

# Regulatory Round-Up for Fund Managers

Q2 2026

## T+1 Related Developments

**Headline:** Move to T+1 settlement.

**Who is impacted?** All firms.

Legislation	Details
<p><b>EU T+1</b></p> <p>MEDIUM IMPACT</p>	<p>In July 2025, the EU T+1 Industry Committee (the Industry Committee) held a <a href="#">summit</a>, presenting its <a href="#">High-level Roadmap</a> (Roadmap) for transitioning to a shorter T+1 securities settlement cycle, targeted for implementation by October 11, 2027.</p> <p>The Roadmap is designed to serve as a practical, expert-led framework to assist market participants in identifying and addressing the most critical operational considerations and to support firms’ preparations and budget allocations. The Roadmap sets out non-legally binding recommendations across nine areas: trading, matching and confirmations, clearing, settlement, asset management, FX, corporate events, securities financing transactions (SFTs), as well as legal and regulatory issues.</p> <p>European Securities and Markets Authority (ESMA) has published a T+1 website that it keeps up to date, available <a href="#">here</a>.</p> <p>See previous Regulatory Updates for developments throughout 2025.</p> <p>See also the section below “Central Securities Depositories Regulation (CSDR)” for details of the amendment to CSDR to accommodate the move to T+1.</p>
<p><b>UK T+1</b></p> <p>MEDIUM IMPACT</p>	<p>HM Treasury established the Accelerated Settlement Taskforce (AST) to explore the case for T+1 in the UK. The Accelerated Settlement Technical Group (ASTG) recommended that the first day of UK cash securities trading for settlement on a T+1 cycle should be October 11, 2027 – aligning with the EU. In a <a href="#">statement</a> the government, Financial Conduct Authority (FCA) and the Bank of England (BoE) confirmed their support and called on industry to engage with the recommendations and start their planning. The FCA warns that it may take action against firms that are not prepared for the October 2027 deadline.</p> <p>The AST has a dedicated <a href="#">website</a> and the FCA published an <a href="#">About T+1 Settlement</a> webpage that, among other things, confirms the October 11, 2027 move date and details “What firms should do” in the run up to that date.</p> <p>In November 2025, HM Treasury published a <a href="#">policy note</a> on mandating T+1 settlement in the UK, together with a <a href="#">draft version</a> of the Central Securities Depositories (Amendment) (Intended Settlement Date) Regulations 2026. The draft Order sets out how the government intends to deliver T+1 as the standard settlement period in the UK from October 11, 2027.</p>

Legislation	Details
<p><b>UK T+1</b></p> <p>MEDIUM IMPACT</p>	<p>On May 28, 2026, the AST <a href="#">announced</a> that the target settlement rate following the T+1 go-live date on October 11, 2027 will be calculated based on the average settlement rate of the three months prior to the deadline (July, August, and September 2027). This is to avoid an increase in settlement fails post-transition and ensure that the market functions as efficiently and effectively on T+1 as it does on T+2.</p> <p>With regards to settlement of trades in investment funds, a number of asset management trade associations have recommended that firms should alter their fund settlement timings to T+2 (that is, two business days after trades in fund units) from October 11, 2027 – a recommendation which is <a href="#">welcomed</a> by the FCA.</p>

**US Related Developments**

**Headline:** Various US Developments of note.

**Who is impacted?** All firms doing business in the US, particularly in relation to private funds.

<p><b>SEC Staff Issues New Names Rule FAQs</b></p>	<p>On February 19, 2026, the SEC staff issued “<a href="#">Frequently Asked Questions</a>” (FAQs) regarding the Names Rule, which addresses certain broad categories of investment company names that are likely to mislead investors about an investment company’s investments and risks. These FAQs were added to the already-existing 2025 FAQs.</p> <p>See the Q1 2026 Regulatory Update for details.</p>
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<p><b>CFTC Staff CFTC Staff Simplifies Its U.S. Person Definitions</b></p>	<p>In December 2025, the Market Participants Division, Division of Clearing and Risk, and Division of Market Oversight of the CFTC (the Divisions) issued no-action relief permitting flexibility to market participants in applying the three separate definitions of “U.S. person” and “guarantee” set forth in the CFTC regulations in the context of the cross-border application of certain Dodd-Frank Act swap regulations.</p> <p>CFTC Staff Letter No. 25-42 (the Letter), available <a href="#">here</a>, simplifies and consolidates existing no-action positions that address almost 15 years of regulatory uncertainty and promotes harmonization with Securities and Exchange Commission regulations.</p> <p>See the Q1 2026 Regulatory Update for details.</p>
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<p><b>Private Fund Reporting by Registered Advisers</b></p> <p>LOW/MEDIUM IMPACT</p>	<p>Registered investment advisers that manage “Private Funds” above certain RAUM thresholds must file Form PF, the confidential reporting form used by certain private fund advisers.</p> <p>In September 2025, the SEC and CFTC each voted to further <a href="#">extend</a> the date for investment advisers to comply with amendments to Form PF to October 1, 2026.</p> <p>On April 20, 2026, the SEC and the CFTC proposed amendments to Form PF to:</p> <ul style="list-style-type: none"> <li>○ eliminate filing requirements for smaller advisers;</li> </ul>
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Legislation	Details
<p><b>Private Fund Reporting by Registered Advisers</b></p> <p>LOW/MEDIUM IMPACT</p>	<ul style="list-style-type: none"> <li>○ eliminate certain reporting requirements for smaller hedge fund advisers;</li> <li>○ eliminate, streamline, and simplify certain other reporting requirements; and</li> <li>○ make corrections and other revisions.</li> </ul> <p>The proposing release for Form PF amendments is published on the SEC's website and was published in the Federal Register on April 24, 2026. Comments should be received on or before June 23, 2026. See <a href="#">here</a> and the related press release <a href="#">here</a>.</p>

<p><b>SEC Proposes Rescinding its Climate-Related Disclosure Rules</b></p> <p>LOW/MEDIUM IMPACT</p>	<p>The SEC issued Climate-Related Disclosure Rules (the Rules) in March 2024 which would have required public companies to provide certain climate-related information in their registration statements and annual reports of issuing and reporting companies.</p> <p>On May 29, 2026, the SEC proposed to <a href="#">withdraw</a> the Rules, stating that they exceed the scope of the SEC's authority. The SEC also stated that the Rules: (1) are unnecessary and inconsistent with a registrant-specific, materiality-based approach to disclosure; (2) stray beyond the policy concerns of federal securities law; (3) impose significant costs on public companies and shareholders that are not justified by the informational benefits they provide to some investors; and (4) that the high costs of the Rules are at odds with the SEC's objectives of facilitating capital formation and promoting public company status.</p> <p>The feedback period is open for 60 days.</p>
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## EU Developments

**Headline:** Various EU Developments of note.

**Who is impacted?** All asset management and related firms doing business in the EU.

<p><b>EU Commission Market Integration &amp; Supervision package</b></p>	<p>In December 2025, the European Commission (EU Commission) released the <a href="#">Market Integration &amp; Supervision</a> (MIS) package under the Savings &amp; Investments Union (SIU). The EU Commission describes it as "a comprehensive package of measures designed to remove barriers and unlock the full potential of the EU single market for financial services."</p> <p>The MIS package comprises two Regulations and one Directive that together amend 19 existing pieces of EU legislation:</p> <ul style="list-style-type: none"> <li>○ One of the Regulations proposes to transform the Settlement Finality Directive and the Financial Collateral Directive into regulations.</li> <li>○ The second, more prominent Regulation touches on a variety of files, including the European Market Infrastructure Regulation (EMIR), Markets in Financial Instruments Regulation (MiFIR), CSDR, Cross Border Distribution of Funds Regulation (CBDFR), Securitisation Regulation, Credit Ratings Agencies Regulation, and the Benchmarks Regulation - see <a href="#">here</a>.</li> </ul>
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Legislation	Details
<b>EU Commission Market Integration &amp; Supervision package</b>	<ul style="list-style-type: none"> <li>The proposed Directive amends the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, the Alternative Investment Fund Managers (AIFMD), and Markets in Financial Instruments Directive (MiFID). The CBDFR is also subject to amendments, but proposed changes are included in the Regulation - see <a href="#">here</a>.</li> </ul> <p>See previous Regulatory Updates for details of the SIU.</p> <p>The MIS package is making its way through the EU’s legislative process.</p>
<b>ESMA Programming Document</b>	<p>On February 5, 2026, ESMA published its <a href="#">2027-2029 programming document</a>, setting out ESMA’s work in the coming years, noting that it will be shaped by a rapidly evolving regulatory and market landscape, as well as by broader economic and geopolitical developments.</p> <p>See the Q1 2026 Regulatory Update for details.</p>
<b>ESMA Prioritization of 2026 deliverables</b>	<p>On June 2, 2026, ESMA sent a letter to the EU Commission notifying it that ESMA has reprioritized its 2026 work programme. ESMA states that following the MIS proposal and emphasis on simplification, it is postponing or deprioritizing a limited set of Regulatory Technical Standards (RTS), guidelines and reports (Annex I) to avoid duplicative or inconsistent changes. It is diverting resources to higher-priority workstreams, such as continued work on simplification and burden reduction notably in the data reporting space; T+1 preparation; assessing the impact of tokenization and monitoring risks arising from geopolitical instability; and EMIR 3 implementation.</p> <p>It asks the EU Commission to repeal or permit optionality for recurrent sectoral reporting mandates in Annex II, confirms it will continue to monitor and report risks via consolidated reports, dashboards or flagship publications, and notes the Board of Supervisors has approved the approach and ESMA remains available to discuss the proposals.</p> <p>The letter reflects the outcome of ESMA’s assessment of the tasks and commitments set out in its 2026 annual work programme published in October 2025, details of which are included in the Q4 2025 Regulatory Update.</p>
<b>EU Commission Deprioritization of certain Level 2 Measures</b>	<p>In October 2025, the EU Commission published a <a href="#">letter</a> setting out certain non-essential Level 2 acts (i.e., regulatory and implementing standards that supplement or specify the EU Regulations and Directives (Level 1 acts)) relating to financial services that it is deprioritizing.</p> <p>The EU Commission considers 115 Level 2 measures as non-essential for the effective functioning of the Level 1 legislation and for the achievement of EU policy objectives. These are set out in an <a href="#">Annex</a> to the letter and the EU Commission will not adopt the acts listed before October 1, 2027.</p>

**Legislation**

**Details**

**ESMA publishes Interim Report on transaction reporting**

MEDIUM  
IMPACT

In June 2025, ESMA [published](#) a Call for Evidence (CfE) on simplifying transaction reporting requirements across EU financial markets. The CfE sought stakeholder views on how to achieve these goals without compromising supervisory effectiveness. ESMA identified several longstanding challenges for firms and sought feedback on options to address the issues. Copies of responses received can be found [here](#).

On May 4, 2026, ESMA published an [Interim Report](#) on the simplification of financial transaction reporting following the CfE. ESMA is considering two options:

- Option 1a: Maintain separate regimes with clearer delineation (MiFIR for ETDs, EMIR for OTC derivatives) – as was proposed in the CfE - but with three sub-variants. In the Interim Report ESMA confirms that under this option 1a, there would be no extension of reporting obligations to UCITS/AIFMD as well as noting that it is looking at the possible expansion of mandatory delegated reporting and simplification of reconciliation requirements.
- Option 2a: Move towards a single integrated reporting framework combining MiFIR, EMIR, and SFTR. The interim report suggests that ESMA supports this option as a long-term solution through a phased approach (in line with stakeholders’ general feedback).

ESMA has stated it is “advancing on the EU-wide simplification of regulatory reporting, targeting both funds reporting and transaction reporting. The objective is to reduce operational burden for market participants by introducing the principle of “reporting once” while also improving data quality and supervisory effectiveness...”

**Sustainable Finance**

**EU Commission’s proposed amendments to SFDR**

LOW  
IMPACT

**Headline:** Proposals to amend Sustainable Finance Disclosure Regulation (SFDR). **Who is impacted?** Asset managers and other financial market participants in scope of SFDR.

In November 2025, the EU Commission adopted a [proposed Regulation](#) amending SFDR (Regulation (EU) 2019/2088), and repealing the SFDR RTS (Commission Delegated Regulation (EU) 2022/1288).

In a related [press release](#), the EU Commission explains that its SFDR review showed the existing framework results in disclosures that are too long and complex.

See the Q4 2025 Regulatory Update for details.

The European Parliament and Council of the EU are expected to adopt negotiating positions and trialogue negotiations are expected to commence in 2026.

Once finalized, the draft Regulation states that it will enter into force 20 days after publication in the Official Journal of the European Union and will apply 18 months after that.

**Legislation**

**Details**

**FCA's sustainability disclosure requirements (SDR) and investment labelling regime**

LOW/MEDIUM  
IMPACT

**Headline:** UK sustainability disclosure requirements, investment labelling regime and anti-greenwashing rule.  
**Who is impacted?** All FCA-authorized firms who make sustainability related claims about their products and services (anti-greenwashing rule only), UK asset managers (SDR and labelling regime) and firms offering portfolio management services.

In November 2023, the FCA published its policy statement (PS), available [here](#), setting out its sustainability disclosure requirements (SDR) and investment labelling regime. The rules come into force on a staggered basis – see 2.18 of the PS. See the Q3 2025 Regulatory Update for further details.

In April 2025, the FCA updated its SDR [webpage](#) effectively confirming that it has decided it is not the right time to finalize rules on extending SDR to portfolio management. No further details are provided as to when might be the right time. Per the Regulatory Initiatives Grid (discussed below), extending the regime to portfolio managers is included in the Grid as an initiative that has been stopped or completed, indicating that extending the rules to portfolio management is not a regulatory priority.

In February 2026, the FCA [published](#) examples of good and poor practice for using labels under the SDR and investment labelling regime, which are intended to help firms prepare pre-contractual disclosures for use of labels and follow on from the pre-contractual disclosure examples published by the FCA in November 2024.

**EMIR**

**EU EMIR 3.0**

MEDIUM  
IMPACT

**Headline:** Changes to the current EU EMIR are coming.  
**Who is impacted?** All firms within scope of EU EMIR.

EMIR 3.0 is intended to mitigate what the EU deems excessive exposures to third-country CCPs and improve the efficiency of EU clearing markets. EMIR 3.0 introduces an active account requirement (AAR), makes changes to clearing threshold changes, and makes changes to certain of the risk mitigation techniques and reporting of clearing activity in recognized non-EU Central Counterparties (CCPs).

EMIR 3.0 came into force in December 2024, however certain changes and compliance requirements are subject to a phase-in period and multiple related RTS are to follow. The Amending UCITS Directive also entered into force in December 2024, but Member States have until June 25, 2026 to transpose it into national law. EMIR 3.0 available [here](#) and the Amending UCITS Directive available [here](#).

In May 2025, a [corrigendum](#) to EMIR 3.0, was published. The corrigendum amends Article 3(3)(b) of EMIR 3.0, which relates to the MMF Regulation. A second [corrigendum](#) was published in June 2025.

**EMIR 3.0 Secondary Legislation**

In terms of volume, EMIR 3.0 requires ESMA to produce 28 sets of RTS and implementing technical standards, as well as guidance.

**Legislation**

**Details**

**EU EMIR 3.0**

MEDIUM  
IMPACT

The most high-profile change introduced by EMIR 3.0, the AAR, requires in scope counterparties to open active accounts within six months after the entry into force of the EMIR 3.0 (i.e., from June 2025).

○ AAR related developments

On February 6, 2026, the Delegated Regulation on the AAR specifying the operational conditions, the representativeness obligation and the reporting requirements was published in the OJ, see [here](#) and entered into force on February 26, 2026.

On December 11, 2025, ESMA published a [statement](#) providing clarification on two AAR related reporting obligations introduced by EMIR 3.0. See the Q1 2026 Regulatory Update for details.

On February 27, 2026, ESMA published five EMIR related Q&A, all relating to the AAR.

On April 13, 2026, ESMA published the reporting templates and instructions for the AAR reporting under EMIR 3.0. ESMA confirms that the first AAR reporting submission is expected on July 31, 2026, covering the period from June 25, 2025, when the AAR became applicable, to June 30, 2026. Thereafter, reporting will take place on a six-month basis, with submissions due on January 31 and July 31 each year, each covering a twelvemonth reference period.

**(UK EMIR) Update to Validation Rules**

LOW/MEDIUM IMPACT

On April 16, 2026, the FCA published an update to the [UK EMIR Validation Rules](#), to reflect changes to the reconciliation requirements.

**Central Securities Depositories Regulation (CSDR)**

**Headline:** Changes to the EU CSDR regime.

**Who is impacted?** All firms within scope of EU CSDR.

**CSDR Refit Regulation and related ESMA consultations**

HIGH  
IMPACT

In December 2023, the CSDR Refit regulation was published, available [here](#). The regulation entered into force in January 2024. Depending on the relevant Articles, it applies from either May 1, 2024, or two years after entering into force.

The regulation “contains measures to improve ‘settlement efficiency’ (the rate at which securities transactions settle on the intended date) by amending certain elements of the settlement discipline regime, including the preconditions for applying so-called mandatory buy-ins.”

Related to the CSDR Refit Regulation, following consultation in December 2023, in November 2024, ESMA published its [Final Report](#) on the Technical Advice for the EU Commission on the Penalty Mechanism under the CSDR. The EU Commission will take ESMA’s Technical Advice into account when amending the Commission Delegated Regulation (EU) 2017/389.

**Legislation**

**Details**

**Legislation amending CSDR in preparation for move to T+1**

MEDIUM  
IMPACT

In February 2025, the EU Commission published a [legislative proposal](#) to amend Article 5(2) of the CSDR, requiring that for transactions in scope of Article 5(2), the intended settlement date shall be no later than on the first business day after the trading takes place. In October 2025, [Regulation \(EU\) 2025/2075](#), which contains amendments to the CSDR to shorten the settlement period for EU transactions in transferable securities through amendments, was published.

The Regulation entered into force in November 2025, and will apply from October 11, 2027.

**ESMA consults on measures to (i) increase settlement efficiency and (ii) prevent settlement fails and on amending CSDR guidelines to support transition to T+1**

MEDIUM  
IMPACT

CSDR Refit mandates ESMA to prepare RTS in relation to settlement discipline measures and tools to improve settlement efficiency.

In October 2025, ESMA published its [Final Report](#) on amendments to the RTS on settlement discipline. The final draft RTS aim to enhance settlement efficiency across the EU and facilitate the transition to a T+1 settlement cycle by October 11, 2027. They are also designed to reduce the administrative burden on central securities depositories and market participants. ESMA strongly encourages market infrastructures, financial intermediaries and their clients to treat these regulatory changes as a central element of their T+1 transition strategy. The final draft RTS were submitted to the EU Commission, which had three months to decide whether to adopt them. At the time of writing the final RTS have not been adopted.

On May 26, 2026, ESMA published a consultation paper on amending its guidelines on standardized procedures and messaging protocols used between investment firms and their professional clients. ESMA proposes amending the guidelines to ensure they are consistent with the proposed amendments to the RTS on settlement discipline, as set out in its final report on the RTS published in October 2025. ESMA has decided not to wait for the EU Commission's endorsement of the final RTS, believing that the early publication will help ensure stakeholders can actively contribute to finalising the amended guidelines. However, it will reassess the position when the final RTS are endorsed.

The proposed amendments are designed to enhance settlement efficiency and support a smooth transition to T+1. ESMA also proposes clarifying the discretion available to investment firms and professional clients when documenting their contractual arrangements.

Comments can be made on the proposals until July 7, 2026. ESMA plans to finalize the amended guidelines by October 2026.

**OTHER**

**AIFMD 2.0 and related ESMA Consultations**

LOW/MEDIUM  
IMPACT

**Headline:** Changes to AIFMD and to some extent UCITS Directive.  
**Who is impacted?** Entities in scope of AIFMD and UCITS Directive, and asset managers outside the EU who wish to market in the EU.

AIFMD 2.0 took effect on April 16, 2026. See [here](#). AIFMD 2.0 makes targeted changes to certain provisions of AIFMD, including the following:

**Legislation**

**Details**

**AIFMD 2.0 and related ESMA Consultations**

LOW/MEDIUM IMPACT

- Delegation, Authorization, Disclosure to investors and Reporting.
- A new Loan Origination regime.
- Liquidity Management Tools (LMTs).

There are certain transitional provisions for existing funds that originate loans.

Under AIFMD 2.0, ESMA is mandated to develop a number of RTS and guidelines to provide additional detail on certain aspects of AIFMD 2.0.

**RTS on LMT**

On February 27, 2026, the RTS on LMTs were published, and are available [here](#) (for AIFMD) and [here](#) (for UCITS Directive).

In terms of application, for AIFs constituted on or after April 16, 2026, the AIF must comply with the RTS immediately. For existing funds (constituted before April 16, 2026), a 12-month transitional period is provided making the compliance deadline April 16, 2027.

Related to the LMT RTS, on March 12, 2026, ESMA [published](#) final Guidelines on the selection, activation, and calibration of LMTs. The Guidelines will apply from the date of application of the related RTS on April 16, 2026. Funds in existence before that date will benefit from a 12-month transitional period, with compliance required by April 16, 2027.

**RTS for open-ended loan-originating AIFs**

In December 2024, ESMA published a [consultation paper](#) on draft RTS for open-ended loan-originating AIFs as mandated by AIFMD 2.0. The RTS set out the requirements with which Loan-Originating AIFs are to comply in order to maintain an open-ended structure. ESMA published its [final report](#) and draft RTS in October 2025, and submitted these to the EU Commission.

However, as explained in ESMA's accompanying [press release](#), these RTS are included on the list of the non-essential Level 2 acts that the EU Commission will not adopt before October 1, 2027, at the earliest by the EU Commission.

**ESMA Final Report on the integrated collection of funds' data**

MEDIUM IMPACT

AIFMD 2.0 mandated ESMA to submit a report to the EU Commission by April 16, 2026, on the development of an integrated reporting system of supervisory data. ESMA published a discussion paper in July 2025 in order to consult interested parties for the purpose of informing its decisions when developing the recommendations that form this final report. The [Final Report on integrated reporting](#) was published on May 4, 2026.

The Final Report outlines the key design principles, preferred options and implementation approach for achieving greater integration, while identifying the immediate next steps to be taken through the development of RTS and Implementing Technical Standards (ITS). It also sets out ESMA's recommendations for the development of an integrated reporting system, including:

- the establishment of a single, modular and dynamic reporting template;
- the development of a common regulatory data dictionary and aligned data semantics;

**Legislation**

**Details**

**ESMA Final Report on the integrated collection of funds' data**

MEDIUM IMPACT

- a “report once, use many times” reporting flow based on national collection and a centralized EU data hub;
- centralized data validation, data sharing and common analytics;
- principles on data granularity, proportionality and reporting frequency; and
- legal and governance considerations for implementation within the Final Report in the context of the forthcoming work on the RTS and ITS under AIFMD 2.0.

ESMA recommends a clearly defined two phase implementation strategy. During Phase 1, AIFMD and UCITS supervisory reporting requirements would be consolidated. This initial phase will also provide the necessary time to develop and implement the underlying technical infrastructure required to support the new reporting framework.

Phase 2 would subsequently extend integration to encompass the Money Market Fund Regulation, statistical reporting requirements, and potentially other reporting obligations applicable to the fund sector. ESMA states that throughout each phase, existing reporting templates and instructions would remain in force and continue to be applied until they are superseded by the newly developed templates and the integrated reporting framework is implemented, tested and demonstrated to be sufficiently robust and reliable. Per ESMA, this phased approach “ensures continuity of supervisory data monitoring and minimises disruption for reporting entities and competent authorities, while safeguarding data availability during the migration period.”

In terms of timing, Phase 1 will start with the development of draft RTS and ITS that ESMA is mandated to deliver by April 2027. Given the number of steps that need to be taken under Phase 1, it could be implemented by 2029 at the earliest, depending on timely progress of the respective steps. The implementation of Phase 2 should follow immediately and will require an additional few years.

**UK Post Brexit Regulatory Developments**

**Headline:** UK Post Brexit Regulatory developments.

**Who is impacted?** Firms doing business in the UK.

**FCA Consults on improving the UK Transaction Reporting Regime**

MEDIUM IMPACT

In November 2025, the FCA published a [consultation paper](#) on the UK transaction reporting regime (CP 25/32). The FCA sought views on proposals for new rules on transaction reporting that will replace and restate retained EU law derived from MiFIR. CP25/32 also contained proposals intended to make the obligations on trading venues more proportionate.

The consultation closed on February 20, 2026. The FCA intends to publish a policy statement with final rules in the second half of 2026. It expects that the implementation period for the new rules will be around 18 months following the publication of the policy statement.

Treasury will commence the revocation of firm-facing requirements in MiFIR that pertain to transaction reporting when Parliamentary time allows.

Note the UK’s proposals for changes to the Transaction Reporting regime differ from those proposed by the EU, see the section “ESMA publishes Interim Report on transaction reporting” for proposals.

Legislation	Details
<p><b>Regulatory Initiatives Grid</b></p> <p>LOW IMPACT</p>	<p>On May 19, 2026, the Financial Services Regulatory Initiatives Forum (which includes the FCA, PRA and His Majesty's Treasury (HMT) as members) published the tenth edition of the Regulatory Initiatives Grid (the Grid). The purpose of the Grid is to set out details of planned regulatory initiatives relevant to the financial services sector and to help firms manage the operational impact of implementing those initiatives.</p> <p>The previous edition of the Grid was published on December 11, 2025.</p>
<p><b>HM Treasury consults on the UK's future benchmarks and benchmark administrators' regime</b></p> <p>MEDIUM IMPACT</p>	<p>In December 2025, HM Treasury published a <a href="#">consultation paper</a> on the future regulatory regime for benchmarks and benchmark administrators. HM Treasury intends to establish the Specified Authorised Benchmarks Regime (SABR). Under the SABR, only benchmarks and administrators posing systemic risks to UK financial markets will be regulated. The SABR will replace the existing regulatory framework under the UK BMR. See the Q1 2026 Regulatory Update for details. The consultation closed on March 11, 2026. The Grid does not give any update as to timing of next steps.</p> <p>Note the UK's proposals for changes to the UK Benchmarks regulation do not mirror the changes made to the EU BMR, which have applied since January 1, 2026.</p>
<p><b>HMT and FCA publish proposals to revise the regulatory framework for UK AIFMs</b></p> <p>MEDIUM IMPACT</p>	<p>In April 2025, two papers were published that could have a significant impact on asset management in the UK and herald the beginning of regulatory divergence between UK and EU regulation of managers of alternative investment funds. Notably, the proposals do not track the amendments made in the EU under AIFMD 2.0 that came into effect on April 16, 2026.</p> <p>The HM Treasury published a <a href="#">Consultation</a> on Regulations for Alternative Investment Fund Managers and the FCA published a <a href="#">Call for Input</a> on the future regulation of alternative fund managers. See the Q3 2025 Regulatory Update for further information.</p> <p>Subject to feedback and decisions by HMT on the future regime, the FCA plans to consult on detailed rules in Q3 2026. Per the Grid, HMT is also due to publish a draft statutory instrument in Q3 2026. Initially, the plan was to publish these documents in H1 2026, but that timing has slipped.</p>
<p><b>FCA policy statement on Progressing Fund Tokenisation</b></p> <p>LOW IMPACT</p>	<p>In October, 2025, the FCA published a <a href="#">consultation paper</a> (CP 25/28) setting out proposals and guidance to support the adoption of tokenization and tokenized funds in the UK as well as a roadmap for future related developments. See the Q4 2025 Regulatory Update for details.</p> <p>The FCA published a <a href="#">policy statement</a> (PS 26/7) on April 30, 2026. The new guidance for operating a tokenized authorized fund within the existing regulatory framework will be introduced mainly as proposed. However, the FCA has made some changes to reflect feedback, including:</p>

Legislation	Details
<p><b>FCA policy statement on Progressing Fund Tokenisation</b></p> <p>LOW IMPACT</p>	<ul style="list-style-type: none"> <li>○ Clarifying that units in a class may be issued on multiple blockchains if holders’ underlying rights, and the nature of charges and expenses that can be taken from scheme property, do not change.</li> <li>○ Confirming that on-chain records of transactions may be considered the primary books and records for unit deals, and a firm need not maintain a full “mirror” off-chain record of this information if it has appropriate resiliency plans.</li> <li>○ Not proceeding with some of the proposed money laundering guidance, as it repeats firms’ existing obligations that are well understood.</li> <li>○ Not proceeding with the proposed client money account proposal that all cash movements should be attributed to a given sub-fund, with unattributable payments either returned or moved to a client money account. Instead, the FCA will apply enhanced rules on the reconciliation of umbrella cash accounts.</li> </ul> <p>PS26/7 also sets out how fund tokenization could develop over time as part of the FCA’s roadmap for digital assets.</p> <p>The final rules and guidance are in the <a href="#">Collective Investment Schemes Sourcebook (Use of Distributed Ledger Technology in Authorised Funds) Instrument 2026 (FCA 2026/24)</a> and the <a href="#">Collective Investment Schemes Sourcebook (Direct Dealing) Instrument 2026 (FCA 2026/25)</a>. Both came into effect on April 30, 2026.</p>
<p><b>Update on Consumer Duty</b></p> <p>LOW/MEDIUM IMPACT</p>	<p>The FCA’s future priorities with regards to the Consumer Duty principle include reviewing its foundations, future-proofing the disclosure, reducing the administrative burden and streamlining requirements.</p> <p>In September 2025, the FCA set out a plan to address concerns about the application of the Consumer Duty for firms primarily engaged in wholesale activity. This includes a consultation on the application and requirements of the Duty, including through distribution chains, in H1 2026.</p> <p>On February 26, 2026, the FCA updated its Consumer Duty <a href="#">webpage</a>, reminding firms what the Consumer Duty consists of – namely how the consumer principle is underpinned by three cross-cutting rules requiring firms to act in good faith, avoid foreseeable harm, and support customers to pursue their financial objectives. The FCA also reminds firms of the four core outcomes it expects firms to deliver, relating to the governance of products and services, price and value, consumer understanding and consumer support. The FCA expands upon its expectations of firms in ensuring them.</p>

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This Regulatory Round up is intended to be a general guide and does not constitute legal advice. You should seek independent legal, tax and/or accounting advice with respect to the impact these developments may have on your business operations.

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