

FINREG Focus

U.S. Financial Services Regulatory Center Update

April 20, 2026

Executive Summary

This update's headline items:

1. U.S. banking agencies update model risk management (MRM) guidance.
2. SEC approves FINRA overhaul of pattern day trading rules, adopting intraday margin framework.
3. FASB advances deliberations on accounting for crypto assets and cash equivalent classification.
4. Financial Stability Board (FSB) chair warns G20 of heightened risk to global financial stability.

Overview of Key Developments

1. On April 17, the Office of the Comptroller of the Currency (OCC), Federal Reserve Board (FRB), and FDIC [jointly issued revised model risk management guidance](#), marking the most significant update to the interagency MRM framework since Supervisory Letter SR 11-7 was introduced in 2011. The revised guidance rescinds and replaces all prior MRM issuances, including SR 11-7, SR 21-8, and related OCC¹ and FDIC² guidance.

The revised guidance establishes a risk-based approach to MRM that should be tailored to a banking organization's model risk profile and the size and complexity of its operations. While the guidance generally applies to institutions with over \$30 billion in total assets, the agencies note that institutions with less than \$30 billion in total assets with significant model exposure may also fall within scope.

Substantively, the guidance lays out a risk-based life cycle framework: model development and use, model validation and monitoring, governance and controls, and vendor/third-party considerations. A key theme of the updated framework is the concept of model materiality. Materiality would be determined based on the model purpose and the significance of the model output to a banking organization's business decisions. The level of materiality would ultimately drive the level of oversight applied to an individual model. The guidance reinforces the importance of effective challenge throughout the model life cycle, sound model development aligned with intended use, rigorous validation and ongoing monitoring, and governance structures with clearly defined roles and accountability. It also addresses the unique challenges of validating vendor and third-party models, establishing proportional rigor even where proprietary constraints may limit access to underlying methodologies.

Notably, the guidance explicitly excludes generative and agentic artificial intelligence models from its scope, citing the novel and evolving nature of these technologies. However, the agencies emphasize that institutions' broader risk management and governance practices should guide the appropriate level of controls for tools and systems not covered by the guidance. Further, the guidance does not establish enforceable standards or prescriptive requirements, and non-compliance alone will not result in supervisory criticism.

The main takeaway is that the agencies still expect credible governance, documentation, model inventories, validation, and effective challenge, but with rigor calibrated to materiality and actual risk. Financial institutions should begin reviewing their existing MRM frameworks against the revised guidance to help identify gaps and assess alignment with the updated guidelines.

1. MRM Booklet within the Comptroller's Handbook, OCC Bulletin 1997-24, OCC Bulletin 2011-12, and OCC Bulletin 2021-19.

2. Financial Institution Letter (FIL)-22-2017 and FIL-27-2021.

2. The SEC approved [FINRA rule changes](#) that replace the current “pattern day trader” framework with a new intraday, risk-based margin system. The revisions eliminate the “pattern day trader” designation, the four day trades in five business days test, the \$25,000 minimum equity requirement, the day-trading buying power (based on 4x excess equity) requirement, and all associated pattern day trading margin calls. These provisions are fully deleted from FINRA 4210. In their place, new intraday margin standards are implemented. The new framework shifts from account-level designations to real-time position monitoring.

FINRA permits two compliance models:

- Firms may impose real-time monitoring of customer positions and block transactions that would create intraday margin deficits in the first place.
- Firms may continue making a single margin calculation at the end of the day, rather than monitoring throughout the day.

Existing margin call mechanisms remain unchanged. Customers have five business days to meet an intraday margin call, and firms continue to incur capital charges for unmet calls, preserving key risk safeguards while modernizing retail trading restrictions.

3. On April 15, FASB held a meeting to discuss [the accounting for transfers of crypto assets project and disclosure enhancements and classification of certain digital assets as cash equivalents](#). The discussion centered on recent staff research and stakeholder feedback as part of the group’s evaluation of whether existing U.S. GAAP provides sufficient clarity for emerging digital-asset transactions. Further, it aimed to provide clarity on questions regarding how certain payment-focused digital assets should be reflected in financial statements under existing U.S. GAAP.

On transfers of crypto assets, FASB expanded the scope of Accounting Standards Codification (ASC) Subtopic 350-60, *Intangibles-Goodwill and Other-Crypto Assets*, to capture certain crypto assets that give the holder a right to receive another in-scope crypto asset. FASB also clarified the existing disclosure guidance by adding a tabular disclosure example showing wrapped tokens, if significant, presented separately from other material crypto asset holdings.

On cash equivalents, FASB voted to develop illustrative examples in ASC Topic 230, *Statement of Cash Flows*, to clarify whether certain digital assets may meet the definition of cash equivalents. The illustration is expected to include interpretive explanations that tie to the existing cash equivalents definition, emphasize reserve composition and amounts, reflect on-demand contractual redemption rights, and clarify that the cash equivalent policy should consider compliance with all relevant laws and regulations. In addition, FASB approved annual disclosure requirements of significant classes and related amounts of cash equivalents for all entities, permitted early adoption, and directed staff to draft a proposed Accounting Standards Update with a 90-day comment period.

4. In an [April letter addressing G20 finance ministers and central bank governors](#), FSB Chair Andrew Bailey warns that recent geopolitical shocks are increasing uncertainty and unpredictability in the global financial environment. Bailey notes that while financial systems have absorbed heightened volatility thus far, constant vigilance is necessary to prevent systemic disruptions. He emphasized heightened monitoring in the following key areas:

- **Government bond markets:** Sovereign bond markets are facing historically high issuance and increased leverage among a narrow set of market participants, heightening the potential for disorderly market adjustments and cross border spillovers.
- **Global asset prices:** Global asset prices remain elevated by historical standards despite recent declines, leaving markets exposed to abrupt repricing should growth prospects weaken, particularly in sectors with already stretched valuations.
- **Private credit markets:** Investor sentiment in private credit has deteriorated amid concerns over asset quality, liquidity, and valuation opacity, increasing the risk of confidence shocks.

The FSB also emphasized the need for ongoing monitoring of the foreign exchange and derivatives markets.

Recent Key Regulatory Developments

Joint Banking Agencies

Date	Topic	Summary
4/17	Banking Agencies Revise Interagency Model Risk Management Guidance	FDIC, Federal Reserve, and OCC issued revised interagency guidance that replaces prior model risk management statements, emphasizes a risk-based and proportionate approach tailored to an institution's size and model risk profile, and clarifies expectations around model development, validation, governance, and third-party models.

Securities and Exchange Commission

Date	Topic	Summary
4/14	SEC Approves FINRA Overhaul of Pattern Day Trading Rules	SEC approved FINRA rule changes that eliminate the pattern day trader regime and replace fixed trading limits with continuous intraday margin requirements tied to a customer's real-time risk exposure.
4/15	SEC Approves Customer Cross-Margining in the U.S. Treasury Market	SEC approved a conditional exemptive order and a related rule change allowing certain dually registered broker-dealers and futures commission merchants to offer customer cross-margining between cleared U.S. Department of the Treasury (Treasury) securities and related Treasury futures, expanding cross-margining beyond clearing members as part of the rollout of Treasury clearing reforms.
4/16	SEC Launches Comprehensive Review of the Consolidated Audit Trail	SEC issued a release seeking public comment on the scope, costs, governance, and data protection of the Consolidated Audit Trail and related audit trails, as part of a broad review aimed at reassessing regulatory needs, cost burdens, and privacy considerations before considering further reforms.
4/16	SEC Small Business Advisory Committee to Explore Ways to Encourage More IPOs	SEC announced it will hold a public meeting on April 28, 2026 to examine the state of the IPO market and discuss potential regulatory and market-based changes aimed at encouraging more companies, including smaller firms, to go public.
4/16	SEC Permits Shortened 10-Day Tender Offers for Certain Equity Transactions	SEC issued an exemptive order allowing certain cash tender offers for equity securities of reporting and non-reporting companies to remain open for a minimum of 10 business days, subject to specified conditions, instead of the standard 20-business-day requirement.
4/16	SEC Leader's Remarks From Options Market Structure Roundtable	In remarks at the Options Market Structure Roundtable, Jamie Selway and Paul Atkins emphasized the need to reassess listed options market structure considering significant market growth, increased retail participation, and technological change.

Recent Key Regulatory Developments

Commodity Futures Trading Commission

Date	Topic	Summary
4/15	CFTC Approves Exemptive Order to Expand Customer Cross-Margining in the U.S. Treasury Market	CFTC approved an exemptive order permitting dually registered broker-dealer futures commission merchants that are clearing members of both CME and FICC to extend Treasury futures and cash cross-margining to certain customers, supporting more efficient risk management and strengthening U.S. Treasury market liquidity.

Financial Accounting Standards Board

Date	Topic	Summary
4/15	FASB Discusses Crypto Asset Transfers and Digital Assets as Cash Equivalents	At its April 15, 2026 meeting, FASB discussed staff research and stakeholder feedback on accounting for transfers of crypto assets and on whether certain digital assets, including stablecoins, may qualify as cash equivalents under existing GAAP.

Financial Stability Board

Date	Topic	Summary
4/15	FSB Chair Warns G20 of Rising Risk of Multiple Financial Shocks	FSB warns that heightened geopolitical uncertainty, tighter financial conditions, and existing vulnerabilities including sovereign bond markets, high asset valuations, and private credit stress have increased the risk that multiple shocks could hit the global financial system at the same time.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on AML & CFT Programs	Jun 9, 2026
	Comments due on FinCEN & OFAC joint proposal for <i>GENIUS Act</i> implementation	Jun 9, 2026
	Comments due on regulatory capital rule & the standardized approach for risk-weighted assets	Jun 18, 2026
	Comments due on regulatory capital framework for Category I & II banking organizations	Jun 18, 2026
FSOC	Comments due on the framework for nonbank financial company determinations	May 14, 2026
OCC	Comments due on bank appeals process proposal	Apr 20, 2026
	Comments due on proposal implementing <i>GENIUS Act</i> for OCC supervised entities	May 1, 2026
FRB	Comments due on removal of reputation risk from the FRB's supervisory programs	Apr 27, 2026
	Comments due on amendments to Regulation J (governing FedNow service)	Jun 9, 2026
	Comments due on G-SIB surcharge proposal	Jun 18, 2026
FDIC	Comments due on FDIC proposed application procedures to issue payment stablecoins	May 18, 2026
	Comments due on FDIC implementation of <i>GENIUS Act</i>	Jun 9, 2026
NCUA	Comments due on definitions related to statutory lien	Apr 27, 2026
	Comments due on credit union service contracts	Apr 27, 2026
	Comments due on rescission of regulation that addresses refund of interest to members	Apr 27, 2026
	Comments due on streamlining regulations for the purchase, sale, & pledge of eligible obligations	Apr 27, 2026

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
NCUA	Comments due on federally insured credit union official & employee compensation	Apr 27, 2026
	Comments due on post-election training for new board members	Apr 27, 2026
	Comments due on record preservation, appendices-record retention & catastrophic act preparedness	May 11, 2026
	Comments on eliminating prescriptive regulations on third-party servicing of indirect vehicle loans	May 26, 2026
	Comments due on chartering & field of membership	Jun 8, 2026
SEC	Comments due on proposed amendments to Form N-PORT reporting requirements	Apr 24, 2026
	Comments due on FINRA arbitration rules & processes	May 1, 2026
	Comments due on proposed amendments to Rule 15c2-11	May 18, 2026
CFTC	Comments due on event contract derivatives traded on prediction markets	Apr 30, 2026
FinCEN	Comments due on whistleblower incentives & protections	Jun 1, 2026
	Comments due on AML & CFT programs	Jun 9, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	Prohibition on the use of reputation risk by regulators	Jun 9, 2026
	Enhanced supplementary leverage ratio, total loss-absorbing capacity, & long-term debt requirements	Dec 1, 2026
OCC	OCC's updated national bank chartering final rule	Apr 1, 2026
	OCC community bank licensing amendments	Apr 3, 2026
	Elimination of the Fair Housing Home Loan Data System & the associated national bank-specific home loan data collection & recordkeeping requirements	Apr 3, 2026
	Rescission of OCC guidelines establishing standards for recovery planning	May 1, 2026
FDIC	Rescission of the statement of policy on qualifications for failed bank acquisitions	Mar 23, 2026
	FDIC official signs & advertisement of membership	Apr 1, 2027
NCUA	Simplification of share insurance rules	Dec 1, 2026
SEC	Directors & officers of foreign private issuers with Exchange Act-registered equity securities to comply with Section 16 beneficial ownership & transaction disclosure requirements	Mar 18, 2026
	Application of the federal securities laws to certain types of crypto assets	Mar 23, 2026
	Compliance with amended FINRA capital acquisition broker rules	Mar 25, 2026
	Temporary exception for reporting qualifying overnight transactions prior to 8:00 a.m. ET	Mar 30, 2026
	Adoption of updated EDGAR filer manual	Apr 16, 2026
	Form N-PORT (for funds with \$1 billion or greater in net assets) & all N-CEN reporting requirements	Nov 17, 2027
FinCEN	Form N-PORT reporting requirements for fund groups with less than \$1 billion in net assets	May 18, 2028
	AML/CFT program & suspicious activity report filing requirements for registered investment advisers & exempt reporting advisers	Jan 1, 2028

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 Committee
- Federal Financial Institutions Examination Council
- Federal Reserve Board
- Office of the Comptroller of the Currency
- Federal Deposit Insurance Corporation
- National Credit Union Administration
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Basel Committee on Banking Supervision
- International Organization of Securities Commission

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 Q4 2025](#)

Download our Q4 2025 insights on digital transformation, tokenization, and more.



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

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



[Reframing AML for Digital Finance](#)

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



[Forvis Mazars' View: The Revitalization of Bank Mortgage Lending](#)

The FRB signals capital changes to revive bank mortgage lending for community and regional banks.



[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.



[The OCC Increased the Application Threshold for Heightened Standards](#)

OCC raises heightened standards threshold to \$700 billion, easing regulatory burden for smaller banks.



[Preliminary Insights on the OCC's Proposed Stablecoin Framework](#)

Preliminary insights on the OCC's proposed stablecoin framework and why it matters today for banks.



[FDIC Updates Resolution Planning Expectations for Large IDIs](#)

FDIC updates resolution planning for large banks, refining requirements and filing expectations.

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