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WEEKLY NEWSLETTER

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MARCH 31
2026

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Upcoming Regulatory Deadlines

- MARCH 31, 2026 | FORM ADV ANNUAL UPDATING AMENDMENT
- APRIL 30, 2026 | QUARTERLY FORM PF
- JUNE 3, 2026 | REGULATION S-P AMENDMENT COMPLIANCE FOR ADVISERS MANAGING LESS THAN \$1.5B RAUM

Upcoming Events

Women Leaders in Governance, Risk & Compliance (WLGRC) 2026

NEW YORK | MARCH 31, 2026

Optima Partners is pleased to share that Jennifer Duggins, IACCP®, CRCP®, will be speaking at the Women Leaders in Governance, Risk & Compliance (WLGRC) 2026 conference. This leading event brings together senior professionals across governance, risk, and compliance to discuss evolving regulatory expectations, leadership challenges, and best practices across the industry. Jennifer will join fellow industry experts to share practical insights on navigating an increasingly complex regulatory landscape and driving effective compliance frameworks within financial institutions.

GAIM Ops Cayman 2026

CAYMAN ISLANDS | APRIL 19 - 22, 2026

Optima Partners will be attending and sponsoring GAIM Ops Cayman 2026, one of the premier global events for COOs, CFOs, and senior operational leaders. The conference brings together key decision-makers across the alternative investment industry to discuss the latest developments in fund operations, regulatory change, technology, and infrastructure. As a sponsor, Optima looks forward to engaging with industry peers and sharing insights on how firms can navigate an increasingly complex regulatory environment while building scalable and resilient operating models.

Regulatory Updates

CFTC Staff Issues FAQs Concerning Registrant and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies

SOURCE | CFTC | [READ MORE](#)

On March 20, 2026, the CFTC's Market Participants Division and Division of Clearing and Risk published responses to frequently asked questions concerning registrant and registered entity activities relating to crypto assets and blockchain technologies.

SEC Chairman Paul Atkins discusses the SEC's A-C-T Strategy at the SEC Speaks Conference

SOURCE | SEC | [READ MORE](#)

On March 19, 2026, SEC Chairman Paul Atkins discussed a framework for addressing the SEC's priorities. Chairman Atkins believes there was misguided regulation-by-enforcement that has killed innovation in the U.S. and sent product development offshore. Chairman Atkins stated that every initiative the SEC is pursuing—every rule that will be proposed, every interpretation that will be released, and every institutional reform that the SEC will undertake, will fall under the three pillars of the A-C-T Strategy: Advance, Clarify and Transform, to streamline oversight and unlock innovation.

CFTC and MLB Sign Groundbreaking MOU

SOURCE | CFTC | [READ MORE](#)

On March 19, 2026, the CFTC and Major League Baseball (MLB) announced the signing of a Memorandum of Understanding, the first of its kind between the CFTC and a professional sports league. The MOU establishes a framework for the CFTC and MLB to discuss, cooperate, and exchange information concerning issues of common interest including protecting the integrity of professional baseball and the related prediction markets.

California Department of Financial Protection and Innovation (DFPI) announced suspension of the Fair Investment Practices by Venture Capital Companies (FIPVCC) Law

SOURCE | DFPI | [READ MORE](#)

On March 17, 2026, the DFPI announced the suspension of the FIPVCC Law, with a compliance deadline of April 1, 2026 approaching, pending completion of rulemaking. This announcement brought relief to the venture capital and growth equity firms struggling to comply with the requirements.

SEC Publishes Data on Public and Private Offerings, Municipal Advisors, Transfer Agents, and Securities-Based Swap Dealers

SOURCE | SEC | [READ MORE](#)

On March 17, 2026, the SEC's Division of Economic and Risk Analysis (DERA) published a new report on security-based swap dealers (SBSDs) and updated statistics and data visualizations on initial public offerings (IPOs), follow-on registered offerings, corporate bond offerings, Regulation A offerings, Regulation Crowdfunding offerings, Regulation D offerings, municipal advisors, transfer agents, SBSBs, and asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) issuances.

SEC Announces Enforcement Division Director Judge Margaret A. Ryan Has Resigned from Agency

SOURCE | SEC | [READ MORE](#)

The SEC announced a leadership transition within its Division of Enforcement, with Judge Margaret A. Ryan stepping down as Director and Principal Deputy Director Sam Waldon appointed Acting Director, effective March 16, 2026. The change comes amid continued focus on enforcement priorities, and may signal shifts in tone, strategy, or execution.

FINRA Adopts Amendments to Rule 3220 (Influencing or Rewarding Employees of Others)

SOURCE | FINRA | [READ MORE](#)

On February 27, 2026, FINRA adopted amendments to FINRA Rule 3220 to increase the allowable gift limit from \$100 to \$300 per person per year; incorporate and substantially codify current guidance and interpretations; and provide for exemptive relief. FINRA has also adopted conforming amendments to raise the gift limit to \$300 in Rule 2310, Rule 2320, Rule 2341 and Rule 5110. These amendments, in effect as of March 30, 2026, represent a significant step toward modernizing the rules, while codifying existing guidance in a manner that will promote efficiency without reducing protection for investors.

CFTC Staff Issues No-Action Position to Self-Custodial Crypto Asset Wallet Software Provider

SOURCE | CFTC | [READ MORE](#)

On March 17, 2026, the CFTC's Market Participants Division (MPD) announced it has issued a no-action position in response to a request from Phantom Technologies Inc., a developer of self-custodial crypto asset wallet software. Phantom proposed the provision and marketing of software to facilitate trading by its users with registered futures commission merchants, introducing brokers, and designated contract markets. The MPD stated that, subject to certain specified conditions, it will not recommend the CFTC take an enforcement action against Phantom, or its relevant personnel, for failure to register as an introducing broker or associated person of an introducing broker solely in relation to these activities.

Regulatory Updates

UK EMIR Clearing Thresholds Update – FCA Proposes Increase for OTC Commodity Derivatives

SOURCE | FCA | [READ MORE](#)

The FCA published Quarterly Consultation Paper CP26/8, which includes proposed amendments to the UK EMIR clearing thresholds. The purpose of these quarterly consultation papers is to consult on minor changes to the FCA Handbook, each of which in isolation would not warrant a full Consultation Paper, with this update forming part of that broader package of revisions. Among the proposals is an increase to the clearing threshold for OTC commodity derivatives under UK EMIR from EUR 3bn to EUR 5bn, to ensure it remains appropriate in a market with higher commodity prices. By comparison, ESMA has recently issued a Final Report considering amendments to certain clearing thresholds under EU EMIR for uncleared OTC derivatives, including a proposed EUR 0.7bn threshold for equity derivative contracts, with further detail set out on pages 55 and 56 of the report.

FCA Publishes Consumer Duty Webpage on Consumer Understanding – Good Practice and Areas for Improvement

SOURCE | FCA | [READ MORE](#)

On March 13, the FCA expanded its Consumer Duty-focused suite of webpages with the launch of a new page titled “Consumer understanding: good practice and areas for improvement.” Consumer understanding is one of the outcomes set out in the FCA Handbook (PRIN 2A), which together define what is required under Principle 12, requiring firms to act to deliver good outcomes for retail customers. The new webpage sets out the FCA’s findings on how firms are delivering the consumer understanding outcome and explains that, to support firms in meeting the requirements, it provides clear expectations, examples of best practice and areas for improvement.

FCA Perimeter Report Highlights Areas for Potential Regulatory Expansion

SOURCE | FCA | [READ MORE](#)

The FCA has published its latest Perimeter Report, identifying areas outside its current remit where it believes legislative change may be needed. This includes prediction markets, where financial-linked products are viewed as akin to banned binary options, as well as exemptions for high net worth and sophisticated investors, where tighter eligibility checks are proposed. The report also highlights risks linked to overseas firms operating under the Overseas Persons Exclusion and trustee structures facilitating higher-risk investments

Regulatory Updates

AIFMD II: Marketing in the EU – Initial Changes Effective 16 April 2026

SOURCE | [EU DIRECTIVE](#) | [READ MORE](#)

A reminder that the first phase of amendments to the EU AIFMD (EU 2011/61), as set out in Directive (EU) 2024/927, will come into force on April 16, 2026, with further changes to the Annex IV reporting regime scheduled for April 16, 2027. While the AIFMD will not be fully rewritten, several targeted amendments will be introduced as part of this update. Most changes will primarily affect EU AIFMs authorized under the AIFMD, although non-EU AIFMs marketing funds in the EU under Article 42 will also need to consider the impact on their marketing activities. Amendments to Article 23 will introduce changes to both pre-investment and ongoing investor disclosures, including fees and expenses, effective from April 2026. Amendments to Article 24 will involve a broader review of reporting obligations and replacement of the Annex IV template, with implementation expected in 2027. Firms should note that these requirements apply to marketing activities as defined under the AIFMD and will not be relevant where firms rely solely on reverse solicitation.

FCA Publishes Final Rules on Operational Incident and Third-Party Reporting (PS26/2)

SOURCE | [FCA](#) | [READ MORE](#)

The FCA published Policy Statement PS26/2, setting out the final rules relating to operational incidents and third-party reporting. The rules on operational incident reporting apply to all firms with Part 4A permission and capture incidents, whether single events or a series of linked events, that disrupt a firm's operations by affecting service delivery to external end users or the availability, authenticity, integrity or confidentiality of their data. Such incidents must be notified to the FCA where they meet specified thresholds, including where there is a risk of causing intolerable levels of harm to consumers. Separate rules on material third-party reporting will apply to larger or more complex firms, including Enhanced scope SMCR firms and CASS large firms. These firms will be required to notify the FCA when entering or significantly changing a material third-party arrangement, as well as maintain and annually submit a register of such arrangements. The final rules are set out in Appendix 1 of PS26/2, with templates included in Annexes 2 and 3, and the new regime will apply from March 18, 2027, with the FCA indicating that it will engage with firms during the implementation period and review the regime two years after it comes into force.

Regulatory Updates

FCA and FOS Publish Consultation Paper CP26/9 on Modernizing the Redress System

SOURCE | FCA/FOS | [READ MORE](#)

The FCA and the Financial Ombudsman Service (FOS) published a joint Consultation Paper, CP26/9 “Modernizing the Redress System”, following an earlier consultation on the same topic in July 2025. The FOS continues to deal only with eligible complaints as defined in DISP 2.7, including complaints from natural persons acting outside their trade, business or profession, and the consultation proposes several changes to how complaints are assessed and progressed. Proposals include the introduction of a new registration stage before a complaint proceeds to full investigation, intended to act as a checkpoint to ensure complaints are appropriately evidenced and to discourage speculative cases, as well as amendments to dismissal grounds, including the ability to reject complaints that are frivolous or vexatious. Changes are also proposed to the fair and reasonable test in DISP 3.6.4 to focus only on standards applicable at the time of the act or omission. The consultation closes on May 11, 2026, and CP26/9 also includes a Policy Statement finalizing earlier reforms, alongside related FCA guidance on identifying and rectifying harm and updates to notification expectations under SUP 15.3.

FCA Publishes Regulatory Priorities Reports for Wholesale Buy Side and Wholesale Markets

SOURCE | FCA | [READ MORE](#)

The FCA published its Regulatory Priorities reports for Wholesale Buy Side and Wholesale Markets, forming part of a suite of nine annual reports intended to replace more than 40 portfolio letters. The reports set out the FCA’s areas of focus by industry sector and are designed to provide a clear, succinct guide for firms’ boards and senior management, with firms expected to review the priorities relevant to their sector and act where required. The Wholesale Buy Side report, aimed at asset managers and AIFMs, focuses on areas including fostering growth and innovation, delivering good consumer outcomes, reinforcing standards in private markets, and maintaining market integrity and resilience, alongside a timeline of key regulatory developments through to 2027. The Wholesale Markets report, covering firms such as principal trading and corporate finance firms, sets out priorities including improving resilience, supporting competitive and innovative markets, enabling responsible adoption of new technology, preventing financial crime and market abuse, and strengthening oversight of conflicts of interest, with a corresponding timeline of key events for 2026.

Regulatory Updates

UAE Regulatory Alert: Operational Resilience, Regulatory Expectations and Remote Working Considerations

SOURCE | OPTIMA PARTNERS INSIGHTS | [READ MORE](#)

Following recent regional disruption in March 2026, UAE regulators, including the FSRA and DFSA, issued communications to regulated firms emphasizing operational resilience, business continuity, and supervisory transparency. The DFSA introduced a revised Business Continuity Measures Form requiring resubmission by March 27, 2026, with enhanced focus on governance, control frameworks, and oversight of remote working arrangements. The updated requirements reflect a shift from initial status assessments to more structured supervisory scrutiny, particularly in relation to business substance, staffing, and effective supervision across jurisdictions.

Enforcement Actions

SEC Obtains Final Judgment as to Former Registered Representative and Investment Adviser Representative Charged with Misappropriating Customer and Client Assets

SOURCE | SEC | [READ MORE](#)

On March 16, 2026, the U.S District Court for the District of New Jersey entered a final judgment against Kenneth Welsh, a former registered representative and investment adviser representative, in the SEC's civil enforcement action against him. The SEC's complaint, filed on October 28, 2021, alleged that from January 2016 to January 2021, Welsh misappropriated at least \$2.86 million from the accounts of multiple clients and customers by transferring funds from his clients' and customers' accounts to credit card accounts held in the names of his own wife and parents and by causing checks to be fraudulently drawn on his clients' and customers' accounts. According to the complaint, Welsh made at least 137 fraudulent transactions and used the money to purchase gold coins and other precious metals, buy luxury goods, and make electronic fund transfers to himself.

Enforcement Actions

SEC Files Settled Action as to Former Chief Revenue Officer Charged with Insider Trading

[SOURCE](#) | [SEC](#) | [READ MORE](#)

On March 16, 2026, the SEC filed settled insider trading charges against Paul W. Jorgensen, the former Chief Revenue Officer of Doximity, Inc. (Doximity), a digital platform provider for U.S. medical professionals. According to the SEC's complaint, in August 2022, Jorgensen, while Chief Revenue Officer of Doximity, sold shares of Doximity stock ahead of a quarterly earnings call, based on material nonpublic information concerning Doximity's lower-than-expected sales. The complaint further alleges that Jorgensen failed to file required reports with the SEC publicly disclosing these sales of Doximity stock. Approximately one year later, days after being terminated from Doximity and before the company's upcoming earnings call, Jorgensen is alleged to have again traded Doximity securities based on material nonpublic information.

SFC Bans Lui Pak Tong for Life and Fines Him HK\$17.43 million for Misconduct

[SOURCE](#) | [SFC](#) | [READ MORE](#)

On March 24, 2026, the SFC prohibited Mr. Lui Pak Tong (also known as Patrick Lui), a former licensed representative of Thunder Capital Limited (Thunder), from re-entering the industry for life. The SFC also fined Lui HK\$17.43 million, equivalent to the profit he gained from his misconduct. Between September 2017 and June 2020, Lui caused a segregated portfolio of a fund managed by Thunder to extend five unsecured loans totaling HK\$22.5 million to a company under his control. He recommended to Thunder's Investment Committee that the fund extend the loans to the company without disclosing the conflicts of interest arising from his involvement in the company and failed to ensure fair treatment of the fund and its investors. However, Lui had in fact established Thunder, the fund and the company with his associates, and all three entities were effectively under his control. The SFC considers Lui's conduct to be willful and dishonest, thereby calling into question his fitness and properness to be licensed.

Enforcement Actions

SFC Bans Kuo Che-Jung for Four and a Half Years and Fines Him HK\$1 million

SOURCE | SFC | [READ MORE](#)

On March 19, 2026, the SFC prohibited Mr. Kuo Che-Jung, a former responsible officer of Yuanta Securities Company Limited (Yuanta), from re-entering the industry for 4.5 years and fined him HK\$1 million for conducting matched trades in Hang Seng Index options and operating secret accounts. Between July 2, 2020, and November 24, 2020, Kuo executed 25 matched trades in Hang Seng Index options with his wife's account while acting as a proprietary trader for Yuanta, resulting in a notional benefit for his wife's account at Yuanta's expense. In addition, Kuo concealed from Yuanta his beneficial interests in his wife's account, his ownership of two securities trading accounts at another brokerage, and his personal trading activities conducted in these accounts, in violation of Yuanta's staff dealing policies. The SFC is of the view that Kuo's conduct was serious and dishonest, thereby raising concerns about his fitness and properness to be licensed.

MAS Issues Prohibition Orders Against Former Relationship Managers, Mr. Wang Qiming and Mr. Liu Kai

SOURCE | MAS | [READ MORE](#)

On March 17, 2026, MAS issued Prohibition Orders (POs) under the Financial Services and Markets Act 2022 (FSMA) against Mr. Wang Qiming and Mr. Liu Kai, former relationship managers, who were convicted of charges connected to a major money laundering case. MAS has issued a 16-year PO against Mr. Wang Qiming and a 7-year PO against Mr. Liu Kai. Wang was convicted of four charges on offences for forgery, money laundering and obstructing the course of justice, and sentenced to 24 months' imprisonment. While Liu was convicted of one charge of using as genuine a forged document to cheat Bank Julius Baer & Co Ltd and sentenced to 4 months' imprisonment.

Crypto Corner

SEC Clarifies the Application of Federal Securities Laws to Crypto Assets

[SOURCE](#) | [SEC](#) | [READ MORE](#)

On March 17, 2026, the SEC issued an interpretation clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets. The CFTC also joined the interpretation to provide guidance that the CFTC and its staff will administer the Commodity Exchange Act consistent with the SEC's interpretation. This is a major step in the Commission's efforts to provide greater clarity regarding the Commission's treatment of crypto assets and complements Congressional endeavors to codify a comprehensive market structure framework into statute. SEC Chair Paul Atkins was quoted at the DC Blockchain Summit in Washington stating, "After more than a decade of uncertainty, this interpretation will provide market participants with a clear understanding of how the Commission treats crypto assets." The framework attempts to resolve a long-running debate over how to apply the SEC v. W.J. Howey Co. standard, known as the Howey Test, to crypto markets. That test determines whether a transaction qualifies as an investment contract based on expectations of profit derived from the efforts of others.

CFTC Launches Innovation Task Force Focused on Crypto, AI, and Emerging Markets

[SOURCE](#) | [CFTC](#) | [READ MORE](#)

On March 24, 2026, the CFTC announced the launch of a new Innovation Task Force, aimed at developing clearer regulatory frameworks for emerging technologies within U.S. derivatives markets. The initiative will focus on three key areas: crypto assets and blockchain, artificial intelligence, and prediction markets. The task force, led by Senior Advisor Michael J. Passalacqua, will work alongside the CFTC and its Innovation Advisory Committee to support rulemaking and provide guidance for firms building next-generation financial products. It will also coordinate with other regulators, including the SEC and its Crypto Task Force, signaling a continued push toward interagency alignment.

Leadership & Development

Building Trust in the Age of AI

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As leaders advance, a subtle but important blind spot can emerge. Rather than addressing underlying inefficiencies, we often become highly adept at navigating around them. Cumbersome approval processes are expedited through familiarity, communication gaps are managed through informal workarounds, and outdated systems are accommodated through repetition and experience. Over time, these adaptations can normalize inefficiency, reducing the urgency to resolve root causes and potentially limiting opportunities for meaningful operational improvement.

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