



FINREG Focus

U.S. Financial Services Regulatory Center Update

October 26, 2026

1. Office of the Comptroller of the Currency (OCC) finalizes GENIUS Act stablecoin rules.
2. SEC Division of Examinations outlines examination priorities for the upcoming fiscal year.

Overview of Key Developments

1. OCC Finalizes GENIUS Act Rule for Payment Stablecoin Issuers

What Happened?

On October 21, the OCC issued a [final rule](#) implementing the GENIUS Act for payment stablecoin issuers and certain custody activities for national banks, federal savings associations, federal branches and their subsidiaries, foreign issuers, nonbank federal qualified issuers, and certain state-qualified issuers. The rule, codified largely in a new 12 CFR Part 15, takes effect January 18, 2027, the same day the act takes effect. *Bank Secrecy Act* (BSA), anti-money laundering (AML), and sanctions requirements will be addressed in a separate rulemaking coordinated with the U.S. Department of the Treasury (Treasury).

Compared with the February 2026 proposal, the rule keeps the core framework and loosens several operating requirements:

- **What stayed:**
 - One-to-one reserve backing in identifiable, segregated assets, with a 40% single-institution concentration limit.
 - Redemption within two business days.
 - A \$5 million capital floor, plus an operational backstop equal to 12 months of expenses.
- **What changed:**
 - **Yield:** The OCC dropped the proposed rebuttable presumption that certain payments involving affiliates and related third parties violate the ban. It will review those arrangements case by case, retained its anti-evasion authority, and declined to grandfather existing rewards programs.
 - **Reserves:** The minimum daily liquidity requirement fell from 10% to 5%, and the weekly liquidity bucket and 20-day weighted average maturity cap were removed.
 - **Redemptions:** The proposed automatic seven-day extension after large redemption requests is gone. Issuers must notify the OCC within 24 hours when requests exceed 10% of a stablecoin brand's outstanding value and may request an extension.

The OCC also released two companion bulletins:

- **[Bulletin 2026-51](#), [Waivers and Application Submission Guidance](#):** The OCC will begin accepting applications once the Office of Management and Budget (OMB) approves the application forms, and it will announce that date separately. Beginning January 18, 2027, issuing a payment stablecoin without approval carries criminal penalties, and the act has no transition process for existing issuers. Issuers with a substantially complete application pending on or before that date may request a waiver.
- **[Bulletin 2026-52](#), [Revised Reporting Forms](#):** The OCC is finalizing weekly and quarterly issuer reporting forms, first proposed in June 2026 and revised to reflect comments and the final rule. Subject to OMB approval, they would take effect with the January 25, 2027 (weekly) and March 31, 2027 (quarterly) report dates. Comments are due 30 days after **Federal Register** publication. The weekly form collects daily data on issuance, reserve assets, ownership concentration, and trading activity.

Why Does It Matter?

The final rule gives prospective issuers a clearer and somewhat more flexible prudential framework, but its flexibility is concentrated in reserve and redemption mechanics. The tougher business questions are still open—arguably the most significant is rewards. The statutory limitation remains, but without the presumption there is standard for programs routed through affiliates or intermediaries, so each structure will be judged on its merits. The OCC has signaled it may propose a clarifying rulemaking once it has more supervisory experience. Until then, issuers with rewards-based models carry the interpretive risk.

Sequencing is the second challenge. Because applications cannot open before the effective date, the waiver path is likely to be the practical route for any issuer that wants to operate on day one, and eligibility is contingent upon having a substantially complete application ready to file once the forms clear OMB. At the same time, the reporting forms point directionally the same way. A weekly filing built on daily data suggests the OCC will monitor reserves, redemptions, and concentration closely, which means issuers will need the data infrastructure in place before they launch.

The Bottom Line:

The OCC's standards for reserves, redemption, and capital are largely set, but the application process and the treatment of rewards arrangements are not. Prospective issuers should use the time before applications open to prepare submission materials, assess waiver eligibility, build daily reserve and issuance reporting capability, and evaluate how affiliate or third-party rewards structures fit under case-by-case review.

2. SEC Division of Examinations Releases Fiscal Year 2027 Examination Priorities

What Happened?

On October 23, the SEC announced the Division of Examinations' (Division) [Fiscal Year \(FY\) 2027 examination priorities](#). The annual report identifies areas the Division believes present heightened risks to investors or market integrity, and it will help guide the Division's risk-based exam program for the year. Key areas of focus include:

- **Investment Advisers & Funds**
 - Fiduciary conduct, with priority on economic conflicts of interest, such as fee rebates, fee and expense calculations, and cash management.
 - Complex and illiquid products, including private fund and business development companies, private credit, and leveraged, inverse, and single-stock exchange-traded funds.
 - Private fund disclosures and controls, never-examined advisers, and registered fund fees, expenses, and valuation of illiquid holdings.
- **Broker-Dealers**
 - Net Capital Rule and Customer Protection Rule compliance, including recent amendments on daily reserve computations and Treasury clearing.
 - Regulation Best Interest, including rollover and account-type recommendations, dual registrants, and Form CRS.
 - AML programs, with emphasis on foreign omnibus accounts and "pump-and-dump" schemes involving foreign-based companies.
- **Market Infrastructure & Other Registrants**
 - Clearing agencies, including default management, recovery and wind-down, and tokenization, along with new rules such as expanded Treasury clearing.
 - Oversight of self-regulatory organizations and other registrants, including transfer agents, municipal advisors, and funding portals.
- **Cross-Cutting Risks**
 - Cybersecurity, Regulation S-P incident response programs, and Regulation S-ID identity theft programs.
 - "Super intelligence" (SI), both as a threat, e.g., SI-generated phishing and deepfakes, and as a tool, e.g., use in fraud detection, AML, and trading.
 - Regulation SCI reviews addressing SI, tokenization, extended trading hours, quantum computing, and cloud and other third-party vendors.

The Division notes the list is not exhaustive and may shift as new risks emerge. The report serves as a staff statement, not a rule, and creates no new legal obligations.

Why Does It Matter?

The priorities show where examiners are likely to concentrate their time. Fiduciary conduct, compliance program effectiveness, AML, cybersecurity, and operational resilience were also themes in the FY 2026 priorities, so firms should expect continuity in the Division's core exam areas.

The FY 2027 report places particular attention on SI-related threats, such as deepfake social engineering, and on products where valuation and liquidity are harder to assess. The Division also says it is strengthening coordination with other SEC divisions and fellow regulators. Banking organizations with SEC-registered advisers or broker-dealer affiliates, including through wealth or trust businesses, should confirm that conflicts, supervision, AML, and vendor oversight controls work consistently across the group.

The Bottom Line:

The FY 2027 priorities point to an exam approach centered on alignment among what firms disclose, what they offer, and how they operate. This is especially true as products, services, and technology evolve. Periodically revisiting compliance programs as business models change, new offerings launch, or acquisitions are integrated is a practical way to stay ahead of these themes.

NCUA Issues 13th Round of Deregulation Proposals

On October 20, the National Credit Union Administration (NCUA) Board announced its 13th round of proposed regulatory changes associated with its ongoing review of the agency's regulations. During this round, the NCUA is requesting comments, due by December 21, 2026, on the following proposals:

NCUA Proposes to Rescind Special Reserve for Nonconforming Investments

The NCUA Board [proposed eliminating the special reserve requirement](#) for federally insured, state-chartered credit unions (FISCUs) that hold investments beyond those permitted for federal credit unions (FCUs). The agency concluded that the reserve, adopted in the 1980s, is no longer needed for safety and soundness as later U.S. GAAP changes require more investments to be carried at fair value. As a result, the special reserve in place is limited in its loss-absorbing capacity. In addition, use of the special reserve has not been widespread, with only seven FISCUs reporting one.

The proposal would also make these conforming changes to Parts 702, 703, and 741. Comments are requested on alternatives, such as a higher risk weight under part 702, and on whether FISCU investment activity would change if the rule is finalized.

Conversion to a State-Chartered Credit Union

The NCUA [proposed removing 12 CFR 741.7](#), which directs a FCU converting to a state charter to seek approval from the regional director to retain its federal share insurance. Under the Chartering and Field of Membership Manual (Manual), requests now go to the Office of Credit Union Resources and Expansion. The provision also duplicates the Manual, which has been codified since 2008, and that overlap risks inconsistencies. The agency notes the conversion process remains governed by chapter 4 of the Manual.

NCUA Proposes Update to Modernize Share Insurance Notification Requirement

The NCUA [proposed amending 12 CFR 745.13](#) to remove the requirement that federally insured credit unions (FICUs) keep physical copies of share insurance materials available to members. Currently, FICUs must place a copy of part 745, its appendix, or the NCUA's "Your Insured Funds" brochure in each branch office. The agency determined this imposes unnecessary costs on both the NCUA and FICUs. Under the proposal:

- **Revised requirement:** FICUs would simply provide notice to its members concerning NCUA insurance coverage of member accounts.
- **Flexibility:** The rule would not prescribe timing or method. However, the NCUA expects notice at a logical point, e.g., account opening or upon member request, using a reasonable method.
- **NCUA actions:** The agency intends to discontinue the brochure and update its share insurance website.

Recent Key Regulatory Developments

Office of the Comptroller of the Currency

Date	Topic	Summary
10/23	OCC Publishes Fall 2026 Interest Rate Risk Statistics Report	The OCC published its semiannual report presenting interest rate risk exposure and risk limit data from examinations of midsize and community banks and federal savings associations, adding minus 400 and minus 300 basis point rate shock scenarios for earnings at risk and economic value of equity.
10/21	OCC Finalizes GENIUS Act Rule for Payment Stablecoin Issuers	The OCC issued a final rule (Bulletin 2026-50) implementing the GENIUS Act for permitted payment stablecoin issuers, foreign issuers, and certain custody activities at OCC-supervised entities. The rule is effective January 18, 2027. BSA, AML, and sanctions requirements will be addressed in a separate rulemaking with Treasury.
10/21	GENIUS Act: Waivers and Application Submission Guidance	Bulletin 2026-51 sets out how prospective issuers can submit applications and waiver requests. The OCC will announce separately when it begins accepting them.
10/21	GENIUS Act: Revised Reporting Forms and Instructions	Bulletin 2026-52 publishes revised weekly and quarterly reporting forms for issuers for public comment, due 30 days after Federal Register publication. Subject to OMB approval, the forms would take effect with the January 25, 2027 (weekly) and March 31, 2027 (quarterly) report dates.

National Credit Union Administration

Date	Topic	Summary
10/20	NCUA Proposes to Rescind Special Reserve for Nonconforming Investments	The NCUA proposed removing the special reserve that federally insured, state-chartered credit unions must hold for nonconforming investments, along with related references in its capital, investment, and insurance regulations (12 CFR Parts 702, 703, and 741).
10/20	NCUA Proposes to Remove Outdated Share Insurance Conversion Provision	The NCUA proposed removing 12 CFR 741.7, which addresses how a federal credit union keeps federal share insurance after converting to a state charter.
10/20	NCUA Proposes to Modernize Share Insurance Member Notification	The NCUA proposed amending 12 CFR 745.13 so that federally insured credit unions would still notify members about share insurance coverage but would have more flexibility in how, instead of making hard copies available.

Securities & Exchange Commission

Date	Topic	Summary
10/23	SEC Announces Fiscal Year 2027 Examination Priorities	The Division of Examinations released its FY 2027 priorities, which cover fiduciary conduct and conflicts, complex and illiquid products, private credit, broker-dealer financial responsibility and AML, cybersecurity and operational resilience, and emerging technologies
10/19	SEC Announces Roundtable on Machine-Understandable Data in the Age of Super Intelligence	The SEC will host a public roundtable on November 9 to discuss the use of machine-understandable data and SI, and the related risks and costs.

Recent Key Regulatory Developments

Financial Crimes Enforcement Network

Date	Topic	Summary
10/19	Treasury Identifies \$270 Million in Suspicious Activity Linked to Federal Student Aid Fraud	Treasury announced that FinCEN identified approximately \$270 million in suspicious activity potentially linked to federal student aid fraud and referred the findings to federal investigators. The findings draw on nearly 100 suspicious activity reports (SARs) filed after FinCEN's July 2026 alert, which highlighted red flags such as refund payments, fraudulent enrollments, and money mule activity.

Financial Accounting Standards Board

Date	Topic	Summary
10/22	FASB Proposes to Clarify Consideration Payable to a Customer	FASB proposed an Accounting Standards Update that would clarify when payments made on behalf of a customer, or to a customer of an entity's customer, are accounted for as consideration payable to a customer under Topic 606, <i>Revenue from Contracts with Customers</i> . The proposal aims to reduce diversity in practice. Comments are due November 23, 2026.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on third-party risk management guidance	Nov 16, 2026
	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
FRB	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
SEC	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
	Comments due on transfer agent rules	Nov 3, 2026
	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

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 improvements for the 2027 SEC Reporting Taxonomy	Oct 30, 2026
	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	Form N-PORT and N-CEN reporting requirements¹	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:

- Legislative
- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Reserve Board
- Federal Deposit Insurance Corporation
- Consumer Financial Protection Bureau
- Commodity Futures Trading Commissions
- 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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