AI may manipulate not only what we see and hear (for example, audio and video deepfakes) but also our capacity to discern fact from fiction. The FCA says that this could expose consumers and firms to new forms of fraud and deception.
- ***Programmable finance:*** The FCA states that the underlying 'plumbing' of the global financial system is changing, as protocol-based infrastructure moves from pilots to national strategies – including tokenisation, smart contracts, and shared ledgers.

As emerging technologies combine, the FCA says that they are changing the financial ecosystem and its participants, creating new opportunities and risks.

Link to Horizon Scan 2026 here

Quick Links

AI

CRYPTOASSETS

CYBER

DORA

IOSCO

MONEY MARKET FUNDS

SUSTAINABLE FINANCE/ESG

ASIA PACIFIC

AUSTRALIA

EUROPE

IRELAND

LUXEMBOURG

NORTH AMERICA

UNITED KINGDOM

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