



Welcome to Proskauer’s FinReg Monthly Update, a regular bulletin highlighting the latest developments in UK, EU and U.S. financial services regulation.

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United Kingdom

Asset Management / Wealth Management

2 February – Client Categorisation: The UK Financial Conduct Authority's ("FCA") [consultation paper](#) (CP25/36) on its proposals to amend the client categorisation and conflicts of interest rules closed to comments. Please refer to our dedicated article on this topic [here](#).

Banking

19 February – UK OPRR: The PRA published a [consultation paper](#) on changes to its Rulebook to implement HM Treasury's Overseas Prudential Requirements Regime ("OPRR").

Insurance

27 February – PRA: The PRA [announced](#) that it intends to launch the next life insurance stress test ("LIST") exercise in January 2028.

24 February – Insurance priorities: The FCA [published](#) its Regulatory Priorities report for the insurance sector.

Financial Crime / Conduct / Sanctions

17 February – UK Sanctions: The Office of Financial Sanctions Implementation ("OFSI") has [published](#) a call for evidence on the ownership and control test in UK financial sanctions regulations. The call for evidence is open until 13 April 2026.

9 February – UK Sanctions: OFSI has [updated](#) its financial sanctions enforcement and monetary penalties guidance.

Cryptoassets / Payments / Artificial Intelligence

26 February – UK Payments Regulation: HM Treasury [published](#) the Payments Forward Plan developed by the Payments Vision Delivery Committee's, which comprises representatives from the Bank of England, the FCA, the Payment Systems Regulator and HM Treasury.

5 February – Cryptoassets: The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102) have been [published](#) on legislation.gov.uk, together with an explanatory memorandum, establishing a regulatory regime for certain cryptoasset activities under the Financial Services and Markets Act 2000. Please refer to our dedicated article on this topic [here](#).

Securities / Capital Markets

17 February – Securitisation: The FCA and PRA each published consultation papers ([here](#) and [here](#)) on reforms to the UK securitisation framework.

Sustainable Finance / ESG

27 February – UK SDR: The FCA [published](#) two new webpages to assist firms in scope of the sustainability disclosure requirements ("SDR") and investment labelling regime.

Other

25 February – Consumer Duty: The FCA [updated](#) its examples of good and bad practice for Consumer Duty board reports to provide guidance on how smaller firms can meet its requirements.

12 February – Appointed Representative Regime: HM Treasury [published](#) a consultation paper on proposed changes to the legislative framework for the appointed representatives regime. Please refer to our dedicated article on this topic [here](#).

European Union

Asset Management / Wealth Management

27 February – AIFMD / LMTs: Two Delegated Regulations containing regulatory technical standards on liquidity management tools (“LMTs”) under the [Alternative Investment Fund Managers Directive](#) (2011/61/EU) (“AIFMD”) and the [UCITS Directive](#) (2009/65/EC) have been published in the Official Journal of the European Union.

26 February – Algorithmic Trading: ESMA [published](#) a supervisory briefing on algorithmic trading in the EU under the MiFID II Directive (2014/65/EU).

Banking

11 February – Single Banking Market: The European Commission has [published](#) a targeted consultation and a call for evidence on competitiveness in the single banking market under its Savings and Investments Union strategy.

Insurance

18 February – Solvency II: Commission Delegated Regulation (EU) 2026/269, [amends](#) Commission Delegated Regulation (EU) 2015/35 (Solvency II Delegated Regulation), has been published in the Official Journal of the European Union.

17 February – IRRD: European Insurance and Occupational Pensions Authority (“EIOPA”) [published](#) its first set of final reports containing guidelines and draft Regulatory Technical Standards (RTS) relating to the implementation of the Insurance Recovery and Resolution Directive ((EU) 2025/1) (“IRRD”). The guidelines and RTS cover matters including pre-emptive recovery plans, resolution plans and resolvability of insurance undertakings and groups.

3 February – Consultation on PE-owned firms: EIOPA [published](#) a new consultation on its approach to supervising private equity-owned (re)insurance undertakings.

Cryptoassets / Payments / Artificial Intelligence

23 February – Digital Assets: The European Parliament’s Committee on Economic and Monetary Affairs has [published](#) a draft report on the challenges posed by digital assets for the competitiveness and integrity of the EU’s financial system (2025/2208(INI)).

Sustainable Finance / ESG

26 February – Omnibus: On 26 February 2026, the Omnibus Directive simplifying sustainability reporting and due diligence requirements introduced by the Corporate Sustainability Reporting Directive (EU) 2022/2464 (“CSRD”) and the Corporate Sustainability Due Diligence Directive (EU) 2024/1760 (“CSDDD”) was [published](#) in the Official Journal of the European Union.

United States

Asset Management / Wealth Management

31 March – SEC Form ADV Filings: For SEC Registered Investment Advisers and Exempt Reporting Advisers with a financial year end 31 December, this is a reminder that Form ADV filings are due by **31 March 2026**.

19 February – SEC: Updated Guidance on Names Rule (2025–26 FAQs): The SEC’s Division of Investment Management released [updated](#) FAQs addressing several practical compliance questions under the Names Rule. The February updates clarify: (i) when 60-day notice is not required for non-material changes to a non-fundamental 80% investment policy; (ii) whether certain

financial commitments may count toward the 80% threshold; and (iii) how the rule applies to funds with names including “growth,” “value,” “merger,” or “merger arbitrage.”

18 February – SEC: Amendments to Fund Portfolio Holdings Reporting: The SEC proposed [amendments](#) to Form N-PORT intended to reduce reporting burdens for registered funds, including granting an additional 15 days for monthly filings, reducing public reporting from a monthly to quarterly schedule, and streamlining reported items (such as eliminating “Names Rule” reporting). Separately, the SEC [extended](#) compliance dates for existing Names Rule reporting requirements to November 17, 2027 (large fund groups) and May 18, 2028 (smaller fund groups).

5 February – SEC Publishes Updated Fund Industry Data: The SEC [released updated statistics](#) on exchange-traded funds, fund mergers, municipal advisors, transfer agents and security-based swap dealers. While not a rulemaking event, these updated datasets help inform regulatory expectations for advisers, including those to private funds, particularly around market structure and advisor registration trends.

Securities / Capital Markets

26 February – CFTC: Additional No-Action Relief for CPO Delegation Arrangements: The CFTC’s Market Participants Division [reissued](#) Staff Letter 25-50 to add a further no-action position addressing how the letter interacts with CFTC Staff Letter 14-126 in the context of delegation arrangements among commodity pool operators (CPOs). The letter clarifies that the Division will not recommend enforcement against a Delegating CPO for failing to register as a CPO when all conditions of Letter 14-126 are met—except that the Designated CPO may be a QEP No-Action CPO rather than a registered CPO.

Cryptoassets / Payments / Artificial Intelligence

19 February – SEC: Net Capital Treatment of Payment Stablecoins (New FAQ): The SEC’s Division of Trading and Markets issued [guidance](#) stating it will not object if broker-dealers treat proprietary positions in payment stablecoins as having a “ready market” under Rule 15c3-1 and apply a 2% haircut to the greater of the long or short position when calculating net capital. The action aligns with the overall direction set by Congress in the GENIUS Act as well as the CFTC staff guidance on a separate topic earlier in the month.

19 February – Treasury: New AI Resources for the Financial Sector: The U.S. Treasury [released](#) two new resources—the Artificial Intelligence Lexicon and the Financial Services AI Risk Management Framework—to support safe, consistent, and responsible AI adoption across the financial sector. The tools aim to establish common terminology, strengthen AI governance, and adapt national AI risk management principles to the operational and regulatory context of financial services. Treasury emphasized that these resources are intended to reduce uncertainty, improve supervisory consistency, and support responsible innovation in AI-enabled financial products and operations.

6 February – CFTC: Updated Definition of “Payment Stablecoin” in No-Action Letter 25-40: The CFTC’s Market Participants Division [reissued](#) Staff Letter 25-40 with a limited revision to the definition of “payment stablecoin,” clarifying that national trust banks may serve as permitted issuers for purposes of the letter’s no-action position. The update ensures that payment stablecoins meeting all other criteria are not excluded solely because they are issued by national trust banks, and aligns with the regulatory direction set by the GENIUS Act as well as action by SEC later in the month.

3 February – SEC Speech on Artificial Intelligence in Investment Management: SEC Division of Investment Management Director Brian Daly delivered [remarks](#) on the transformative potential of AI in investment management, emphasizing both opportunities and persistent regulatory challenges relating to electronic communications, recordkeeping, and technology-neutral oversight. Daly encouraged industry participants to actively engage with SEC staff—inviting firms to reach out, explore pilot programs, and seek no-action relief or guidance—as the Division considers how to modernize regulatory frameworks in light of rapid technological change.

Other

24 February – SEC Enforcement Manual Updates: The SEC's Division of Enforcement [announced significant updates](#) to its Enforcement Manual, which was last comprehensively revised in 2017, aimed at enhancing fairness, transparency, and consistency in investigative procedures. The updates require a more uniform Wells process, providing recipients with four weeks to submit Wells responses and scheduling Wells meetings with senior leadership within four weeks thereafter. The revisions also streamline investigative practices, reinforce guidance on effective Wells submissions, and implement annual reviews of the Manual going forward.

11–12 February – SEC Oversight Hearings: SEC Chair Paul Atkins testified before both the [House Financial Services Committee](#) and the [Senate Banking Committee](#), emphasizing efforts to streamline and modernize disclosure requirements, reduce regulatory burdens, and refocus the agency on its core mission of facilitating capital formation and maintaining fair, orderly markets. He also highlighted ongoing reviews of existing rules, including those affecting alternative assets and private markets, and noted continued coordination with the CFTC on digital asset oversight.

6 February – Treasury: Request for Information on CFIUS Known Investor Program: The U.S. Department of the Treasury, as Chair of the Committee on Foreign Investment in the United States (“CFIUS”), [issued](#) a Request for Information seeking public input on the developing Known Investor Program and on ways to streamline the foreign investment review process while maintaining rigorous national-security analysis. The program, first announced in 2025, would allow foreign investors to provide information in advance in order to expedite CFIUS diligence. Treasury emphasized that the RFI aims to enhance process efficiency, expand stakeholder engagement, and support increased investment from U.S. allies and partners without compromising national security.

The FinReg Monthly Update, a regular bulletin highlighting the latest developments in UK, EU and U.S. financial services regulation. If you have any questions regarding the matters discussed in this newsletter, please contact any of the lawyers listed below:

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