



SEC Announces 2026 Examination Priorities

The SEC has announced the 2026 Examination Priorities ("2026 Priorities") for registered investment advisers and investment companies, broker-dealers and other registered entities that are subject to inspection by the SEC's Division of Examinations (the "Division"). The 2026 Priorities reflect a risk-based strategy focusing on safeguarding investors (in particular, elderly investors and retirement accounts), and the potential risks firms should consider to strengthen compliance programs and to adapt to evolving financial markets and complex investment structures.

Despite cryptocurrencies and/or digital assets not being specifically identified within the 2026 Priorities, assessment of the associated risks are embedded into broader themes such as, but not limited to, custody, anti-money laundering, customer privacy, operational risk assessments and fraud.

Chief Compliance Officers must not only maintain strong baseline compliance programs, but also proactively adapt to technological and regulatory changes. The SEC underscored common risk areas applicable to all registrants, such as, but not limited to:

- Fiduciary Duty;
- Compliance Programs;
- Annual Reviews;
- Trading Practices and Portfolio Management;
- Fees and Expenses;
- Conflicts of Interest;
- Valuation;
- Marketing;
- Custody;
- Vendor Management; and
- Cybersecurity.

The following observations apply to each enumerated registrant:

I. Investment Advisers

- Investment recommendations, focusing on retail and elderly investors;
- Investment adviser/broker-dealer dual registrants and disclosure of incentive compensation arrangements;
- Alternative investments, notably complex, illiquid investments, and investments with extended lock-up periods;
- Allocation of investments;
- Never examined and newly registered investment advisers; and
- Recently merged or acquired advisers.

II. Investment Companies

- Governance infrastructure and practices;
- “Names Rule” compliance;
- Complex and/or illiquid investment structures;
- Anti-Money Laundering programs; and
- Recently merged or acquired advisers.

III. Broker-Dealers

- Investment management and recommendations for older clients and retirement accounts;
- Best Execution;
- Anti-Money Laundering programs;
- Net Capital Rule, liquidity and stress testing;
- Compliance with applicable Rules and Regulations such as, but not limited to, Reg NMS, Reg SHO, Reg ATS, Reg BI and Reg S-P;
- Dual registrants and conflict of interest disclosures;
- Form CRS; and
- Recently merged or acquired firms.

IV. Self-Regulatory Organizations and Other Market Participants

- Risk-based regulatory assessments of National Securities Exchanges, FINRA and Municipal Securities Rulemaking Board;
- Municipal Advisers and compliance with MSRB Rule G-42;
- Transfer Agents recordkeeping and safeguarding of assets;
- Funding portals compliance with Regulation S-P; and
- Security-Based Swap Dealers and Execution Facilities reporting obligations and review of compliance policies and procedures.

V. Cybersecurity

- Safeguarding of customer records and information;
- Data loss prevention and access controls;
- Amended Regulation S-P;
- Regulation S-ID;
- Incident Response Planning; and
- Training.
- Integration within internal operations.

V. Cybersecurity

- Safeguarding of customer records and information;
- Data loss prevention and access controls;
- Amended Regulation S-P;
- Regulation S-ID;
- Incident Response Planning; and
- Training.

VI. Emerging Financial Technology- Artificial Intelligence Technologies, Trading

Algorithms or Platforms, Automated Investment Tools

- Review of policies, procedures, controls and supervision;
- Risk Assessments;
- Marketing representations; and
- Integration within internal operations.

The list of current SEC priorities does not imply that the SEC couldn't shift its focus based on emerging risks observed during examinations, new product development, and/or with market actions. The SEC is committed to providing transparency through national and regional outreach events, publishing Risk Alerts, and strengthening partnerships with market participants.

Optima's expert regulatory compliance and cybersecurity teams are committed to guiding SEC registrants through the SEC 2026 Priorities.

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