Quarterly Insights: Financial Services

U.S. Financial Services Regulatory Center

Q4 2025

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Message from Ashley Ensley
To Our Community

As we step into 2026, this quarter's insights report highlights a financial sector navigating rapid technological evolution, shifting regulatory expectations, and an increasingly interconnected risk environment. The report brings together domestic and international developments to offer a panoramic view of how financial institutions should prepare for the year ahead.

At its core, this report underscores three major forces shaping the industry's trajectory:

- The mainstreaming of digital assets and tokenization across payments and securities markets.
- The acceleration of AI-driven transformation across operations, compliance, and customer engagement.
- A global regulatory environment moving toward greater transparency, modernization, and risk-focused supervision.

Across U.S. agencies, Q4 featured meaningful progress on anti-money laundering (AML) reforms, deposit insurance modernization, stress-testing transparency, refined supervisory expectations, and emerging frameworks for stablecoins and digital asset activity. Regulators emphasized clarity, safety, and soundness, and the need for institutions to build robust governance that keeps pace with innovation.

This document also offers a forward-looking perspective into tokenization's role in reshaping market infrastructure, outlining both its operational potential—speed, transparency, efficiency—and the regulatory, legal, and technical challenges that must be addressed for widespread adoption.

Internationally, the EU and U.K. are prioritizing simplification, digital readiness, sustainability alignment, and operational resilience, signaling a supervisory shift focused on efficiency and harmonization. These developments highlight the increasingly global nature of market expectations and the importance of cross-border regulatory coordination.

Overall, Q4's insights point to a year ahead defined by responsible innovation, stronger governance frameworks, and strategic investment in technology and talent. Institutions that proactively adapt will be best positioned to thrive in 2026's evolving financial landscape.

As you step into 2026, we're here to help you manage risk, enhance operations, and stay agile in a changing world.

Ashley Ensley
National Sector Leader, Financial Services, Assurance Partner

Digital Transformation & AI Integration Insights

At the recent FEI Corporate Financial Reporting Insights (CFRI) conference in November 2025, Forvis Mazars convened a distinguished panel featuring finance leaders from Apple, HP, and Peloton.

These professionals shared their real-world experiences, offering success stories and practical strategies that have driven effective digital transformation within their companies. Their collective insights provided actionable guidance for organizations aiming to leverage digital transformation to enhance operational efficiency.

Read More

Winter 2026 Outlook
Economy & Regulatory Pulse

As we rang out 2025, the ball dropped on a U.S. economy that continues to grow but does so on increasingly uneven footing. Economic signals across growth, inflation, and the labor market remain mixed, with signal accuracy somewhat clouded by data quality concerns. Real gross domestic product (GDP) contracted at a 0.6% annual rate in Q1 before rebounding to 3.8% in Q2. Official Q3 GDP figures were delayed by the shutdown of the federal government; however, right before the Christmas break, the Bureau of Economic Analysis published Q3 GDP as a surprising 4.3% annual rate, far exceeding expectations and raising concerns by many economists about data quality. Notwithstanding the surprise Q3 release, for the full year, the economic consensus is a respectable growth rate of nearly 2%, but still below the post-pandemic pace. This lag in growth has been increasingly shaped by trade frictions, as U.S. effective tariff rates spiked.

Inflation has shown signs of easing, but has not fully normalized, with headline Consumer Price Index (CPI) closing out Q4 at an annual pace of around 2.7% year over year in November, still well above the Federal Reserve's 2% target. Labor market momentum has continued to cool with the U.S. Bureau of Labor Statistics (BLS) estimates of unemployment rising to 4.6% in November, the highest level in four years. The rise is primarily driven by job losses in manufacturing, transportation, and warehousing, while temporary help services eclipsed job gains in healthcare and social assistance. While the increase in unemployment remains a concern, some economists caution that poor survey response rates and the effects of the extended government shutdown may have distorted the measurement of unemployment.

Financial markets remain resilient, with the S&P 500 gaining roughly 16% at year-end and sitting near record highs. However, there are inherent risks as the S&P 500 has become increasingly concentrated with a small group of large technology and AI-driven firms representing about one-third of the index. Notwithstanding robust equity gains, consumer sentiment remains subdued. The University of Michigan's Index of Consumer Sentiment stood at 52.9—more than 25% below its December 2024 level—while the Conference Board's Consumer Confidence Index fell to 89.1, reflecting a comparable year-over-year decline. The publication of October retail sales, which was delayed due to the government shutdown, showed that retail sales were little changed due in part to a sharp decline in auto sales. In addition, September retail sales were adjusted downward to 0.1%.

Against this backdrop, the Federal Reserve has cautiously pivoted away from the restrictive stance that defined the last two years. After holding rates steady through mid-year 2025, the Federal Open Market Committee (FOMC) delivered three consecutive 25 basis point cuts, most recently on December 10, bringing the federal funds target range to 3.50% to 3.75%, a three-year low. The FOMC also ended its balance-sheet runoff and authorized purchases of short-dated Treasury bills to support market liquidity, while emphasizing that these actions do not represent a return to quantitative easing. Policymakers remain divided on how far easing should proceed. The latest dot plot from the Federal Reserve shows wide dispersion and only one additional rate cut projected for 2026, alongside forecasts for inflation drifting toward 2.5% and unemployment stabilizing near 4.4%.

The FDIC Quarterly Banking Profile Third Quarter 2025 shows that the industry is entering 2026 from a position of overall strength, even as pressure persists in specific asset classes and funding segments. Insured institutions reported aggregate net income of $79.3 billion in the third quarter, up 13.5% from the prior quarter, driving an industry return on assets of 1.27%. Results were supported by net interest income growth of 4.2% quarter over quarter and a 31% decline in provision expense, partly reflecting one-time acquisition effects. Net interest margin (NIM) widened by 9 basis points to 3.34%, modestly above its pre-pandemic average, as asset yields rose faster than funding costs.

Loan balances continued to expand at a more selective pace, with strength in credit cards and caution in commercial and industrial lending and certain commercial real estate segments. Net operating revenue increased 3.3% quarter over quarter and 8.5% year over year, supported by higher interest income and improved non-interest income, including trading revenue. Domestic deposits rose for the fifth consecutive quarter, signaling that the outflows of 2022–2023 have stabilized, though pricing competition remains intense.

Asset quality metrics remain solid at the aggregate level. Past-due and non-accrual loans held steady at 1.49% of total loans, while the net charge-off rate edged up slightly to 0.61%. Stress remains concentrated in non-owner-occupied and multifamily commercial real estate (CRE), auto lending, and credit cards, where delinquency and loss rates exceed pre-pandemic norms. Unrealized losses on securities, a source of major concern since 2023, declined to roughly $337 billion, down nearly 15% from the prior quarter, reflecting easing long-term rates and continued portfolio repositioning.

In the fall 2025 edition of their Semiannual Risk Perspective, the Office of the Comptroller of the Currency (OCC) describes the condition of the national banking system as sound and well supported by high capital and liquidity ratios, while also emphasizing that credit risk could increase if economic growth continues to moderate. The report highlights continued stress in CRE, especially office and certain multifamily segments, while delinquency rates are stabilizing in both credit card and auto lending. Earnings performance is satisfactory, driven by lower funding costs, moderate loan growth, and modest expense growth. In addition, financial institutions reduced unrealized investment losses almost in half as interest rates moderated and financial institutions took advantage of strategic portfolio adjustments. Net interest margins expand as deposit costs reset lower, and credit quality indicators, such as delinquencies and loss rates, remain manageable.

Economy & Regulatory Pulse

For financial institutions, the implications of the current economic and financial environment over the next year are nuanced. Earnings pressure has not disappeared but is evolving as policy rates move lower. Funding effects are likely to lag policy rate moves, with deposit rates potentially slower to reprice as competition for deposits remains elevated. Recent improvements in NIM could also prove temporary as securities reinvest at lower yields and loan pricing reflects expectations for rate cuts. At the same time, fee-based and trading revenues have improved cyclically, offering diversification opportunities for financial institutions able to deepen client relationships in the asset management space.

Credit risk continues to slowly build while a sharp downward turn is not expected, yet latent vulnerabilities could surface quickly if labor-market weakness deepens or equity markets correct. Regulators continue to highlight CRE, office, and consumer credit as key watchpoints, along with growing exposures to hedge funds, private equity, and private credit vehicles. Financial institution boards of directors and risk executives should consider the benefits of granular, scenario-based analysis focused on cash-flow resilience under higher tariffs, modestly rising unemployment, and slower revenue growth. Provisioning flexibility may become more constrained going forward, reinforcing the need for realistic allowance assumptions.

Balance sheet and liquidity strategies may need adjustments. With quantitative tightening halted and Treasury bill purchases resumed, reserves and market liquidity should be somewhat more plentiful. However, the financial system is operating with higher Treasury issuance and a smaller federal balance sheet that increases its vulnerability to liquidity shock. Many financial institutions may find opportunities to continue reducing deeply underwater securities while adding duration at more attractive levels, especially when activities are supported by disciplined hedging and clear board-approved risk appetite around available-for-sale (AFS) and held-to-maturity (HTM) portfolios. Capital planning should consider a range of plausible outcomes, from a soft-landing baseline to recession triggered by policy, geopolitical, or market shocks, as well as market corrections in highly concentrated asset classes.

Overlaying the economic and financial environment is a regulatory and supervisory landscape that has shifted meaningfully in 2025 toward greater clarity and proportionality. The Federal Reserve finalized revisions to the large financial institution (LFI) supervisory rating framework, reducing automatic rating downgrades and more closely aligning ratings with material risk issues. The FDIC, under Acting Chairman Travis Hill, has emphasized refocusing examinations on core financial risks and proposed a more independent Office of Supervisory Appeals. The OCC has removed “reputation risk” as a standalone supervisory category and reiterated its focus on tailoring expectations while maintaining strict prudential standards.

Congress and the agencies have also taken a major step toward regulatory clarity for digital assets. The Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), enacted in July 2025, establishes a federal framework for payment stablecoins, including reserve, disclosure, audit, and licensing requirements. Treasury has begun implementing rulemakings, while the Federal Reserve and OCC have folded digital-asset activities within traditional safety and soundness principles. These developments bring stablecoins and tokenized payments squarely within the regulatory perimeter, creating opportunities for financial institutions that can demonstrate strong governance, balance sheet discipline, and compliance controls.

Overall, late-2025 conditions point to a financial sector that is fundamentally sound but operates in a more demanding and complex environment. Growth is positive but uneven, inflation is closer to target but remains stubbornly high, and labor markets are cooling. Earnings, capital, and asset quality remain solid, yet concentrated risks continue to remain and require sharper risk discipline. Financial institutions that use this period to strengthen credit and liquidity frameworks, optimize funding and securities strategies, and pursue technology-enabled innovation within clear regulatory guardrails will be best positioned for the year ahead.

The Future of Finance

Digital Assets & Innovation in the Financial System

Digital Assets & Innovation in the Financial System

As 2026 approaches, financial institutions find themselves at a pivotal juncture. The rapid integration of digital assets into the financial system, coupled with the transformative power of artificial intelligence (AI) and other emerging technologies, is reshaping the finance landscape. In the fall 2025 edition of their Semiannual Risk Perspective, the OCC discussed digital assets and AI, noting that financial institutions face opportunities as well as challenges from ongoing innovation as they adapt to evolving customer expectations, competitive pressures, data management complexities, and emerging technologies. According to the OCC, the failure of institutions to invest in modern technologies, products, and services could pose significant long-term risks to performance and viability. The OCC echoed the sentiment of all the U.S. banking agencies when it stated the aim is to maintain a regulatory framework that supports pursuing business growth and client needs while ensuring prudent risk management and safety and soundness.

Digital Assets Entering the Mainstream

Cryptocurrencies, tokenized assets, distributed ledgers, and other digital asset technologies that were once considered speculative or niche are now steadily moving toward mainstream integration. Organizations navigating this landscape face the significant challenge of anticipating the strategic, operational, and regulatory implications of a digitized financial system that continues to become more intelligent and interconnected.

Discussions about digital assets in the popular press and mainstream media tend to revolve around speculative cryptocurrencies, like Bitcoin and Ethereum, where wealth can be rapidly created or destroyed. However, conversations in the financial press have shifted toward digital asset applications that promote speed and efficiencies within the payment system and the financial market infrastructure.

Financial institutions are exploring the issuance and use of stablecoins pegged to fiat currencies and other reference assets, as well as tokenized real-world assets (RWAs) that serve as digital representations of traditional financial assets such as deposits, commercial paper, repurchase agreements, securities, and real estate, among other items. Stablecoin and tokenized RWAs promise greater efficiency, transparency, and accessibility. For example, tokenization facilitates fractional ownership of assets, opening investment opportunities to a larger pool of participants and enhancing liquidity in the financial markets.

The integration of digital assets into the broader financial system is a reality as we enter the new year. Several large financial institutions have either started or plan to pilot blockchain-based settlement systems, while regulatory bodies are developing necessary frameworks to enhance stability and consumer protection. The growing popularity of stablecoins, tokenized deposits, and central bank digital currencies (CBDCs) signals a future where digital money seamlessly coexists with traditional currencies. Digital assets offer faster cross-border payments and reduce reliance on financial intermediaries. For financial institutions, it is essential to be prepared for an environment where digital assets and traditional assets operate in harmony.

Digital Assets & Innovation in the Financial System

AI as a Catalyst for Transformation

While digital assets redefine the "what" of finance, AI transforms the "how." With predictive analytics and algorithmic trading, AI is used to enhance decision making, risk management, and customer engagement. Financial institutions are deploying machine learning models for real-time fraud detection, personalizing financial products, and performing operational tasks. In the world of digital assets, AI plays a critical role in monitoring blockchain transactions, identifying suspicious activity, and helping ensure compliance with evolving regulatory standards.

Beyond operational efficiencies, AI is enabling the development of new business models. Robo-advisory and automated portfolio management provide real-time automated investment strategies and portfolio management, while generative AI tools streamline processes like regulatory reporting and compliance documentation. AI and similar technology advances are becoming foundational capabilities that financial institutions will need to help meet evolving customer needs and to remain competitive in an environment where AI ushers in greater transactional speed, increased operational efficiencies, and enhanced customer experience. Organizations that choose not to invest in advanced infrastructure risk falling behind in a dynamic market where agility and adaptability are vital to surviving.

Regulatory Considerations & Risk Management

The convergence of digital assets and AI raises many questions. How should certain tokenized assets be classified? What safeguards are necessary to prevent systemic risks in distributed ledgers? How can AI-driven decision making be audited for fairness and transparency? Globally, regulators are working through these issues, among others, and organizations must stay ahead of the curve by adopting proactive compliance strategies.

Risk management will require a dual lens on technological and regulatory aspects. On the technology side, financial institutions must maintain robust cybersecurity measures to help protect digital wallets, exchanges, and blockchain networks. On the regulatory side, they must anticipate changes regarding permissible activities, such as consumer protection regulations, stricter reporting requirements, AML, know-your-customer (KYC) obligations, and operational risk considerations. AI helps by automating certain compliance checks and flagging anomalies, but organizations must also refine governance frameworks, with a strong focus on balancing innovation with accountability.

Digital Assets & Innovation in the Financial System

Preparing for the Road Ahead

The future of finance will be defined by the integration of digital assets woven into the fabric of traditional financial systems. AI and other technological advances will become embedded into various layers of operations as innovation drives continual transformation. Financial institutions must adopt a forward-looking mindset with a focus on investing in the right technologies and talent while developing agile, dynamic governance structures.

Collaboration will also be essential. While financial institutions may not have the infrastructure to develop their own proprietary platforms, partnerships between financial institutions, as well as partnerships with outside technology providers, can open access to innovative technologies. As financial institutions consider partnership arrangements, clear lines of communication with the regulators are important to help ensure that regulatory expectations are met.

Education and cultural change are also important. Talent must be upskilled to be able to navigate digital platforms, understand AI technologies, and interpret new forms of data. Boards and management must cultivate an open-minded culture that embraces the introduction of new technologies while maintaining robust risk oversight.

Final Thoughts

As we look ahead to the new year, the integration of digital assets and AI into the financial system is a reality. Financial institutions that recognize the potential of these technologies, prepare for regulatory shifts, and seize opportunities to evolve will be positioned to thrive as the new financial landscape emerges. As the financial system progresses from a system of intermediaries and paper-based processes to one of digitized assets, intelligent algorithms, and global connectivity, the message is clear: adapt early, shape the future responsibly, and position your institution to be ready for a new era in finance.

Tokenization in the Securities Industry

Tokenization is the digitalization of existing financial claims, such as ownership rights to deposits or securities, into blockchain-based tokens that represent legally enforceable ownership interests. These tokens can be issued, recorded, transferred, and settled using distributed ledger technology (DLT). Tokenization modernizes the infrastructure through which a security is administered, leaving the economic substance of security unchanged.

Securities markets currently rely on a layered, intermediation-based infrastructure that was developed over time to achieve scale, ensure resiliency, and provide regulatory oversight. Over time, demands for increased cost efficiencies, transparency, and settlement speed have resulted in modifications, but wholesale market infrastructure reform has been elusive, absent new innovative technologies. DLT may very well be the technology that introduces market infrastructure reform and ushers in the next age of investment and trading.

Ownership of securities is recorded across multiple ledgers. For example, securities ownership is currently recorded within the stock records maintained by individual broker-dealers. Fully paid shares are reflected as long positions in customer accounts, offset by short positions at custodial organizations, including the Depository Trust & Clearing Corporation (DTCC). Each clearing broker-dealer independently manages its stock record in accordance with SEC requirements by reconciling custody balances with depositories like DTCC. While this infrastructure is robust and well tested, it is operationally intensive and dependent on delayed settlement and reconciliation.

How Tokenization Changes the Model

Tokenization creates a new infrastructure architecture where securities transactions are processed by making a blockchain-enabled distributed ledger the authoritative record of ownership. Rather than maintaining parallel books and records, ownership and transfer of tokenized securities are reflected on a shared ledger with near real-time settlement.

Under this new architecture, broker-dealers, custodians, and market utilities continue to perform their regulated functions. However, their roles shift from reconciliation and record maintenance to access control, compliance, risk management, and client services. Clearing and settlement functions can converge with delivery-versus-payment (DVP) occurring "atomically" as tokenized securities are immediately exchanged for tokenized deposits, stablecoins, or other forms of tokenized cash.

Using tokenization to modernize the securities market infrastructure offers several advantages compared to existing broker-dealer operations, including:

- Increased liquidity
- Faster and more efficient transactions
- Enhanced transparency via shared ledgers
- Automated compliance and event management
- Expanded access to securities through tokenized formats

The Role of Smart Contracts

The successful implementation of tokenization relies on smart contracts as the operational core of tokenized securities. Smart contracts embed the rules governing issuance, ownership, transferability, and life-cycle events. While broker-dealers will continue to maintain custody of securities, digital tokens representing these assets will be issued on the blockchain. For every token, a smart contract encodes owner-specific data typically managed by broker-dealers. These contracts facilitate automated issuance and transfer of digital tokens during buy and sell processes. They also manage distributions such as dividends or interest, allocate proceeds or reinvestment, and record corporate actions, including shareholder voting, directly on the blockchain.

Regulatory procedures, such as KYC and AML, can be integrated directly into smart contracts. Sale restrictions and compliance checks may be codified in advance. Notably, smart contracts enable fractional ownership, as tokens can be divided into smaller units. This automation enables near-instant execution and settlement, resulting in reduced broker-dealer costs. Tokenized equities represent authentic company shares, while digital bonds automatically distribute coupon payments and remit principal upon maturity. Ultimately, smart contracts significantly enhance the efficiency and speed of securities processing.

Challenges of Tokenization

- Ambiguity in regulatory frameworks
- Use of public blockchains
- Complexity concerning token ownership and management
- Integration challenges with legacy broker-dealer systems

Regulatory & Legal Issues	
Legal Classification	Classifying a token as a security, commodity, or another asset class dictates jurisdiction, since securities fall under SEC regulations and commodities under the Commodity Futures Trading Commission (CFTC).
Global Regulations	Each global jurisdiction enforces its own legal standards for token ownership, purchase, and sale.
Smart Contracts as Legal Agreements	Smart contracts are expressed in code rather than traditional legal language, so questions remain regarding their interpretation and enforceability in courts.
Fraud Risks	To prevent fraudulent activity, it is essential to establish an explicit and enforceable link between tokens and the underlying securities.
Customer Privacy	Public blockchain transparency may conflict with existing data privacy laws.

Operational Concerns	
Smart Contract Precision	Since blockchain transactions cannot be reversed, precise programming of smart contracts is critical.
Key Security	Owners must securely manage payment credentials and authentication keys required for token access.
Standardization	A lack of uniform platforms and protocols complicates the transfer and exchange of tokens across different systems.
Data Reliance	Smart contracts depend on timely and accurate external information; errors or delays can adversely impact token functionality.

Protecting Investors in Tokenized Securities

The securities industry operates on robust investor protection measures. Under SEC Rule 15c3-3, a long-standing provision that has withstood judicial scrutiny, customer funds and assets must be separate from firm holdings. While tokenization may bring significant modernization, preserving investor confidence remains a top priority. Regulators must establish clear criteria to determine whether a token is classified as a security (subject to SEC oversight) or a future (CFTC jurisdiction), as well as implement consistent rules for participant protection.

"Possession or control" is a fundamental aspect of current SEC regulations that mandates brokers to safeguard customer securities. With tokenization, the token key replaces sensitive account data with a non-sensitive identifier to secure transactions. The SEC is anticipated to introduce frameworks for safeguarding token keys analogous to existing possession or control regulations. Custodians will be required to implement stringent controls, segregating client keys from proprietary ones in line with SEC Rule 15c3-3.

The Securities Industry and Financial Markets Association (SIFMA) has also recommended[1] the following regulatory protections be implemented by the regulators:

Recommended Regulatory Protections	
Market Interconnectivity & Fair Access	Accessible, linked trading venues open to all qualified participants.
Price & Market Transparency	Real-time and post-trade pricing and order routing information for investors.
Proprietary Trading/Trading Ahead	Required disclosure of any proprietary trading activities and safeguards to prevent prioritization over client orders.
Best Execution	Ensuring optimal pricing outcomes for investor orders.
Market Surveillance, Record-Keeping, & Audits	Comprehensive surveillance and rigorous record-keeping to prevent manipulation and misconduct.
Investment Recommendations	Recommendations and strategies must prioritize client interests.
Conflict of Interest/Separation of Functions	Firms should compartmentalize roles to mitigate conflicts of interest.
Customer Optionality	Investors should freely choose among service providers without coercion.
Disclosure Requirements	Issuers and intermediaries are obliged to provide timely, accurate, and material disclosures.
Custody, Financial Responsibility, & Clearing/Settlement	Protection of client assets and proper management of positions and funds.
Anti-Fraud/Financial Crimes	Application of AML/KYC requirements to deter illicit activity.

1. "Modern Markets, Enduring Protections: Protecting Investors in Tokenized Securities," simfa.org, September 3, 2025.

Regulatory Outlook: SEC Actions Regarding Tokenization

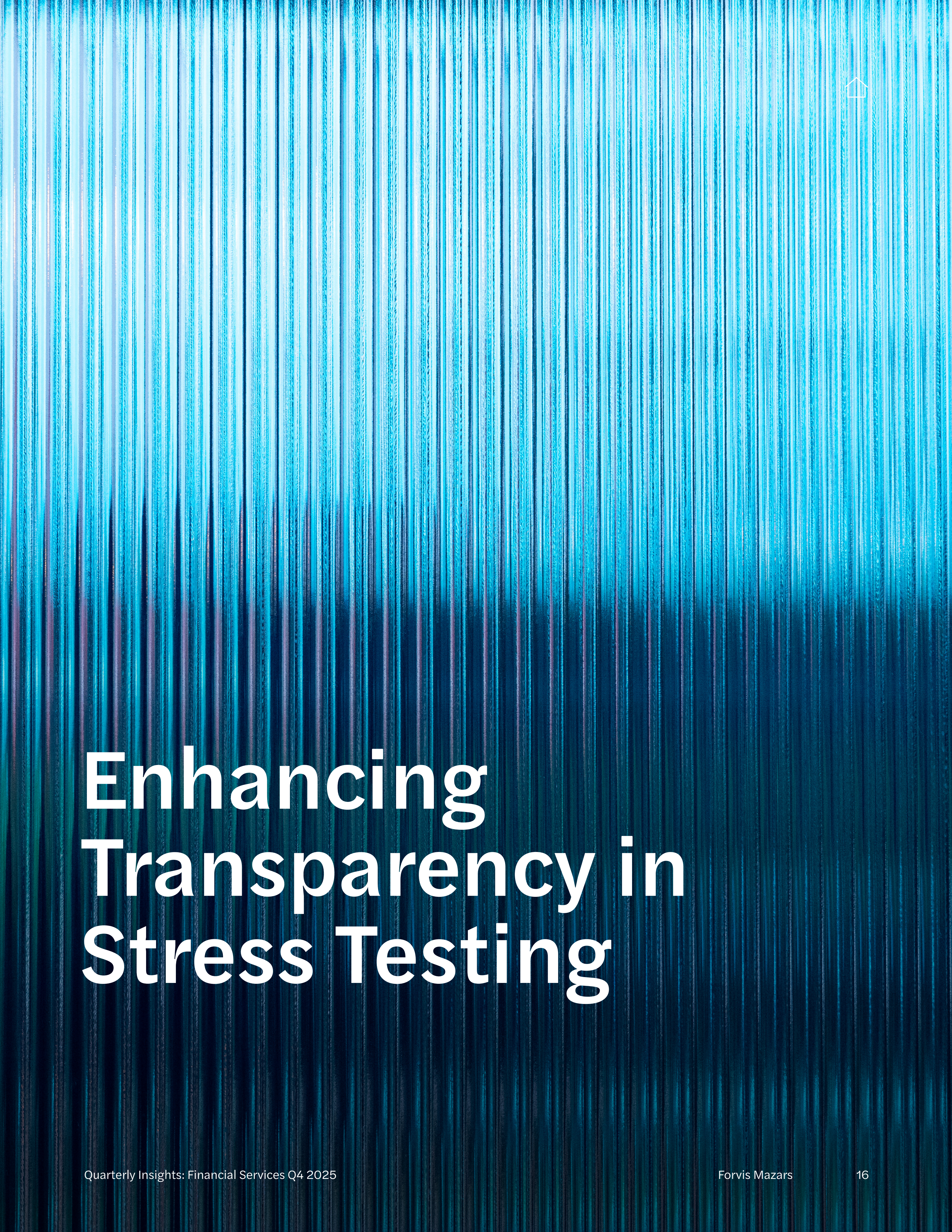
The SEC works toward modernizing capital markets by embracing the efficiencies of tokenization, particularly regarding real-time settlement. Building on this trajectory, the SEC's Division of Trading and Markets (DTM) recently granted limited no-action relief to the Depository Trust Company (DTC) to pilot tokenized entitlements for select equities, treasuries, and exchange-traded funds (ETFs), subject to reporting and resilience safeguards. This step reflects the agency's willingness to explore distributed ledger applications while maintaining systemic protections, offering institutions a preview of how tokenization may be supervised in practice.

The SEC aims to release initial rule proposals concerning the clearance and settlement of tokenized securities in early 2026. Subsequent priorities include integrating tokenized assets within collateral management and, eventually, providing regulatory guidance on corporate actions, smart contracts, and the progressive inclusion of digital tokens in established securities markets.

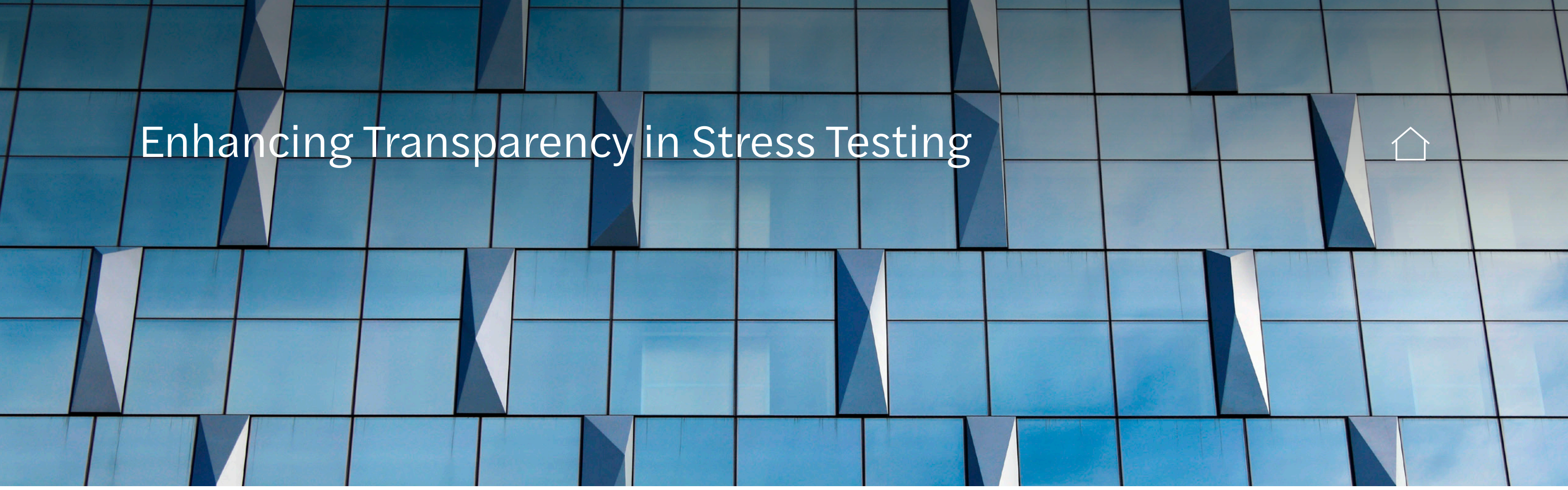
Final Thoughts

Tokenized securities represent a revolutionary way of investing in global capital markets. Broker-dealers are expected to operate as usual, but investors will also be able to use tokens as a flexible way to invest and hold assets. This approach offers efficiencies that have proven to be difficult to implement in the current market structure. To take advantage of these efficiencies, major Wall Street firms are making substantial investments in blockchain infrastructure. Wall Street is building platforms, launching products, and preparing for significant changes in the securities markets.

The industry is pushing for the regulatory agencies to uphold the same level of protection and framework as the current system, while the SEC is more focused on incorporating tokenization to see benefits in efficiency, real-time settlement, and capital management. Large investments in blockchain systems and the processing of tokenization pose a challenge to the integration of tokens. However, the regulatory agencies vow to help eliminate any hurdle that will delay the process.



Enhancing Transparency in Stress Testing



Enhancing Transparency in Stress Testing

The Federal Reserve Board (FRB) has taken a significant step toward reshaping the supervisory landscape with its request for a comment period on the proposed scenarios to enhance the transparency and accountability of its annual stress tests in October 2025. Under the proposal, the agency will annually publish comprehensive documentation on its stress test models and scenarios, and seek public comment on any material changes before implementation. This is intended to demystify the models and allow for stakeholder input. For financial institutions, this initiative represents both an opportunity to engage with the regulators to help shape the future of prudential oversight and a challenge to adapt strategies in anticipation of greater disclosure, scrutiny, and operational demands.

Background: A Shift Toward Predictability

Supervisory stress testing in the U.S. began as a direct response to bank failures as a result of the Great Recession noted in the 2008 financial crisis. This prompted the FRB to create an annual exercise, which started with the 2009 Supervisory Capital Assessment Program, to evaluate whether large institutions with over $10 billion in assets held sufficient capital to withstand severe economic shocks. Over time, the annual stress test evolved into the Stress Capital Buffer (SCB) framework used to set forward-looking capital requirements. However, critics of the current stress testing framework argue that it is opaque, produces inaccurate or volatile capital charges, and does not align with due process requirements under administrative law. The FRB's proposal directly addresses these concerns, signaling a shift toward greater transparency and predictability. In addition to timing updates, key provisions of the proposal include:

- Amending the Policy Statement on the Scenario Design Framework for Stress Testing, including guides for additional scenario variables, and the Stress Testing Policy Statement.
- Codifying an enhanced disclosure process where the Board would publish documentation on the stress test models annually, invite public comment on any material changes the Board plans to make to the stress testing models, and annually publish the stress test scenarios for comment.
- Making changes to the FR Y-14A/Q/M reporting forms to remove items that are no longer needed to conduct the supervisory stress test.
- If approved, institutions can expect a supervisory framework that is focused on capital planning and aligned with internal practices with clearly established standards. This creates a clear connection between regulatory expectations and business strategy.

The New Role of Engagement

One of the most transformative elements of the FRB's proposal is the introduction of a public comment period on the annual scenarios. For the first time, financial institutions will have a formal opportunity to comment on the proposed stress test scenarios before they are finalized, fostering a more collaborative regulatory environment. To capitalize on this opportunity, institutions must design a regulatory engagement to be a core component of their compliance and risk management strategies.

Preparing for this new dynamic involves several deliberate steps, including:

- **Developing Structured Feedback Mechanisms:** Institutions should establish cross-functional teams to analyze proposed scenarios and identify potential impacts. Clear escalation and approval processes should be developed to ensure feedback is properly vetted, approved, and submitted within the regulatory time frames.
- **Building Engagement Into Compliance Culture:** Engagement activities should be aligned with broader enterprise risk management frameworks to ensure consistency across processes and functions. In addition, management should be educated on the importance of the comment process and their role in shaping outcomes.
- **Demonstrating Thought Leadership:** Ensure that feedback not only reflects institution-specific realities but also broader systemic considerations, demonstrating a commitment to financial stability.

The proposed framework will require institutions to engage with regulators via the annual public comment process, ensuring stakeholder input is part of supervisory oversight. Organizations that invest in structured processes, collaborative advocacy, and thought leadership will not only influence supervisory design but also strengthen their reputation as proactive participants in the financial system.

Operational Updates

The proposal includes targeted changes to simplify data submissions, potentially reducing compliance costs and improving efficiency for institutions. It also introduces more risk-sensitive capital requirements, aiming to reduce volatility in capital buffers. The introduction of a public comment period and expanded disclosures will reshape compliance calendars and operational workflows. Institutions should prepare for longer lead times, more intricate coordination, and increased demands on organizational agility.

Preparing effectively means consideration of several operational priorities, including but not limited to:

- **Revisiting Compliance Timelines:** The FRB proposes to modify the jump-off date of the supervisory and company-run stress tests from December 31 to September 30. As such, institutions may need to recalibrate calendars to accommodate scenario review and feedback cycles and integrate capital planning milestones with supervisory deadlines. Institutions may also design contingency buffers to accommodate unexpected revisions or additional requests.
- **Building Stronger Cross-Functional Coordination:** Risk, finance, legal, compliance, and other key stakeholders must collaborate to ensure a holistic and sound stress testing framework. Establishing integrated working groups and mapping workflows will help ensure responses are comprehensive and consistent and meet the submission timelines.
- **Investing in Agility & Adaptability:** Investment in technology, flexible scenario modeling, and scalable infrastructure will be essential to keep pace with the evolving supervisory expectations and expanded reporting requirements.
- **Testing Resilience Under New Conditions:** Tabletop exercises using revised workflows, staffing plans, and continuous monitoring of regulatory developments will help institutions identify bottlenecks and respond proactively.

Operational resilience will be tested by adverse economic scenarios and by the pace and complexity of regulatory change. Institutions that diversify their operational strategies will position themselves to meet supervisory expectations with confidence.

Expanding Risk Horizons

The FRB has signaled that updates to reporting forms will improve risk capture while reducing burden. This evolution suggests a future where stress testing incorporates emerging risks more in depth, moving beyond traditional credit and market exposures to encompass systemic vulnerabilities that are increasingly shaping the financial landscape. Institutions should anticipate scenarios that reflect challenges such as climate-related financial risks, cyberthreats and operational resilience, geopolitical instability, and supply chain disruptions. With this in mind, institutions are tasked with broadening their risk lens to help ensure strategic capabilities are resilient and forward-looking.

Transparency & Market Discipline

Expanded disclosures would make stress test results more accessible to investors, analysts, and the public. While this transparency enhances market discipline, it also raises reputational stakes. Institutions should prepare for a future where stress test outcomes are scrutinized not only by regulators but also by the markets, shareholders, and the broader financial industry. Effective communication will be critical to help ensure that transparency builds confidence rather than uncertainty.

Key areas of focus for institutions include:

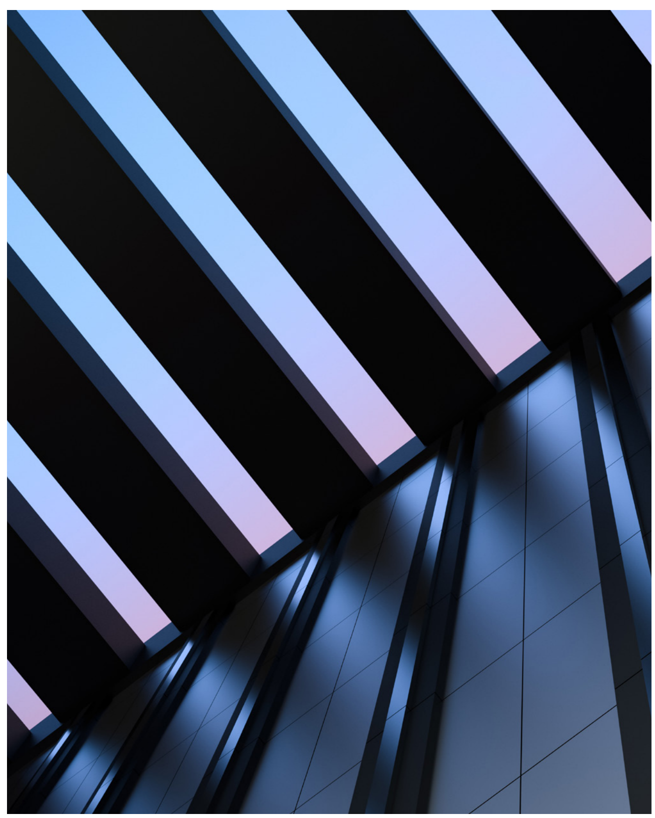
- **Contextualizing Results for Stakeholders:** Institutions should consider going beyond publishing raw stress test outcomes by explaining how those results fit within broader risk management frameworks.
- **Proactive Reputation Management:** Institutions should anticipate potential market reactions and prepare messaging that addresses concerns before they escalate.
- **Embedding Communication Into Governance Structure:** Boards and senior management should be involved in shaping disclosure strategies. Their oversight helps ensure that messaging reflects both regulatory compliance and strategic priorities, strengthening credibility with external stakeholders.

Transparency without context can create confusion or unnecessarily erode confidence. Clear communication and transparency allows institutions to use the expanded disclosures to build trust, show resilience, and stand out in the market.

Final Thoughts

The FRB's proposed enhancements to stress testing represent a pivotal moment for financial institutions, demanding a more holistic approach to risk management, transparency, and stakeholder engagement. Through enhanced transparency, additional engagement opportunities, and expanded risk horizons, the FRB is reshaping the landscape in which institutions operate. Key challenges for financial institutions include:

- Adapting strategies to meet these demands.
- Embracing transparency as a tool for resilience.
- Peparing for a future where stress testing is both a regulatory requirement and a strategic advantage.



Regulatory Overview

Regulatory Overview

Legislative

During Q4 2025, legislative activity focused on modernizing AML reporting requirements. The proposed Streamlining Transaction Reporting and Ensuring Anti-Money Laundering Improvements for a New Era Act (STREAMLINE Act), §3017, would raise the currency transaction report threshold and adjust suspicious activity report thresholds, with automatic U.S. CPI-based adjustments every five years.

Congress also signaled interest in deposit insurance reforms with the introduction of the Main Street Depositor Protection Act, §2999. With the support of several banking and credit union trade associations, the legislation proposes expanded deposit insurance coverage of up to $10 million per depositor for certain deposits held in non-interest-bearing transaction accounts.

Banking Agencies

Joint Agency Statements

Interagency activity reflected a shift toward risk-based supervision and regulatory burden reduction. The banking agencies withdrew the proposed climate-related financial risk management principles for large institutions, citing overlap with existing frameworks and concern about distraction from material risks.

The FDIC and OCC jointly proposed a formal definition of "unsafe and unsound practices," which could limit supervisory findings to acts, omissions, or patterns of behavior likely to cause material financial harm to an institution or the Deposit Insurance Fund (DIF). Under this proposal, examiners could only issue a Matters Requiring Attention (MRA) for an issue that, if continued, could reasonably be expected to, under current or reasonably foreseeable conditions, materially harm the financial condition of an institution, or present a material risk of loss to the DIF. Supervisory and enforcement actions would also be tailored to each institution's capital position, complexity, risk profile, asset size, and other relevant risk factors.

In addition, the agencies proposed eliminating "reputation risk" as a standalone supervisory category, reducing subjectivity in supervisory criticism and protecting lawful customer relationships.

The agencies also issued joint suspicious activity report (SAR) FAQs, in coordination with the Financial Crimes Enforcement Network (FinCEN), promoting a risk-based approach to filings, streamlining continuing activity reviews, and discretion in documentation, requiring institutions to recalibrate processes and cadences in alignment with new regulatory expectations.

For global systemically important banks (GSIBs), the agencies finalized modifications to the enhanced supplementary leverage ratio. At the same time, the agencies proposed revisions to the community bank leverage ratio, primarily lowering the requirement from 9% to 8% and extending the grace periods, among other items, in an effort to spark participation by qualifying institutions.

Finally, the FDIC and OCC jointly announced the withdrawal of the Interagency Guidance on Leveraged Lending and the related FAQs. Moving forward, supervisory expectations have shifted toward broader principles of safety and soundness for banks engaged in leveraged lending. This shift allows banks to balance opportunity and complexity, requiring institutions to offset definitional flexibility with disciplined credit risk management and oversight.

Regulatory Overview

Federal Reserve

The agency advanced a comprehensive proposal to enhance stress test transparency, including expanded scenario design guidance, annual publication of model documentation, public comment on material changes, and streamlined FR Y-14 reporting. Institutions must strengthen model governance, challenger analyses, and change management processes to meet heightened expectations. The comment period for its stress test transparency proposal was extended to February 21, 2026, allowing more time for stakeholder input.

The agency also released a Statement of Supervisory Operating Principles, reflecting a significant change to its supervisory philosophy. Under the new approach, the agency prioritized earlier, proportionate action on material financial risks, relied on other agencies' work where practical, reduced horizontal reviews, and used internal audit functions to confirm remediation of MRAs and MRIAs.

Read more on FRB's new supervisory operating principles and their impact on internal audit.

In addition, the agency finalized updates to its Large Financial Institution supervisory rating framework, clarifying that firms with at least two "Broadly Meets Expectations" or "Conditionally Meets Expectations" ratings and no more than one "Deficient-1" rating will be considered "Well Managed." Notably, the framework removes the automatic enforcement triggers tied to deficient ratings, instead considering the nature and circumstances of findings. The final framework also removed references to reputational risk.

The agency withdrew its 2023 policy on §9(13) of the Federal Reserve Act, which limited state member banks to the same activities permissible for banks supervised by the other federal bank regulatory agencies. In its place, the agency issued a new policy statement that creates an avenue for both insured and uninsured state member banks to engage in certain innovative activities, even if such activities are not approved for banks supervised by the OCC or FDIC, provided the agency determines that the activity can be conducted in a manner consistent with safety and soundness and it does not pose a threat to the stability of the U.S. financial system.

On monetary policy, the FOMC cut rates for the third consecutive time in December 2025, resulting in a target range at 3.50% to 3.75%. In addition, the FOMC announced the end of its quantitative tightening. These actions underscore the fact that the economy faces a moderated labor market and persistent inflation pressures, requiring banks to reassess asset-liability management, deposit pricing, and credit underwriting under evolving economic conditions.

FDIC

The FDIC Board outlined seven priorities emphasizing operational readiness, regulatory clarity, and transparency, including:

- Rebuilding Resolution Execution Capabilities
- Clarifying DIF Management
- Agency Culture Reform
- Reforming the Deposit Insurance Application Process
- Supporting State Bank Preemption Rights
- Modernizing Bank Funding Frameworks
- Community Bank Support

As these priorities evolve, proactive engagement, robust change management, and process improvement will be essential for institutions to adapt and thrive.

The FDIC finalized its rule that indexed certain regulatory thresholds to inflation, covering audit, reporting, securities, and international banking requirements, among others. The rule was largely approved as proposed on July 15, 2025. Part 363 has long been a focal point for compliance leaders as it sets the standards for FDICIA annual audit and reporting requirements, and audit committee composition and compensation.

Read more on updated regulatory thresholds.

The FDIC finalized amendments to signage and advertising requirements, extending the compliance dates for deposit-taking channels and automated teller machines to January 1, 2027, to reduce burden and avoid consumer confusion.

The agency updated its consumer compliance examination schedule, adjusting the frequency for institutions under $3 billion in assets and introducing a mid-point risk analysis to better align supervisory resources with evolving risk profiles. The manual revisions reflect the FDIC's effort to adopt a more risk-focused supervisory approach while maintaining protections for consumers and the safety and soundness of the industry. For many lower-risk institutions, there will be longer intervals between full consumer compliance examinations, while adversely rated institutions will remain subject to more frequent full reviews and targeted compliance examinations.

The FDIC advanced an interim final rule to amend the collection of the special assessment to recover losses to the DIF arising from the systemic risk determination following the closures of Silicon Valley Bank and Signature Bank, as required by the Federal Deposit Insurance Act. The interim final rule reduces the rate from 3.36 basis points to 2.97 basis points, with an invoice payment date of March 30, 2026. Further, the agency plans to provide an offset to regular quarterly deposit insurance assessments for banks subject to the special assessment if the amount collected exceeds losses.

The FDIC has taken its first major step toward implementing the GENIUS Act, releasing a detailed proposal on how state non-member banks or state savings associations could apply to issue payment stablecoins through supervised subsidiaries. Under the proposed rule, a bank would apply through a subsidiary, with the FDIC evaluating both the parent institution and the issuing entity. Reviews would cover reserve standards, operational controls, management quality, redemption mechanics, and overall financial condition. Once approved, the FDIC would supervise the subsidiary's stablecoin activities.

The FDIC issued an update outlining planned next steps in refining insured depository institution resolution planning requirements (IDI Rule) for covered insured depository institutions (CIDIs). The FDIC details several forthcoming changes to the IDI Rule; at minimum, it intends to propose for FDIC Board consideration in 2026, including:

- Codifying the content requirement exemptions and frequently asked questions (FAQs) introduced as part of the April 2025 modified approach.

- Additional revisions that reflect lessons learned from the FDIC's review of 2025 IDI Rule submissions to ensure essential resolution information is provided and low-value requirements are removed.
- Continued evaluation of the interaction between the IDI Rule and the Title I Rule applicable to certain bank holding companies for potential adjustments to address overlap and improve alignment between the two frameworks.

In addition, the agency will conduct capabilities testing to evaluate how quickly CIDIs can populate required information into the agency's virtual data room to ensure institutions can support rapid bidder due diligence during fast-moving bank failures. The proposed changes aim to support the broader refocus of the resolution planning process and align with the agency's evolving priorities.

OCC

The OCC eased BSA/AML examination procedures for community banks, tailoring requirements to reflect lower risk profiles and discontinuing certain data collection. The agency also issued a request for information on challenges community banks face with core service providers, highlighting supervisory interest in third-party risk management.

Along the same lines, the agency issued several bulletins collectively designed to provide regulatory relief to community banks. The action included three bulletins modifying examination guidance and two bulletins announcing notices of proposed rulemaking, all targeted at community banks, which were previously clarified as banks with assets up to $30 billion. Specifically, the OCC:

- Eliminated fixed examination requirements and instead tailored the scope and frequency based on risk.
- Limited reviews of retail non-deposit investment products to core assessment standards.
- Clarified that model risk management practices should be proportionate to each bank's risk profile and complexity, with no prescriptive requirements such as annual validations, and signaled further steps to enhance flexibility.
- Issued a proposed rulemaking to rescind its Fair Housing Home Loan Data System regulation, which would remove duplicative data collection requirements.
- Issued a proposed rulemaking to expand expedited licensing eligibility for community banks.

The OCC proposed rescinding recovery planning standards for banks with over $100 billion in assets, shifting recovery readiness into enterprise frameworks without prescriptive requirements. Instead, large institutions must integrate recovery planning into existing governance structures to avoid control gaps.

The agency published Interpretive Letter 1186, clarifying that national banks may hold native crypto assets as principal and pay blockchain network fees when reasonably necessary to support permissible banking activities.

The OCC also updated its Servicemembers Civil Relief Act (SCRA) handbook, adopting a risk-based approach to supervision, eliminating mandatory transaction testing every three cycles, clarifying servicemember verification processes, and removing references to reputation risk.

The OCC's Fall Semiannual Risk Perspective reiterates that the federal banking system is fundamentally sound, but flags growing cyberthreats, elevated commercial credit risk, and persistent operational and compliance risks tied to modernization and rising fraud. Innovation within the financial system is highlighted as a special topic, with a particular focus on the digital assets landscape and AI. The agency notes that while these activities introduce new risks for institutions, failing to invest in emerging technologies, products, and services may pose equally significant risks. Banks that are slow, reluctant, or unable to adapt could face material challenges to their long-term performance and viability.

The OCC concluded the year by issuing a notice of proposed rulemaking significantly raising the applicability threshold of its Heightened Standards Guidelines from $50 billion to $700 billion in average total consolidated assets. Under the proposal, institutions below the new threshold, referred to as Excluded Institutions, would no longer be subject to the Guidelines' detailed governance and risk-management requirements. Instead, these firms are provided the flexibility to design risk-governance frameworks aligned with their size, complexity, and business models. The proposal reflects the agency's view that the current framework is overly prescriptive for smaller institutions and that, as written, it is only appropriate for the largest and most complex banking organizations.

FFIEC

The Federal Financial Institutions Examination Council (FFIEC) released Community Reinvestment Act data for small business, small farm, and community development loans during 2024, reinforcing transparency in community reinvestment. It also reiterated flood insurance compliance expectations, reminding lenders that lending may continue when National Flood Insurance Program coverage is unavailable if determinations are performed, borrower notices are accurate, and all other applicable parts of the flood insurance requirements are met.

CFPB

The Consumer Financial Protection Bureau (CFPB) proposed revisions to §1071 small business lending rules that streamline data requirements, clarify definitions, extend compliance timelines to January 2028, and enhance privacy safeguards.These changes aim to balance transparency with operational feasibility, reducing regulatory burdens while improving data quality.

The agency also proposed amendments to Regulation B under the Equal Credit Opportunity Act, narrowing liability by eliminating references to disparate-impact claims, clarifying discouragement provisions, and imposing stricter requirements on special purpose credit programs (SPCPs). Collectively, these proposals reshape compliance expectations, reduce legal exposure tied to neutral policies, and heighten oversight of SPCPs.

Market Regulators

SEC

The SEC's Division of Examinations announced its 2026 priorities, focusing on fiduciary conduct, broker-dealer financial responsibility, clearing agency resilience, and oversight of self-regulatory organizations. On the examination side, heightened focus is expected on cybersecurity, operational resilience, identity theft safeguards, fintech and AI controls, and AML compliance. The SEC also clarified it will not review most Rule 14a-8 no-action requests for the upcoming proxy season, citing resource constraints.

In addition, the DTM issued a no-action letter permitting DTC, a wholly owned subsidiary of the DTCC, to proceed with its DTCC Tokenization Services, a pilot program enabling participants to record securities entitlements on distributed ledger technology under certain conditions. The program is designed to test blockchain's potential for enhancing mobility, transparency, and operational efficiency while maintaining systemic safeguards. It should be noted that the program is initially limited to Russell 1000 equities, U.S. Treasuries, and major index ETFs. The SEC emphasizes that DTC must adhere to strict technology standards, quarterly reporting, and resilience protocols, with relief expiring three years after launch.

CFTC

The CFTC withdrew outdated guidance related to the "actual delivery" of virtual currencies, noting that prior rules had become overly complex and no longer reflected the realities of crypto markets.

The CFTC also launched a digital assets pilot program and issued guidance on tokenized collateral, permitting the use of assets such as bitcoin, ether, stablecoins, U.S. Treasuries, and money market funds as collateral in derivative markets. The guidance stressed that CFTC regulations are technology-neutral and encouraged firms to evaluate tokenized assets individually under existing frameworks.

In addition, the agency provided no-action relief to certain prediction market operators, easing reporting burdens and clarifying compliance expectations for event contracts.

Regulatory Overview

U.S. Treasury & Related Agencies

FinCEN

FinCEN renewed its Geographic Targeting Orders requiring title insurers to identify beneficial owners in non-financed purchases across designated jurisdictions. This action continues the agency's focus on transparency in real estate transactions, particularly where cash purchases may obscure illicit activity. Institutions must ensure beneficial ownership processes are robust and integrated into AML governance frameworks.

FinCEN highlighted the Financial Action Task Force's (FATF) updated list of jurisdictions with strategic deficiencies in their AML and countering terrorist financing regimes. The grey list, jurisdictions under increased monitoring, saw Burkina Faso, Mozambique, Nigeria, and South Africa removed, while the blacklist remained unchanged.

Accounting Standard Setters

FASB

FASB released an update to ASC 326: Financial Instruments – Credit Losses to address concerns regarding complexity and lack of comparability in the accounting for purchased loans under the current credit loss standard (Topic 326). The Accounting Standards Update (ASU) removes the previous distinction in accounting between purchased credit-deteriorated (PCD) assets and non-PCD assets by applying the "gross-up" accounting method, formerly used only for PCD assets, to most acquired loans. These loans will now be designated as "purchased seasoned loans" (PSLs). This change eliminates the Day-1 credit loss expense on PSLs, which the industry considered a "double-count" of expected losses on acquired performing loans, by instead recognizing expected credit losses at acquisition without immediate impact to earnings.

In this newsletter, we only highlight a few of the many important accounting changes that can impact your financial institution. For more information and to stay informed with the latest accounting and reporting developments, Forvis Mazars produces a variety of quarterly updates, including: Quarterly FASB Update, Quarterly Accounting Update, and Quarterly Financial Reporting Update.

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International Regulatory Overview

European Union & United Kingdom

International Regulatory Overview
Introduction

The final quarter of 2025 in Europe was shaped by regulatory simplification and competitiveness of the financial sector as a growing priority, while maintaining a sharp focus on risks stemming from an uncertain macroeconomic and geopolitical environment, as well as technology-related risks and opportunities.

In the EU, the European Commission's (Commission) decision to halt work on more than 100 pending Level 2 measures reflects a strong effort to reduce complexity and regulatory burden.

A political agreement on the Sustainability Omnibus was reached, as a positive step in the EU legislative process. The package aims to simplify and streamline sustainability obligations to reduce reporting burdens across the EU framework. The Commission also published its long-awaited Digital Omnibus proposal.

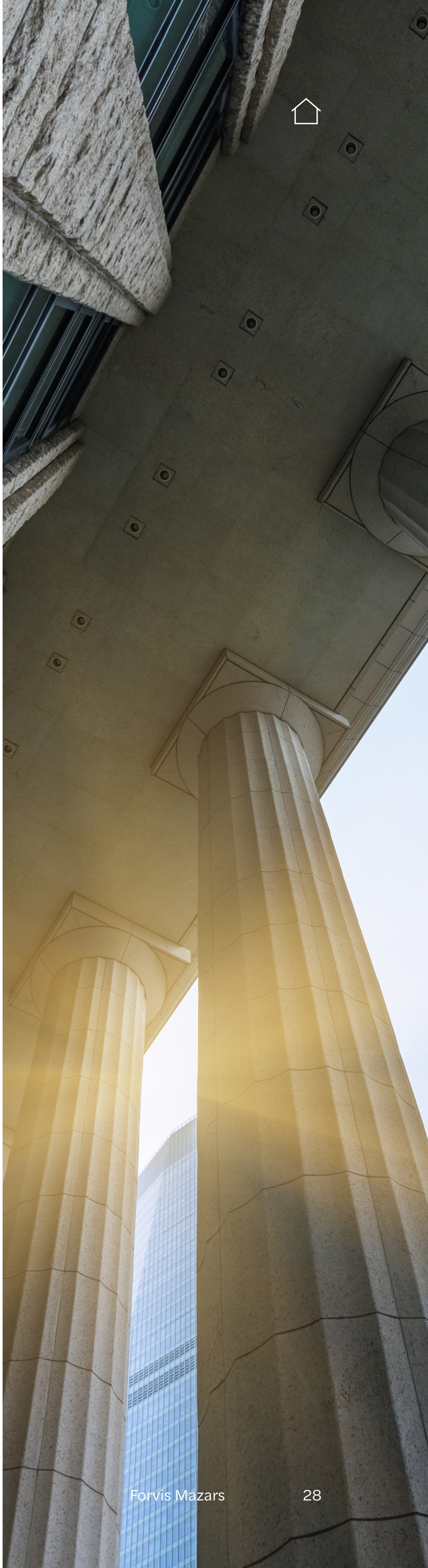
The political challenges around the Sustainability Omnibus have underscored the structural difficulty of the EU for amending regulations quickly.

The ongoing initiatives highlight differing perspectives between regulators and supervisors on what effective simplification should mean. Supervisors, meanwhile, are setting priorities for 2026 with a sharp focus on macroeconomic, geopolitical, and technology-related risks, while the Single Resolution Board (SRB) continues to reinforce its emphasis on ensuring that EU banks are resolvable in practice.

The U.K. has maintained its principle-based approach, advancing reforms to streamline reporting and strengthen operational resilience, while keeping competitiveness and growth firmly on the agenda. Its strategy reflects a deliberate wait-and-see stance on global developments, especially from the U.S., while moving ahead on digital finance and AI governance through proportionate, innovation-friendly measures.

Looking ahead to the next quarter, attention in the EU and U.K. will turn to the anticipated U.S. re-proposal of its Basel package, including the market risk component, and the potential implications of any transatlantic divergences for global banks' capital planning and cross-border competitiveness.

Read more in Forvis Mazars' Global Financial Services newsletter.



EU Regulatory Overview

The current EU regulatory cycle is marked by Commission-led objectives of simplifying compliance frameworks and reinforcing sustainable finance.

Supervisors, meanwhile, confirmed their 2026 priorities around resilience to geopolitical and macro-financial risks, operational and Information and Communication Technology (ICT) robustness, prudent risk-taking, climate and nature risk integration, and the safe adoption of digital and AI innovation.

Major Shifts in Digital & Sustainable Finance Are Underway

The new EU digital package aims to open opportunities for companies to grow and innovate while upholding Europe's high standards of fundamental rights, data protection, safety, and fairness. As a Commission proposal, it seeks to adjust Artificial Intelligence Act (AI Act) timelines, expand sandboxes and the AI Office's role, and move toward a single reporting window across the Network and Information Security Directive 2 (NIS2), Digital Operational Resilience Act (DORA), and General Data Protection Regulation (GDPR), making digitalization a tool for efficiency rather than merely a compliance cost.

In the meantime, the Commission's Sustainable Finance Disclosure Regulation (SFDR) reboot shows that the Commission took into account the 2023 consultation. It recognizes that Articles 8/9 failed to deliver clarity for investors and may have unintentionally fueled greenwashing. The draft legislation pivots to investor usability: slimmer, category-based templates and three product buckets with implementation foreseen in 2027–2028.

The analytical implication for banks is straightforward:

- Start mapping product shelves to the draft categories.
- Align CSRD datapoints to avoid duplication.
- Repaper cloud contracts for portability. The point is not only to make compliance easier; it is to ensure disclosures support capital formation rather than impede it.

European Central Bank (ECB) Major Publications

The ECB has published a draft guideline to harmonize how non-performing exposures (NPEs) are covered by less significant institutions (LSIs). It clarifies supervisory expectations for the management and provisioning of NPEs classified after 2019.

The ECB published a working paper on the Impacts of ESG banking regulation on financing new sustainable technologies. It analyzes how environmental, social, and governance (ESG) regulation is redirecting the need for capital. It finds that EU rules (SFDR, taxonomy) have reduced banks' public investments in poorly rated mining firms without raising those firms' cost of capital, suggesting substitution by other investors. Banks, therefore, need better client transition plans and investor communication strategies that allow financing of essential, high ESG risk segments with credible improvement paths, rather than blanket withdrawal.

Progress in the Banking Package

The integration of the different expectations from the finalization of Basel III and its European transposition, Capital Requirements Regulation 3 (CRR3), is still ongoing. On access, the European Banking Authority (EBA) consults (until February 3, 2026) to harmonize Central Registration Depository (CRD) authorization for third country branches, setting standard information requirements, templates and methodologies, and strengthening cooperation with third country regulators. Harmonization reduces interpretative friction and should cut the setup time for cross border business models, provided banks invest in front loaded documentation quality.

On market risk, the EU has deferred Fundamental Review of the Trading Book (FRTB) capital requirements to January 1, 2027. Dual reporting remains (pre FRTB and FRTB), and CRR3 disclosure timelines are shifted accordingly. Banks should use this extra time to help ensure their risk models work smoothly and reliably to help avoid any unexpected problems later.

The EBA's Regulatory Technical Standards (RTS) package sets common rules for classifying losses in line with DORA, allows exemptions from annual loss calculations when they would be overly burdensome, and explains how to manage data in mergers and acquisitions, including currency conversion, taxonomy alignment, and handling missing histories. The message is that accuracy, lineage, and portability matter as much as controls.

Credit risk updates round out the package. Final guidelines on Credit Conversion Factors (CCFs) align with Probability of Default (PD) and Loss Given Default (LGD) guidance and introduce simplified approaches. Acquisition, Development and Construction (ADC) guidelines enable a 100% risk weight when pre sales and equity thresholds are met, while draft RTS defines an "equivalent mechanism" for unfinished property collateral. Taken together, these credit risk updates show the ECB is driving toward clearer, evidence-based rules that make capital requirements more predictable and less open to interpretation.

EU Prepares to Face Geopolitical Risks

The ECB will conduct a reverse stress test in 2026 focused explicitly on geopolitical risk. Unlike the standard EU-wide stress test, this exercise will be bank-specific rather than based on a common scenario. Each institution will be required to identify the geopolitical scenario that would most severely impact its own capital position, including the size of the capital depletion.

Banks will apply their own Internal Capital Adequacy Assessment Process (ICAAP) methodologies, including dynamic balance sheet assumptions and management actions. The ECB confirmed that this reverse stress test will not directly feed into Pillar 2 Guidance (P2G), but findings will inform the Supervisory Review and Evaluation Process (SREP) and indirectly the Pillar 2 Requirement (P2R), which remains anchored in the SREP framework. This exercise is different from prior supervisory stress tests because it is institution-specific.

EU Is Resilient, According to Supervision

In EBA's EU wide stress test, 70 banks—about 75% of EU assets—face an adverse scenario of prolonged recession, unemployment increases, real estate corrections, and wider credit spreads/volatility, yielding an average Common Equity Tier 1 (CET1) fully loaded drop of 5.2% (from 15.1% to 9.9%).

ECB's SREP 2025 corroborates overall resilience: CET1 averages 16.1%, overall requirements for 2026 remain at 11.2%—P2R 1.2%, P2G 1.1%—and liquidity buffers are strong—Liquidity Coverage Ratio (LCR) 158%, Net Stable Funding Ratio (NSFR) 127%. Yet vulnerabilities stand out—CRE at 4.6% and SME at 4.9% NPLs—with Stage 2 loans at 9.6%. With transparent P2R methodologies from 2026, banks should tighten migration monitoring (Stage 1→2→3), and ensure ICAAP links risk appetite to forward looking distribution of losses.

A Better Resolution Preparedness

Resolution policy is shifting from doctrine to operations. The EBA's new simulation handbook offers six exercise formats, clarifies the distinction between test, simulation, and dry run, and provides charters, templates, and even recommendations for generative AI use. The goal is cross border interoperability and readiness—getting authorities and institutions to practice not just the balance sheet mechanics but the logistics of execution.

In parallel, the EBA's consultation to streamline RTS for resolution plans and colleges seeks leaner, non redundant plan structures and a resolvability assessment reorganized around seven core dimensions. And because crisis management is as much about narrative as numbers, the SRB's communication guidance aims to improve bank crisis communications, to make it faster and more precise, with coherent messages that lessen contagion and support the resolution strategy.

EU Simplification Initiatives

Multiple initiatives are underway across Europe to advance the Commission's regulatory simplification agenda. In October 2025, the EBA unveiled 21 recommendations aimed at reducing the burden of regulatory reporting, the number of technical standards/guidelines, and streamlining the capital stack. It also started the third revision of its common SREP guidelines with a view to updating and focusing on core assessments by reducing outdated or non-strictly necessary elements.

In parallel, in December 2025, the ECB published its report on streamlining supervision and safeguarding resilience with a view to overhauling its banking supervision to make it more efficient, risk-focused, and agile. This approach responds to new challenges such as geopolitical risks, cyberthreats, climate change, and digitalization. Lastly, the ECB high-level task force issued 17 recommendations on simplification, aimed at streamlining the EU's prudential and supervisory framework, including simplifying the capital structure, introducing a more proportionate regime for small and non complex institutions, reducing national divergences, and easing supervisory and reporting burdens.

Together, these initiatives are expected to shape forthcoming legislative proposals aimed at amending and streamlining the EU regulatory framework.

Moving Into 2026

The 2026 horizon anchors these developments in multiyear strategies. The Commission's work program sets seven priorities, from prosperity and competitiveness to rule of law and Europe's global stance, framed by annexes on new initiatives, evaluations, pending proposals, withdrawals, and envisaged repeals.

The Single Supervisory Mechanism's (SSM) supervisory priorities for 2026–2028 focus the banking lens: prudent risk taking and credit standards, adequate capital with coherent CRR implementation, and integrated climate/nature risk on one side; and, on the other, operational resilience and ICT, repairing data/reporting weaknesses, and adopting medium- to long-term digital and AI strategies with stronger governance.

The EBA's Work Programme 2026 advances an efficient, resilient, and sustainable single market through rulemaking (RTS/ITS, guidelines), supervisory convergence, risk analytics, and direct oversight of critical third parties under DORA and crypto asset service providers under Markets in Crypto-Assets Regulation (MiCAR), underpinned by European Centralised Infrastructure for Supervisory Data (EUCLID) for data management.

EU Regulatory Overview

The European Securities and Markets Authority's (ESMA) program complements this with effective markets and stability, expanded direct supervision, *i.e.*, Certified Treasury Professionals (CTPs), ESG rating providers, European Green Bond (EuGB) external reviewers, and retail investor protection, driven by sustainable finance and a data/innovation agenda.

Finally, the Joint European Supervisory Authorities (ESAs) Work Programme includes the first DORA oversight cycle, with the identification of critical third-party providers and the formation of Joint Examination Teams. It also plans to improve supervisory consistency, strengthen EU cyber-incident coordination, simplify PRIIPs KIDs, and deliver joint ESG stress-testing guidelines by January 2026. Additional priorities include work on securitization, financial conglomerates, the European Forum for Innovation Facilitators (EFIF), and the mapping of External Credit Assessment Institutions (ECAIs).

The common rationale between all these different matters is to help simplify and converge rules, professionalize data and reporting, and institutionalize resilience—financial, operational, and communicational—so that innovation can be adopted responsibly and capital can be allocated where Europe most needs it.

U.K. Regulatory Overview

Encouraging Domestic Growth—Simplified Prudential Regime for Domestic Banks

Maintaining international competitiveness, while encouraging domestic growth, is firmly on the U.K. government's and the regulatory authorities' agendas, and thus determining regulatory authority priorities. For example, the Prudential Regulation Authority (PRA) has recently published its near-final rules setting out the simplified capital regime for Small Domestic Deposit Takers (SDDTs). This is colloquially known as the Strong and Simple Framework and will apply to smaller, domestically focused U.K. banks and building societies from January 2027. The purpose is to simplify regulatory requirements and reduce reporting requirements with the consequential aim to improve smaller credit institutions' competitiveness and encourage lending growth.

U.K. Approach to AI

The U.K. regulatory authorities are demonstrating their long-standing principle-based and pragmatic approach to regulation by identifying areas to reduce or avoid new burdens while maintaining robust regulations for firm and market stability. The U.K. approach to AI, through proportionate, innovation-friendly measures, is a clear instance. Unlike in the EU, the U.K. authorities want to give firms flexibility to adapt to technological change and market developments, rather than introduce new, detailed, and prescriptive rules. Consequently, the Financial Conduct Authority (FCA) does not plan to introduce extra regulations for AI. Instead, they'll be relying on existing frameworks, such as the Consumer Duty and the Senior Managers and Certification regime, to mitigate many of the risks associated with AI.

An Updated Remuneration Regime for Banking

Continuing the theme of reducing burdens while maintaining firm stability, in October this year, the PRA and FCA published joint policy statements (that came into force immediately) finalizing major reforms to the U.K. bankers' remuneration regime. These significantly increase flexibility while maintaining accountability for risk-taking.

Examples are:

- Senior banker bonus deferrals being cut from eight to four years, with part-payment of bonuses now allowed from year one rather than year three.
- A streamlined regulatory rulebook removing unnecessary duplication.

Status Report on Basel Market Risk

The U.K. authorities are also displaying their pragmatic approach to regulatory rulemaking through deliberate wait-and-see stances on global developments. As part of the U.K.'s Basel 3.1 package, the vast majority of PRA Market Risk rules will be published in Q1 2026 and enter into force in January 2027. The PRA has already signaled that there will not be any further substantive changes to what has already been published, so firms should be preparing now. The only part of the market risk regime entering into force after January 2027 is the new internal model requirements, the Fundamental Review of the Trading Book (FRTB), which will commence in January 2028. This is to allow the PRA to finalize those rules in light of any developments in other jurisdictions, including the U.S. and the EU. So this will be the particular market risk development to watch across the three regions and whether countries lag/fragment, creating consequential delays in other regions. Until that time, U.K. firms will stay on their current market risk internal models when Basel 3.1 is implemented in January 2027.

U.K. Crypto Asset Regulation

An area of regulatory focus not mentioned above, and one to firmly keep an eye on, is the U.K.'s approach to regulating crypto assets and stablecoins. The Bank of England is currently consulting on a regulatory regime for sterling-denominated systemic stablecoins. The FCA has already published consultations on stablecoin issuance and crypto asset custody, a prudential regime, and cross-cutting requirements such as systems and controls. There are still more consultations to come soon on market abuse, consumer duty, admissions and disclosure, and particular prudential issues like groups and prudential reporting. The FCA aims to publish all policy statements in 2026 and then have a window for firms to become authorized under the new regime. We still await confirmation on the date in which the new regime comes into force. The FCA is very clear that they are working with and learning from fellow international regulators to better understand what other jurisdictions are doing. In a similar vein to themes remarked on above, the FCA is aiming to achieve a balance between enabling innovation, where regulated firms want to do business in the digital assets market, while ensuring integrity and trust so consumers can make informed decisions, and the FCA has also created a crypto policy implementation roadmap.

Appendix

Appendix
European Annexes

Parliament

Date	Topic	Description	Tag
9.10.2025	Adoption of the amendment to CSDR regarding the T+1 settlement cycle	The Central Securities Depositories Regulation (CSDR) governs securities settlement in the EU. The amendment shortens the settlement cycle from T+2 to T+1, reducing counterparty risk and aligning with global standards. It requires operational changes for banks, brokers, and clearing houses.	Regulatory Thresholds
10.7.2025	Adoption of the position on amending reporting requirements in financial services and investment support regulations	This position simplifies and updates reporting obligations for financial institutions, reducing administrative burdens and supporting investment. It aims to make regulatory reporting more efficient and less costly.	Reporting
10.22.2025	European Parliament vote on simplified sustainability and due diligence rules	MEPs are voting on new rules requiring companies to act responsibly regarding environmental and social impacts, with simplified procedures. This improves corporate accountability and affects supply chain management.	Compliance
11.5.2025	Provisional agreement on amending Directive 2014/59/EU regarding intervention measures, resolution conditions, and funding	Updates to the Bank Recovery and Resolution Directive clarify intervention tools, resolution triggers, and funding mechanisms for failing banks, aiming to protect financial stability and taxpayers.	Regulatory Thresholds
11.5.2025	Provisional agreement on amending Directive 2014/49/EU regarding deposit protection scope, use of guarantee funds, cross-border cooperation, and transparency	Strengthens deposit guarantee schemes, clarifies fund usage, and enhances cross-border cooperation and transparency to protect depositors and improve financial stability.	Regulatory Thresholds

Appendix
European Annexes

European Commission

Date	Topic	Description	Tag
9.17.2025	Draft regulation amending CSDR regarding the T+1 settlement cycle	The Commission proposes regulatory changes to align EU settlement cycles with global standards, reducing settlement risk and improving efficiency.	Regulatory Thresholds
9.15.2025	Delegated Regulation (EU) 2025/1125 supplementing MiCAR on ARTs authorization requests	Sets out requirements for asset-referenced token (ART) issuers under MiCAR, detailing authorization procedures to protect investors and ensure market integrity.	Digital Assets
9.15.2025	Implementing Regulation (EU) 2025/1126 establishing forms and procedures for ARTs authorization (MiCAR)	Specifies the forms and processes for ART issuers to obtain authorization under MiCAR, standardizing the application process across the EU.	Digital Assets
9.2.2025	Delegated regulation on ESMA supervisory fees	Defines the fee structure for entities supervised by ESMA, ensuring adequate funding for oversight.	Compliance
9.2.2025	Delegated regulation on ESMA sanction procedures for consolidated tape providers	Outlines procedural rules for ESMA to impose sanctions on consolidated tape providers, ensuring compliance with transparency and data quality standards.	Digital Assets
9.15.2025	Delegated Regulation (EU) 2025/1125 supplementing MiCAR on the information to be provided for ARTs authorization applications	This delegated regulation is an implementing act under the Markets in Crypto-Assets Regulation (MiCAR), which is the EU's comprehensive framework for regulating crypto-assets. Specifically, Regulation (EU) 2025/1125 sets out the detailed information requirements that issuers of Asset-Referenced Tokens (ARTs) must submit when applying for authorization to operate in the European Union.	Reporting
9.30.2025	Strengthening investment opportunities and financial literacy	The EU launches initiatives to boost citizens' financial literacy and access to investment opportunities, empowering retail investors and supporting capital markets.	Regulatory Thresholds

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European Commission

Date	Topic	Description	Tag
10.3.2025	Delegated regulation specifying liquidity management requirements for ART and e-money token issuers	Sets liquidity management standards for issuers of asset-referenced and e-money tokens to ensure stability and protect consumers.	Regulatory Thresholds
10.6.2025	ITS on reporting standards for transfer fees, instant transfers, and payment accounts	Establishes technical standards for reporting on payment transfers and related fees, increasing transparency and supporting faster, cheaper cross-border payments.	Reporting
10.14.2025	Amendment to Regulation (EU) No 909/2014 on shortening the settlement cycle in the Union	Updates the regulation to reduce the securities settlement cycle, aligning with international best practices and reducing systemic risk.	Regulatory Thresholds
10.14.2025	RTS specifying the method for identifying the main risk factor of a position and its direction (long or short)	Provides technical standards for risk assessment in financial positions, supporting accurate capital requirements and better risk management.	Regulatory Thresholds
10.14.2025	RTS on the assessment of extensions and changes to internal models	Details the regulatory standards for banks seeking to modify or extend their internal risk models, ensuring consistency and preventing underestimation of risks.	Regulatory Thresholds
10.31.2025	Implementing Regulation (EU) 2025/2159 on reporting and disclosure by investment firms	Sets out requirements for investment firms to report to supervisors and disclose publicly, increasing transparency and market discipline.	Reporting
11.3.2025	Delegated Regulation (EU) 600/2014 on authorization and organization requirements for publication and reporting systems	Specifies requirements for market data publication and reporting systems, ensuring reliability and integrity.	Reporting

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European Commission

Date	Topic	Description	Tag
11.3.2025	Delegated Regulation (EU) 600/2014 on input/output data, clock synchronization, and revenue redistribution for consolidated publication systems	Details technical requirements for consolidated tape providers, including data handling and timing, promoting fair competition.	Compliance
11.3.2025	Delegated Regulation (EU) 600/2014 on making market data available to the public on reasonable commercial terms	Ensures that market data is accessible to the public at fair prices, improving transparency and market efficiency.	Compliance
11.21.2025	Implementing Regulation (EU) 2025/2338 amending technical standards on joint decision procedures for certain prudential authorizations (CRR)	Updates procedures for joint decisions on prudential authorizations under the Capital Requirements Regulation, streamlining supervisory cooperation.	Regulatory Thresholds

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European Annexes

ECB

Date	Topic	Description	Tag
9.9.2025	Amendment to Regulation 2015/534 on prudential financial reporting	Updates the ECB regulation on prudential reporting to improve data quality and harmonization across significant institutions. This ensures supervisors have accurate information for risk assessment and compliance monitoring.	Reporting
9.17.2025	Publication of prudential statistics for significant institutions (Q2 2025)	Provides aggregated prudential data for significant banks under ECB supervision, offering transparency on capital, liquidity, and risk metrics.	Reporting
9.26.2025	Findings on the digital euro	Summarizes ECB's analysis on the design, benefits, and challenges of a potential digital euro, including implications for monetary policy and financial stability.	Digital Assets
9.12.2025	Amendment to FINREP regulation to strengthen prudential credit risk assessment	Enhances FINREP templates to capture more granular credit risk data, supporting better supervisory oversight and stress testing.	Reporting
10.9.2025	Renewal of ESCB commitment to the FX Global Code	Reaffirms adherence to global standards for foreign exchange market conduct, promoting integrity and transparency in FX trading.	Compliance

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EBA

Date	Topic	Description	Tag
9.12.2025	Final report amending ITS on MREL reporting	Updates Implementing Technical Standards for reporting Minimum Requirement for Own Funds and Eligible Liabilities (MREL), improving clarity and consistency	Reporting
9.15.2025	Revision of ITS validation rule list	Adjusts validation rules for supervisory reporting to reflect updated frameworks and reduce reporting errors.	
9.5.2025	Feedback on technical package and new DPM 2.0 glossary	Provides industry feedback on the updated Data Point Model (DPM) and technical standards, aiming to streamline reporting and improve data quality.	
10.8.2025	Report on improving AML/CFT supervision of banks in the EU	Assesses current AML and counter-terrorist financing supervision practices, recommending enhancements for consistency and effectiveness.	BSA/AML
10.1.2025	Report on ML/TF risks in crypto-asset services	Identifies money laundering and terrorist financing risks linked to crypto services, proposing mitigation measures for supervisors and firms.	BSA/AML
10.10.2025	Response to Commission amendments on RTS for liquidity requirements of asset reserve under MiCA	Clarifies technical standards for liquidity management of asset reserves backing crypto tokens, ensuring stability and investor protection.	Digital Assets
10.14.2025	Report on the spread of White Labelling in banking and payment services	Examines the growing practice of outsourcing branded services, assessing operational and compliance risks.	Compliance
10.15.2025	Joint recommendation with ESMA for targeted review of investment firm prudential framework	Suggests adjustments to the prudential regime for investment firms to address emerging risks and improve proportionality.	Regulatory Thresholds

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EBA

Date	Topic	Description	Tag
10.22.2025	Final report on AML/CFT cooperation framework between supervisors	Evaluates the functioning of cross-border cooperation for AML/CFT supervision, proposing improvements for information sharing and coordination.	BSA/AML
11.6.2025	Follow-up report on excluding transactions with non-financial counterparties in third countries from CVA risk	Reviews the impact of excluding certain transactions from Credit Valuation Adjustment risk calculations, ensuring consistency with prudential objectives.	Regulatory Thresholds
11.12.2025	Consultation on guidelines for independence of competent authorities under CRD	Seeks input on measures to safeguard supervisory independence, reinforcing governance standards under the Capital Requirements Directive.	Compliance
11.4.2025	Update of mapping and signaling tools to integrate latest Pillar 3 and prudential reporting developments	Improves supervisory tools for risk signaling and disclosure alignment with updated regulatory frameworks.	Compliance

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ESMA

Date	Topic	Description	Tag
9.10.2025	Consultation on CCP participation requirements	ESMA launched a consultation on clearing house (CCP) participation requirements to ensure robust risk management and access conditions. This aims to strengthen financial stability and reduce systemic risk in derivatives markets.	Regulatory Thresholds
10.10.2025	Statement on transition to revised MiFID II/MiFIR framework	Clarifies ESMA's expectations for firms transitioning to updated MiFID II/MiFIR rules, focusing on transparency, investor protection, and market integrity.	Compliance
12.19.2025	Publication of pre- and post-trade transparency manual under MiFID II/MiFIR	Provides detailed guidance on transparency obligations for trading venues and investment firms, enhancing market openness and compliance.	Compliance
10.15.2025	Final report on prudential expectations for management bodies	Sets supervisory expectations for governance and risk oversight by boards of financial institutions, aiming to strengthen accountability and resilience.	Compliance
10.16.2025	Second consolidated report on sanctions and administrative measures in Member States (2024)	Summarizes enforcement actions across the EU, promoting consistency and deterrence in regulatory compliance.	
10.14.2025	Q&A on distinction between execution and order transmission services in crypto-assets (MiCA)	Clarifies regulatory boundaries for crypto-asset services under MiCA, reducing uncertainty for firms and investors.	Digital Assets

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ESMA

Date	Topic	Description	Tag
10.22.2025	RTS on European code of conduct for issuer-sponsored research	Introduces standards for research funded by issuers to prevent conflicts of interest and maintain research integrity.	Compliance
10.13.2025	Settlement discipline reforms and transition to T+1	Details ESMA's approach to implementing settlement discipline measures and moving to a shorter settlement cycle, reducing operational risk.	Regulatory Thresholds
10.15.2025	Final RTS to harmonize ESG rating activities framework	Establishes uniform standards for ESG rating providers, improving transparency and comparability of sustainability assessments.	Compliance
10.15.2025	Final report on European Green Bonds (EuGB) obligations	Defines disclosure and verification requirements for issuers of European Green Bonds, supporting sustainable finance objectives.	Compliance
10.21.2025	RTS on open-ended alternative investment funds granting loans (AIFMD)	Specifies risk management and disclosure standards for loan-originating AIFs, addressing investor protection and systemic risk.	Regulatory Thresholds

Council

Date	Topic	Description	Tag
10.15.2025	Political agreement on amending Regulation 806/2014 and Directives 2014/59/EU, 2014/24/EU, and 2014/49/EU on resolution and deposit protection	The Council reached a political agreement to update EU bank resolution and deposit protection frameworks. Changes aim to enhance crisis management tools, improve depositor confidence, and strengthen financial stability.	Regulatory Thresholds

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FCA

Date	Topic	Description	Tag
11.26.2025	Speech on the FCA's approach to regulating cryptoassets and stablecoins	David Geale, Executive Director of Payments and Digital Finance at the FCA and Managing Director of the Payment Systems Regulator (PSR), delivered a speech outlining the FCA's approach to regulating crypto assets and stablecoins.	Regulator Internal
12.1.2025	FCA - CP25/34: ESG ratings: proposed approach to regulation	This consultation paper sets out the FCA's proposed regulatory framework for ESG ratings providers. This follows the Government's decision to bring ESG ratings within the FCA's regulatory remit.	Compliance

Bank of England

Date	Topic	Description	Tag
11.10.2025	Proposed regulatory regime for sterling-denominated systemic stablecoins	The regime is designed to maintain financial stability and enable systemic stablecoin issuers to operate viable business models. Alongside granting such issuers access to a deposit account at the Bank, the Bank is proposing that issuers can hold a portion of their backing assets in short-term U.K. government debt. The Bank are also considering putting in place central bank liquidity arrangements to help backstop issuers' ability to monetize those assets if needed.	Compliance

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U.K. Annexes

PRA

Date	Topic	Description	Tag
10.15.2025	PS21/25: Remuneration Reform (with FCA)	The reforms seek to ensure better alignment between the financial incentives of staff who have a material impact on the firm's risk profile, and the long-term interests of the firm and ultimately the U.K. economy. The regime works alongside other governance requirements and expectations including the Senior Managers and Certification Regime (SM&CR) to support both firms and regulators in holding senior staff to account.	Compliance
10.28.2025	PS20/25: The simplified capital regime for Small Domestic Deposit Takers	The "Strong and Simple" Framework is designed to deliver a more proportionate and simplified prudential framework for small, domestically focused deposit takers in the U.K., while maintaining their resilience.	Compliance
11.12.2025	PS22/25: Leverage Ratio: Changes to the retail deposits threshold for application of the requirement	This finalizes changes to the leverage ratio framework's retail deposits threshold, increasing it from £50 billion to £75 billion, effective January 1, 2026.	Compliance
12.3.2025	Basel 3.1: Market Risk	Phil Evans, Director, Prudential Policy at the PRA, delivered a speech focusing on the U.K.'s upcoming implementation of the market risk element of Basel 3.1.	Regulator Internal

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CFPB

Date	Topic	Description	Tag
10.02.2025	CFPB Finalizes Section 1071 Compliance Date Extension	The CFPB finalized its interim rule amending compliance dates for §1071 of the Dodd-Frank Act, which requires financial institutions to annually collect and submit demographic and credit application data for women-, minority-, and small-business borrowers.	Compliance
10.28.2025	CFPB Announces Interpretive Rule Clarifying Scope of FCRA Preemption	The CFPB announced an interpretive rule that clarifies the scope of the Fair Credit Reporting Act's preemption of state laws.	Compliance
10.29.2025	CFPB Rescinds Its Nonbank Registry Rule (NBR Rule)	The CFPB issued a final rule to rescind its NBR Rule, which required nonbank financial companies that have broken consumer laws and are subject to government or court orders to report those orders to a bureau registry.	Compliance
10.29.2025	CFPB Withdraws Proposed Form Contract Registry Rule	The action rescinds the 2023 proposal, Notice of Proposed Rule: Registry of Supervised Nonbanks That Use Form Contracts To Impose Terms and Conditions That Seek To Waive or Limit Consumer Legal Protections, to require supervised nonbanks to register and report form contract clauses that waive or limit consumer legal rights.	Compliance
11.13.2025	The CFPB Proposes Additional Revisions to Section 1071	The CFPB proposed revisions to its small business lending rule under §1071 of the Dodd-Frank Act. Key changes include narrowing mandatory data fields, clarifying definitions and thresholds, extending compliance timelines to January 1, 2028, and strengthening information privacy.	Compliance
11.13.2025	The CFPB Proposes ECOA Updates	The CFPB proposed narrowing Regulation B under ECOA by removing the "effects test" to eliminate disparate-impact claims, tightening discouragement rules to focus on explicit discriminatory statements, and imposing stricter compliance requirements for SPCPs.	Compliance
12.15.2025	CFPB Announces Ceiling on Allowable Charges Under FCRA	The CFPB announces that the ceiling on allowable charges under section 612(f) of the Fair Credit Reporting Act (FCRA) will increase to $16.00, effective for 2026.	Compliance Regulatory Thresholds

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CFTC

Date	Topic	Description	Tag
12.01.2025	CFTC Announces Reforms to the Wells Process	The CFTC announced updates to the Wells process addressing notice procedures, extending response times, and requiring objective and evidence-based internal reviews.	Broker-Dealer
12.04.2025	CFTC Announces First-Ever Listed Spot Crypto Trading on U.S. Regulated Exchanges	The CFTC announced that spot cryptocurrency products may now trade on federally regulated exchanges.	Broker-Dealer Digital Assets
12.08.2025	CFTC Announces Launch of Digital Asset Pilot Program for Tokenized Collateral in Derivative Markets	The CFTC launched a pilot program allowing BTC, ETH, and USDC to be used as collateral in regulated derivatives markets, establishing clear guidelines for tokenized collateral and customer protection.	Broker-Dealer Digital Assets
12.11.2025	CFTC Issues No-Action Letters Regarding Event Contracts	CFTC staff issued no-action letters allowing certain registered entities to forego swap data reporting and record-keeping for binary option transactions under specific conditions.	Broker-Dealer
12.11.2025	CFTC Announces Withdrawal of Outdated Digital Assets Guidance	The CFTC withdrew its 2020 "actual delivery" guidance for virtual currencies, citing major changes in crypto markets and aiming to develop clearer, more consistent rules for digital assets.	Broker-Dealer Digital Assets
12.12.2025	CFTC Announces Implementation of U.S. Treasury Reforms	The CFTC proposed expanding specific cross-margining arrangements to allow certain customers—not just clearing members—to net U.S. Treasury futures and cash positions, aiming to boost liquidity and capital efficiency in the Treasury market.	Broker-Dealer
12.18.2025	CFTC Approves Final Rule to Revise Swap Dealer Business Conduct and Documentation Requirements	The CFTC approved a final rule creating targeted exceptions to certain swap dealer requirements for swaps cleared at execution and those under prime broker arrangements.	Broker-Dealer

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CFTC

Date	Topic	Description	Tag
12.18.2025	CFTC Seeks Public Comment on Direct Clearing by Retail Participants	The CFTC is seeking input on retail direct clearing of derivatives, highlighting the growth of fully-collateralized Retail DCOs and hybrid models that let retail traders clear either directly or through FCMs.	Broker-Dealer
12.19.2025	CFTC Announces Pilot Program to Lower Energy Costs	The CFTC announced launch of a pilot program aimed at boosting liquidity and hedging in energy markets by recalibrating outdated regulatory requirements	
12.19.2025	CFTC Issues No-Action Letter Regarding CPO Registration	The CFTC is temporarily relieving private fund managers of CPO registration requirements.	Broker-Dealer
12.22.2025	Michael Selig Sworn In as 16th CFTC Chairman	Michael Selig was sworn in as the 16th Chairman of the CFTC, following his nomination.	Regulator Internal Broker-Dealer

Capitol Hill

Date	Topic	Description	Tag
10.21.2025	Bill Advances in Senate to Streamline Currency Transaction Reporting	The Streamlining Transaction Reporting and Ensuring Anti-Money Laundering Improvements for a New Era Act (STREAMLINE Act) was introduced in the Senate. The bill aims to modernize SAR and CTR reporting requirements for financial institutions by raising financial reporting thresholds and tying periodic updates to inflation.	BSA/AML, Regulatory Thresholds

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FASB

Date	Topic	Description	FORsights	Tag
10.29.2025	FASB Launches Project to Review Accounting for Digital Assets	FASB added a research project to its technical agenda to clarify whether certain payment digital assets are cash equivalents and the accounting for certain digital asset transfers, such as crypto lending.		Accounting Digital Assets
11.12.2025	FASB Releases ASU 2025-08: Update to ASC 326	FASB updated ASC 326 to address concerns regarding complexity and lack of comparability in the accounting for purchased loans under the current credit loss standard (Topic 326).	FASB Releases ASU 2025-08: Update to ASC 326	Accounting
11.19.2025	FASB Approves New Projects for Its Technical Agenda	FASB added a project to its technical agenda to address accounting for crypto asset transfers, expanding Subtopic 350-60 to include wrapped and receipt tokens and clarifying derecognition guidance for transfer arrangements.		Accounting Digital Assets

FinCEN

Date	Topic	Description	Tag
10.09.2025	FinCEN Renews Residential Real Estate Geographic Targeting Orders (GTOs)	FinCEN announced the renewal of its GTOs that require U.S. title insurance companies to identify the natural persons behind shell companies used in non-financed purchases of residential real estate in certain counties and major U.S. metropolitan areas.	AML/BSA
12.31.2025	FinCEN Approvals Revision of the Effective Date of the "IA AML Rule"	FinCEN finalized the effective date extension to the IA AML Rule.	Compliance BSA/AML

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FDIC

Date	Topic	Description	FORsights	Tag
11.03.2025	FDIC Issues List of Banks Examined for CRA Compliance	The FDIC released its list of results of the list of state non-member banks evaluated for CRA compliance.		Compliance
11.07.2025	FDIC Updates Its Consumer Compliance Examination Schedule	The FDIC unveiled updates to its consumer compliance examination and CRA Evaluation schedule for institutions under $3 billion in assets, and introduces a mid-point risk analysis to better align supervisory resources with evolving risk profiles.	FDIC Updates their Consumer Compliance Examination Schedule	Regulator Internal Compliance
11.24.2025	FDIC Quarterly Banking Profile - Q3 2025	The FDIC released its latest quarterly banking profile, which shows IDIs reported a return on assets ratio of 1.27% and aggregate net income of $79.3 billion, up approximately $9.4 billion from the prior quarter, strong net interest income growth, and a reduction in provision expense for the third quarter of 2025.		Economy
11.25.2025	Notice of Designated Reserve Ratio for 2026	The FDIC Board of Directors announced the Designated Reserve Ratio for the Deposit Insurance Fund will remain at 2% for 2026.		Regulatory Threshold
11.25.2025	FDIC Finalizes Rule Modifying Regulatory Threshold Adjustments & Indexing to Reflect Inflation	The FDIC finalized a rule indexing key audit and reporting thresholds across multiple regulations to inflation adjustments.	FDIC Considers New Policy for Updated Regulatory Thresholds	Compliance Regulatory Thresholds
11.25.2025	FDIC Finalizes Amendments to Official Signs & Advertising Requirements	The FDIC extended the compliance date for displaying its official digital sign on IDIs' digital deposit-taking channels and ATM-related devices from March 1, 2026, to January 1, 2027		Compliance

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FDIC

Date	Topic	Description	FORsights	Tag
12.05.2025	FDIC Issues List of Banks Examined for CRA Compliance	FDIC releases list of state nonmember banks evaluated for CRA compliance, including assigned ratings.		Compliance
12.16.2025	FDIC Approves Proposal to Establish GENIUS Act Application Procedures for FDIC-Supervised Institutions Seeking to Issue Payment Stablecoins	FDIC advanced a proposed rule to implement application provisions for FDIC-supervised state nonmember bank or state savings association seeking to issue payment stablecoins through a subsidiary under the GENIUS Act.		Compliance Digital Assets
12.16.2025	FDIC Board of Directors Issues an Interim Final Rule to Amend the Collection of the Special Assessment	The FDIC is adopting this interim final rule to reduce the rate of special assessment in the eighth collection quarter from 3.36 basis points to 2.97 basis points. In addition, the rule provides an offset to regular quarterly deposit insurance assessments for banks subject to the special assessment if the amount collected exceeds losses.		Compliance
12.16.2025	FDIC Approves Final Rule on Establishment and Relocation of Branches and Offices	The FDIC finalized its rule to simplify branch and office establishment and relocation procedures. The final rule largely adopted the provisions outlined in the proposed rule with several targeted modifications in response to comments received.		Compliance
12.31.2025	FDIC Updates Resolution Planning Expectations for Large IDIs	The FDIC details several forthcoming changes to the IDI Rule it intends to propose for FDIC Board consideration. In addition, the update outlines how the agency will handle 2026 resolution plan submissions across CIDI categories and its performance of capabilities testing.	FDIC Updates Resolution Planning Expectations for Large IDIs	Compliance

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FRB

Date	Topic	Description	FORsights	Tag
10.15.2025	The Federal Reserve Released the Latest Version of Its Beige Book	The FRB issued its latest publication detailing the current economic conditions across the 12 Federal Reserve Districts.		Economy
10.24.2025	The Fed Proposes Changes to Its Annual Stress Test	The Federal Reserve Board proposed sweeping changes to the annual stress test for large banks to enhance the transparency and public accountability of the annual process.		Compliance
10.29.2025	An Overview of the Federal Open Market Committee Meeting	The FOMC announced its second consecutive rate cut, lowering the federal funds rate by 0.25% to a target range of 3.75%–4%. The Committee plans to end its quantitative tightening policy on December 1, 2025.		Economy
11.05.2025	FRB Finalizes Changes to Its Large Bank Holding Company Supervisory Rating Framework	The FRB finalized its LFI supervisory rating framework for large bank holding companies, aiming to better align the finalized framework with supervisory rating systems used for other banking organizations.		Compliance
11.18.2025	FRB Announces Enhancements to Its Bank Supervision Procedures	The FRB issued new Supervisory Operating Principles emphasizing earlier, risk-focused, and proportionate actions. Key changes include prioritizing material financial risks and greater reliance on internal audit for validation of MRA/MRIA remediation activities.	FRB Announces Supervisory Operating Principles: What Financial Institutions Need to Know	Compliance
11.21.2025	FRB Extends the Comment Period on its Proposal to Improve Stress Test Model and Scenario Transparency and Accountability	The FRB extended the comment deadline for its stress test transparency proposal from January 22, 2026 to February 21, 2026.		Compliance

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FRB

Date	Topic	Description	Tag
12.04.2025	Federal Reserve Board Announces Pricing for Payment Services	The FRB announced its 2026 pricing structure for payment services it provides to banks and credit unions. Overall, the price changes are estimated to result in a 0.9 percent average price increase.	Regulator Internal
12.04.2025	Federal Reserve Board Requests Comment on the Impact of Potential Strategic Changes to its Check Services	The FRB seeks public input on potential strategic changes to its check services offered amid declining check use and other market factors.	Economy
12.10.2025	Federal Reserve Issues FOMC statement	FOMC lowers federal funds rate target range by 0.25 percentage point to 3.5%-3.75%, citing moderate economic growth, elevated inflation, and increased downside risks to employment; commits to monitoring data and adjusting policy as needed.	Compliance
12.17.2025	Federal Reserve Updates Supervisory Approach, Replacing 2023 Policy Statement to Support Responsible Bank Innovation	The FRB issued a final rule rescinding its 2023 policy statement interpreting section 9(13) of the Federal Reserve Act. With the issuance, the FRB is replacing the 2023 Policy Statement with a new policy statement, *i.e.*, 2025 Policy Statement, on section 9(13) of the Federal Reserve Act, which clarifies how the FRB will evaluate permissible activities for state member banks, particularly those involving novel or technology-driven financial services.	Regulator Internal Compliance
12.18.2025	Federal Reserve Board Publishes Staff Manual for the Supervision of the Largest and Most Complex Banks	The FRB published its first of several supervision manuals for the largest and most complex banks, aiming to make supervisory expectations and standards for these institutions more transparent.	Compliance

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FRB

Date	Topic	Description	Tag
12.19.2025	Federal Reserve Requests Comment on New "Payment Account"	The FRB released a Request for Information (RFI) seeking public comment on a Payment Account prototype, a special purpose account with a Reserve Bank that holds limited overnight balances of eligible institutions for clearing and settling payments. The Payment Account would be targeted at eligible financial institutions that require access to payment and settlement services but do not require the full functionality of a master account.	Reporting Economy
12.19.2025	FRB Publishes its Biennial Report on Debit Card Transactions	The Federal Reserve Board published its biennial report on debit card transactions, summarizing data from large issuers and payment networks for 2023. The report includes information on interchange fees, issuer costs, and fraud losses related to debit card transactions, as required by law.	

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Joint Agency

Date	Topic	Description	FORsights	Tag
10.07.2025	Banking Agencies Propose to Define "Unsafe and Unsound"	Agencies jointly approved a proposed rule to define "unsafe and unsound practices" under §8 of the Federal Deposit Insurance Act, focusing on conduct that could materially harm institutions or the Deposit Insurance Fund	Banking Agencies Propose to Define "Unsafe and Unsound"	Compliance
10.07.2025	Notice of Proposed Rulemaking for Removal of Reputational Risk From Their Supervisory Programs	Agencies propose eliminating "reputation risk" from supervisory programs. The agencies argue that removing reputation risk will reduce subjectivity and refocus oversight on core financial risks.		Compliance
10.07.2025	FDIC Board Identifies Areas of Regulatory Focus	The FDIC Board of Directors outlined seven key areas of regulatory focus with an emphasis on operational readiness, regulatory clarity, and transparency.	FDIC Board Identifies Areas of Regulatory Focus	Regulator Internal
10.09.2025	Agencies Provide Relief on SAR	Regulators issued FAQs clarifying SAR and AML/CFT requirements, emphasizing a risk-based approach to focus reporting on activities most valuable to law enforcement.	FinCEN Provides Relief on Suspicious Activity Reporting	BSA/AML
10.16.2025	Agencies Announce Withdrawal of Principles for Climate-Related Financial Risk Management	Agencies jointly rescinded their climate-related financial risk management principles for large institutions, citing concerns that the guidance could divert attention from broader risk management processes.		Compliance
11.13.2025	Federal Bank Regulatory Agencies Release Small Business, Small Farm, and Community Development Lending Data	As part of its responsibility under the CRA, the federal bank regulatory agencies released data on small business, small farm, and community development lending during 2024.		Economy

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Joint Agency

Date	Topic	Description	FORsights	Tag
11.25.2025	The U.S. Banking Agencies Propose Revisions to the Community Bank Leverage Ratio Framework	Agencies proposed revising the CBLR framework by lowering the leverage ratio requirement from 9% to 8%, extending the grace period from two to four quarters for institutions that fall out of compliance, and removing temporary Covid-era CARES Act relief provisions.	US Agencies Propose Updates to Community Bank Leverage Ratio	Compliance Regulatory Thresholds
11.25.2025	The U.S. Banking Agencies Finalize Modifications to the Enhanced Supplementary Leverage Ratio Standards for GSIBs	The U.S. banking agencies finalized changes to the enhanced Supplementary Leverage Ratio for global systemically important bank holding companies (GSIBs) and their insured depository institution (IDI) subsidiaries.	U.S. Banking Agencies Revise the Enhanced Supplementary Leverage Ratio	Compliance Regulatory Thresholds
12.01.2025	Consolidated Reports of Condition and Income: Request for Information on Regulatory Reporting Burden	The OCC, FRB, and FDIC published a request for information (RFI) on regulatory reporting burden for institutions filing any version of the call report (FFIEC 031, 041, or 051). Comments are due by January 30, 2026.		Reporting
12.05.2025	FDIC and OCC Ease Leveraged Lending Guidance	The OCC and FDIC announced the withdrawal of the Interagency Guidance on Leveraged Lending (2013 Guidance) and the Frequently Asked Questions for Implementing March 2013 Interagency Guidance on Leveraged Lending (2014 FAQs). Moving forward, the agencies expect banks to manage leveraged lending exposures using general principles for safe and sound lending.		Compliance

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Date	Topic	Description	FORsights	Tag
12.11.2025	A Summary of Call Report Revisions	The FFIEC finalized Call Report changes to align with the new eSLR rule for GSIBs, effective June 30, 2026, with early adoption permitted.		Reporting
12.18.2025	Clarification of Insider Lending Rules for Certain Investment Funds	The OCC and FDIC issued a statement clarifying supervisory expectations for compliance with insider lending restrictions and reporting requirements regarding certain related interests. The agencies will not take action against banks extending credit to fund complex-controlled portfolio companies under specified conditions.		Compliance
12.30.2025	Agencies Announce Annual Applicability Threshold Updates	U.S. banking agencies issued their annual adjustments to regulatory thresholds under CRA, Regulation M, Regulation V, and Regulation Z		Compliance

Treasury

Date	Topic	Description	FORsights	Tag
10.09.2025	Remarks by Secretary of the Treasury Scott Bessent Before the Fed Community Bank Conference	Secretary of the Treasury Bessent highlighted continued efforts to strengthen community bank supervision and regulation.		Regulator Internal

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OCC

Date	Topic	Description	FORsights	Tag
10.06.2025	OCC Issues Bulletins to Reduce Regulatory Burden for Community Banks	The OCC issued several bulletins collectively designed to provide regulatory relief to community banks. Included are three bulletins modifying examination guidance and two bulletins announcing notices of proposed rulemaking.	OCC Issues Bulletins to Reduce Regulatory Burden for Community Banks	Compliance
10.16.2025	OCC Releases Fall 2025 Interest Rate Risk Statistics Report	The OCC published its Fall 2025 Interest Rate Risk Report, offering a comprehensive analysis of interest rate risk exposures across banks of all asset sizes.		Economy
10.27.2025	Notice of Proposed Rulemaking to Rescind Recovery Planning Standards	The OCC proposed rescinding recovery planning guidelines for large banks with assets over $100 billion, originally adopted in 2016, as part of efforts to reduce unnecessary regulatory burden.		Compliance
11.03.2025	OCC Releases CRA Performance Evaluations	The OCC released its list of results of the national banks and federal savings associations evaluated for CRA compliance.		Compliance
11.13.2025	OCC Updates its Servicemember Civil Relief Act (SCRA) Handbook	Updates to the SCRA examination procedures adopting a risk-based supervision approach, removing the requirement for transaction testing every three cycles, clarifying servicemember verification and excess payment handling, eliminating references to reputation risk, and adding operational risk considerations for third-party management.		Compliance

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OCC

Date	Topic	Description	FORsights	Tag
11.18.2025	OCC Offers Clarification for Holding Crypto-Assets as Principal and Paying Crypto Asset Network Fees	The OCC issued Interpretive Letter 1186, which allows national banks to hold native crypto assets and pay blockchain "gas fees" when necessary to support permissible banking activities, provided they implement strong governance, compliance, custody, liquidity, and risk management controls.		Digital Assets
11.24.2025	OCC Eases Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Guidance for Community Banks	The OCC announced measures to reduce regulatory burden for community banks, including tailoring BSA/AML examination procedures and issuing a request for information on challenges in engaging core and essential third-party service providers.	OCC Eases Regulatory Burden for Community Banks	BSA/AML
12.01.2025	Office of the Comptroller of the Currency Fees and Assessments: Calendar Year 2026 Fees and Assessments Structure	This bulletin outlines OCC fees and assessments for calendar year 2026, effective January 1, 2026. It maintains current rates, explains proration and refund policies, imposes a surcharge on banks that require increased supervisory resources, and provides the semiannual assessment schedule.		Regulator Internal
12.01.2025	OCC Maintains Assessment Rates for National Banks and Federal Savings Associations	The OCC announced that it will maintain assessment rates for the 2026 calendar year. Institutions will continue to benefit from the September 2025 rate reductions, ensuring sufficient resources for OCC operations. The 2026 rates take effect January 1, 2026, and apply to assessments due March 31 and September 30, 2026.		Regulator Internal

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OCC

Date	Topic	Description	Tag
12.01.2025	OCC Releases CRA Performance Evaluations for 32 National Banks and Federal Savings Associations	The OCC released CRA performance evaluations for national banks, federal savings associations, and insured federal branches of foreign banks.	Compliance
12.05.2025	OCC Updates Venture Loan Guidance	The OCC updated guidance on venture loans to companies in early, expansion, or late stages of development. The bulletin clarifies that OCC does not discourage prudent venture lending but emphasizes that boards and management must ensure loans align with risk appetite and are properly documented, underwritten, risk-rated, and reserved.	Compliance
12.09.2025	OCC Confirms Bank Authority to Engage in Riskless Principal Crypto-Asset Transactions	The OCC published Interpretive Letter 1188 confirming that national banks may engage in riskless principal crypto asset transactions as part of the business of banking. These transactions involve acting as principal with offsetting customer trades without holding crypto assets in inventory.	Digital Assets
12.10.2025	OCC Releases Preliminary Findings from its Review of Large Banks' Debanking Activities	The OCC released preliminary findings from its review of debanking practices at nine large national banks, identifying policies restricting access to banking services for certain lawful industries, such as oil and gas, firearms, and digital assets.	Compliance
12.16.2025	OCC's Semiannual Risk Perspective Highlights Key Risks in Federal Banking System	OCC's Fall 2025 Semiannual Risk Perspective reports the banking system remains sound with strong capital and liquidity. Key risks include credit, market, operational, and compliance, as well as rising cyberthreats and fraud challenges.	Economy
12.17.2025	OCC Issues CRA Simplified Strategic Plan to Reduce Regulatory Burden for Community Banks	OCC proposed guidance for a simplified CRA strategic plan process to reduce regulatory burden for community banks, enabling tailored examinations and clearer requirements for strategic plans.	Compliance

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OCC

Date	Topic	Description	FORsights	Tag
12.18.2025	OCC Issues Bulk Rescissions	OCC rescinded 55 outdated or replaced issuances published before 2023 and 21 transmittal bulletins issued between 2003 and 2023. The rescissions aim to eliminate unnecessary documents and reduce regulatory clutter.		Regulator Internal
12.19.2025	OCC Reports Third Quarter 2025 Bank Trading Revenue	The OCC reported cumulative trading revenue of U.S. commercial banks and savings associations of $18.4 billion in Q3 2025, up 10.9% from the previous quarter and 12.7% year-over-year. The report highlights derivative holdings, credit exposure trends, and concentration in interest rate products.		Economy
12.23.2025	OCC Issues Two Proposals on Preemption of State Interest-on-Escrow Laws	OCC requested comment on two proposals regarding national banks' and federal savings associations' real estate lending powers related to interest on escrow accounts. The proposals aim to codify longstanding powers and issue a preemption determination concluding that federal law preempts certain state laws.		Compliance
12.23.2025	OCC Requests Comments on Proposed Amendments to Heightened Standards	OCC issued a notice of proposed rulemaking to amend guidelines on heightened standards for covered banks. The proposal raises the asset threshold for applicability from $50 billion to $700 billion, aiming to reduce regulatory burden and focus on institutions posing the greatest systemic risk.	The OCC Increased the Application Threshold for Heightened Standards	Compliance Regulatory Thresholds
12.23.2025	Community Reinvestment Act: Revision of Small and Intermediate Small Bank and Savings Association Asset Thresholds	OCC announced revised asset-size thresholds to define "small bank or savings association" and "intermediate small bank or savings association" under CRA effective January 1, 2026.		Regulatory Thresholds

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U.S. Annexes

SEC

Date	Topic	Description	Tag
10.02.2025	Extension of Compliance Date for Disclosure of Order Execution Information	The SEC extends the compliance date for rule amendments related to the disclosure of order executions from December 14, 2025 to August 1, 2026.	Broker-Dealer
11.03.2025	Notice of Designation of a Longer Period for Commission Action on Pending Proposed Rule Changes and Proceedings to Determine Whether to Approve or Disapprove	The SEC's Division of Trading and Markets extended the statutory review period for several self-regulatory organization and clearing agency proposed rule changes to allow additional time to consider the filings and their issues, with new action dates listed within the release.	Broker-Dealer
11.17.2025	SEC Division of Examinations Announces 2026 Priorities	The SEC's 2026 priorities focus on fiduciary conduct, compliance program effectiveness, broker-dealer practices, clearing agency resilience, and oversight of market intermediaries. Exams will emphasize cybersecurity, operational resilience, AI and fintech controls, AML, governance, vendor oversight, and liquidity and valuation practices.	Regulator Internal Broker-Dealer
11.17.2025	SEC Announces It Will Not Review Most No-Action Requests for Rule 14a-8 for Next Proxy Season	The SEC's Division of Corporation Finance announced it will not respond to no-action requests to exclude Rule 14a-8 shareholder proposals for the current proxy season (Oct 1, 2025–Sept 30, 2026), except for requests under Rule 14a-8(i)(1).	Broker-Dealer
12.05.2025	Updates to the Financial Reporting Manual	The SEC updated its Financial Reporting Manual, consolidating recent Commission actions and staff interpretations, with highlighted revisions and topic tags to improve transparency for registrants.	Broker-Dealer Reporting

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SEC

Date	Topic	Description	FORsights	Tag
12.08.2025	SEC Issues FAQs Clarifying Daily Reserve Computation Requirements for Broker-Dealers	The SEC issued answers to FAQs regarding Rule 15c3-3 daily customer and PAB reserve computations for broker-dealers.	SEC Daily Reserve Rules: Key FAQs & Compliance Deadlines for Broker-Dealers	Broker-Dealer
12.11.2025	Depository Trust Company Advances Development of the DTCC Tokenization Services	The SEC issued a no-action letter allowing the DTC to run a three-year pilot enabling participants to record security entitlements as tokens on approved blockchains.		Broker-Dealer
12.17.2025	SEC Seeks Input on Crypto Trading Rules for Exchanges and Alternate Trading Systems	SEC issued a statement inviting public input on how to modernize regulations for national securities exchanges and alternative trading systems that trade crypto asset securities.		Broker-Dealer Digital Assets
12.17.2025	SEC Provides Statement on Custody of Crypto Asset Securities by Broker-Dealers	SEC addresses compliance with Rule 15c3-3(b)(1)'s "physical possession" for crypto securities by ensuring DLT access, documented network reviews, and strong key protections.		Broker-Dealer Digital Assets
12.18.2025	Draft of Updated 2026 Security-Based Swap (SBS) Taxonomy	The SEC posted a draft update to the 2026 SBS taxonomy, adding elements for tagging annual compliance reports in XBRL via EDGAR and inviting technical feedback by February 17, 2026.		Broker-Dealer Reporting
12.23.2025	SEC to Amend FINRA Rule 6830 - Industry Member Data Reporting	The SEC filed a rule change to amend Rule 6830 under the Consolidated Audit Trail compliance rule, requiring broker-dealers to report when an equity short sale order claims the bona fide market making exception under SEC Regulation SHO		Broker-Dealer Reporting
12.23.2025	SEC Proposes 2025 Cost Savings Amendment to Consolidated Audit Trail Plan	The SEC published a proposed amendment to the CAT NMS Plan aimed at reducing annual operating costs.		Broker-Dealer Reporting

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