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FinReg Monthly Update

Regulatory & Compliance on **August 2026**

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

Key Developments in August 2026:

United Kingdom

General Financial Services – Cross Sector

11 August – FOS Redress: The Financial Ombudsman Service (FOS) has published a policy statement on modernising the redress system.

10 August – High Growth Firms: The Financial Conduct Authority (FCA) has published its findings, including examples of good and poor practice, following a review of its early and high growth oversight pilot with high-growth firms.

7 August – Annex 1 Firms: The FCA has published a statement setting out its concerns about a number of risks it has identified among Annex 1 financial institutions.

Asset Management / Wealth Management

18 August – Wealth Management: The FCA has published a report containing its findings from its wealth management survey.

13 August – Retail Fund Liquidity Risk Management: The FCA has published a policy statement on enhancing fund liquidity risk management UK retail investment funds (PS26/17).

3 August – UK Transaction Reporting Regime: The FCA has published a policy statement on improvements to the UK transaction reporting regime (PS26/15).

Banking / Payments / Consumer Credit

27 August – Payments Innovation: HM Treasury has published a press release announcing that it intends to give the Bank of England a new secondary payments innovation objective, which will be subordinate to its primary financial stability objective.

19 August – Motor Finance: The FCA has published a new webpage providing feedback on firms' implementation plans for its motor finance compensation scheme.

Insurance

10 August – Insurance Run-Off: The Prudential Regulation Authority (PRA) is offering a modification by consent for run-off firms that meet the thresholds to be classified as a non-Solvency UK firm, but are excluded because they have general insurance, credit and suretyship liabilities.

Securities / Capital Markets

28 August – Primary Market Bulletin: The FCA has published Primary Market Bulletin 65, covering its concerns about potentially misleading statements in regulatory announcements and its review of sponsors' use of expert reports to support specialist due diligence for new admissions to the Equity Shares (Commercial Companies) category.

5 August – UK IPOs: The FCA has published a policy statement setting out changes to information flows for UK equity IPOs (PS26/16).

European Union

Asset Management / Wealth Management

25 August – CRD IV: The European Banking Authority (EBA) has published a consultation paper on draft RTS on the reclassification of investment firms as credit institutions under the CRD IV Directive (2013/36/EU).

24 August – Retail Investment Strategy: The European Commission has asked the European Securities and Markets Authority (ESMA) and EIOPA for technical advice on level 2 measures under the proposed Directive on retail investment protection (Omnibus Directive), which relates to its Retail Investment Strategy for the EU.

Banking

3 August – Bank Market Risk: The EBA has published no-action letter and technical considerations on implementing EU bank market risk framework, on the boundary between the banking book and the trading book, along with technical clarifications on issues linked to the European Commission's Delegated Regulation modifying the calculation of own funds requirements for market risk under the fundamental review of the trading book framework.

United States

General Financial Services – Cross Sector

31 August – Market Vulnerabilities and AI-Driven Cyber Risks: The Financial Stability Board (FSB) published a letter warning that vulnerabilities in sovereign debt and private credit markets, elevated asset valuations and increased leverage could amplify a disorderly market correction. The letter identified the effect of frontier AI on cyber risk as the most immediate technology-related concern and called on financial institutions, market infrastructures and technology providers to strengthen their vulnerability management, response and recovery capabilities.

24 August – Financial Sector Quantum-Readiness Task Force: Treasury launched a public-private task force to coordinate the U.S. financial sector's transition to quantum-safe technology. Its work will focus on post-quantum cryptography, third-party and vendor preparedness, and risks involving digital assets and emerging technologies, including by identifying critical dependencies and strengthening cryptographic agility, interoperability and operational resilience.

17 August – GENIUS Act Stablecoin Restrictions: Treasury issued proposed rules implementing the GENIUS Act's restrictions on issuing, offering and selling payment stablecoins in the United States. The proposal defines when a stablecoin is issued in the United States or offered or sold to a U.S. person and addresses foreign-issued stablecoins, digital asset service providers and available exemptions and safe harbors. Comments are due by October 19.

Asset Management / Wealth Management

31 August – Form PF Amendments: The Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) issued a joint final rule further extending the compliance date for the Form PF amendments adopted in February 2024 from October 1, 2026, to July 1, 2027. The extension will allow the agencies to consider comments received on their April 2026 proposal to revise Form PF and is intended to prevent filers from incurring potentially significant costs to implement requirements that may subsequently be revised or eliminated. Until the new compliance date, filers may continue using the current version of Form PF.

18 August – CPO and CTA Registration Exemptions: The CFTC published a notice of proposed rulemaking that would introduce a new pool-by-pool exemption from commodity pool operator registration for SEC-registered investment advisers operating privately offered commodity pools limited to specified sophisticated investors. The proposal would also restore related relief from commodity trading advisor registration and increase the capital contribution threshold for the small-pool exemption to $800,000. Comments are due by October 5.

Securities / Capital Markets

31 August – Information-Sharing Framework: The SEC and the U.S. Food and Drug Administration (FDA) entered into a memorandum of understanding (MOU) designed to support their respective missions of ensuring market integrity and protecting public health. The MOU establishes information-sharing protocols to enhance cooperation on regulatory and enforcement matters, including compliance with federal securities law disclosure requirements concerning FDA-regulated products. The MOU will remain in effect for three years unless extended or modified.

18 August – Framework for Crypto Assets: The SEC proposed "Regulation Crypto Assets," a securities offering framework for certain investment contracts involving crypto assets. The proposal builds on the SEC's March 2026 interpretation regarding the application of the federal securities laws to crypto assets and largely tracks the framework outlined in a March 2026 speech by Commissioner Atkins. The proposal includes two registration exemptions: a one-time exemption for offerings of up to $5 million during a four-year period and an exemption for offerings of up to $75 million during each 12-month period. Both would require principles-based narrative disclosures, while the larger exemption would also require financial statements and ongoing reporting. The proposal also includes a conditional safe harbor under which a crypto asset would no longer be deemed an "investment contract" after the issuer completes or permanently ceases its essential managerial efforts. Antifraud requirements would continue to apply, and certain state registration requirements would be preempted. Comments are due by October 20.

Commodities / Derivative Markets

20 August – Innovation Advisory Committee Meeting: The CFTC held the inaugural meeting of its Innovation Advisory Committee. In accompanying remarks, Chairman Selig outlined a "Roadmap for the New Frontier of Finance" focused on developing regulatory frameworks for crypto assets and compute markets and advancing rules on consumer protection, product governance, market design and incentive programs for prediction markets.

19 August – Derivatives Contracts: The CFTC issued a request for comment concerning derivatives that reference the price of access to computing power, or "compute," used primarily by large language models and other artificial intelligence applications. The request seeks input on compute cash markets, market oversight and manipulation risks, customer protections and perpetual compute futures. Comments are due by October 20.

7–12 August – Prediction Markets: The CFTC issued several prediction-market updates, signaling a broader effort to assert its regulatory authority over these markets while establishing standards for their operation. First, staff reminded regulated entities to display clear and accurate event-contract pricing, warning that "American" odds may mislead customers about the nature and pricing of the product. The CFTC then exercised its emergency authority following a New York lawsuit seeking to prevent KalshiEX from offering event contracts nationwide, ordering the exchange to continue operating. Finally, staff issued guidance addressing procedural and substantive deficiencies in self-certifications for prediction-market incentive programs.

Financial Crime / Enforcement / Sanctions

28 August – Insider Trading: The CFTC announced a settled enforcement action against a White House teleprompter operator for misappropriating material nonpublic information about presidential speeches to trade "presidential mention" event contracts on a prediction market platform, generating more than $107,500 in profits. In addition to disgorging such profits, the employee agreed to pay a civil penalty of $65,000 and accept a three-year trading ban.

27 August – False Form ADV Filings: The SEC charged 38 entities with making material misrepresentations in Form ADV filings to create the appearance of legitimate U.S. advisory firms and lure retail investors. The SEC removed the entities' exempt reporting adviser filings from its website and seeks injunctions and civil penalties. It also issued an investor alert warning that scammers may use public SEC exempt reporting adviser filings to feign legitimacy.

18 August – Fraud: The SEC charged three former executives of a collapsed subprime auto lender with defrauding investors by double pledging auto loans to multiple asset-backed securities offerings and lenders and manipulating loan metrics. More than $945 million remained outstanding when the lender filed for bankruptcy. The SEC seeks monetary and injunctive relief, and parallel criminal charges are pending.

14 August – Pre-IPO Fraud: The SEC charged an individual and three controlled entities with raising more than $74 million from over 800 mostly retail investors through private funds investing in pre-IPO shares. The defendants allegedly used high-pressure sales tactics and concealed markups averaging approximately 46%, generating $23 million in upfront fees. The SEC seeks monetary and injunctive relief.

10 August – Pre-IPO Fraud: The SEC charged a private fund adviser, its CEO and affiliated general partners with misappropriating client assets, charging undisclosed fees and conducting principal transactions involving pre-IPO shares without required investor consent. Without admitting the allegations, the defendants agreed to injunctions and court-determined monetary relief. The CEO also agreed to a three-year associational bar.

3 August – Charges AML Supervision Failures: The CFTC, FinCEN, FINRA and the SEC each announced settled actions against a major financial institution for supervisory failures that caused thousands of foreign-currency wire transfers to be insufficiently monitored or omitted from its anti-money laundering (AML) monitoring systems. The institution had previously settled enforcement actions relating to similar underlying issues and had represented, in connection with such settlements, that the issues would be remediated. The institution agreed to pay, in aggregate, approximately $173 million in civil penalties.

Related Professionals

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