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FinReg Monthly Update

Regulatory & Compliance on **January 2026**

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

Key developments in January 2026:

Asset Management / Wealth Management

2 February – Client Categorisation: The United Kingdom 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.

15 January – Venture Capital: The European Commission published a targeted consultation on reform of the regulatory frameworks for venture and growth capital funds under its savings and investments union strategy.

9 January – Private Markets: The House of Lords (Financial Services Regulation Committee) published a report on its inquiry into the growth of private markets in the UK following the reforms introduced after 2008.

6 January – Cross-border Funds Regulation: The European Securities and Markets Authority ("**ESMA**") published its third report on marketing requirements and marketing communications under the Regulation on the cross-border distribution of collective investment undertakings ((EU) 2019/1156).

Sustainable Finance / ESG

30 January – Corporate Reporting: The FCA's published a consultation seeking views on replacing current sustainability disclosure rules for in-scope listed companies with UK Sustainability Reporting Standards.

14 January – Sustainability-Related Claims: ESMA published a thematic note on clear, fair and not misleading sustainability-related claims that focuses on ESG strategies.

14 January – ESG / Defence: A European Commission notice on the application of the EU sustainable finance framework to the defence sector has been published in the Official Journal of the European Union.

9 January – EU Taxonomy: Commission Delegated Regulation (EU) 2026/73 was published in the Official Journal of the European Union, seeking to simplify certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives under the EU Taxonomy.

Financial Crime / Conduct / Sanctions

30 January – UK Sanctions Enforcement: The Office of Financial Sanctions Implementation ("**OFSI**") published a response to the consultation paper on improving civil enforcement processes for financial sanctions.

26 January – UK Sanctions Enforcement: OFSI published its latest enforcement data, detailing the actions taken as part of its enforcement of financial sanctions (decisions and monetary penalties imposed).

Cryptoassets / Payments

29 January – Stablecoin Regulation: The House of Lords (Financial Services Regulation Committee) launched an inquiry into the growth and proposed regulation of stablecoins in the UK.

29 January – Cryptoasset Service Providers: ESMA published a webpage of its guidelines for the criteria to assess knowledge and competence of the staff at cryptoasset service providers under the Regulation on markets in cryptoassets ((EU) 2023/1114) ("**MiCA**").

28 January – Cryptoassets / Money-Laundering: OFSI published a blog on its work with UK law enforcement agencies and regulators to tackle the abuse of cryptoassets and associated money laundering activities.

23 January – UK Regulated Cryptoasset Activities: The FCA published a second consultation paper setting out proposals on the application of the FCA Handbook for regulated cryptoasset activities (CP26/4). The paper includes a guidance consultation on the application of the consumer duty to cryptoasset firms (GC26/2).

Artificial Intelligence / Digital Regulation

29 January – UK Digital Financial future: The Bank of England published a speech by Sasha Mills, Executive Director, Financial Market Infrastructure (FMI), given at the Tokenisation Summit, on shaping the UK's digital financial future.

27 January – AI / Retail Financial Services: The FCA published a press release announcing the launch of a review into the implications of advanced AI on retail financial services, together with a call for input.

20 January – AI / Financial Services: The House of Commons Treasury Committee published a report following its inquiry into AI in financial services.

Banking

22 January – Financial Stability Board: The Financial Stability Board ("**FSB**") published its resolution report for 2025, which considers work undertaken by the FSB and its members concerning resolution reforms and sets out the FSB's 2026 priorities for resolution.

20 January – Basel 3.1: The Prudential Regulation Authority (**"PRA**") published a policy statement on its final rules on the implementation of the Basel 3.1 standards (PS1/26).

20 January – UK CRR: The PRA published a policy statement (PS3/26) on its final rules on the restatement of the remaining provisions of the UK Capital Requirements Regulation (575/2013) ("**UK CRR**").

15 January – PRA Priorities: The PRA published Dear CEO letters sent to UK deposit-takers and to international banks setting out its 2026 supervisory priorities and expectations.

9 January – CRD VI: The European Banking Authority ("**EBA**") published its final report on draft regulatory technical standards ("**RTS**") specifying the booking arrangements third-country branches must apply for the purposes of Article 48h of the CRD IV Directive (2013/36/EU) (as amended by the CRD VI Directive ((EU) 2024/1619)).

Insurance

29 January – Pure Protection Products: The FCA published the interim findings from its market study into the distribution of pure protection products to retail customers.

20 January – IAIS Roadmap: The International Association of Insurance Supervisors ("**IAIS**") published its roadmap for 2026-27.

19 January – EIOPA Work Programme: The European Insurance and Occupational Pensions Authority ("**EIOPA**") published a revised version of its single programming document for 2026 to 2028, which includes its annual work programme for 2026.

16 January – Mutual Life Insurers / Consumer Duty: The FCA published the findings from a multi-firm review focused on how smaller mutual life insurers meet its Consumer Duty requirements and deliver good customer outcomes.

15 January – PRA Priorities: The PRA published the Dear CEO letter it has sent to insurance firms setting out its supervisory priorities for 2026.

15 January – EIOPA Strategy: EIOPA published a document setting out its areas of strategic activity for the period up to 2030.

EU Financial Markets

15 January – Market Risk: The European Central Bank published its response to the European Commission's November 2025 consultation on the application of the EU's prudential framework for market risk.

9 January – ESMA Supervision: ESMA published a document setting out its principles for risk-based supervision.

U.S. Matters – Private Funds

26 January – New CA Venture Capital Law: California's Department of Financial Protection and Innovation ("**DFPI**") published a survey which entities covered by its new Fair Investment Practices by Venture Capital Companies Law ("**FIPVCC**") must submit on an annual basis. The FIPVCC requires certain firms to register with the DFPI and annually report demographic information about the businesses in which they invest. While the law technically only covers "venture capital companies," this is a very broadly defined term and may pick up many managers that do not pursue a strictly venture capital strategy. The first registration deadline is March 1, 2026 and the first annual reporting deadline is April 1, 2026.

7 January – SEC: The SEC proposed amendments to the definitions of "small entity" it uses for investment advisers and investment companies when considering the impact of its rules as required by the Regulatory Flexibility Act. If adopted, the amendments could substantially impact the rules that the SEC adopts and the manner in which it implements any changes in policy.

2 January – AML Rule: The Department of the Treasury's Financial Crime Enforcement Network ("**FinCEN**") adopted a two-year delay of the effective date for the investment adviser AML rule, to January 1, 2028. If allowed to go into effect, the investment adviser AML rule will require covered investment adviser firms to establish AML programs, file suspicious activity reports and maintain related records. FinCEN has stated its intent to reconsider and further tailor the rule during this two-year delay.

2 January – SEC Partisan Composition: Caroline Crenshaw, the last remaining Democratic SEC Commissioner, departed the SEC after the end of her term and subsequent holdover period. The SEC currently has two vacant Commissioner seats on its five-person Commission. While this has happened a small number of times in the agency's history, such periods have usually been brief and because of unexpected departures rather than the expiration of a Commissioner's term.

View original.

Related Professionals

- **John Verwey**
  Partner

- **Andrew Wingfield**
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- **Richard Bull**
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- **Anna Maleva-Otto**
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