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OPTIMA NEWSLETTER

TRUSTED EXPERTISE.
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2026

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Upcoming Regulatory Deadlines

- NOVEMBER 16, 2026 | QUARTERLY FORM 13F
- NOVEMBER 27, 2026 | LARGE HEDGE FUND ADVISER QUARTERLY FORM PF

Upcoming Events

Schwab IMPACT 2026

BOSTON, MA | OCTOBER 27–29, 2026 | REGISTER HERE

Optima Partners is pleased to announce that it will be sponsoring IMPACT 2026 in Boston. Now in its 36th year, IMPACT is the largest and longest-running gathering of independent registered investment advisers in the United States, bringing together thousands of industry professionals for three days of keynote presentations, educational programming and networking. This year's conference will explore the trends shaping the future of independent advice, including artificial intelligence, business growth, technology, investment strategy and evolving client expectations. Optima looks forward to connecting with advisers and industry leaders and sharing practical perspectives on the regulatory and compliance priorities affecting the RIA community.

AIMA APAC Annual Forum

HONG KONG | OCTOBER 29, 2026 | LEARN MORE

Optima Partners is pleased to sponsor the 2026 AIMA APAC Annual Forum in Hong Kong, where Partner Katrina Banh will be speaking on "Compliance at Scale: Navigating the New Operating Environment." The forum brings together policymakers, regulators and alternative investment leaders to discuss the regulatory, policy and operational issues shaping the Asia-Pacific industry. Katrina's session will explore how firms can manage increasing regulatory complexity as they expand into new markets, launch products and serve a broader investor base. Optima looks forward to sharing practical insights and connecting with clients and industry peers throughout the event.

Regulatory Updates

Division of Examinations Releases 2027 Examination Priorities

SOURCE | SEC | READ MORE

On October 23, 2026, the Division of Examinations ("EXAMS") released its annual "2027 Exam Priorities" for the federal fiscal year from October 1, 2026 through September 30, 2027. As in prior years, the 2027 Exam Priorities are divided into sections addressing different registrants and a section regarding risk areas that affect all registrants such as cybersecurity preparedness. In addition, a central focus this year is strengthening how registrants access the observations EXAMS gathers during examinations and how the parties interact throughout the examination process. Consistent with last year's priorities, areas of focus for investment advisers are (i) fiduciary standards of conduct, including economic conflicts of interest; (ii) key aspects of an adviser's compliance program such as marketing and valuation; and (iii) advisers that have never been examined and recently registered advisers.

SEC and AMF Announce Supervisory MOU to Enhance Cooperation for Investment Advisers and Investment Service Providers

SOURCE | SEC | READ MORE

On October 20, 2026, the SEC and the French Autorité des Marchés Financiers ("AMF") announced that they entered into an MOU to enhance regulatory cooperation and information sharing in the supervision of investment advisers, investment companies, and investment service providers operating in the U.S. and France. The MOU establishes a framework for consultation, cooperation, and the exchange of supervisory information between the two regulators. The agreement also facilitates the SEC's registration and supervision of AMF-supervised asset management companies seeking to conduct business in the U.S., with the SEC announcing that it will resume processing new and pending registration applications from these firms. The arrangement is particularly relevant to French asset managers seeking SEC registration and investment advisers with cross-border operations.

SEC Announces Roundtable on Machine-Understandable Data in the Age of Super Intelligence

SOURCE | SEC | READ MORE

On October 19, 2026, the SEC announced that it will host a roundtable on November 9, 2026, to discuss the use of machine-understandable data and Super Intelligence ("SI"), including associated risks and costs. The roundtable will provide an opportunity for market participants to share insights on how machine-understandable data and SI are being used by investors and the broader public, helping inform the SEC's approach to facilitating these technologies. The event will be held at the SEC's headquarters in Washington, D.C., from 9:00 a.m. to 3:30 p.m. ET and will be livestreamed on the SEC's website.

Regulatory Updates

SEC Chairman Paul Atkins Speaks to Director David Woodcock on Back-to-Basics SEC Enforcement

SOURCE | SEC | WATCH HERE

On October 16, 2026, Chairman Paul Atkins and the Director of the Division of Enforcement ("Enforcement"), David Woodcock, discussed how Enforcement is getting back to basics by focusing on fraud and real investor harm, collaborating with law enforcement partners at home and abroad, combating new schemes that use social media, crypto and SI, and using technology to make enforcement faster and more effective.

SEC Signals Retail Alternatives and Fair-Value Priorities

SOURCE | SEC | READ MORE

On October 16, 2026, the Director of the Division of Investment Management outlined a responsible agenda for expanding access to private-market and alternative strategies through funds registered under the Investment Company Act of 1940 ("Registered Funds"). The remarks also identified Investment Company Act Rule 2a-5 fair-value processes as an examination focus, particularly where valuations affect management or performance fees, but did not create an independent obligation. Registered Fund and BDC advisers should assess product plans against pending SEC proposals and test valuation governance for private assets.

FinCEN Issues Alert on Iranian Charity Networks

SOURCE | FINCEN | READ MORE

On October 15, 2026, FinCEN issued an alert addressing suspected Iranian regime abuse of religious charity networks, including diversion of religious tithes known as "khums." The alert informs existing Bank Secrecy Act suspicious activity reporting obligations rather than creating a new filing requirement or deadline. Covered financial institutions and managers operating through regulated affiliates should incorporate the indicators into sanctions screening, transaction monitoring and escalation procedures.

SEC Chairman Addresses Proposed Cross-Trading Amendments

SOURCE | SEC | READ MORE

On October 9, 2026, the SEC Chairman issued a statement supporting proposed amendments intended to restore cross trading for most fixed-income securities and add aggregated reporting. The proposal would expand permissible activity while retaining revised investor-protection conditions, but current Investment Company Act Rule 17a-7 requirements remain in effect unless amendments are adopted. Fund advisers should review the proposed release and monitor the Federal Register for the comment deadline.

Regulatory Updates

CFTC Proposes Treating Certain Event Contracts as Swaps

SOURCE | CFTC | READ MORE

On October 9, 2026, the CFTC proposed expressly including sports, political, cultural and weather-related event contracts within the Commodity Exchange Act definition of "swap." Comments will be due 30 days after Federal Register publication, but the calendar deadline has not yet been established. Managers trading these products should assess potential counterparty, documentation, reporting, clearing, margin and venue implications.

FCA Finds Compliance Governance Gaps at Corporate Finance Firms

SOURCE | FCA | READ MORE

On October 13, 2026, the FCA published findings from its supervisory survey of 411 corporate finance firms, identifying weaknesses in compliance independence, monitoring, breach registers, whistleblowing arrangements and access to management. The FCA stressed that compliance functions must provide credible independent challenge and that outsourcing support does not transfer accountability from senior management, including the SMF16 holder where applicable. Investment managers conducting corporate finance, capital-raising or strategic transaction activities should benchmark their governance and oversight arrangements against the findings and prepare for increased supervisory scrutiny.

Market Watch 86: Market Abuse Surveillance and STOR Governance

SOURCE | FCA | READ MORE

On October 14, 2026, the FCA published Market Watch 86, reporting material weaknesses in retail brokers' market abuse surveillance and suspicious transaction and order report ("STOR") governance. The review identified excessively high reasonable suspicion thresholds, poorly calibrated automated surveillance, overreliance on vendor defaults and insufficient senior management understanding of alert handling and escalation. Investment managers that professionally arrange or execute transactions should reassess STOR procedures, surveillance calibration, quality assurance and end-to-end senior ownership.

Regulatory Updates

FCA Sets Supervisory Benchmarks for AI Governance and Resilience

SOURCE | FCA | READ MORE

On October 19, 2026, the FCA published examples of good practice and areas for improvement concerning AI governance, consumer outcomes and operational resilience. Although the publication creates no new requirements, the FCA expects firms to assign documented senior ownership, apply risk-tiered controls, test consumer outcomes, maintain auditable records and address AI and vendor dependencies in resilience planning. Investment managers using proprietary or third-party AI should inventory material use cases, strengthen approval and monitoring controls, and ensure that senior managers can evidence reasonable steps.

ESMA Finalizes Draft Standards for Post-Trade Risk Reduction Exemption

SOURCE | ESMA | READ MORE

On October 20, 2026, ESMA released its final report containing draft regulatory technical standards for the EMIR clearing exemption for post-trade risk reduction services. The standards cover portfolio compression, portfolio rebalancing and basis-risk optimization, and require minimal market-risk tolerances, demonstrable risk reduction for each participant, provider controls, algorithm governance and recordkeeping. ESMA submitted the standards to the European Commission on October 9, 2026, giving the Commission three months to decide whether to endorse them; investment managers using these services should review provider due diligence and retain evidence that each exercise satisfies the exemption conditions.

Fair Redemption Terms for Authorized Funds Investing in Illiquid Assets

SOURCE | FCA | READ MORE

On October 20, 2026, the FCA published CP26/35, proposing a minimum 90-day redemption notice period and no more than monthly redemption dealing for non-UCITS retail schemes holding at least 50% of their portfolios in inherently illiquid assets. Comments are due by December 11, 2026, while the timing of any final rules remains unspecified. Authorized fund managers should assess the effect on fund documents, distribution, ISA eligibility, liquidity management and delegated portfolio management arrangements.

Regulatory Updates

FCA Consults on Cryptoasset Perimeter Guidance

SOURCE | FCA | READ MORE

On October 21, 2026, the FCA opened a consultation on proposed guidance covering exclusions from regulated cryptoasset activities, including certain stablecoin arrangements, proprietary trading and technical services. Comments are due by November 18, 2026, while existing UK cryptoasset businesses seeking the savings provision must submit applications by February 28, 2027; the new regime takes effect on October 25, 2027. Investment managers conducting cryptoasset execution, custody or related technical activities should reassess their permissions and document the basis for any exclusion, as existing FSMA authorization does not by itself resolve the cryptoasset perimeter analysis.

FCA Proposes Phase Two Reforms to SMCR

SOURCE | FCA | READ MORE

On October 22, 2026, the FCA published CP26/37, proposing to remove the Certification Regime and Directory, reduce certain senior manager approval and reporting requirements, and raise thresholds for the Enhanced regime. Comments close on January 22, 2027, with final requirements expected in the first half of 2027, subject to supporting legislative changes. Investment managers should assess the proposals against their SMF populations and certification processes but continue meeting all current SMCR requirements until final rules take effect.

FCA Consults on Financial Crime Guide Updates

SOURCE | FCA | READ MORE

On October 23, 2026, the FCA opened CP26/38, proposing updates to its Financial Crime Guide covering sanctions, proliferation financing, cryptoassets, fraud, data security and the use of AI and third-party control tools. Responses are due by December 24, 2026, although the FCA has not specified an implementation date for the revised guidance. Investment managers should compare the proposed guidance with their sanctions and financial crime frameworks and consider responding where proportionality or reliance on external technology creates material concerns.

Regulatory Updates

FCA Highlights Conflicts Risks in Private Markets

SOURCE | FCA | READ MORE

On October 23, 2026, the FCA published a multi-firm review identifying uneven conflicts controls among private equity, private credit and real estate managers. Weaknesses involved cross-fund transfers, multi-party transactions, gifts and entertainment, information barriers and governance arrangements that had not kept pace with business growth. Investment managers should test whether their conflicts registers, transaction approvals, independent challenge and investor disclosures remain effective as strategies and organizational structures become more complex.

Enforcement Actions

FCA and NCA Arrest Three in Insider-Dealing Operation

SOURCE | FCA | READ MORE

On October 13, 2026, the FCA and the National Crime Agency ("NCA") arrested three individuals suspected of organizing insider dealing and money laundering and seized more than 30 electronic devices during searches in London and Manchester. No charges or findings have been announced, but the operation follows four FCA insider-dealing convictions and £1.77 million in aggregate market-abuse fines during 2025/26. Investment managers should treat the action as a signal of intensified criminal enforcement, and test information barriers, personal account dealing surveillance, communications controls and suspicious transaction and order report escalation.

SEC Seeks Recovery from Fund Manager's Estate

SOURCE | SEC | READ MORE

On October 20, 2026, the SEC announced a settled action against the estate of fund manager Chirayu Vijay Patel concerning alleged investor misrepresentations, fabricated returns and misappropriation. Subject to court approval, the estate would pay approximately $1.2 million in disgorgement and $198,497 in prejudgment interest. Private fund managers should independently substantiate reported performance, segregate vehicle assets and verify that redemptions are not funded through new investor subscriptions.

Enforcement Actions

SEC Files Proposed Final Judgment Against Defendant Charged in Alleged Penny Stock Manipulation Scheme

SOURCE | SEC | READ MORE

On October 20, 2026, the SEC filed a proposed final judgment against Benjamin Conde in connection with an alleged fraudulent scheme to manipulate the market for securities of Renewable Energy and Power, Inc. ("RBNW"). According to the SEC's complaint, Conde acquired millions of RBNW shares, coordinated a promotional campaign through a boiler room operation, and engaged in matched and wash trading to artificially inflate the company's stock price and trading volume. Conde allegedly profited by selling shares at inflated prices, causing substantial losses to retail investors. The proposed final judgment would impose a penny stock bar and require Conde to pay approximately $2.78 million in disgorgement and prejudgment interest, which would be deemed satisfied by restitution and forfeiture orders in a parallel criminal case.

CFTC Obtains Over $288 Million in EminiFX Orders

SOURCE | CFTC | READ MORE

On October 19, 2026, the CFTC announced federal court orders requiring EminiFX Inc. and Eddy Alexandre to pay approximately $228.6 million in restitution, $15 million in disgorgement and a $45.1 million civil monetary penalty. The case involved fabricated returns, substantial trading losses and personal misappropriation in a commodity pool Ponzi scheme. The defendants held themselves out as an investment club providing investors with an affordable solution that offered easy access to cryptocurrency and Forex trading using the latest technology available. CPOs, CTAs and investment advisers allocating to commodity pools should independently verify trading activity, custody, cash movements and investor-facing performance.

Enforcement Actions

SEC Secures Receiver and Permanent Adviser Bar in SQN Case

SOURCE | SEC | READ MORE

On October 9, 2026, the SEC settled charges against SQN Capital Management LLC ("SQN Capital") and its President, Chief Executive Officer, Chief Compliance Officer and majority owner, Jeremiah Silkowski, for multiple violations of antifraud and other provisions of the Investment Advisers Act of 1940. SQN Capital and Mr. Silkowski repeatedly breached their fiduciary duties to four investment funds they managed by failing to comply with governing fund documents and inflating the funds' net asset values. Among other things, the defendants failed to engage an accounting firm to conduct audits of the funds' annual financial statements or even to prepare unaudited annual financial statements that conformed to U.S. GAAP, as required by the funds' governing documents. The SEC noted that SQN Capital and Silkowski are recidivists. The SEC had twice charged SQN Capital, in settled administrative proceedings, with violating the Advisers Act's Custody Rule and Compliance Rule, first in 2020 and again in 2023. As part of the settlement, Mr. Silkowski was permanently prohibited from acting as, or associating with, an investment adviser, broker or dealer.

SEC Charges Executives in $430 Million Pre-IPO SPV Scheme

SOURCE | SEC | READ MORE

On October 9, 2026, the SEC charged former Linqto executives William Sarris and Joseph Endoso with fraud and registration violations arising from more than $430 million in pre-IPO SPV sales to retail investors. The complaint alleges unsupported pricing and scarcity claims, inaccurate descriptions of pricing technology, sales to unaccredited investors and operation of unregistered investment companies; the allegations remain unproven. Managers and private-market platforms should substantiate valuation claims and confirm investor eligibility, offering exemptions and Investment Company Act status.

Two Individuals Plead Guilty in £2 Million Client Fraud Case

SOURCE | FCA | READ MORE

On October 12, 2026, two senior individuals associated with Nexus Independent Financial Advisers Limited and Nexus Investment Managers Limited pleaded guilty to offenses connected with a fraud that caused four clients to lose £2 million. The offenses included fraud by abuse of position and use of false instruments, with one defendant also admitting to converting or transferring criminal property; sentencing is scheduled for December 10, 2026. Investment managers, particularly firms without client-money permissions, should review payment authority, bank access, dual approvals and exception reporting to prevent senior personnel from diverting client assets.

Enforcement Actions

FCA Bans Executives Over High-Risk Investment Misconduct

SOURCE | FCA | READ MORE

On October 21, 2026, the FCA banned former Vector Wealth Ltd ("Vector Wealth") chief executive Jeffrey Dawkins and fined him nearly £270,000 after finding that he concealed the firm's true control and allowed its authorized status to lend credibility to high-risk mini bonds. In 2019, Mr.Dawkins sold Vector Wealth to a disqualified director who described himself as CEO and wanted to use Vector Wealth's FCA-authorised status to sell mini-bonds. Mr Dawkins told the FCA he was still in charge, but the new "CEO" was really running the firm. This deception allowed the disqualified director to promote mini-bonds using the legitimacy of the firm to make them appear safer than they were. The disqualified director and Kadir Kanizi, a former senior manager at Vector Wealth, promoted the bonds but investors were not properly warned about the risks. The FCA also prohibited former senior manager Kadir Kanizi from senior management roles for failing to ensure adequate risk warnings, while investors are expected to lose approximately £4 million. Investment managers distributing high-risk products should verify that actual control matches regulatory disclosures, ensure promotions are fair, clear and not misleading, and retain evidence of effective senior-management oversight.

Crypto Corner

OCC Finalizes GENIUS Act Regulations for Payment Stablecoin Issuers

SOURCE | OCC | READ MORE

On October 21, the Office of the Comptroller of the Currency ("OCC") announced a final rule implementing the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act (the "GENIUS Act"), establishing a federal regulatory framework for payment stablecoin issuers under its jurisdiction. The rule introduces requirements governing reserve backing, redemption, risk management, and certain custody activities conducted by OCC-supervised entities, including permitted domestic and foreign payment stablecoin issuers. Requirements relating to Bank Secrecy Act compliance, anti-money laundering, and OFAC sanctions will be addressed through separate rulemaking coordinated with the Treasury Department. The final rule and GENIUS Act are scheduled to take effect on January 18, 2027, with the OCC expected to separately announce when it will begin accepting and processing issuer applications.

DOJ Announces International Operation Targeting Cryptocurrency Investment Scam Networks

SOURCE | DOJ | READ MORE

On October 13, the DOJ announced the results of a coordinated international enforcement initiative targeting cyber-enabled fraud networks operating across West Africa, including organizations involved in cryptocurrency investment scams. The operation resulted in 28 arrests, the removal of more than 3.7 million fraudulent online accounts, and the identification of over $11 million in potentially recoverable funds, alongside cryptocurrency seizures. The initiative involved cooperation among U.S. and international law enforcement agencies, cryptocurrency exchanges, blockchain analytics providers, and technology companies to identify and disrupt fraudulent investment schemes. The DOJ emphasized that cryptocurrency-related investment fraud remains a significant financial crime concern, with reported U.S. losses from cryptocurrency investment scams exceeding $7.2 billion in 2025.

Leadership & Development

Want To Build Trust? Ask For Advice

MARK NEVINS | FORBES | READ MORE

For many accomplished, driven people, asking for advice feels unnatural. Leaders build their careers on sound judgment, decisive action, and being the person others turn to for answers. Asking for advice can feel like surrendering power or admitting we are less capable than others expect. Yet this reluctance often gets in the way of the very relationships leaders need to strengthen. Asking for advice communicates two things at once: (i) "I respect your judgment and experience" and (ii) "I am willing to admit that I don't have all the answers." These are strong signals from any leader, especially one who may otherwise appear over-confident, self-contained, or hard to read. Trust runs both ways; people trust a leader more readily when that leader has first shown trust in them. A sincere request for advice does exactly that and usually costs far less than one thinks.

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