FINREG Focus

U.S. Financial Services Regulatory Center Update

August 17, 2026

Executive Summary

1. Financial Crimes Enforcement Network (FinCEN) permanently ends beneficial ownership reporting for U.S. companies and persons.
2. FDIC introduces new two-phase process for deposit insurance applications.

Overview of Key Developments

1. FinCEN Ends BOI Reporting for U.S. Companies & Persons

What Happened?

On August 11, the Financial Crimes Enforcement Network (FinCEN) issued a final rule that permanently removes beneficial ownership information (BOI) reporting requirements for U.S. companies and U.S. persons under the *Corporate Transparency Act* (CTA). U.S. person is not newly defined in the final rule; it carries the meaning under FinCEN's existing BOI regulations. For the disposition of the BOI database, FinCEN applies a practical proxy, *e.g.*, a linked U.S. passport or U.S. driver's license. The rule became effective upon publication in the **Federal Register** and eliminates reporting obligations for domestic entities. It also ends the requirements for U.S. persons to update or correct information previously submitted to obtain a FinCEN identifier.

FinCEN announced that it will implement a process to delete information about individuals it reasonably believes are U.S. persons, including certain company applicants, beneficial owners, and FinCEN identifier holders, from the beneficial ownership database.

The final rule adopts the March 2025 interim final rule's changes as permanent and adds additional relief for U.S. person company applicants and FinCEN identifier holders. Under the March rule, FinCEN narrowed BOI reporting requirements to foreign reporting companies, exempted domestic reporting companies from reporting obligations, and relieved U.S. persons from BOI reporting requirements associated with foreign reporting companies.

Compared with the interim final rule, the final rule provides two additional forms of relief.

1. Foreign reporting companies are no longer required to report U.S. person company applicants.
2. U.S. persons are no longer required to update or correct information previously submitted in connection with obtaining a FinCEN identifier.

These changes expand on the exemptions established under the March 2025 interim final rule and further reduce reporting obligations for U.S. persons.

Certain foreign companies still have BOI reporting obligations under the final rule. The requirements generally apply to foreign companies that are registered to do business in a U.S. state or Tribal jurisdiction and do not qualify for an exemption under FinCEN's reporting rules. Foreign companies that are not registered to do business in the U.S. through that type of filing, or that qualify for an exemption, generally would not be required to report.

For foreign reporting companies that remain in scope, the final rule generally does not require reporting U.S. person beneficial owners or U.S. person company applicants, but it does require certain company information and applicable non-U.S. person information.

The rule also exempts certain foreign pooled investment vehicles from reporting BOI relating to U.S. persons who exercise substantial control over those vehicles, meaning individuals who direct or significantly influence important business, financial, or governance decisions. In general, these vehicles may still have reporting obligations if a non-U.S. person exercises substantial control.

Why Does It Matter?

The rule represents the final step in a significant change to the CTA reporting framework. The March 2025 interim rule exempted domestic entities from filing, updating, or correcting beneficial ownership reports while FinCEN considered public comments and a permanent approach. The new final rule makes those exemptions permanent, removing beneficial ownership reporting requirements for approximately 32.6 million U.S. businesses and business owners.

Key impacts for small businesses include:

- No requirement to file BOI reports with FinCEN.
- No obligation for U.S. persons to update or correct FinCEN identifier information.
- FinCEN will implement a process to remove certain information relating to U.S. persons from the BOI database.
- Greater certainty because the March 2025 exemptions are now permanent.
- Reduced compliance costs and administrative burden.

The U.S. Department of the Treasury characterized the change as a reduction in regulatory burden for law-abiding business owners. Further, the final rule advances the administration's effort to reduce regulatory requirements for small businesses while maintaining national security protections.

Importantly, the final rule eliminates beneficial ownership reporting requirements under the CTA for U.S. companies and U.S. persons, but it does not eliminate separate beneficial ownership collection requirements that apply to covered financial institutions under FinCEN's Customer Due Diligence framework. As a result, while domestic entities are generally no longer required to report BOI directly to FinCEN, covered financial institutions will continue to collect that information from legal-entity customers as part of their anti-money laundering and counter-terrorism-financing programs. FinCEN stated that these requirements help mitigate certain illicit finance risks associated with exempting domestic reporting companies from beneficial ownership reporting requirements.

The Bottom Line:

FinCEN has permanently rolled back BOI reporting requirements for domestic entities, ending CTA reporting obligations for U.S. companies and U.S. persons. The final rule also provides additional relief for U.S. person company applicants and FinCEN identifier holders. Going forward, BOI reporting requirements are primarily limited to certain foreign reporting companies and applicable non-U.S. person information.

2. FDIC Deposit Insurance: A More Transparent Review Process

What Happened?

On August 10, FDIC announced a new two-phase process for how the agency will review new deposit insurance applications, giving organizers a clearer view of expectations. The process applies to federal deposit insurance applications received after August 15, 2026, and is intended to encourage new bank formation, accelerate reviews, and improve application efficiency. Further, the action is generally consistent with the *21st Century ROAD to Housing Act*, which directs the banking agencies to streamline the de novo process.

During the first phase, known as the **Contingent Authorization Phase**, the FDIC evaluates the overall strength of the de novo proposal, including the business plan, financial projections, ownership structure, capital plans, management team, and proposed operating model. If the application meets expectations, the agency may issue a Contingent Authorization within 120 calendar days of receiving the federal deposit insurance application.

The second phase, the **Organizational Phase**, focuses on preparing the institution to open. De novo applicants finalize governance documents, complete capital raises, execute vendor contracts, establish risk management and compliance programs, identify branch locations, and submit *Community Reinvestment Act* plans. For applicants that receive contingent authorization, Phase 2 begins immediately and may last up to 12 months while organizers provide supplemental information and complete key organizational steps before final FDIC approval. In addition, the agency expects that de novo applicants, with some exceptions, generally will be able to file applications concurrently with both the FDIC and the chartering authority. The FDIC will coordinate with the chartering authority throughout the review to promote efficiency, avoid duplication, and ensure timely action.

The Office of the Comptroller of the Currency (OCC) welcomed the FDIC's new deposit insurance review process, with Comptroller Jonathan Gould stating that clear and transparent application processes can help encourage new entrants into the banking system and support innovation and competition.

Why Does It Matter?

For prospective organizers, the biggest change is greater clarity around the application process. The FDIC has laid out what information is needed at each stage and how the review is expected to progress.

While the revised process is intended to improve transparency and accelerate the review timeline, applicants must still provide detailed information supporting the viability of the proposed institution. The FDIC's review continues to focus on factors such as the business plan, financial projections, management team, capital plans, and other information relevant to the application.

The introduction of Contingent Authorization is particularly important. Rather than requiring every aspect of the bank's organization to be finalized upfront, applicants can first receive feedback on the core merits of their proposal and then complete the remaining pre-opening requirements during the second phase. The two-step process is intended to give organizers early clarity before they devote significant time and resources to capital raising, staffing, infrastructure development, and other startup activities.

The revised process also places a strong emphasis on communication. The FDIC encourages pre-filing meetings, assigns a dedicated FDIC case manager to serve as the primary point of contact for organizers, and coordination with chartering authorities and other regulators throughout the review process, when possible.

The Bottom Line:

FDIC's new framework creates a more structured and transparent path for obtaining deposit insurance while preserving regulatory scrutiny of new entrants. For de novo applicants, it offers clearer expectations and earlier feedback on the viability of a proposed bank.

OCC Updates Bank Accounting Advisory Series to Reflect Recent FASB Standards

The OCC released the 2026 edition of its Bank Accounting Advisory Series (BAAS), updating supervisory accounting guidance to reflect recent FASB developments and provide banks with current interpretations of accounting and regulatory reporting expectations. The BAAS serves as a key reference for bank finance, accounting, and regulatory reporting teams and is frequently used by examiners when evaluating accounting practices.

Key Updates

The 2026 BAAS incorporates OCC interpretations related to recent accounting standards and guidance affecting:

- Purchased loans, including accounting considerations associated with acquired loan portfolios.
- Government grants, reflecting evolving accounting treatment for government assistance and related reporting considerations.
- Internal-use software, providing updated guidance relevant to technology investments and software development initiatives.

What This Means for Institutions

Although the BAAS does not establish new regulatory requirements, it reflects the OCC Office of the Chief Accountant's interpretations of GAAP and regulatory reporting guidance. Institutions may wish to review the updated publication to assess whether existing accounting policies, reporting processes, disclosures, or examiner documentation should be updated to align with the OCC's current views.

The 2026 edition replaces the prior year's guidance and now serves as the OCC's current compilation of accounting interpretations for national banks and federal savings associations.

Recent Key Regulatory Developments

Office of the Comptroller of the Currency

Date	Topic	Summary
8/11	OCC Backs FDIC Deposit Insurance Reforms and Pushes to Revive De Novo Bank Formation	OCC praised the FDIC's new deposit insurance application review process as consistent with its efforts to increase de novo bank formation, highlighting a more transparent chartering framework and noting that it has received 40 de novo applications in the past 18 months.
8/14	OCC Updates Bank Accounting Advisory Series to Reflect Recent Accounting Standards	OCC released the 2026 edition of its Bank Accounting Advisory Series, updating supervisory accounting guidance for banks to reflect recent FASB standards on topics including purchased loans, government grants, and internal-use software while promoting consistent regulatory reporting practices.

Federal Deposit Insurance Corporation

Date	Topic	Summary
8/10	FDIC Adopts Two-Phase Review Process for Deposit Insurance Applications to Support De Novo Bank Formation	FDIC announced a new two-phase deposit insurance application process under which qualifying applicants can receive a contingent authorization within 120 days and final approval after completing organizational and pre-opening requirements, with the goal of accelerating reviews and encouraging new bank formation.

Consumer Financial Protection Bureau

Date	Topic	Summary
8/14	CFPB Regulatory Agenda Signals Reconsideration of Section 1071, Open Banking, and ECOA Requirements	In its 2026 Unified Agenda, the CFPB said it plans to reconsider aspects of its small business lending data collection rule under Section 1071, revisit portions of its personal financial data rights rule under Section 1033, and pursue a rulemaking to clarify *Equal Credit Opportunity Act* (ECOA) obligations.

Securities & Exchange Commission

Date	Topic	Summary
8/12	FINRA Proposes Greater Party Input in Arbitration Arbitrator Selection	FINRA has proposed amendments to its customer and industry arbitration rules that would replace certain "extended list" arbitrator appointments with new list-selection procedures and make its current voluntary Short List Option the default process for selecting replacement arbitrators after panel appointment.
8/13	FINRA Proposes Stronger Investor Protections Against Fraud and Financial Exploitation	FINRA has proposed rule changes that would expand trusted contact options, extend temporary holds for suspected financial exploitation of seniors and vulnerable adults, create a new short-term delay mechanism for suspected fraud affecting any investor, and apply the new fraud protections to transactions involving exempt securities.
8/14	SEC Regulatory Agenda Highlights Crypto, Capital Formation, and Disclosure Reform Priorities	The SEC's 2026 Regulatory Flexibility Agenda outlines planned rulemakings on crypto assets, exempt offerings, emerging growth companies, shareholder proposals, executive compensation disclosures, and the rescission of climate-related disclosure rules, reflecting chairman-led priorities for the coming year.

Recent Key Regulatory Developments

Commodity Futures Trading Commission

Date	Topic	Summary
8/11	CFTC Invokes Emergency Authority to Keep Kalshi Event Contract Market Operating	CFTC exercised its emergency authority following a market emergency notification from KalshiEX and ordered the exchange to continue operating in accordance with *Commodity Exchange Act* requirements, citing the need to preserve market stability amid litigation brought by the New York Attorney General's Office.
8/12	CFTC Issues Guidance on Incentive Programs for Prediction Markets	CFTC issued an advisory reminding designated contract markets to provide complete and transparent self-certifications for market-maker and trading incentive programs and warning against structures that could encourage manipulative trading, discriminatory access, conflicts of interest, or other market integrity concerns.
8/13	CFTC Announces Inaugural Innovation Advisory Committee Meeting on August 20	CFTC released the agenda for its inaugural Innovation Advisory Committee meeting, scheduled for August 20, 2026, which will focus on regulatory developments involving crypto assets, artificial intelligence in financial markets, and prediction markets and event contracts.

Financial Crimes Enforcement Network

Date	Topic	Summary
8/11	FinCEN Permanently Ends Beneficial Ownership Reporting for US Companies and Persons	FinCEN issued a final rule permanently exempting U.S. companies and U.S. persons from *Corporate Transparency Act* beneficial ownership reporting requirements and said it will delete previously reported BOI tied to individuals it reasonably believes are U.S. persons.
8/13	FinCEN Brings Banks and Law Enforcement Together to Strengthen Anti-Cartel Efforts	FinCEN convened financial institutions and law enforcement to share intelligence on cartel-related money laundering risks, suspicious activity patterns, and emerging threats, underscoring the agency's continued focus on public-private collaboration to help banks and other financial institutions detect and disrupt illicit finance.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
FFIEC	Comments due on revisions to the Uniform Financial Institutions Rating System (UFIRS)	Aug 17, 2026
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 OCC rules regarding the availability of OCC information	Oct 5, 2026
FDIC	Comments due on assessments thresholds, rate schedules, and adjustments	Aug 31, 2026
	Comments due on resolution submission required for covered depository institutions proposal	Aug 31, 2026
	Comments due on reporting forms and instructions for FDIC-supervised PPSIs	Sep 18, 2026
	Comments due on extension of credit to insiders	Oct 5, 2026
SEC	Comments due on the trade-through rule and locked and crossed markets provisions of Regulation NMS	Aug 17, 2026
	Comments due on regulatory agenda	Sep 14, 2026
	Comments due on electronic delivery of information under the federal securities laws	Sep 21, 2026
CFTC	Comments due on 24/7 futures trading and energy perpetual contracts	Aug 26, 2026
	Comments due on conflicts and affiliations	Oct 5, 2026
SEC/CFTC	Comments due on swap and security-based swap data reporting	Aug 24, 2026
	Comments due on definition of “swap” and “security-based swap” and on alternative compliance	Aug 24, 2026
	Comments due on request for comment on implementation of margining and cross-margining of securities and derivatives	Aug 31, 2026
FinCEN	Comments due on PPSI customer identification program proposal	Aug 21, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	*Financial Data Transparency Act* joint data standards	Oct 1, 2026
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Prohibition on the use of reputational risk	Jul 27, 2026
	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
CFPB	Amendments to Regulation B (ECOA) - Disparate Impact	Jul 21, 2026
SEC	Modernization of delegations of authority to Commission staff	Jul 26, 2026
	Form N-PORT and N-CEN reporting requirements[1]	Nov 17, 2027
		May 18, 2028
CFTC	Order sunsetting certain large trader reporting requirements for physical commodity swaps	Jul 21, 2026
	Margin requirements for uncleared swaps for swap dealers and major swap participants	Aug 17, 2026
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 provisions	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:

- Legislative
- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Reserve Board
- National Credit Union Administration
- Financial Accounting Standards Board
- 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.

[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.

[Implications of the Updated Interagency MRM Guidance]

Understand evolving guidance in model risk management.

[SEC Allows Broker-Dealers to Use Equities as Collateral]

The SEC allows equity collateral under Rule 15c3-3, boosting flexibility with strong controls.

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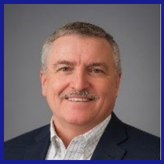

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