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OPTIMA NEWSLETTER

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Upcoming Regulatory Deadlines

- JULY 10, 2026 | 13H QUARTERLY FILING

Regulatory Updates

Division of Corporation Finance Authorizes Five-Business-Day Tender/Exchange Offers for Non-Convertible Debt

SOURCE | SEC | READ MORE

On June 30, 2026, the SEC's Division of Corporation Finance issued a five-business-day offering period for issuer tender/exchange offers for non-convertible debt, subject to enumerated participant, disclosure and operational conditions. The relief replaces prior no-action relief and is limited to tender offers meeting the Order's issuer, consideration and investor-type constraints (e.g., QIB/Reg S/accredited institutional investors for certain exchanges). Issuers, sponsors and advisors planning abbreviated-timetable debt offers should update tender playbooks, confirm eligibility against the Order's conditions, and consult counsel to document antifraud and solicitation compliance.

Exemptive Order Authorizes Single Fund to Offer Both ETF and Mutual Fund Share Classes

SOURCE | SEC | READ MORE

On June 30, 2026, the SEC issued an order authorizing Pear Tree Funds to operate an ETF share class alongside one or more mutual fund share classes within a single registered open-end fund, subject to specified conditions. The order grants limited exemptions across multiple Investment Company Act of 1940 ("Company Act") provisions and is effective immediately for the named applicant. Sponsors considering hybrid share-class structures should review the order's operational and disclosure conditions and engage fund counsel to mirror required safeguards.

Regulatory Updates

FCA Consults on Consumer Duty Scope and Proportionality (CP26/23)

SOURCE | FCA | READ MORE

The FCA has published Consultation Paper CP26/23, “Consumer Duty – scope and proportionality,” proposing changes to clarify the application of the Consumer Duty following its implementation in July 2023. While the FCA acknowledges that the vast majority of wholesale market activity does not have a material impact on retail outcomes and therefore falls outside the scope of the Consumer Duty, it has observed that some wholesale firms have applied the requirements more broadly than intended, resulting in unnecessary cost and uncertainty. The proposals are intended to provide greater clarity on when the Consumer Duty applies and when it does not, including removing business with non-UK customers from scope, clarifying the application of the Duty across distribution chains, and explaining its interaction with other product governance rules. The FCA also proposes introducing a new Handbook chapter, “PRIN 3A,” to clarify the application of the Consumer Duty, including defining retail market business and providing guidance on distribution chains. The consultation closes on September 18, 2026, with a Policy Statement and any final rules expected in Q1 2027.

FCA Proposes Simplification of Investment Disclosure Regime

SOURCE | FCA | READ MORE

The FCA published CP26/24 on July 2, 2026, proposing a single Consumer Composite Investments (CCI) disclosure framework to replace PRIIPs and UCITS KIID and to simplify how platforms, advisers and wealth managers communicate all investment costs. Key proposals require distributors to present their own costs alongside product costs in the CCI format, for firms to account regularly for the total cost of investing, and for firms to disclose fees and interest on client cash consistent with the Consumer Duty and prior Dear CEO expectations on double-dipping. The FCA published a review finding only 6% of 132 pre-sale documents examined met plain-English standards and states firms must adopt the CCI approach from June 2027; consultation responses are due by August 21, 2026.

Regulatory Updates

ESMA Final Report on Call for Evidence for Simplification of Financial Transaction Reporting

SOURCE | ESMA | READ MORE

ESMA published a Final Report recommending a staged move to a single, integrated "report-once" transaction-reporting framework that would combine MiFIR (Regulation (EU) No 600/2014), EMIR (Regulation (EU) No 648/2012) and SFTR (Regulation (EU) 2015/2365). ESMA's cost-benefit analysis estimates annual net savings of €250m–€1bn, a recurring cost reduction of 22–24%, and 10-year discounted benefits of €1.2bn–€4.9bn; implementation costs would likely be recovered within 3-4 years.

UK Supreme Court Narrows "Salaried Member" Condition B Test

SOURCE | UK SUPREME COURT

The UK Supreme Court (judgment in HMRC v BlueCrest Capital Management (UK) LLP, July 2, 2026) confirmed that "significant influence" under the UK HMRC salaried-member rules (the three-condition test) must be traceable to legally enforceable rights and duties — informal, de facto or commercial importance alone does not satisfy Condition B — and remitted factual application of the test in BlueCrest to the First-Tier Tribunal (FTT). The Court accepted that qualifying influence could stem from delegated authority or formal roles derived from the LLP agreement, but insisted the influence be strategic/managerial (not merely operational) and have practical commercial substance.

FCA Final Regulatory Fees and Levies for 2026/27 (PS26/14)

SOURCE | FCA | READ MORE

PS26/14 publishes the FCA's final regulatory fee and levy rates for the 2026/27 year and sets the practical steps for collection. The statement covers FCA periodic fees, the Financial Ombudsman Service levy and rule changes enabling the FCA to collect specified government levies; it also records feedback on CP26/11 (consultation: March 26–April 30, 2026). The FCA will invoice fee-payers from July 2026 and has published an online fees calculator reflecting the final rates (PS26/14).

Regulatory Updates

CP167 Outcome – Basel Core Principles Alignment

SOURCE | DFSA | READ MORE

The DFSA finalized amendments to the GEN, PIB, GLO and IFR modules of its Rulebook. These modules cover general regulatory obligations, prudential/capital requirements, defined terms and Islamic finance rules. The changes align the DFSA Rulebook more closely with the Basel Core Principles, which are international banking and prudential supervision standards. The changes include updates to risk governance, risk appetite, risk reporting, management information, risk data aggregation, concentration risk, related-party exposures and Governing Body oversight.

Revised PIB Capital Regime – K-AUM and K-ASA

SOURCE | DFSA | READ MORE

The DFSA's revised prudential capital regime introduces activity-based capital requirements for certain firms. For asset managers, K-AUM links part of the firm's capital requirement to the value of assets it manages. For custodians or firms safeguarding assets, K-ASA links part of the capital requirement to the value of assets safeguarded or administered. The key practical change is that capital calculations become more directly linked to the scale of the firm's regulated business. Where the same asset is both managed and safeguarded by the same firm, the rules are intended to avoid double counting.

FATF Updates Grey List Following June 2026 Plenary Meeting

SOURCE | FATF / HM TREASURY | READ MORE

On June 19, 2026, following the Financial Action Task Force ("FATF") Plenary meeting, Algeria and Namibia have been removed from the list of jurisdictions under increased monitoring (the "grey list"), while Bosnia and Herzegovina and Iraq have been added. There have been no changes to the list of high-risk jurisdictions subject to a Call for Action (the "black list"). In response, HM Treasury has updated its Money Laundering Advisory Notice, which should be considered by firms subject to the UK Money Laundering Regulations. The update also comes ahead of amendments to the UK Money Laundering Regulations taking effect on June 30, 2026, which narrow the circumstances in which enhanced due diligence is required. Under the revised framework, the requirement will apply to persons established in FATF Call for Action countries, replacing the previous reference to persons established in high-risk third countries. Firms should review the updated FATF lists and ensure that their AML risk assessments and due diligence procedures reflect the revised requirements.

Regulatory Updates

CP169 Outcome – AML, FER and PIB Changes

SOURCE | DFSA | READ MORE

The DFSA finalized changes to three DFSA Rulebook modules. The Anti-Money Laundering, Counter-Terrorist Financing and Sanctions (AML) and Glossary Module changes relate to anti-money laundering, counter-terrorist financing and sanctions requirements. The Fees Module (FER) changes relate to DFSA fees. The Prudential – Investment, Insurance Intermediation and Banking Business (PIB) Module changes relate to prudential requirements, including eligible liquid assets and K-factor capital implementation. The AML and FER Module changes came into effect first, with the PIB Module changes taking effect from July 2026.

Enforcement Actions

SEC Order Instituting Administrative and Cease-and-Desist Proceedings Against Northeast Financial Group for Custody Rule Violations

SOURCE | SEC | READ MORE

On June 26, 2026, the SEC found that Northeast Financial Group, Inc. ("Northeast") willfully violated Section 206(4) and Rule 206(4)-2 of the Advisers Act (the "Custody Rule") by failing to obtain annual independent verification or audited GAAP financial statements for four pooled funds from 2015 through 2024. The SEC determined Northeast had custody under the Custody Rule because related persons served as the funds' managing members with authority over the funds. The Order cites failure to satisfy the Audited Financials Alternative (Rule 206(4)-2(b)(4)), including the PCAOB-registration requirement for auditors and the 120-day distribution timeline, and imposes a cease-and-desist order, censure, and a $75,000 civil money penalty. This case is an example of the new administration taking action to enforce a rule violation that did not result in demonstrable investor harm.

Enforcement Actions

SEC Charges Nuclear Engineer Casey Muggleston with Insider Trading

SOURCE | SEC | READ MORE

On June 24, 2026, the SEC filed civil charges against Casey Muggleston for trading on material nonpublic information about Constellation Energy's "Project Tetris," alleging profits of approximately $1.4 million. The complaint alleges violations of Securities Exchange Act Section 10(b) and Rule 10b-5 and seeks an injunction, disgorgement with prejudgment interest, and a civil penalty. The action follows a parallel criminal indictment and originated from the SEC's Market Abuse Unit Analysis and Detection Center. The expansion of analytics-driven detection does not change the substantive legal standard but raises supervisory risk for firms with weak surveillance or escalation controls.

SEC Charges Individual and His LLC With $2.7M Insider Trading Tied to Partner's IR Firm Access

SOURCE | SEC | READ MORE

On June 23, 2026, the SEC filed a civil complaint under Securities Exchange Act Section 10(b) and Rule 10b-5 charging Justin Jennings and his firm Vortex Strategies LLC with insider trading. The complaint alleges Jennings accessed confidential client information via his then-romantic partner's work-issued laptop at a strategic communications/investor relations firm, traded in eight public companies through personal and LLC brokerage accounts between Feb 2022 and Oct 2024, and realized approximately $2.7 million in illicit profits. The SEC seeks permanent injunctions, disgorgement with prejudgment interest, and civil penalties; the U.S. Attorney's Office filed parallel criminal charges.

SEC Order and $7.5M penalty against Merrill Lynch for failing to file SARs

SOURCE | SEC | READ MORE

On June 29, 2026, the SEC found Merrill Lynch willfully failed to file required Suspicious Activity Reports between April 2020 and September 2024 and imposed a $7.5 million penalty plus censure and cease-and-desist relief. The Order emphasizes that firms cannot uncritically rely on affiliate enterprise AML thresholds; broker-dealers and dual registrants should independently validate monitoring thresholds, run SAR-yield sampling, and document governance over outsourced AML tooling.

Enforcement Actions

SEC Filed Settled Enforcement Action Against Mingran Wang for Alleged Spoofing Market Manipulation

SOURCE | SEC | READ MORE

On June 24, 2026 the SEC filed a settled enforcement action alleging multi-year spoofing that yielded over $1.3M in ill-gotten gains (with parallel Department of Justice criminal charges). Wang's spoofing scheme followed three basic steps in which Wang: (1) placed buy and sell orders for ADRs that he never intended to execute which moved the market price of the targeted ADR securities; (2) then executed orders to buy or sell the ADR to take advantage of the manipulated price; and (3) then canceled the non-bona fide orders he placed in the first step, typically before those orders could be executed. Wang allegedly placed his non-bona fide orders through accounts he controlled at one brokerage firm and executed his actual buy and sell trades through accounts he controlled at a different brokerage firm.

CFTC Consent Order Resolves 2023 Case Against Celsius Founder Permanent Injunction and Trading/Registration Bans

SOURCE | CFTC | READ MORE

On June 18, 2026, a U.S. District Court entered a consent order resolving the CFTC's 2023 action against Celsius Network founder and former CEO Alexander Mashinsky, permanently enjoining him under the Commodity Exchange Act's anti-fraud provisions and imposing permanent trading and registration bans. The CFTC alleged Celsius took in roughly $20 billion in customer funds while misrepresenting asset safety and promising high yields, deploying the money into uncollateralized loans and risky DeFi arrangements. Mashinsky pled guilty in the parallel criminal case and was sentenced to 12 years. For firms managing pooled crypto or yield products, the signal is heightened CFTC scrutiny of safety and yield marketing claims, crypto custody and segregation, and DeFi counterparty controls.

CFTC Sues Kentucky to Block State Enforcement and Fees Targeting CFTC-Registered Contract Markets

SOURCE | CFTC | READ MORE

The CFTC sued Kentucky on June 23, 2026, seeking to block state enforcement actions and a new transaction fee targeting CFTC-registered designated contract markets. The complaint asserts exclusive federal jurisdiction over event/prediction contracts under the CEA, citing parallel litigation in Minnesota, Illinois, Rhode Island, Massachusetts, and the Sixth and Ninth Circuits. No new obligations for market participants.

Crypto Corner

FCA Final Crypto Rules Establish Mandatory UK Regime and Authorisation Gateway

SOURCE | FCA | READ MORE

The FCA published its final policy on June 30, 2026, establishing a mandatory UK crypto regime: firms carrying on trading, custody, intermediary, stablecoin issuance, or staking-arrangement activities must obtain FCA authorisation and meet new prudential, market-integrity and conduct standards. The package includes new market-integrity rules covering insider trading and market manipulation, financial-resilience requirements including capital and stress-testing expectations, and bespoke stablecoin rules, alongside non-Handbook guidance on overall risk assessment (GC26/4 and GC26/5). Pre-application meetings are available from July 2026; the authorisation gateway runs September 30, 2026–February 28, 2027, and the mandatory regime takes effect October 25, 2027.

SEC Opens Review of ETF Rules as Crypto and Novel Funds Expand

SOURCE | SEC | READ MORE

On June 30, 2026, the SEC launched a 60-day public comment period to evaluate whether its current regulatory framework remains appropriate for “novel” exchange-traded funds, including crypto asset ETFs and prediction market ETFs. The SEC is seeking feedback on whether existing listing, disclosure, and approval requirements should be updated to better address these emerging products while maintaining investor protections. Although the proposal is not limited to crypto, it could shape how future tokenized asset funds, crypto ETFs, and prediction market ETFs are reviewed and approved.

CFTC Seeks Comment on 24/7 Trading and Energy Perpetual Contracts

SOURCE | CFTC | READ MORE

On June 22, 2026, the CFTC requested public comment on extending standard futures markets to 24/7 trading and permitting perpetual contracts referencing certain physical energy commodities. The proposal reflects the CFTC’s broader modernization agenda following recent approvals of digital asset perpetual futures and could influence how regulators approach continuously traded markets across traditional finance and digital assets.

Crypto Corner

OCC Proposes AML and Sanctions Rules for Payment Stablecoin Issuers

SOURCE | OCC | READ MORE

On June 22, 2026, the Office of the Comptroller of the Currency ("OCC") released a proposed rule implementing anti-money laundering, counter-terrorist financing, and sanctions compliance requirements for permitted payment stablecoin issuers under the GENIUS Act. The proposal establishes reporting, compliance, and supervisory expectations for OCC-regulated stablecoin issuers. It represents one of the first major rulemakings implementing the new federal stablecoin framework and signals increased regulatory oversight of payment stablecoins.

Leadership & Development

3 Leadership Strategies For The Essential Work Of Bridge Building

GINNY WHITELAW | FORBES | READ MORE

Dr. Kristi Crymes is a bridge builder. Her work is a model of building bridges, both within communities and between the past and the future. It models three key leadership strategies needed for bridge building: (i) embracing both sides; (ii) listening beneath the surface; and (iii) being resourced from abundance. As these leadership strategies come together, they also become mutually amplifying, creating a virtuous cycle.

USEFUL LINKS:

View SEC News & Notices here

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