FINREG Focus

U.S. Financial Services Regulatory Center Update

September 9, 2026

Executive Summary

1. Agencies provide additional clarity on Suspicious Activity Report (SAR) confidentiality.
2. SEC proposes comprehensive modernization of transfer agent rules.

Overview of Key Developments

1. SAR Disclosure Clarification

What Happened?

On September 2, 2026, the Financial Crimes Enforcement Network (FinCEN) issued a joint statement with the Federal Reserve Board (FRB), FDIC, National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC). The statement responds to questions raised by the FRB, FDIC, and OCC's 2025 request for information on payments fraud, including uncertainty about what institutions may communicate to customers when suspicious activity may result in a SAR or account closure.

The joint statement clarifies that SAR confidentiality requirements do not prevent banks and credit unions from communicating with customers about potentially fraudulent transactions, account closures, and other suspicious activity. Specifically, the agencies reaffirmed that while a SAR and information that would reveal its existence remain confidential, institutions may communicate with customers regarding the underlying facts, transactions, and documents associated with potentially fraudulent or suspicious activity.

The clarification provides banks and credit unions greater certainty regarding customer communications during fraud investigations and account-management decisions. The agencies emphasized that the statement does not alter existing *Bank Secrecy Act* (BSA) requirements or establish new supervisory expectations. The statement also notes that it is intended to support greater transparency in customer communications and reflects concerns identified in Executive Order 14331 regarding fair access to financial services.

Why Does It Matter?

The statement reinforces an important distinction under the BSA. A bank or credit union may not disclose a SAR or information that would reveal the existence of a SAR. That prohibition does not, however, extend to the underlying facts, transactions, and documents on which a SAR is based.

Accordingly, institutions may discuss potentially fraudulent or otherwise suspicious transactions involving a customer’s account, including relevant transaction dates, amounts, and parties, as long as the communication does not reveal the existence of a SAR. An institution may also tell a customer that an account delay, limitation, restriction, or closure relates to suspected fraud or other suspicious activity.

Financial institutions should consider strict procedural guidance as to what language should and can be used in communicating with clients who are the subjects of SAR filings, including a review of existing account closure letters and other clients' communications to make sure they do not include tipping language.

The guidance further indicates that institutions may explain why a deposit was rejected, ask about the purpose of a transaction or source of funds, request customer due diligence documentation, provide fraud warnings or educational resources, and request information concerning the originator or beneficiary of a funds transfer.

The statement also addresses a practical concern that may have contributed to overly cautious customer communications. A knowledgeable customer may suspect or deduce from the underlying circumstances that an institution filed or may file a SAR. According to the agencies, that possibility alone does not cause otherwise permissible factual information to become information that reveals the existence of a SAR.

Institutions should nevertheless evaluate communications case by case and take precautions when discussing information that could reveal a filing. The agencies stated that their examples are non-exhaustive and that the clarification does not permit personnel to confirm or deny whether a SAR was filed, is being prepared, or is under consideration.

The Bottom Line:

For institutions, the SAR confidentiality rule remains unchanged but the agencies' message presents a shift in emphasis. Banks and credit unions are encouraged to engage customers more openly about suspected fraud, restrictions, and closures provided the existence of a SAR stays protected. The near-term action for most institutions is not a policy overhaul; instead, institutions should refine procedures, frontline scripts, and employee training to align with the agencies' updated direction.

2. SEC Transfer Agent Reform

What Happened?

On September 1, 2026, the SEC proposed broad updates to the rules and forms governing registered transfer agents. The proposal would amend Forms TA-1 and TA-2; revise existing requirements related to registration, processing, record-keeping, safeguarding, and inactive securityholders; and introduce two new rules addressing compliance programs and restrictive legends. It would also rescind an existing exemption rule, *i.e.*, Rule 17ad-4.

The SEC indicated most of the federal transfer agent rules have not been substantively updated since their adoption. The proposal is intended to account for electronic communications and record-keeping, uncertificated and tokenized securities, distributed-ledger technology, and transfer agents' expanding operational and paying-agent activities. The public comment period will remain until November 3, 2026.

Why Does It Matter?

The proposal would replace several paper-oriented and metrics-based requirements with standards designed for modern securities processing. Registered transfer agents generally would need written policies and procedures reasonably designed to ensure that all routine items are turned around within the shorter of one business day or the settlement period prescribed by the SEC's broker-dealer settlement rule. A transfer agent rejecting an item would also need to notify the person or entity that submitted it within one business day, explain the reason for rejection, and identify the actions needed to correct it. The operational implications extend beyond processing speed. The proposal would generally require transfer agents to:

- Maintain most required records for at least six years and implement controls supporting the integrity, accessibility, reproducibility, redundancy, continuity, and regulatory production of electronic records.
- Establish a comprehensive risk management framework addressing custody, operational, cybersecurity, and other material risks.
- Hold issuer, securityholder, and other third-party funds in a separate bank account designated as a "for the benefit of" account.
- Maintain a written business continuity plan that is tested, reviewed, and updated at least annually.
- Adopt compliance policies and procedures that receive approval from the board or a similar governing body at least annually and following certain material changes.

The proposal would eliminate the exemptions currently available under Rule 17ad-4. As a result, certain smaller transfer agents, as well as transfer agents handling limited partnership interests, dividend reinvestment plans, and shares of open-end investment companies, would become subject to processing, record-keeping, and related requirements from which they are currently exempt. Separate provisions would expand Form TA-2 reporting, require records to be transferred to an issuer or its designee within 15 calendar days after services cease, and establish additional controls over the placement and removal of restrictive legends.

The proposed restrictive legend rule would establish a standardized process governing the removal of restrictive legends from securities. Among other provisions, transfer agents generally would be permitted to remove a restrictive legend only after obtaining specified documentation and representations supporting the removal. The proposal also would establish a safe harbor for transfer agents that remove restrictive legends in accordance with the rule's requirements, providing greater certainty when processing transactions that rely on those procedures. The SEC stated that the framework is intended to promote more consistent industry practices and provide transfer agents with clearer standards for handling restrictive-legend requests.

Implementation could, therefore, require coordinated changes across processing systems, records management, cybersecurity, business continuity, regulatory reporting, fund segregation, issuer agreements, and governance. Issuers may also need to assess whether transfer-agent contracts, oversight practices, and service-level expectations align with the proposed framework.

The Bottom Line:

The proposal would expand and modernize the operational, risk management, reporting, and governance expectations applicable to registered transfer agents. Transfer agents and affected issuers should evaluate the proposed one-business day processing standard, removal of exemptions, and new compliance and safeguarding requirements during the comment period.

Proposed Legislation Would Expand Financial Sector Vendor Oversight

Rep. Bill Foster (D-IL) introduced the *Strengthening Oversight for the Financial Sector Act of 2026*, which would restore the NCUA's authority to regulate and examine third-party service providers supporting credit unions and grant the Federal Housing Finance Agency authority to regulate and examine service providers supporting government-sponsored enterprises, Federal Home Loan Banks, and the Office of Finance. The proposal would address differences between these agencies' vendor-oversight authorities and those available to other federal financial regulators. The sponsor characterized the legislation as a response to financial institutions' reliance on third-party technology providers and the potential for cybersecurity and artificial intelligence-assisted threats to exploit vendor vulnerabilities.

Recent Key Regulatory Developments

Legislative

Date	Topic	Summary
9/1	House Financial Services Committee Introduces CFPB Reform Legislation	The committee unveiled the *Consumer Financial Protection Accountability and Reform Act of 2026*, legislation that would bring the Consumer Financial Protection Bureau (CFPB) under the congressional appropriations process and modify the Bureau's rulemaking, supervision, and enforcement framework to increase accountability and transparency.

Joint Banking Agency

Date	Topic	Summary
9/2	Joint Banking Agencies Clarify SAR Confidentiality Requirements for Customer Communications	The agencies along with FinCEN issued a joint statement clarifying that while institutions may not disclose a SAR or information that would reveal its existence, SAR confidentiality requirements generally do not prohibit communications with customers regarding the underlying facts, transactions, and documents associated with potentially fraudulent activity.

U.S. Department of the Treasury

Date	Topic	Summary
8/31	Treasury Releases Preliminary Data on U.S. Holdings of Foreign Securities for Year-End 2025	Treasury released preliminary survey data showing that U.S. portfolio holdings of foreign securities totaled approximately $19.3 trillion at year-end 2025, up from $15.8 trillion at year-end 2024, driven primarily by growth in foreign equity holdings.

Federal Reserve Board

Date	Topic	Summary
9/2	Federal Reserve Beige Book Cites Solid Loan Demand, Moderate Growth, and Elevated Cost Pressures	FRB's August Beige Book reported modest economic growth across most Districts, moderate price increases, slight employment gains, and solid loan demand, while contacts cited elevated energy costs, tariffs, and geopolitical uncertainty as ongoing concerns for the economic outlook.

Office of the Comptroller of the Currency

Date	Topic	Summary
9/1	OCC Releases CRA Performance Evaluations	OCC released the results of its *Community Reinvestment Act* (CRA) performance evaluations for national banks, federal savings associations, and insured federal branches of foreign banks.

Federal Deposit Insurance Corporation

Date	Topic	Summary
9/4	FDIC Issues List of Banks Examined for CRA Compliance	FDIC released its results of state non-member banks evaluated for CRA compliance.

Recent Key Regulatory Developments

Securities & Exchange Commission

Date	Topic	Summary
9/1	SEC Proposes to Modernize Rules for Registered Transfer Agents	SEC proposed updates to the rules and forms applicable to registered transfer agents to reflect current technologies and operations, including electronic record-keeping, electronic communications, and the use of blockchain technology in connection with securities offerings and share transfers.
9/3	SEC Proposes Eliminating Investment Adviser Pay-to-Play Rule	SEC proposed rescinding Rule 206(4)-5, which generally bars investment advisers from receiving compensation for advisory services to government clients following certain political contributions, citing significant compliance burdens and unintended consequences while maintaining existing fiduciary, anti-fraud, and compliance obligations.

Commodity Futures Trading Commission

Date	Topic	Summary
8/31	CFTC and SEC Extend Compliance Date for Form PF Amendments	CFTC and SEC issued a joint final rule extending the compliance date for the February 2024 Form PF amendments from October 1, 2026 to July 1, 2027 to allow the agencies additional time to consider comments on a separate proposal that would amend or eliminate certain requirements.
9/2	CFTC Modifies Clearing Requirement for Canadian Dollar and Mexican Peso Interest Rate Swaps	CFTC issued a final rule updating its interest rate swap clearing requirement by replacing clearing requirements tied to the Canadian Dollar Offered Rate (CDOR) and the Interbank Equilibrium Interest Rate (TIIE) with requirements for certain Canadian dollar- and Mexican peso-denominated swaps that reference overnight risk-free rates.
9/2	National Futures Association Amends Business Continuity and Disaster Recovery Requirements	NFA amended Compliance Rule 2-38 and related Interpretive Notice 9052 to permit members to use cloud-based applications for primary and/or backup data recovery sites as part of their business continuity and disaster recovery plans, eliminating the requirement to maintain physical recovery site locations.

Financial Accounting Standards Board

Date	Topic	Summary
9/2	FASB Seeks Public Comment on Proposed Codification Improvements	FASB issued a proposed Accounting Standards Update containing 21 targeted amendments to the Accounting Standards Codification intended to clarify existing guidance, correct errors, and make minor improvements across multiple accounting topics, with comments due by November 19, 2026.

Financial Crimes Enforcement Network

Date	Topic	Summary
9/3	FinCEN Reports Nearly $13 Billion in Suspected Digital Asset Investment Scam Activity	FinCEN published a financial trend analysis and alert identifying approximately $12.7 billion in activity linked to suspected digital asset investment scams between September 2023 and December 2025 and highlighted red flags and reporting considerations for financial institutions related to scam centers operated by overseas criminal organizations.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on CRA regulations	Oct 13, 2026
FRB	Comments due on AML/CFT Programs	Sep 8, 2026
	Comments due on regulatory modernization and relief for Mutual Holding Companies	Oct 5, 2026
	Comments due on loans to executive officers, directors, and principal shareholders	Oct 5, 2026
OCC	Comments due on MRAs in response to violations of laws or regulations	Oct 1, 2026
	Comments due on OCC rules regarding the availability of OCC information	Oct 5, 2026
FDIC	Comments due on reporting forms and instructions for FDIC-supervised PPSIs	Sep 18, 2026
	Comments due on reciprocal deposits	Oct 1, 2026
	Comments due on extension of credit to insiders	Oct 5, 2026
	Comments due on disclosure of information	Oct 5, 2026
SEC	Comments due on regulatory agenda	Sep 14, 2026
	Comments due on electronic delivery of information under the federal securities laws	Sep 21, 2026
	Comments due on Regulation Crypto Assets	Oct 20, 2026
	Comments due on transfer agent rules	Nov 3, 2026
CFTC	Comments due on SEF order book requirement for permitted transactions	Sep 25, 2026
	Comments due on conflicts and affiliations	Oct 5, 2026
	Comments due on CPO/CTA and small commodity pool exemptions	Oct 5, 2026
	Comments due on listing of compute derivatives contracts	Oct 20, 2026
FASB	Comments due on Codification improvements	Nov 19, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	Rescission of interagency statement on special purpose credit programs	Aug 25, 2026
	Financial Data Transparency Act joint data standards	Oct 1, 2026
	Unsafe or unsound practices, matters requiring attention	Nov 2, 2026
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Simplification of share insurance rules	Dec 1, 2026
	Limits on loans to other credit unions	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 08-2	Sep 8, 2026
	Purchase, sale, and pledge of eligible obligations	Sep 8, 2026
	Third-party servicing of indirect vehicle loans	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 06-1	Sep 8, 2026
	Suretyship and guaranty; Segregated deposit and collateral	Sep 8, 2026
	Termination of excess insurance coverage	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 10-1	Sep 8, 2026
	Requirements for insurance	Sep 8, 2026
	Corporate Credit Unions	Sep 8, 2026
	Credit Union service contracts	Sep 8, 2026
SEC	Form N-PORT and N-CEN reporting requirements[1]	Nov 17, 2027
		May 18, 2028
CFTC	Margin requirements for uncleared swaps for swap dealers and major swap participants	Aug 17, 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
	Beneficial ownership information reporting requirement revisions	Aug 14, 2026

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 Stability Board
- Basel Committee on Banking Supervision
- International Organization of Securities Commissions

U.S. Financial Services Regulatory Center Recent FORsights™

We're committed to changes and obligations regulators demand, helping you meet business objectives and enhance shareholder value. For more information on our latest work, please see our FORsights below:

[Quarterly Insights: Financial Services Q2 2026]

Download our Q2 2026 insights featuring major regulatory and supervisory developments.

[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.

[Agencies Propose CRA Revisions for Lending Accountability]

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

[Reframing AML for Digital Finance]

FinCEN proposes AML reforms for financial institutions and stablecoin issuers, emphasizing effectiveness.

[SEC Implementation of Daily Rule 15c3-3 Reserve Computations]

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

[An Overview of the Modernization of the U.S. Regulatory Capital Framework]

A breakdown of proposals on Revised Standardized Approach, Basel III/ERBA, and G-SIB Recalibration.

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