



Global regulatory update Q2 2026

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Introduction

Q2 2026 continued the strong supervisory momentum seen in Q1, with regulators focusing on liquidity management, valuation governance, anti-money laundering/ combating the financing of terrorism (“AML/CFT”) effectiveness, regulatory reporting quality, governance, and digital finance developments. The implications for investment managers, funds, and investment firms include:

- Higher board and senior management accountability for regulatory change implementation
- More prescriptive liquidity management and valuation governance expectations for open-ended funds and collective investment schemes
- Increased emphasis on AML/CFT monitoring, customer information refresh, country-risk screening, and sanctions controls
- Continued pressure on data quality, regulatory reporting governance, and documented compliance/internal audit effectiveness
- Ongoing need to monitor consultations and Q3 milestones to ensure timely implementation

This update highlights the key regulatory changes and trends that shaped the financial services regulatory landscape during Q2 2026, based only on official regulator, government, EU, Financial Action Task Force (“FATF”) and International Organization of Securities Commissions (“IOSCO”) sources.

European Union	
European Securities and Markets Authority (“ESMA”)	ESMA published Q2 materials relevant to Alternative Investment Fund Managers (“AIFMs”), Undertaking for Collective Investment in Transferable Securities (“UCITS”) managers, and money market funds, including the Alternative Investment Fund Managers Directive (“AIFMD”) and Money Market Funds Regulation (“MMFR”)/Data Quality Engagement Framework technical documents, the final report on the Common Supervisory Action on Compliance and Internal Audit Functions, and a Liability Driven Investment/Total Return Value (“LDI/TRV”) article on recent developments and liquidity stress-testing methods. Impact: • AIFMs and UCITS management companies should evidence effective compliance and internal audit governance, monitoring plans, and escalation. • Regulatory reporting teams should review source data, validation controls, and data quality ownership. • LDI and liquidity stress-testing materials should be reflected in fund liquidity governance and Board reporting. Click the link to learn more.
European Union – AIFMD II / Liquidity management tools	Commission Delegated Regulation (EU) 2026/465 specifies the characteristics of liquidity management tools for AIFMs. Although published before Q2, it became a key implementation item from April 16, 2026. Impact: • Open-ended AIFs should have documented Liquidity Management Tools (“LMT”) selection, activation thresholds, governance, and investor disclosure. • Boards should receive implementation trackers and confirm prospectus/policy updates. • AML relevance: unusual or pressured redemption activity should feed into transaction monitoring and investor risk review processes. Click the link to learn more

European Union - Anti-Money Laundering Authority ("AMLA")	AMLA opened a consultation on draft guidelines on ongoing monitoring of a business relationship under Article 26(5) Anti-Money Laundering Regulation ("AMLR"). The consultation opened on June 3, 2026 and closes on September 3, 2026. Impact: • Firms should prepare for more prescriptive expectations around customer information refresh, transaction monitoring, and activity monitoring frameworks. • AML teams should review current monitoring rules, data feeds, alert governance, and periodic review triggers. • Boards should ensure AML technology and operational capacity are adequate for evolving EU AML standards. Click the link to learn more
AMLA	• During Q2 2026, AMLA's primary focus was on implementing the new EU AML Rulebook through consultations on Business-Wide Risk Assessments, Group-Wide AML/CFT Controls, and Ongoing Monitoring Requirements. • The proposed standards introduce streamlined EU requirements for risk assessments, group governance, information sharing, and transaction monitoring. • AMLA also advanced preparations for its future direct supervision of selected high-risk cross-border entities from 2028. Click the link to learn more

Luxembourg – Commission de Surveillance du Secteur Financier (“CSSF”) Circulars	CSSF Q2 publications and notices covered fund-sector communications, FATF payment transparency consultation awareness, updates to regulatory reporting materials, and market statistics. Relevant Q2 monitoring items also included the IOSCO Collective Investment Schemes (“CIS”) valuation work and ongoing publications through the CSSF library. Impact: • Luxembourg investment fund managers should refresh valuation governance, reporting controls, and AML country/payment-risk monitoring. • Fund boards should request confirmation that CSSF circular/library updates have been screened and assessed. • AML teams should track FATF Recommendation 16/payment transparency consultation developments. Refer to: • Circular CSSF 26/909 – Application of the Guidelines of the European Securities and Markets Authority for the criteria on the assessment of knowledge and competence under the Markets in Crypto Assets Regulation • Circular CSSF 26/910 – ESMA Guidelines on LMTs of UCITS and open-ended AIFs (ESMA34-671404336-1364) • Circular 26/911 – ESMA Guidelines on stress test scenarios under Article 28 of the Money Market Fund Regulation – Update 2025 • Circular CSSF 26/912 – Repeal of Circular IML 91/75 related to the revision and remodelling of the rules to which Luxembourg undertakings governed by the Law of March 30, 1988 on undertakings for collective investment (“UCI”) are subject • Annex to Circular CSSF 22/822 – High Risk Jurisdictions • CSSF Circular 26/914 – Identification of obliged entities eligible for direct supervision by AMLA
Law of May 5, 2026	Changes to the Law of May 5, 2026 have introduced the following: • Strengthened governance requirements, including enhanced fit and proper assessments for board members and key function holders, together with new obligations to manage ESG and crypto-asset risks. • Introduced a new prudential regime for third-country branches operating in Luxembourg, with transitional provisions applying until January 2027. • Expanded CSSF supervisory and enforcement powers and implemented EMIR 3 changes relating to central counterparty (“CCP”) exposures, concentration risk, and centrally cleared derivatives.

Malta

Malta Financial Services Authority ("MFSA")

MFSA official publications and circulars pages remained the key source for Q2 monitoring across investment services, AML, sustainable finance, conduct, ICT/cybersecurity, and investment services supervision. For Q2, managers should particularly track AIFMD II implementation, LMT governance, conduct expectations, data reporting governance, and complaint-handling related supervisory communications.

Impact:

- Maltese licensed entities should maintain a documented regulatory change register showing screening of MFSA publications and circulars.
- AIFMs/UCITS managers should verify that fund documents, Board packs and compliance monitoring plans reflect LMT and governance enhancements.
- Investment firms should keep evidence of data reporting governance and conduct oversight.

Refer to

- Circular dated April 10, 2026 providing clarifications on liquidity management requirements introduced under AIFMD II and UCITS VI
- Circular on amendments to the Notified Professional Investor Fund ("NPIF") Rulebook to enhance Malta's offering for Single-Family Offices
- Circular on various amendments to the Investment Services Rulebooks for the purposes of Directive 2024/927 (EU)

Financial Intelligence Analysis Unit ("FIAU")	The FIAU publications and consultations page remains the official route for AML/CFT implementing procedures, consultations, annual reports and supervisory planning. No Q2 2026 sector-specific binding update was identified through the official page during this review. Impact: • Subject persons should not infer absence of supervisory focus: AML/CFT supervisory planning and existing FIAU implementing procedures remain central. • Compliance teams should continue monitoring AML/CFT Risk Evaluation Questionnaire, business risk assessment ("BRA"), sector guidance, and thematic updates. • Evidence of ongoing FIAU monitoring should be retained in the regulatory change log. Refer to: Circular on Amendments to the Implementing Procedures Part 1
United Kingdom	The UK Regulatory Initiatives Grid of May 2026 set out the pipeline for significant regulatory initiatives. Financial Conduct Authority ("FCA") materials in Q2 included proposals relevant to authorised fund asset registration and the developing UK regime for stablecoin issuance and cryptoasset custody. Impact: • UK managers should monitor initiatives affecting liquidity risk, asset management reporting, fund tokenisation/digital assets and authorised fund operational models. • Depositaries, Authorised Corporate Directors ("ACDs") and fund operators should assess whether private market asset registration proposals affect safekeeping and oversight arrangements. • Investment firms with digital asset exposure should review custody, financial crime, and operational resilience implications.

Channel Islands – Guernsey	The Guernsey Financial Services Commission updated the AML/CFT/CPF Handbook in May 2026, including corrected loading of revised chapters and appendices. Impact: • Guernsey financial services businesses should review updated handbook chapters and confirm impacts on customer due diligence (“CDD”), enhanced due diligence (“EDD”), ongoing monitoring, higher-risk jurisdictions, and digital finance controls. • Boards should receive evidence of procedure mapping and staff training. • Fund administrators and fiduciary service providers should confirm screening and monitoring logic that reflects the revised handbook.
Channel Islands – Jersey	The Jersey Financial Services Commission (“JFSC”) issued its Q2 2026 quarterly update and maintained a consultations page covering Q2/Q3 work. Key items included implementation planning for AIFMD II, complex structures guidance, criminal background check guidance, reliance framework, and Money Laundering Compliance Officer (“MLCO”) role consultations. Impact: • Jersey fund/service providers should update AML/CFT/Countering Proliferation Financing (“CPF”) procedures for complex structures and enhanced criminal background checks. • Firms should track reliance and MLCO consultation outcomes and update governance frameworks accordingly. • AIFMD II alignment should be included in fund code and distribution compliance monitoring. JFSC consultations

United States	The Securities and Exchange Commission (“SEC”) and Commodity Futures Trading Commission (“CFTC”) jointly proposed amendments to reduce private fund reporting burdens under Form PF [SEC.gov SEC and CFTC Jointly Propose Amendments to Reduce Private Fund Reporting Burdens]. On December 31, 2025, the Financial Crimes Enforcement Network (“FinCEN”) had also postponed the Investment Adviser AML Rule effective date to January 1, 2028, which remained relevant for Q2 implementation planning [FinCEN Issues Final Rule to Postpone Effective Date of Investment Adviser Rule to 2028 FinCEN.gov]. Impact: • Private fund advisers should assess whether proposed Form PF changes alter future reporting scope, thresholds, or data needs. • Registered investment advisers (“RIAs”) and exempt reporting advisers should not pause AML readiness: the investment adviser AML Rule was postponed, not withdrawn. • Compliance teams should continue building AML governance, suspicious activity report (“SAR”) escalation and customer/ investor risk assessment capabilities.
Mauritius	Financial Services Commission (“FSC”) Mauritius Q2 circulars included FSCOne Platform officer approval filings and annual fee/license renewal items. Impact: • Mauritius fund managers and global business licensees should ensure annual fee, license renewal, and officer approval filings are tracked in compliance calendars. • Compliance teams should retain evidence of timely filings and regulatory correspondence. • Wider AML/CFT/CPF developments should continue to be monitored through FSC and Financial Intelligence Unit (“FIU”) official channels. FSC Mauritius circulars

South Africa

South African Reserve Bank ("SARB") AML/CFT supervisory materials and National Treasury financial sector updates remained relevant to accountable institutions, including preparation for the next FATF mutual evaluation cycle and AML/CFT legislative strengthening.

Impact:

- Accountable institutions should evidence effective Risk Management and Compliance Programme ("RMCP") implementation, CDD/EDD controls, beneficial ownership processes, and sanctions controls.
- Investment firms and fund-related accountable institutions should prepare for effectiveness-focused supervisory engagement.
- Boards should require periodic AML/CFT control testing and status reporting.

UAE

Q2 2026 UAE regulatory activity was dominated by AML alignment with new UAE federal AML legislation, operational and compliance governance expectations, digital asset staking rules, Islamic finance framework consultation and preparation for prudential/capital framework changes. For Boards, the priority is to confirm ownership, implementation evidence and documented impact assessment rather than merely noting publications. Refer to:

DFSA

- AML and FER amendments following CP169 with PIB amendments effective 1st July 2026 - Investment firms should evidence implementation governance for AML changes and assess whether PIB amendments alter capital calculation, monitoring and reporting. Investment managers and fund-related firms should confirm whether AML policies, risk assessments and monitoring controls reflect the enacted UAE federal AML alignment.
- CP170 on Operational Resilience with a consultation deadline of 26 May 2026
- DFSA Thematic Review report on compliance arrangements in fintech firms tackling themes such as compliance staffing levels, outsourcing and independence considerations, dual roles and governance weaknesses, reactive compliance approaches, technology adoption variance and regulatory engagement issues. The report sets expectations around resourcing, governance, proactive culture, technology use and timely regulatory engagement.

ADGM

- Final regulatory framework for staking of Virtual Assets - The framework outlines categories of Authorised Person permitted to carry on staking using clients' virtual assets and requirements governing such activities. Targeted changes include extending scope to materially similar non-Proof-of-Stake models, limiting rewards to Accepted Virtual Assets and Accepted Fiat-Referenced Tokens, and clarifying client terms, disclosures and reporting.
- CP1 of 2026 proposed enhancements to its AML/CFT/CPF and sanctions framework. The proposals include revisions to FSMR and the AML Rulebook to reflect developments in federal laws and align with evolving international best practices, including FATF recommendations. The consultation closed on 14 May 2026.

VARA

- Guidance on the Virtual Asset Issuance Rulebook and Federal AML/CFT Laws update targeting VA issuers, distributors and entities involved in token issuance, including fund or investment structures with VA issuance exposure
- AML/CFT Guidance on the AML/CFT Business Risk Assessment triggering a review of the BRA methodology, governance, approval, data sources and control effectiveness.

FATF	The FATF June 2026 Plenary updated Recommendation 6 to incorporate humanitarian exemptions, adopted mutual evaluation reports for Canada and Türkiye, removed Algeria and Namibia from increased monitoring, and added Bosnia and Herzegovina and Iraq to increased monitoring. Impact: • Firms must update jurisdiction risk lists, onboarding triggers, EDD requirements and sanctions/terrorist financing procedures. • AML teams should document the impact of grey-list changes on existing customer/investor reviews. • Payment, Virtual Asset Service Provider (“VASP”) and cross-border investment flows should be reassessed where country risk changes are material. See FATF Plenary outcomes for more details.
IOSCO	IOSCO published its Final Report on Recommendations on Valuing Collective Investment Schemes in June 2026, updating expectations for valuation governance, conflicts, methodologies, third-party valuation providers, pricing errors, disclosure, and records. Impact: • Fund managers should benchmark valuation policies against IOSCO recommendations, especially for private assets, less liquid assets, and hard-to-value instruments. • Boards should ensure independent challenge, escalation, and pricing error governance are documented. • Outsourced valuation arrangements should be reviewed for due diligence, oversight, and recordkeeping. See the IOSCO CIS valuation report for more details.

What's coming up?

Authority	Date/timeline	Milestone
AMLA	September 3, 2026	Consultation closes on draft guidelines on ongoing monitoring of a business relationship
FCA	July 9, 2026	Consultation closes on CP26/16 registration of authorised fund assets
JFSC	July 7 to August 18, 2026	Consultation on reliance and MLCO regimes

JFSC	Q3 2026	Expected Schedule 2 consultation and consumer credit consultation
CSSF / ESMA	August 12, 2026	ESMA taxonomy disclosure simplification consultation highlighted by CSSF closes
FATF	August 21, 2026	Consultation on payment transparency / Recommendation 16 guidance closes
South Africa	Q3 2026 onward	Continued AML/CFT legislative and effectiveness of work linked to FATF mutual evaluation preparation
IOSCO	Q3 2026 onward	Jurisdictional and firm-level consideration of CIS valuation recommendations
UAE DIFC	Q3 onward	PIB Rule-Making Instrument No 434 comes into force
Mauritius	July 2026 onward	Annual fee/license renewal and FSCOne operational filings to be completed and monitored

Conclusion

Q2 2026 was a substantive regulatory quarter for investment managers, funds, investment firms, and AML professionals. The main themes were liquidity management implementation, valuation discipline, AML/CFT ongoing monitoring, FATF country-risk updates, and reporting/data quality. Firms should focus on:

- Updating AML risk frameworks and customer/investor monitoring rules for FATF and AMLA developments
- Conducting documented gap analyses for AIFMD II/LMT, valuation governance, and regulatory reporting expectations
- Enhancing compliance, internal audit, delegation, outsource, and service-provider oversight
- Maintaining a Q3 regulatory milestone tracker with clear accountability, board reporting, and evidence of completion

How can Apex help?

Apex Group combines its industry knowledge to offer tailored solutions to subject persons in line with the size and complexity of their business model. Reach out to our teams to initiate a conversation on your compliance obligations.



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