Proskauer

FinReg Monthly Update

Regulatory & Compliance on **October 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 October 2026:

United Kingdom

General Financial Services – Cross Sector

26 October – AI Survey: The Bank of England and the Financial Conduct Authority (FCA) have published a report on the findings from their fourth survey on AI and machine learning (ML) in UK financial services.

23 October – FCA Handbook: The FCA has published Handbook Notice 145, which sets out changes to the FCA Handbook made by the FCA board on 24 September 2026 and 22 October 2026.

19 October – AI Good Practice: The FCA has published a new webpage providing examples of good practice and areas for improvement for AI use cases in financial services.

8 October – Corporate Finance Compliance: The FCA has published a blog post setting out its findings from a review of corporate finance firms' compliance functions and their ability to challenge the business effectively.

Asset Management / Wealth Management

23 October – Private Markets: The FCA has published its findings following a multi-firm review into conflicts of interest and fair customer treatment in private markets.

16 October – Consumer Access to Investments: The FCA has published a feedback statement (FS26/3) on expanding consumer access to investments.

8 October – Authorised Funds / Illiquid Assets: The FCA has published a consultation paper on fair redemption terms for authorised funds investing in illiquid assets (CP26/35).

6 October – Fund Authorisation Applications: The FCA has published a new webpage outlining upcoming changes to the process for submitting fund authorisation applications and notifications.

Banking / Consumer Credit

22 October – Overseas Prudential Regime: The Overseas Prudential Requirements Regime (Credit Institutions and Investment Firms) Regulations 2026 (SI 2026/1116) have been published with an explanatory memorandum.

FinTech / Digital Assets

21 October – Crypto Perimeter Guidance: The FCA has published a consultation paper (CP26/36) on proposals to amend its Perimeter Guidance manual (PERG) to reflect the amendments to the cryptoasset regime introduced by the FSMA 2000 (Cryptoassets) (Miscellaneous Amendments) Regulations 2026.

21 October – DeFi Guidance: The FCA has published a guidance consultation on decentralised finance (DeFi) (GC26/7) to help firms understand how existing financial crime and operational resilience requirements may apply when they interact with or use DeFi.

Securities / Capital Markets

27 October – UK Securitisation: HM Treasury has published a draft version of the Securitisation (Amendment and Miscellaneous Provisions) Regulations 2026.

14 October – Market Watch 86: The FCA has published issue 86 of Market Watch, its newsletter on market conduct and transaction reporting issues.

Financial Crime / Enforcement / Sanctions

23 October – Financial Crime Guide: The FCA has published a consultation paper (CP26/38) on changes to its Financial Crime Guide (FCG), intended to help firms assess and strengthen their financial crime systems and controls.

European Union

General Financial Services – Cross Sector

13 October – ESAs Work Programme: The Joint Committee of the European Supervisory Authorities (ESAs) has published its work programme for 2027.

Insurance

27 October – Behavioural Insights: The European Insurance and Occupational Pensions Authority (EIOPA) has published a staff paper on integrating behavioural insights into conduct of business supervision.

6 October – Private Equity-Owned Insurers: EIOPA has published a supervisory statement on the authorisation and ongoing supervision of insurance and reinsurance undertakings owned by private equity firms.

FinTech / Digital Assets

8 October – Non-MiCA-Compliant Stablecoins: The European Securities and Markets Authority (ESMA) has published an opinion on the provision of cryptoasset services in relation to asset-referenced tokens (ARTs) and e-money tokens (EMTs) that do not comply with the requirements of the Regulation on markets in cryptoassets ((EU) 2023/1114) (MiCA).

8 October – MiCA Review: The EU Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) has published its response to the European Commission's targeted consultation on its review of MiCA.

Securities / Capital Markets

23 October – ESMA Q&As: ESMA has updated its Q&As on MiFID II, the Market Abuse Regulation (MAR) and the Short Selling Regulation (SSR) as part of its simplification work.

16 October – MAR Guidelines: ESMA has published a final report (ESMA74-268544963-1718) containing revised guidelines on the delay in the disclosure of inside information under the MAR.

Sustainable Finance / ESG

29 October – Taxonomy Disclosures: ESMA has published a final report and the EBA has published a final report containing technical advice for the European Commission on selected KPIs and other aspects of the Disclosures Delegated Act.

12 October – SFDR 2.0: The Council of the EU has published a note with a three-column table comparing the negotiating positions taken by the European Commission, the Council and the European Parliament on the legislative proposal for SFDR 2.0.

12 October – Impact and Transition Claims: ESMA has published two thematic notes on sustainability-related claims. The first examines positive impact claims made through funds and bonds, and the second focuses on climate transition claims. Please refer to our dedicated article on this topic here.

Financial Crime / Enforcement / Sanctions

1 October – AML Regulation: The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) has published three sets of regulatory technical standards defining key measures companies and professionals must apply to reduce money laundering and terrorist financing risks.

1 October – MLD6 Supervisory Co-operation: AMLA has published a final report setting out final draft RTS on the co-operation of home and host supervisors under Article 46(4) of the Sixth Money Laundering Directive ((EU) 2024/1640) (MLD6).

United States

Asset Management / Wealth Management

23 October – SEC Examination Priorities: The SEC's Division of Examinations published its fiscal year 2027 examination priorities. In addition to its discussion of perennial risk areas such as fee and expense calculations, allocations, borrowing and affiliated service providers, the alert also outlines plans to integrate artificial intelligence, referred to in the priorities as "super intelligence," into examinations and risk assessment, potentially enabling more extensive analysis of registrants' records without changing their underlying obligations.

22 October – Outbound Investment Rule and the COINS Act: The U.S. Department of the Treasury issued a notice of proposed rulemaking to implement the Comprehensive Outbound Investment National Security Act. The proposal builds on the existing Outbound Investment Rule, extending its reach to additional countries, technologies and types of investments. In certain cases, this could reach investments by U.S. persons in non-U.S. pooled funds (which could be relevant to secondary investors). Comments are due by December 7, 2026.

20 October – Continuation-Vehicle Guidance: The Institutional Limited Partners Association ("ILPA") published new guidance outlining its positions on GP-led secondaries transactions such as continuation vehicles. The guidance recommends early engagement with limited partners, robust conflict disclosure, independent price validation, standardized election materials, adequate review periods and greater transparency regarding fees, costs and transaction economics. ILPA's guidance emphasizes that continuation vehicles should be deliberate solutions rather than default exit options.

9 October – Fund Cross Trading: The SEC proposed amendments to Rule 17a-7 under the Investment Company Act that would expand the universe of securities that registered funds and BDCs could cross trade. In addition to expanding the scope of eligible securities to cover most level 2 securities, the proposal would require certain determinations before execution, chief compliance officer oversight, back-testing and reporting. Level 3 securities and securities that are outside the fair value hierarchy, such as fund interests valued using the NAV practical expedient, would be ineligible. Comments are due by December 14, 2026.

1 October – Custody Rule Modernization: The SEC proposed amendments to the custody rules under the Investment Advisers Act and the Investment Company Act. These proposed amendments largely relate to crypto assets, but would also make a number of changes and modernizations for "TradFi" registrants, including codifications of several staff guidance positions and liberalizations of certain other areas. Comments are due by December 7, 2026.

1 October – SEC Examination Handbook: The SEC's Division of Examinations released a new examination handbook describing the SEC examination process. While it does not create any new legal rights or obligations, it provides useful guidance to registrants on how examinations are conducted and effective ways to interact with examination staff.

Securities / Capital Markets

15 October – Projected Performance and Target Returns: The SEC approved amendments to FINRA Rule 2210 that would permit broker-dealers to communicate projected performance and target returns, subject to meeting certain conditions. While the rule does not fully conform to the Marketing Rule applicable to investment advisers, it is a meaningful liberalization. FINRA has not yet announced the effective date.

Commodities / Derivative Markets

9 October – Prediction Markets: The CFTC announced two related actions: it (i) proposed to expressly include event contracts based on sports, politics, cultural and weather-related events within the definition of "swap," and (ii) separately issued an interim final rule excluding "casino-style gambling products." The gambling exclusion took effect on October 19, 2026, and comments on both actions are due by November 18, 2026.

Financial Crime / Enforcement / Sanctions

23 October – Custody and Identity-Theft Controls: The SEC settled charges against a New York investment adviser to high-net-worth individuals and private funds for violations of the Custody Rule as well as violations relating to its identity theft prevention program. The SEC alleged that the adviser failed to identify all client accounts that were subject to the Custody Rule and improperly relied on the privately offered securities exception for certain assets. Without admitting or denying the findings, the adviser agreed to a cease-and-desist order, censure and a $175,000 civil penalty.

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