Proskauer

FinReg Monthly Update

Regulatory & Compliance on **March 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 March 2026:

United Kingdom

Asset Management / Wealth Management

23 March – Retail Investments: The FCA published information and examples to help firms make judgements when designing consumer segments for targeted support relating to retail investments.

5 March – Credit: The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 have been laid before Parliament and published on *legislation.gov.uk*.

Banking

31 March – Banking: The FCA published a policy statement (PS26/3) on its compensation scheme for motor finance complaints.

26 March – PRA: The PRA published a policy statement on amendments to its reporting templates for the minimum requirement for own funds and eligible liabilities (MREL) (PS9/26).

26 March – Capital Distribution: The PRA published a policy statement on disclosures, covering resolvability resources, capital distribution constraints and the basis for firms' Pillar 3 disclosures (PS11/26).

18 March – Operational and Third-Party Reporting: The FCA, PRA and Bank of England (BoE) have published parallel policy statements on operational incident and third-party reporting.

18 March – Common Bond Reform: HM Treasury has published a formal response to its call for evidence on reforms to credit union common bonds.

18 March – SMEs: The FCA has launched a call for input on how its regulation can help small and medium-sized enterprises (SMEs) to access finance.

17 March – Consumer Finance: The FCA published its Regulatory Priorities report for the consumer finance sector.

17 March – Liquidity Frameworks: The PRA has published a consultation paper (CP5/26) on modernising its liquidity policy framework for banks, building societies, designated investment firms and their qualifying parent undertakings.

12 March – Retail Banking: The FCA has published its Regulatory Priorities report for the retail banking sector.

5 March – Capital Requirements: The PRA published a policy statement (PS6/26) on its approach to recognised exchanges and main indices in the context of the revocation and restatement of the UK Capital Requirements Regulation (*575/2013*) (UK CRR).

5 March – Capital Requirements: The Capital Requirements Regulation (Market Risk Transitional Provision) Regulations 2026 have been laid before Parliament and published on *legislation.gov.uk*.

Cryptoassets / Payments / Artificial Intelligence

31 March – Data Schemes: The Department for Business and Trade published the UK's smart data strategy until 2035.

27 March – Data Vulnerability: The FCA and the Information Commissioner's Office (ICO) issued a joint statement on regulatory expectations regarding firms' approaches to vulnerability related data.

26 March – Payments: The Payment Systems Regulator (PSR) has published its annual plan and budget for 2026/27.

26 March – Cryptoasset Regulatory Regime: The FCA published a new webpage for cryptoasset businesses on registering under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (*SI 2017/692*) (MLRs 2017) ahead of the new cryptoasset regulatory regime under the Financial Services and Markets Act 2000 (FSMA) coming into force.

19 March – Contactless Payment: The FCA published an updated version of its approach document relating to its role under the Payment Services Regulations 2017 (SI 2017/752) (PSRs 2017) and Electronic Money Regulations 2011 (SI 2011/99) (EMRs). The approach document has been revised to include updated guidance on exemptions from strong customer authentication, including the contactless payments exemption.

16 March – Virtual Asset Service Providers: The Financial Action Task Force (FATF) published a report on understanding and mitigating the risks of offshore virtual asset service providers (oVASPs).

10 March – Payments: The House of Commons Treasury Committee published a letter from David Geale, Managing Director of the Payment Systems Regulator (PSR), providing information following an oral evidence session on 4 February 2026.

3 March – FATF: The Financial Action Task Force (FATF) published a targeted report on good practices to mitigate the misuse of stablecoins.

3 March – Cryptoasset Firms: The FCA has published a new webpage providing information for cryptoasset firms that currently use an authorised firm to approve their financial promotions.

2 March – Cryptoassets: The FCA has made a direction under regulation 52 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (*SI 2026/102*) specifying the dates between which the application gateway will be open for firms that want to carry on the new cryptoasset regulated activities.

Financial Crime / Conduct / Sanctions

26 March – Money Laundering: Draft regulations proposing amendments to the Money Laundering Regulations 2017 have been laid before Parliament. The draft regulations would revise due diligence requirements in relation to cryptoasset businesses, unusually complex or large transactions, high-risk jurisdictions and pooled client accounts, and make changes to the trust registration regime.

24 March – Financial Misconduct: The FCA has published a webpage providing information on how firms should prepare for the new rules and guidance relating to non-financial misconduct, which come into force on 1 September 2026.

23 March – FCA: The FCA published a statement reminding regulated firms of the risks involved in dealing with Annex I financial institutions and the checks they should carry out to address those risks.

Other

31 March – PRA: The PRA published a policy statement (PS8/26) on the 2026/27 management expenses levy limit for the Financial Services Compensation Scheme (FSCS).

31 March – FOS: The Financial Ombudsman Service (FOS) published its final plans and budget for 2026/27.

31 March – FCA: The Office of the Financial Regulators Complaints Commissioner (FRCC) published FAQs on the final report on the FCA's oversight of the British Steel Pension Scheme (BSPS), together with a summary of the report. Both documents set out the FRCC's comments on the FCA's response to the report.

30 March – Motor Finance: The FCA, the Solicitors Regulation Authority (SRA), the Information Commissioner's Office (ICO) and the Advertising Standards Authority (ASA) launched a taskforce intended to tackle poor handling of motor finance claims by claims management companies (CMCs) and law firms.

27 March – Senior Management Arrangements, Systems and Controls: The FCA published a new webpage providing examples of good practice and potential areas for improvement in firms' compliance with its rules on operational resilience.

27 March – FCA Handbook: The FCA published Handbook Notice 139, which sets out changes to the FCA Handbook made by the FCA board on 26 February, 23 March and 26 March 2026.

26 March – FCA: The FCA published its response to the Office of the Financial Regulators Complaints Commissioner's (FRCC) final report on the allegations made by former members of the British Steel Pension Scheme (BSPS) about the FCA's handling of the scheme.

26 March – FCA: The FCA published its annual work programme for 2026/27, which sets out how it will continue to deliver its four strategic priorities for the year ahead.

26 March – FCA: The Office of the Financial Regulators Complaints Commissioner published its final report on the FCA's oversight of the British Steel Pension Scheme (BSPS). The FRCC has found that the FCA had failed to protect affected former members of the BSPS from foreseeable harm.

26 March – PRA: The PRA published a policy statement on reforms to the resolution assessment threshold and to the frequency of the review of recovery plans (PS10/26).

24 March – Motor Finance: The FCA has published a statement announcing that it will set out its planned approach on redress for motor finance complaints on 30 March 2026.

16 March – FOS: HM Treasury published its formal response to its consultation on the review of the Financial Ombudsman Service (FOS).

16 March – FOS: The FCA and the Financial Ombudsman Service (FOS) published a second joint consultation paper on modernising the redress system (CP26/9).

6 March – FCA Quarterly: The FCA published its 51st quarterly consultation paper (CP26/8).

4 March – Motor Finance: The FCA published a statement providing an update on its proposals for a compensation scheme for motor finance complaints. Among other things, it is proposing an implementation period for firms.

European Union

Asset Management / Wealth Management

6 March – Money Market Funds: ESMA has published the official translations, including the English language version, of its 2025 guidelines on stress test scenarios produced under Article 28 of the Regulation on money market funds ((EU) 2017/1131) (MMF Regulation).

5 March – MiFID: The European Parliament's Economic and Monetary Affairs Committee (ECON) has published the report it has adopted on the European Commission's legislative proposal for a Directive to amend the MiFID II Directive (*2014/65/EU*) to extend some mitigating measures available to SMEs to small mid-cap enterprises.

4 March – Private Equity: On 2 March 2026, the European Commission launched a targeted consultation on the issue of investors in European private companies struggling to sell their shares (exit) in a timely, predictable and fairly-priced way.

Banking

30 March – EBA: The EBA published a final report (EBA/RTS/2026/05) on draft regulatory technical standards (RTS) amending Delegated Regulation (EU) 529/2014, which supplements the Capital Requirements Regulation (*575/2013*) (CRR) with regard to RTS for assessing the materiality of extensions and changes of the internal ratings based (IRB) approach.

26 March – Bank Recovery: The European Parliament adopted, at second reading, the legislative proposals amending the Bank Recovery and Resolution Directive (*2014/59/EU*) (BRRD), the Single Resolution Mechanism (SRM) Regulation (*806/2014*) and the Deposit Guarantee Schemes Directive (*2014/49/EU*) (DGSD). These proposals relate to the European Commission's review of the EU bank crisis management and deposit insurance (CMDI) framework.

19 March – Capital Requirements: The EBA published a final report on draft regulatory technical standards (RTS) amending Commission Delegated Regulation (EU) 241/2014 on the timing for the application for prior permission to reduce own funds and eligible liabilities instruments under Articles 77, 78 and 78a of the Capital Requirements Regulation (*575/2013*) (CRR).

17 March – EBA: The EBA published consultation papers on draft guidelines and regulatory technical standards (RTS) on initial margin model (IMM) authorisation under EMIR (*648/2012*) (as amended by EMIR 3 (*(EU) 2024/2987)*).

17 March – State Aid Rules: On 17 March 2026, the European Commission published a call for evidence on the revision of the EU state aid rules for banks in difficulty.

11 March – Bank Recovery: Commission Implementing Regulation (EU) 2026/519, which amends implementing technical standards (ITS) laid down in Implementing Regulation (EU) 2021/622 as regards the frequency of reporting and the information to be reported, has been published in the *Official Journal of the European Union*.

10 March – Capital Regulation: The European Commission adopted a Delegated Regulation (C(2026)1490) containing amendments to Delegated Regulation (EU) 2023/206, which sets out regulatory technical standards (RTS) supplementing the Capital Requirements Regulation (*575/2013*) (CRR). The amendments relate to the updating of references and the alignment of terminology following amendments to the CRR.

6 March – Bank Recovery: The Council of the EU has adopted its positions at first reading on the legislative proposals for amendments to the Bank Recovery and Resolution Directive (*2014/59/EU*) (BRRD), the Single Resolution Mechanism (SRM) Regulation (*806/2014*) and the Deposit Guarantee Schemes Directive (*2014/49/EU*) (DGSD). These proposals relate to the European Commission's review of the EU bank crisis management and deposit insurance (CMDI) framework.

5 March – CRD IV: The EBA has published its final report and draft implementing technical standards (ITS) for the supervisory reporting of third-country branches under the CRD IV Directive (*2013/36/EU*), as amended by the CRD VI Directive (*(EU) 2024/1619*).

2 March – EMIR: ESMA published a final report on draft regulatory technical standards (RTS) on margin transparency requirements and on information on clearing fees and associated costs under EMIR (*648/2012*), as amended by EMIR 3 (*(EU) 2024/2987*).

2 March – EBA: The EBA published its final report on guidelines on instruments available for third-country branches for unrestricted and immediate use to cover risks or losses under Article 48e(2)(c) of the CRD IV Directive (*2013/36/EU*) (as amended by the CRD VI Directive (*(EU) 2024/1619)*).

Insurance

31 March – IDD: EIOPA published its third report on the application of the Insurance Distribution Directive (*(EU) 2016/97*) (IDD).

Cryptoassets / Payments / Artificial Intelligence

31 March – Payments: The European Central Bank (ECB) published the Eurosystem payments strategy.

27 March – Payments: A corrigendum to Regulation (EU) 2025/1355 of the ECB on oversight requirements for systemically important payment systems (ECB/2025/22) (recast SIPS Regulation) was published in the *Official Journal of the European Union*.

Securities / Capital Markets

12 March – Capital Markets: ESMA has published a report on its May 2025 call for evidence (CfE) on the retail investor journey: understanding retail participation in capital markets. The report summarises the main feedback it received from the CfE and sets out ESMA's planned follow-up actions.

Sustainable Finance / ESG

23 March – Taxonomy: The European General Court has dismissed an action challenging Commission Delegated Regulation (EU) 2021/2139 (Taxonomy Climate Delegated Act), which supplements the Taxonomy Regulation (*(EU) 2020/852*).

18 March – Taxonomy: The European Commission published a press release announcing the launch of a consultation on revising technical screening criteria (TSC) under Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation).

6 March – Taxonomy: A call for technical advice from the European Commission to the European Supervisory Authorities (ESAs) on key performance indicators (KPIs) and other aspects of Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act) under Article 8 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation) has been published.

Other

27 March – CRD VI: The European Commission published a press release announcing it is taking action against several member states for failure to transpose the CRD VI Directive (*(EU) 2024/1619*) into their national laws.

23 March – Basel Framework: The Basel Committee on Banking Supervision (BCBS) finalised a technical amendment and a response to an FAQ to help promote consistent interpretation of the Basel framework.

19 March – Derivatives: The International Organization of Securities Commissions (IOSCO) has published a consultation report on proposed good practices for the over-the-counter (OTC) commodity derivatives markets (IOSCO/MR/05/2026).

17 March – Anti-Money Laundering: The EU Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) published a press release announcing the launch of a data collection exercise to test and calibrate risk assessment models for the financial sector.

10 March – Crisis Preparedness: The European Commission has published a report on the current state of crisis preparedness in the EU financial sector.

United States

Asset Management / Wealth Management

31 March – SEC Publishes Notice of Intent to Increase Qualified Client Thresholds: The SEC published a notice indicating it intends to adjust for inflation the dollar thresholds that permit investment advisers to accept performance-based compensation (such as carried interest) from “qualified clients”. An investment adviser may treat an investor as a qualified client if the investor’s assets under management with the adviser or the investor’s net worth exceed a specified threshold. The new thresholds will be $1.4 million under management with the adviser (up from $1.1 million) or a net worth of $2.7 million (up from $2.2 million). The adjustments are expected to go into effect in late June. The thresholds were last adjusted in 2021 and are required to be adjusted every five years.

30 March – DOL Proposes Rule and Safe Harbor to Facilitate Alternative Investments in 401(k) Plans: The U.S. Department of Labor (DOL) issued a proposed regulation (the "Proposed Rule") designed to facilitate the inclusion of alternative assets within designated investment alternatives offered under participant-directed defined contribution plans, such as 401(k) plans. The Proposed Rule establishes a process-based safe harbor intended to reduce litigation risk for plan fiduciaries by clarifying that prudence is determined based on a fiduciary's decision-making process rather than investment outcomes. The proposal also emphasizes that no asset class, including private equity and other alternatives, is *per se* prohibited and that fiduciaries who follow a prudent process are entitled to a presumption of prudence and deference in their investment decisions. Comments on the Proposed Rule are due 60 days following publication in the Federal Register.

20 March – SEC Submits Form PF Extension or Proposed Amendment to OIRA: The SEC submitted a rulemaking action relating to Form PF to OIRA. The compliance date for the form amendments adopted in 2024 has been extended multiple times, most recently in September 2025. It is unclear if this is another extension of the compliance date or if it involves more substantive amendments, which SEC Commissioners previously signaled they would adopt rather than allowing the 2024 amendments to go into effect.

4 March – SEC Announces Roundtable on Private Markets Valuation and Retail Investor Access: On 4 March, the U.S. Securities and Exchange Commission (SEC) hosted a roundtable to examine private market valuation practices and the accelerating trend of "responsible retailization", as retail investors gain greater access to alternative investment products. The roundtable, led by the Division of Investment Management, featured two panels: (i) the convergence of public and private market structures as alternative asset classes migrate into registered fund vehicles, and (ii) governance challenges associated with retail-facing private market products, including best practices for valuation oversight and compliance.

Cryptoassets / Payments / Artificial Intelligence

24 March – CFTC Launches Innovation Task Force: CFTC Chairman Michael Selig announced the formation of an Innovation Task Force to develop a clear regulatory framework for emerging technologies in U.S. derivatives markets, including crypto assets, artificial intelligence and prediction markets. The task force will coordinate with other federal agencies, including the SEC, and is intended to support responsible innovation while providing regulatory clarity for market participants.

23 March – Treasury Department Launches Artificial Intelligence Innovation Series: The Financial Stability Oversight Council and the Treasury Department's Artificial Intelligence Transformation Office announced the launch of the AI Innovation Series, a public-private initiative aimed at supporting the resilience and stability of the U.S. financial system as artificial intelligence adoption accelerates. The initiative will convene stakeholders across four roundtables to examine high-value AI use cases in areas such as fraud detection, cybersecurity, credit underwriting and operational risk management while identifying governance and supervisory approaches to ensure safe deployment. Treasury officials emphasized that AI adoption is increasingly integral to economic security and financial stability, signaling a shift toward regulatory frameworks that facilitate responsible innovation while maintaining system safety and resilience.

20 March – SEC Submits Crypto Rule to OIRA: The SEC submitted a proposed rule under the category "Crypto Assets" to the White House Office of Information and Regulatory Affairs (OIRA). No details about the contents of the proposal are available, but Chair Atkins gave a speech on 17 March indicating "his vision" for a future regulation, which may signal the rule will involve a four-year "startup exemption" from the securities registration requirements for ICOs raising less than $5 million, a "fundraising exemption" from the registration requirements for sales of less than $75 million per 12-month period if they file a form with the SEC and an "investment contract safe harbor", which could dovetail with the discussion of an issuer's managerial efforts in the Commission Interpretation released the same day (discussed earlier in this update).

17 March – SEC Crypto Assets Interpretation: On 17 March, the SEC released a Commission interpretation on the application of the federal securities laws to certain crypto assets and related transactions. The guidance establishes a taxonomy distinguishing between categories of crypto assets, including "digital commodities" (such as Bitcoin and Ether), which are not securities, and "digital securities", which are. It also clarifies that a non-security crypto asset may be offered and sold subject to an investment contract when the purchasers provide value in reliance on the issuer's promises to undertake essential managerial efforts. In addition, the interpretation concludes that certain on-chain activities, such as mining, staking and airdrops, generally do not constitute offers and sales of securities. The interpretation, issued jointly with the CFTC, is intended to provide initial clarity on the agencies' approach to crypto assets and signals that further regulatory action may follow.

Financial Crime / Conduct / Sanctions

16 March – SEC Enforcement Division Director Resigns: On 16 March, the SEC announced that Judge Margaret A. Ryan has resigned from her role as Director of the Division of Enforcement. Principal Deputy Director Sam Waldon has been named Acting Director of the Division, effective 16 March.

Securities / Capital Markets

16 March – SEC Proposes Amendments to Exchange Act Rule 15c2-11 to Clarify Scope: On 16 March, the SEC proposed amendments to Exchange Act Rule 15c2-11, which governs information review requirements for broker-dealers publishing quotations in over-the-counter (OTC) markets. The proposal would revise the rule only to apply to equity securities, restoring the status quo that existed prior to its amendment in 2020. That amendment, inadvertently according to certain SEC Commissioners, extended the rule to all securities. This disrupted the fixed income markets, where many issuers have debt that is quoted OTC but do not publish sufficient information for broker-dealers to comply with the requirements of the rule.

11 March – SEC and CFTC Announce Memorandum of Understanding to Enhance Regulatory Coordination: On 11 March, the SEC and the Commodity Futures Trading Commission (CFTC) announced a new Memorandum of Understanding (the "MOU") to strengthen collaboration between the agencies, with the goal of supporting lawful innovation, enhancing market integrity and improving investor and customer protection. The agencies also established a Joint Harmonization Initiative focused on aligning regulatory frameworks, including clarifying product definitions, modernizing clearing and margin requirements, reducing duplicative regulations for dually registered entities, streamlining reporting obligations and coordinating examinations and enforcement.

Other

17 March – SEC Publishes Data on Public and Private Offerings, Municipal Advisors, Transfer Agents and Securities-Based Swap Dealers: On 17 March, the SEC's Division of Economic and Risk Analysis (DERA) released updated statistics on public and private offerings, including IPOs, Regulation D offerings and debt issuances, along with data on municipal advisors, transfer agents and security-based swap dealers (SBSDs). The data show increased capital formation in 2025, including $2.4 trillion raised through Regulation D offerings. DERA also issued a report on the financial condition of SBSDs. While not a rulemaking, these releases provide insight into market trends and may inform future regulatory priorities. Later in the month, the International Organization of Securities Commissions released a similar report.

Related Professionals

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