OPTIMA

LEAD WITH REGULATORY CONFIDENCE

OPTIMA NEWSLETTER

TRUSTED EXPERTISE.
GLOBAL REACH.
STRATEGIC EXECUTION.

JUNE 23
2026

This Edition:

- Regulatory Deadlines
- Regulatory Updates
- Enforcement Actions
- Crypto Corner
- Leadership & Development

Upcoming Regulatory Deadlines

- JUNE 29, 2026 | QUALIFIED CLIENT INCREASED THRESHOLDS BECOME EFFECTIVE
- JULY 10, 2026 | 13H QUARTERLY FILING

Regulatory Updates

SEC: Risk Alert on Investment Adviser Obligations Related to Economic Conflicts of Interest

SOURCE | SEC | READ MORE

On June 9, 2026, the Division of Examinations (the "Division") published a Risk Alert summarizing recurring examination findings where SEC registered investment advisers failed to: fully and fairly disclose economic conflicts of interest (cash sweep/revenue sharing arrangements, money market and mutual fund share class selection, custodial credits, margin/markup arrangements); calculate and bill fees consistent with advisory agreements and disclosures; and implement policies, monitoring and controls to prevent overbilling. The Division encouraged advisers to review and refine their billing policies, procedures, and practices on a routine basis and to ensure they are accurate and consistent with disclosures and agreements. Advisers should also identify and address timely new economic conflicts of interest. In addition, advisers are encouraged to review their disclosures regarding their economic conflicts of interest to ensure that clients are provided with full and fair disclosure.

SEC Grants Keystone Exemptive Order Under Investment Company Act §§17(d)/57(i) Permitting Co-Investments With Affiliates

SOURCE | SEC | READ MORE

On June 16, 2026, the SEC issued an order pursuant to a request by Keystone Private Income Fund, et al ("Keystone")under sections 17(d) and 57(i) of the Investment Company Act of 1940, and Rule 17d-1 thereunder, that would permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) and Rule 17d-1. The order would permit certain registered open-end management investment companies, closed-end management investment companies, and business development companies of Keystone to co-invest in portfolio companies with each other and with certain affiliated investment entities. This is not a rule change but a case specific exemptive grant: a practical precedent that the SEC will permit co investment arrangements otherwise proscribed by Rule 17d 1 when the applicant demonstrates compliance with the staff's conditions. Firms with similar mixed product structures should treat this as a workable model for seeking tailored relief, not as blanket permissive treatment.

Regulatory Updates

CFTC Staff Issues No-Action Letter for Swap Post-Trade Risk Reduction Services

SOURCE | CFTC | READ MORE

On June 17, 2026, the CFTC's Division of Clearing and Risk, Division of Market Oversight, and Market Participants Division announced they have taken no-action positions related to a request from three service providers, Capitolis Partners LLC, Quantile Technologies Limited (as part of the London Stock Exchange Group plc), and TriOptima AB (as part of OSTTRA) that offer post-trade risk reduction services (PTRRS) for swaps in the form of portfolio rebalancing and basis risk mitigation. The letter provides a no-action position to the service providers for failure to register as swap execution facilities and notes they have registered with the CFTC as Introducing Brokers subject to compliance with CFTC regulations and NFA rules. The no-action letter is time-limited and subject to the terms and conditions in the letter.

CFTC Sues New Mexico as the State Becomes the Latest Attempting to Infringe on Federal Jurisdiction

SOURCE | CFTC | READ MORE

On June 12, 2026, the CFTC filed a lawsuit in federal court against the State of New Mexico, seeking to block the state's efforts to apply state gaming laws against CFTC-registered contract markets. The action follows a lawsuit filed by New Mexico against KalshiEX LLC, alleging that its prediction market offerings constitute unlawful online sports betting. The CFTC's complaint seeks a declaration that federal law grants the agency exclusive authority to regulate event contracts and requests an injunction preventing New Mexico from enforcing state laws that the CFTC contends are preempted by the Commodity Exchange Act. This is the seventh (7th) state the CFTC has sued over their attempts to regulate or ban prediction markets; the others are comprised of Arizona, Connecticut, Illinois, Minnesota, Rhode Island and Wisconsin.

Regulatory Updates

FCA Proposes Simplified Climate Disclosure Requirements for Investment Products

SOURCE | FCA | READ MORE

Following a post-implementation review of its climate disclosure rules for asset managers, life insurers and FCA-regulated pension providers, the FCA has proposed changes to the product-level disclosure requirements in the Environmental, Social and Governance sourcebook. The FCA states that the objective is to simplify the existing framework while maintaining the original policy intent. The proposals follow feedback that Taskforce on Climate-related Financial Disclosures ("TCFD") product reports have generated limited engagement, particularly among retail investors, who have found them lengthy and difficult to understand, while institutional investors often obtain the required information directly from firms rather than relying on public reports. The FCA is therefore proposing to remove the current TCFD product reporting requirements and replace them with a more targeted and outcomes-based approach. Under proposed rule ESG 2.3.1B, firms would be required to periodically assess whether climate-related risks or opportunities are materially relevant to a product's financial performance or returns and, where relevant, disclose this information in communications intended for retail clients. The existing TCFD entity-level reporting requirements will remain in place for now, although the FCA has indicated that it will continue to explore opportunities to streamline those rules in future. The consultation forms part of Quarterly Consultation Paper CP26/17 and closes on 13 July 2026.

AMLA Consults on Guidelines for Ongoing Monitoring of Business Relationships

SOURCE | AMLA | READ MORE

The EU's Anti-Money Laundering Authority has published draft guidelines on the ongoing monitoring of business relationships as part of the developing EU anti-money laundering framework. While the UK is not subject to the EU AML regime, the proposals address a core AML compliance area that is common across jurisdictions and may provide useful insight for firms reviewing their existing monitoring arrangements. The guidelines may be of particular interest to UK firms with an EU presence, including those with EU-based group entities or clients who expect familiarity with current EU AML requirements. Firms may wish to consider the proposals as part of their broader AML framework and assess any implications for cross-border compliance practices. The consultation period closes on September 3, 2026.

Regulatory Updates

UK AML Regulations Amended – Changes to Due Diligence, Cryptoassets and Trust Registration Requirements

SOURCE | UK GOVERNMENT | READ MORE

The UK Government has amended the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, with the changes accompanied by an Explanatory Memorandum published on June 9, 2026. The amendments introduce a range of updates across the UK's anti-money laundering framework, including refinements to customer due diligence, enhanced due diligence and additional due diligence requirements, particularly in relation to high-risk jurisdictions, complex transactions, pooled client accounts and cryptoasset correspondent relationships. The reforms also update monetary thresholds from euros to sterling, strengthen requirements for cryptoasset businesses in line with the new UK cryptoasset regulatory regime, reform the Trust Registration Service to address identified gaps while introducing a de minimis exemption for certain low-risk trusts, and bring the sale of "off-the-shelf" companies within the scope of regulated trust or company service provider activity. Further changes clarify the treatment of reinsurance activities and enhance information sharing between AML supervisors and public bodies. Most of the amendments will come into force 21 days after the Regulations are made.

Singapore MAS – Consultation Paper on Proposed Amendments to Notices on Technology Risk Management

SOURCE | MAS | READ MORE

On June 10, 2026, MAS published a consultation paper on proposed amendments to MAS Notices on Technology Risk Management (FSM-N03, FSM-N05, FSM-N07, FSM-N09, FSM-N11, FSM-N13, FSM-N17, FSM-N19, FSM-N21, FSM-N23 and FSM-N25) (the "Notice") to strengthen the technology resilience of the financial services sector. The proposed amendments to the Notice will require the relevant Financial Institutions (FIs) to implement measures across key areas such as IT asset management, IT risk assessment, and monitoring. MAS invites comments on the proposed amendments to the Notice, taking into account emerging risk developments, including AI-enabled threats. Written comments should be submitted by 31 July 2026 via the Form SG link.

Regulatory Updates

Singapore MAS – Information Paper on Good Disclosure Practices for Retail ESG Funds

SOURCE | MAS | READ MORE

On June 10, 2026, MAS published an information paper which aims to promote clear, substantiable disclosures to facilitate investors' understanding of the key features and risks of an ESG fund. Examples have been included in the information paper to illustrate good disclosure practices. These disclosures should in turn be supported by appropriate policies to ensure effective implementation of the ESG fund's stated ESG investment focus and strategy and mitigate greenwashing risks. It is encouraged that retail fund managers should consider the good disclosure practices outlined in this information paper in the preparation of disclosures relating to their ESG funds, whether in their offering documents, annual reports or marketing materials (including website disclosures), and to ensure they have appropriate internal policies and processes in place to support such disclosures.

UAE DFSA: DFSA Issues Expectations on AI Risk Management in the DIFC

SOURCE | DFSA | READ MORE

On June 4, 2026, the Dubai Financial Services Authority ("DFSA") issued a letter to Senior Executive Officer ("SEOs") of Authorised Firms setting out its regulatory expectations on artificial intelligence risk management in the Dubai International Financial Centre ("DIFC"). The letter is relevant to Authorized Firms using, procuring or considering AI tools, particularly where AI impacts client outcomes, compliance monitoring, operational resilience, cyber risk, outsourcing or senior management oversight. The update follows broader global regulatory attention on AI governance and reinforces the DFSA's expectation that firms maintain clear accountability, effective systems and controls, and appropriate governance over technology-enabled business models. Firms should ensure AI use cases are mapped, risk-assessed and subject to proportionate oversight, especially where third-party providers or automated decisioning tools are involved.

Regulatory Updates

UAE ADGM FSRA: FSRA Finalises Enhancements to AML Framework

SOURCE | ADGM FSRA | READ MORE

On May 21, 2026, the Financial Services Regulatory Authority ("FSRA") of Abu Dhabi Global Market ("ADGM") finalised enhancements to its AML, counter-terrorist financing, counter-proliferation financing and sanctions compliance framework following Consultation Paper No. 1 of 2026. The amendments update the Financial Services and Markets Regulations 2015 and the AML Rulebook to reflect developments in UAE federal law and evolving international standards, including Financial Action Task Force ("FATF") recommendations. The FSRA stated that the enhancements should have minimal impact on existing compliance requirements, but Authorized Persons and other Relevant Persons should still review AML policies, sanctions procedures, business risk assessments, training materials and obligation registers to ensure rule references and terminology remain current.

UAE ADGM: ADGM Publishes 2026 Legal Persons and Arrangements Risk Assessment

SOURCE | ADGM | READ MORE

On May 14, 2026, ADGM published its 2026 update to the Money Laundering and Terrorist Financing Risk Assessment of Legal Persons and Arrangements. ADGM reported that its legal-persons-and-arrangements population increased from 7,173 in 2024 to 12,302 at the end of March 2026, representing approximately 72% growth. The assessment provides an ADGM-specific view of Money Laundering/Financing of Terrorism risks across available legal structures and is used to inform licensing, ongoing monitoring, inspection planning, thematic supervisory work and targeted enforcement. Firms should consider the assessment when calibrating customer due diligence, beneficial ownership controls and risk ratings for ADGM structures.

Enforcement Actions

SEC Settles Litigation with Texas Resident Charged with Insider Trading

SOURCE | SEC | READ MORE

On June 15, 2026, the SEC filed a consent and proposed final judgment against defendant Bruce Cameron Conway, whom the SEC previously charged with insider trading. According to the SEC's complaint, Conway obtained material nonpublic information regarding a privately held biotechnology firm's planned merger with Cancer Genetics and used that information to purchase Cancer Genetics shares in accounts belonging to himself, family members, and family-owned trusts before the transaction was publicly announced. After the merger was publicly announced, the price of Cancer Genetics stock rose by 215 percent from the previous day's closing price, and Conway began selling his Cancer Genetics shares.

SEC Obtains Judgment as to Gerard Ryan for Alleged Insider Trading

SOURCE | SEC | READ MORE

On June 12, 2026, the U.S. District Court for the Southern District of New York entered a consent judgment against Gerard Ryan, whom the SEC previously charged with insider trading in the securities of Kadmon in advance of the company's July 16, 2021 announcement that the Food and Drug Administration ("FDA") had approved Kadmon's drug Rezurock. The SEC found that the FDA confidentially informed Kadmon on July 14, 2021, that it planned to approve Rezurock, and, later that day, Ryan learned that confidential information from a family member who worked in Kadmon's Commercial Sales Department at the time. The complaint alleges that, on July 15 and July 16, prior to the announcement that the FDA had approved Rezurock, Ryan bought a total of approximately 16,480 Kadmon shares. Ryan also allegedly tipped a friend who then traded in advance of the announcement. Based on the closing price for Kadmon's stock on July 16, Ryan generated ill-gotten profits of approximately $9,260.

Enforcement Actions

SEC: Order Instituting Administrative and Cease-and-Desist Proceedings Against Foundations Investment Advisors and Bryon E. Rice

SOURCE | SEC | READ MORE

On June 8, 2026, the SEC charged Foundations Investment Advisors, LLC and its majority owner/former CEO Bryon E. Rice with breaches of fiduciary duty and related compliance failures. The Commission found that from 2019–2025, Foundations failed to disclose multiple conflicts of interest: Rice's 4.99% profit sharing interest in a sub adviser (Sub Adviser A) (profit payments of $434,162; disclosed only on Form ADV on March 29, 2021), an expense sharing/ETF launch agreement with Adviser B that created incentives to recommend four ETFs (undisclosed; Foundations avoided ~ $152,628 of expenses), and undisclosed affiliations of Foundations' CIO with Adviser B and another sub adviser. The SEC also found Rice personally traded an Adviser B managed actively managed ETF from March 31, 2022 to June 16, 2023 (purchases on 87 days; 33 end of day trades matching the close) without pre clearance and while the ETF was included in model portfolios—conduct the SEC concluded resulted in negligent breaches of fiduciary duty. This case is an example of improper economic interests that is the subject of the Division of Examinations recent Risk Alert that is described in this edition, *Risk Alert on Investment Adviser Obligations Related to Economic Conflicts of Interest*, under Regulatory, above.

UAE DFSA: DFSA Prohibits and Fines Reinsurance Broker for Misleading Conduct

SOURCE | DFSA | READ MORE

On May 12, 2026, the DFSA imposed a fine of USD139,722 on Mr. Wael Abdelmohsen Abdellatif Mohamed Emara, also known as Mr. Mohsen, for misleading and deceptive conduct. The DFSA also prohibited him from holding office or being an employee of a DFSA Authorized Firm and restricted him from performing any function connected with financial services in or from the DIFC. The DFSA found that Mr. Mohsen misled cedant insurers and reinsurers over a period of more than three years, including through premium discrepancies and manipulated reinsurance documents. The action reinforces the DFSA's focus on individual accountability, client fairness, documentation integrity and senior oversight of client-facing conduct.

Crypto Corner

SEC Proposes Rollback of Key Equity Market Rules, Potentially Opening Door for Tokenized Stocks

SOURCE | SEC | READ MORE

On June 11, 2026, the SEC proposed rescinding Rules 611 and 610(e) of Regulation National Market System ("NMS"), two core provisions that have governed U.S. equity trading since 2005. The proposal would eliminate the trade-through rule and restrictions on locked and crossed markets, which SEC Chairman Paul Atkins said have contributed to unnecessary market complexity and costs. While the proposal is not specifically targeted at crypto, industry analysts believe it could remove a major structural barrier to trading tokenized U.S. equities on blockchain-based platforms. If finalized, the rule change could become one of the most significant regulatory developments for tokenized securities and on-chain capital markets in recent years.

CFTC Proposes Framework for Event Contracts Involving Enumerated Activities

SOURCE | CFTC | READ MORE

On June 10, 2026, the CFTC announced a proposal to modernize Rule 40.11 (the CFTC "Special Rule" governing event or "prediction" contracts). The proposal clarifies when an event contract "involves" enumerated activities (terrorism, assassination, war, gaming) and sets parameters for the Commission's public interest review under the Commodity Exchange Act. The proposal would create a structured process for evaluating whether certain event contracts are contrary to the public interest. Chairman Michael S. Selig said the goal is to protect market integrity without blocking responsible innovation. The proposal is especially relevant as prediction markets continue expanding into sports and other real-world events. The proposal sets out a 90-day review process ensuring critical procedural protections and a set of public interest factors the Commission would apply on a contract-by-contract basis.

NYDFS Proposes New Stablecoin Regulation Aligned With the GENIUS Act

SOURCE | NYDFS | READ MORE

On June 9, 2026, the New York Department of Financial Services ("NYDFS") proposed a new stablecoin regulation designed to align the state's existing framework with federal requirements under the GENIUS Act. The proposal would codify New York's 2022 stablecoin guidance while introducing new requirements for reserve custody, risk management, internal controls, cybersecurity, and issuer oversight. NYDFS said the framework is intended to ensure New York remains eligible for federal certification while maintaining its consumer protection standards. Existing New York-regulated stablecoin issuers would receive a one-year transition period to comply with the new rules once they take effect. As the first state to formally propose a GENIUS Act-aligned regime, New York is positioning itself to remain a leading regulator of U.S. dollar-backed stablecoins.

Crypto Corner

FCA Proposes Allowing UCITS and NURS Investment in Cryptoasset ETNs

SOURCE | FCA | READ MORE

Following the lifting of its ban in August 2025 on the sale, distribution and marketing of cryptoasset exchange traded notes ("cETNs") to retail consumers, the FCA has proposed amendments to its investment fund rules to permit certain retail funds to invest in these instruments. The proposals, set out in Chapter 5 of Quarterly Consultation Paper CP26/17, reflect the FCA's view that developments in the market and regulatory environment warrant reconsideration of the current approach to cETNs within authorized funds. Under the proposals, UK UCITS schemes and certain non-UCITS retail schemes (NURS) would be permitted to invest up to 10% of scheme property in cETNs, provided the investment is consistent with the fund's disclosed investment objectives and risk profile. The FCA notes that it has previously challenged investments in cETNs despite their status as transferable securities. In contrast, the FCA proposes to prohibit investments in cETNs by Fund of Alternative Investment Funds (FAIFs) and Long-Term Asset Funds, reflecting its view that cryptoassets are not consistent with the objectives of those products. The consultation closes on July 13, 2026.

UAE ADGM: Copper ME Receives FSRA In-Principle Approval for Expanded Digital Asset Activities

SOURCE | ADGM | READ MORE

On June 9, 2026, Copper Securities (ME) Limited announced that it had received In-Principle Approval from the FSRA for a variation of permission to expand its regulated digital asset activities in ADGM. The proposed expansion includes institutional-grade digital asset custody, off-exchange collateral management infrastructure, rewards programmes and tokenized money market fund brokerage, subject to final FSRA approval. The development highlights continued institutional interest in ADGM as a digital asset and tokenisation hub, particularly for custody, collateral management and investment solutions. Firms considering digital asset strategies should continue to assess licensing perimeter, custody arrangements, governance, prudential treatment and financial crime controls.

Leadership & Development

What Leaders Get Wrong About Organizational Culture

FORBES | TRACY LAWRENCE | READ MORE

Executives often misunderstand their organization's culture, experiencing it differently than employees. This gap is a critical blind spot, especially in disruptive times. Culture is perceived uniquely based on one's role and working style, with implicit norms rewarding some behaviors while marginalizing others. Hiring for "culture fit" can inadvertently exclude innovative thinkers, hindering adaptation and diversity, which is crucial for performance. Leaders often lose touch by assuming their cultural experience is universal. Instead of asking "What is our culture?", a better question is "Who flourishes and who struggles?", revealing true dynamics and fostering diverse perspectives essential for navigating future challenges and ensuring organizational health.

USEFUL LINKS:

View SEC News & Notices here	View FINRA site here
View NFA News & Notices here	View FCA site here
View SFC news and updates here	View DIFC site here
View MAS news and updates here	View ADGM site here