

FINREG Focus

U.S. Financial Services Regulatory Center Update

November 2, 2026

1. Financial Industry Regulatory Authority (FINRA) adopts Rule 3290 to replace Rules 3270 and 3280.
2. FDIC issues notice of proposal rulemaking for large-bank deposit insurance determination modernization.

Overview of Key Developments

FINRA Adopts Rule 3290, Consolidating Outside Activities & Private Securities Transaction Requirements

What Happened?

On October 26, FINRA issued Regulatory Notice 26-20. The notice announces the adoption of new Rule 3290, Outside Activities Requirements, which replaces Rule 3270, Outside Business Activities of Registered Persons, and Rule 3280, Private Securities Transactions of an Associated Person, with a single framework. The rule is part of the group's FINRA Forward initiative to modernize its rules and reduce unnecessary burden on members. The new rule takes effect on October 25, 2027.

Key elements of the notice include:

- **Narrower scope.** Only investment-related activities are covered: activity involving financial assets such as securities, crypto assets, commodities, derivatives, currency, banking, real estate, or insurance. Registered persons no longer need to report lower risk, non-investment work, *e.g.*, refereeing sports games, driving for a car service, etc.
- **Two categories of activity.** The rule delineates between an "outside activity" and an "outside securities transaction." An "outside activity" is an investment-related activity outside the scope of a registered person's relationship with a member that is not in connection with a securities transaction. An "outside securities transaction" is an investment-related activity outside the scope of an associated person's relationship with a member that is in connection with a securities transaction. Both require prior written notice and an updated notice for material changes. Outside securities transactions involving selling compensation also must receive prior written approval.
- **Assessment criteria.** For each activity, members must consider, at a minimum, whether it is properly characterized, whether it would interfere with the person's responsibilities, and whether customers or the public would view it as part of the member's business. One new factor requires the member to consider whether the activity or transaction involves a customer of the registered person or associated person.
- **Different obligations by category.** For outside activities, the member must evaluate whether to impose specific conditions or limitations, including prohibiting the activity, but no acknowledgment or approval is required. For outside securities transactions not for selling compensation, the member must provide prompt written acknowledgment and may impose conditions.

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- For outside securities transactions for selling compensation, the member must approve, approve with conditions, or disapprove in writing; if approved, the member must record each transaction and supervise the associated person's participation as if it were executed on the member's behalf. Members that impose conditions must reasonably supervise compliance with them.
- **Unaffiliated investment adviser activity.** Under previous guidance, outside investment advisory work could be treated as a private securities transaction requiring member supervision and record-keeping.

Rule 3290 updates the guidance and instead treats work at an unaffiliated SEC- or state-registered investment adviser as an outside activity, requiring prior written notice of the activity and member assessment. Members are no longer required to supervise or maintain records of the investment advisory activity itself, although, it must maintain records demonstrating its compliance with Rule 3290. As a result of this new guidance, Notices to Members 94-44 and 96-33 are superseded upon Rule 3290's effective date.

Exclusions and special treatment. Exclusions cover activity on behalf of a member or its affiliate (including banking, insurance, or advisory work at an affiliate), certain immediate-family transactions, and specified personal investments, including a main home and up to two secondary homes. Securities activity that qualifies for a *Gramm-Leach-Bliley Act* (GLBA) or Regulation R exception is treated as an outside activity.

Record-keeping and relief. Members must keep records showing they comply with the rule and may apply for exemptive relief under the Rule 9600 Series.

Why Does It Matter?

Rule 3290 is one of the most significant changes to FINRA's supervisory framework in years. Its focus on investment-related activity is expected to reduce the volume of low-risk disclosures that compliance teams review today. Ending required supervision of unaffiliated investment adviser activity also resolves a long-standing source of operational burden for hybrid and dual-hatted representatives.

At the same time, the rule adds new expectations. Firms will need to assess whether an outside activity involves their customers and characterize each activity correctly, because obligations differ by category. Members that impose conditions or limitations must reasonably supervise compliance with them. Supervisory obligations under Rule 3110 still apply, including the responsibility to investigate red flags of undisclosed activity or compensation.

Banking organizations with broker-dealer affiliates may find the rule especially relevant. The definition of investment-related activity expressly includes banking and association with a bank, savings association, or credit union. However, activity conducted on behalf of a member's affiliate is excluded. Activity under a networking arrangement is excluded when it is conducted on behalf of the member. Securities activity that qualifies for a GLBA or Regulation R exception is treated as an outside activity. As a result, firms will need to map how dual employees and bank-based personnel fit within each category.

The Bottom Line:

With approximately 12 months until the update is effective, firms have time to prepare, but implementation will require a deliberate review. Broker-dealers should begin aligning written supervisory procedures, disclosure forms, and attestations with the new definitions. They should also revisit existing approvals, particularly for unaffiliated investment adviser activity and buying-away arrangements. Because Rule 3290 sets a minimum standard, firms should also decide whether to keep broader internal reporting or supervision requirements based on their own risk assessment.

FDIC Proposes to Rescind Part 370 & Modernize Large-Bank Deposit Insurance Determination Rule

What Happened?

On October 30, the FDIC Board of Directors approved a notice of proposed rulemaking to overhaul its framework for prompt deposit insurance determinations when a large insured depository institution (IDI) fails. The proposal would rescind 12 CFR Part 370, *Recordkeeping for Timely Deposit Insurance Determination*, which requires IDIs with 2 million or more deposit accounts to configure their IT systems to calculate deposit insurance coverage. The action would also revise 12 CFR 360.9, *Large-Bank Deposit Insurance Determination Modernization*, to bring those institutions back under the authority of that rule and amend 12 CFR Part 314 to index the rule's thresholds to inflation.

The existing Section 360.9 covered institution threshold would remain unchanged, *i.e.*, at least $2 billion in deposits and either 250,000 deposit accounts or $20 billion in total assets. The proposal would create a new subset, the larger covered institution, defined as an IDI with at least $2 billion in deposits and 2 million or more deposit accounts, which generally captures today's Part 370 institutions. Institutions currently subject to Section 360.9 would face no new requirements; however, larger covered institutions would need to:

- **Populate 26 mandatory data fields,** 21 of which Part 370 already requires. The five additional fields are a domestic or foreign deposit type indicator, an account-level customer ownership indicator, the account title, a relationship code, and a beneficiary code for agent, custodian, or trustee relationships. If an institution lacks this data, it must collect and maintain it, except for accounts with fiduciary or agency relationships and formal revocable and irrevocable trust accounts.
- **Restore provisional hold capabilities,** which Part 370 banks were previously released from.
- **Address pass-through accounts with transactional features,** such as brokered and placement service accounts, by either seeking contractual commitments from account holders to deliver beneficial ownership data to the FDIC within 24 hours of failure or providing a written disclosure that access to deposits may be delayed until that data is provided. Part 370 currently requires both.

Current larger covered institutions would have six months after the effective date to comply with most requirements and 18 months for provisional holds. A covered institution that later becomes a larger covered institution would have 12 months, and newly covered institutions would keep the existing 18-month timeline. The proposal would let larger covered institutions request exemptions from the data requirements for a small number of accounts where compliance is impracticable. Institutions would be released automatically after falling below the applicable threshold for three consecutive quarters, and the thresholds would be indexed to CPI-W starting October 1, 2029, with adjustments every two years.

Separately, the FDIC will delete depositor and customer data within 60 days of a compliance review and will no longer collect Social Security or taxpayer identification numbers in Section 360.9 reviews. Comments are due 60 days after publication in the **Federal Register**.

Why Does It Matter?

The proposal is a meaningful burden relief for the nation's largest banks. The FDIC estimates it would affect 148 IDIs, including the 31 current Part 370 institutions, 29 of which would be classified as larger covered institutions, and 117 institutions already subject to Section 360.9. The agency projects industry savings of approximately $33 million per year, offset by about $14 million in one-time transition costs, for net savings of about $19 million in the first year.

The relief does come with new work. Larger covered institutions would no longer calculate deposit insurance, but they would need to rebuild provisional hold capabilities, fill gaps in the mandatory data fields, and take new steps for pass-through accounts. Institutions with significant brokered, sweep, or fintech-partner deposit relationships could face considerable outreach to meet the contracting or disclosure requirement. Institutions near the thresholds would gain more certainty from the automatic release provision and inflation indexing.

The Bottom Line:

The proposal shifts deposit insurance calculations from the largest banks to the FDIC, but data quality and account-level controls remain central to resolution readiness. Current Part 370 institutions should begin mapping existing data to Section 360.9 file formats, with a careful consideration to gaps in the mandatory fields, the effort needed to restore provisional hold capabilities, and inventorying pass-through accounts that would require contracting or disclosure. With only six months after the effective date to meet most requirements, early planning and participation in the public comment period will be imperative.

Agencies Request Comment on Call Report Revisions Tied to ROAD to Housing Act

On October 27, the Office of the Comptroller of the Currency (OCC), Federal Reserve, and FDIC requested comment on revisions to the Call Report (FFIEC 031, 041, and 051). The revisions align reporting with the FDIC's interim final rule on reciprocal deposits, effective September 1, 2026, which implements Section 902 of the *21st Century ROAD to Housing Act* amendments to the brokered deposit provisions of the *Federal Deposit Insurance Act*. The agencies have already received emergency approval for the revisions from the Office of Management and Budget. Because reciprocal deposits are a key funding tool for many community banks, accurate reporting will shape supervisory views of brokered deposit exposure. Comments are due December 28, 2026.

What to Do: Regulatory reporting teams should review the revised data items and assess how they affect upcoming Call Report filings. Institutions with operational or burden concerns should consider submitting comments.

Recent Key Regulatory Developments

Legislative/Executive Action

Date	Topic	Summary
10/28	Executive Order 14438: Decreasing Housing Costs for the American People	The order directs the Federal Housing Finance Agency director to consider having Fannie Mae and Freddie Mac establish a pilot program that uses automated valuation models to identify borrowers eligible for proactive cancellation of mortgage insurance. The pilot would apply only to loans made after it is established. The order also sets a policy of reducing regulatory barriers to mortgage origination.

Joint Banking Agencies

Date	Topic	Summary
10/27	Agencies Request Comment on Call Report Revisions for Reciprocal Deposits	The OCC, Federal Reserve, and FDIC requested comment on revisions to the Call Report (FFIEC 031, 041, and 051). The revisions align reporting with the FDIC's interim final rule implementing Section 902 of the *21st Century ROAD to Housing Act*.

Federal Reserve Board

Date	Topic	Summary
10/28	FOMC Votes to Hold Rates Steady	The Federal Open Market Committee (FOMC) held the federal funds target range at 3.75% to 4%, on a 10-to-2 vote, citing expanded economic activity despite geopolitical uncertainty and elevated inflation. Gov. Lisa Cook and President Beth Hammack voted for a 1/4-point increase.

Office of the Comptroller of the Currency

Date	Topic	Summary
10/29	OCC Raises Concerns With California's Climate Disclosure Laws	The OCC submitted a letter to the California Air Resources Board raising legal and policy concerns about two California climate disclosure laws.
10/27	Comptroller Gould Discusses Efforts to Support Community Banks	In remarks before the Ohio Bankers League, Comptroller Jonathan Gould discussed the OCC's work to help community banks thrive as the financial industry evolves.

Federal Deposit Insurance Corporation

Date	Topic	Summary
10/30	FDIC Proposes to Rescind Part 370 and Modernize Large-Bank Deposit Insurance Determination Rule	The FDIC proposed rescinding Part 370, which requires IDIs with 2 million or more deposit accounts to build systems that calculate deposit insurance coverage. The FDIC would calculate coverage itself and bring these institutions back under a revised Section 360.9 as "larger covered institutions."

Recent Key Regulatory Developments

SEC/FINRA

Date	Topic	Summary
10/26	FINRA Adopts New Rule 3290 (Outside Activities Requirements)	FINRA adopted Rule 3290, which consolidates Rules 3270 and 3280 into a single framework covering only investment-related outside activities and outside securities transactions. Activity at an unaffiliated registered investment adviser is now treated as an outside activity, which removes member supervision and record-keeping of that activity. The rule is effective October 25, 2027.
10/29	FINRA Amends Options Rules to Address Binary Options and Non-OCC Clearing	FINRA amended Rules 2220, 2351, 2357, 2360, and 4210 to address binary options, options whose payout is based on specified metrics, and options cleared by a registered clearing agency other than The Options Clearing Corporation. The change was filed as non-controversial and took effect on filing.

Commodity Futures Trading Commission

Date	Topic	Summary
10/28	CFTC to Host Roundtable on 24/7 Trading	The CFTC announced a roundtable on round-the-clock trading in derivatives markets.
10/27	CFTC Sues to Block State Enforcement in Utah	The CFTC filed a lawsuit against Utah to block the state from using state law to shut down CFTC-registered contract markets, asserting that federal law preempts it. The CFTC has also started proceedings against nine other states.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on third-party risk management guidance	Nov 16, 2026
	Comment due on Call Report Revisions for Reciprocal Deposits	Dec 28, 2026
FRB	Comments due on Regulation O changes for loans to insiders	Nov 4, 2026
	Comments due on third-party risk management guide for community banks	Nov 16, 2026
	Comments due on the Federal Reserve Board's responsibilities under the GENIUS Act	Nov 30, 2026
	Comments due on application procedures for subsidiaries to issue payment stablecoins	Nov 30, 2026
	Comments due on model changes for the Board's 2027 supervisory stress test	Dec 1, 2026
FDIC	Comments due on extensions of credit to insiders	Nov 4, 2026
	Comments due on merger transactions	Nov 23, 2026
	Comments due on state bank parity	Nov 23, 2026
NCUA	Comments due on proposed Form 5300 stablecoin reporting changes	Dec 8, 2026
	Comments due on powers of FCUs	Dec 14, 2026
	Comments due on Central Liquidity Facility	Dec 14, 2026
	Comments due on corporate credit unions; fidelity bond and insurance coverage for FCUs	Dec 14, 2026
	Comments due on proposal to rescind special reserve for nonconforming investments	Dec 21, 2026
	Comments due on proposal to remove outdated share insurance conversion provision	Dec 21, 2026
	Comments due on proposal to modernize share insurance member notification	Dec 21, 2026
SEC	Comments due on political contributions by certain investment advisors (rescission)	Nov 9, 2026
	Comments due on proxy solicitation modernization	Nov 20, 2026
	Comments due on rescission of Rule 14a-8, amendments to Rule 14a-4	Nov 20, 2026
	Comments due on interval fund modernization and expansion of multiple share classes	Dec 4, 2026
	Comments due on investment adviser performance-based compensation modernization	Dec 7, 2026
	Comments due on advisor and regulated fund custody rules; crypto custody rules	Dec 7, 2026
	Comments due on investment company cross trading	Dec 14, 2026

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Deadlines & Compliance Calendar

Agency	Requirement	Due Date
CFTC	Comments due on proposal to further define the term “swap"	Nov 18, 2026
	Comments due on proposal to exclude casino-style gambling products from the definition of "swap"	Nov 18, 2026
	Comments due on Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets	Dec 14, 2026
FinCEN	Comments due on proposed special measure involving A7 Network sub-agents	Nov 4, 2026
FASB	Comments due on Codification improvements	Nov 19, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	*Financial Data Transparency Act* joint data standards	Oct 1, 2026
	Unsafe or unsound practices, matters requiring attention	Nov 2, 2026
FRB	Enhanced transparency and public accountability of supervisory stress test models and scenarios	Nov 2, 2026
	Modifications to the capital plan rule and stress capital buffer requirement	Dec 1, 2026
OCC	Final Rule to Implement GENIUS Act	Jan 18, 2027
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Simplification of share insurance rules	Dec 1, 2026
SEC	FINRA Adopts New Rule 3290 (Outside Activities Requirements)	Oct 25, 2027
	Form N-PORT and N-CEN reporting requirements[1]	Nov 17, 2027
		May 18, 2028
CFTC	Swap clearing requirements for the transition from CDOR and TIIE to CORRA and F-TIIE	Oct 8, 2026
	Whistleblower Award Determination	Oct 16, 2026
SEC/CFTC	Form PF reporting requirements	Jul 1, 2027
FinCEN	AML/CFT program and suspicious activity report filing requirements for registered investment advisers and exempt reporting advisers	Jan 1, 2028

1. Compliance dates based on asset size: November 17, 2027 for fund groups with net assets of $1 billion or more; and May 18, 2028 for fund groups with less than $1 billion in net assets as of the end of their most recent fiscal year-end.

Agencies Without Recent Key Developments

Several key regulators maintained their prior positions for the period, with no new actions to report, including:

- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- National Credit Union Administration
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Accounting Standards Board
- Financial Stability Board
- Basel Committee on Banking Supervision
- International Organization of Securities Commissions



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Quarterly Insights: Financial Services Q3 2026

Download our Q3 2026 insights featuring major regulatory and supervisory developments.



Agencies Propose CRA Revisions for Lending Accountability

OCC and FDIC propose targeted CRA updates for lending and community development grants.



What the Agencies' TPRM Overhaul Signals for Bank Oversight

Explore how the proposed TPRM guidance may affect banks and vendor risk programs.



SEC Implementation of Daily Rule 15c3-3 Reserve Computations

Explore how daily reserve computations affect sweep activity and customer credits.



The New FDIC Two-Phase Deposit Insurance Review

Explore the FDIC's new review framework and what it means for your application.



Implications of the Updated Interagency MRM Guidance

Understand evolving guidance in model risk management.



Treasury Clearing Changes Broker-Dealers Should Know

Learn about SIFMA's done-away clearing documents and the impacts on Treasury clearing compliance.



FFIEC Proposes Sweeping Overhaul of CAMELS Framework

Discover proposed CAMELS overhaul linking ratings to material risk and transparency.

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