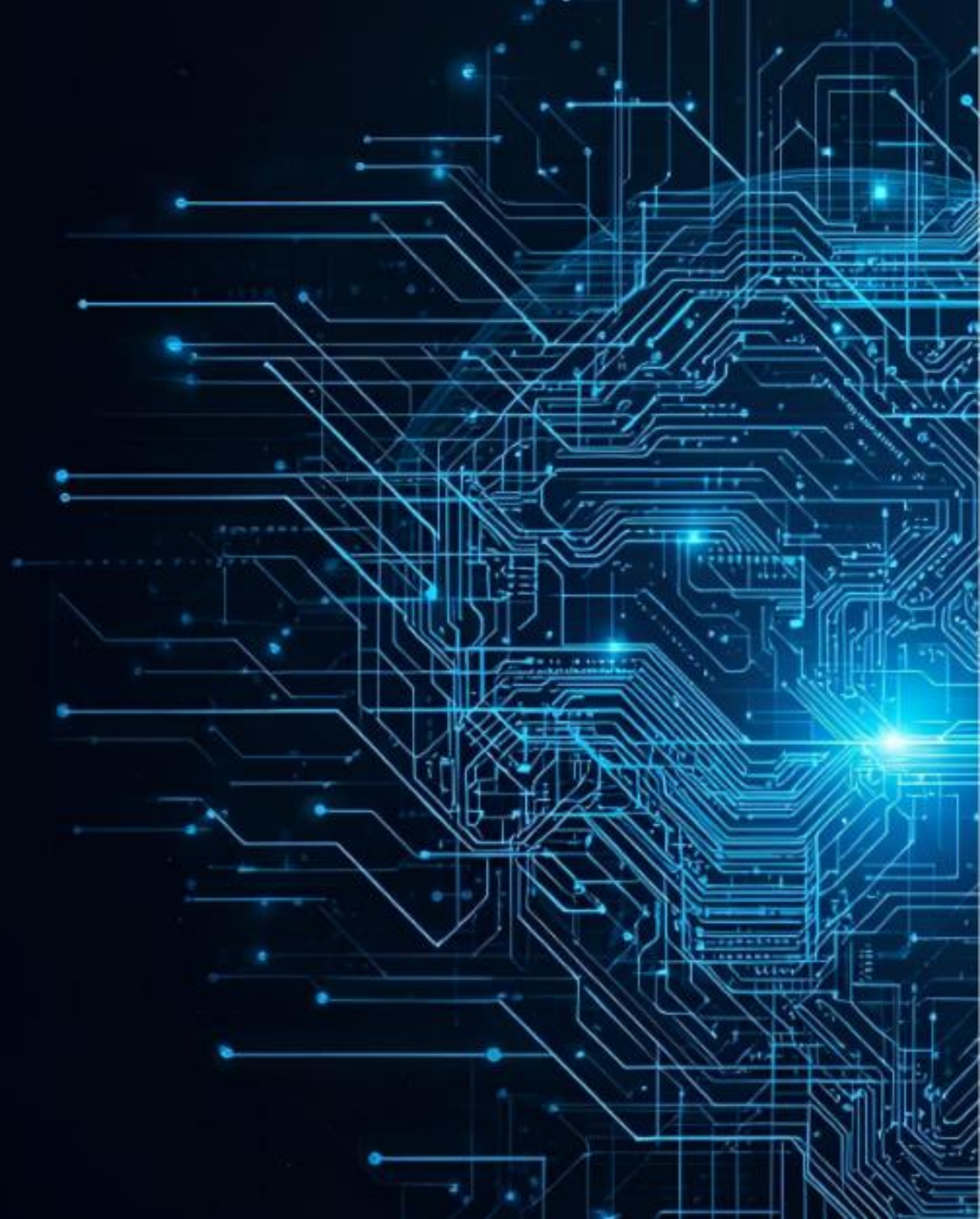




Regulatory Insights

Recap of October 2025



Regulatory Insights: October 2025 Recap

Legend	● Rulemakings
	● Guidance
	● RFC/RFI
	● Reports/Alerts
	● Agenda
	● Withdrawal/Rescission

Executive/Legislative/SCOTUS

White House ● RFC: OSTP's Regulatory Reform on Artificial Intelligence

Departments

DOL ● Guidance: Interpretations re: Emergency Pay, Tip Pooling, FMLA, FLSA

Treasury ● Guidance: Renewal of Geographic Targeting Orders
● RFC: Proposed Survey on Costs of AML/CFT Compliance (FinCEN)

USPTO ● Proposal: Inter Partes Review Before the Patent Trial Appeal Board

Executive Agencies

EPA ● Guidance: Strengthening Cyber Resilience to Protect Water Systems

FDA ● Guidance: Demonstrating Biosimilarity to a Reference Product

NIST ● Report: Draft Foundational Cybersecurity Activities for IoT Products

State Activities

NY ● Guidance: Virtual Currency Customer Protections (NY DFS)
● Guidance: Cybersecurity re: Third-Party Service Providers

CA ● Signed into Law: Transparency in Frontier AI Act (TFAIA)
● Signed into Law: Online and AI Child Protection Laws

October
2025

Regulatory Agencies

Interagency ● Proposal: Prohibition on Use of Reputation Risk by Regulators (FDIC, OCC)
● Proposal: Unsafe or Unsound Practices, Matters Requiring Attention (FDIC, OCC)
● Guidance: FAQs re: SARs (FinCEN, FRB, FDIC, NCUA, OCC)
● Agenda: Joint Roundtable on Regulatory Harmonization (SEC, CFTC)
● Withdrawal: Principles for Climate-Related Financial Risk Mgmt (FDIC, FRB, OCC)

CFPB ● Decision: Temporary Halt of CFPB 1033 Rule
● Guidance: Fair Credit Reporting Act; Preemption of State Laws

CFTC ● Guidance: Advisory on Certain Contract Markets
● Guidance: No-Action re: Electricity Binary Options

FCC ● Final: Delete Obsolete and Duplicative Wireline Rules
● Proposal: Accelerating Wireline Infrastructure Buildout
● Proposal: Broadcast Ownership Rules (Telecommunications Act)
● RFC: Accelerating Wireline Infrastructure Buildout (re: states)

FDIC ● Speech: "Resolution Readiness and Lessons Learned" (Acting Chair)

FERC ● Report: Lessons Learned from 2025 Critical Infrastructure Protection Audits
● Statement: Commission Chair Named
● Withdrawal: Sunset of 53 Regulations

FINRA ● Guidance: Updates to Interpretations of Financial/Operational Rules
● Guidance: Small-Capitalization Offerings (Targeted Exam Letter)
● Report: Investment Fraud Awareness

FRB ● Proposal: Transparency / Accountability of Annual Stress Test
● Guidance: FAQs re: Regulation MM
● Speech: EGRPRA Outreach (Vice Chair)
● Speeches on Payments Innovation (Governors)
● Speeches on Community Banking: (FRB Chair and Vice Chair, Treasury Secretary)
● Speech: "Innovation at the Speed of AI" (Governor)
● Speech: Stress Testing (Vice Chair)

FTC ● RFC: Draft Strategic Plan for Fiscal Years 2026-2030

OCC ● Proposal: Rescission of Recovery Planning Guidelines
● Guidance: Reducing Regulatory Burden for Community Banks
● Guidance: Model Risk Management Clarification for Community Banks

SEC ● Order: Crypto Assets with State Trust Companies
● RFC: Rules on Residential MBSs & ABSs
● Speech: "Consolidated Audit Trail: A New Day for the CAT" (Chair)
● Speech: "Out of the Gray": Crypto Assets w/ State Trust Companies (Comm.)
● Speech: Shareholder Meetings, Securities Litigation, State Laws (Chairman)

Regulatory Insights: October 2025 Regulatory Alerts

Topic	KPMG Insights	Regulatory Alerts/Articles
AML/CFT	<ul style="list-style-type: none"> • Recalibration: Re-evaluate current policies and controls, and consider alternative approaches, including leveraging technology, to achieve a more risk-based, effective suspicious activity reporting. AML/CFT risks remain, and Treasury messaging is clear—institutions should risk-focus resources (including technology investment) but avoid reducing anti-financial crime efforts. • Measured Steps: When considering programmatic changes, ensure appropriate governance routines are followed, perform requisite analysis to corroborate, and collaborate with legal counsel; changes should not be abrupt but rather take a measured step-by-step approach to ensure internal and supervisory buy-in. • Communication: Socialize proposed changes early with internal audit and regulatory supervisors to ensure the program remains in good standing. • More to Come: These FAQs and recent Treasury leadership remarks signal strong momentum in broader AML/CFT “modernization” efforts. Continue to monitor regulatory updates and socialize with senior management. 	FinCEN: FAQs on Suspicious Activity Reporting
Capital Stress Testing	<ul style="list-style-type: none"> • Continuation: Signals a continuation of broader efforts by the banking regulators to revise and refine the capital framework. • Transparency: Suggests more collaboration between banks and regulators through increased transparency and public engagement. • Reporting Relief: Targeted changes to simplify data submissions may reduce reporting requirements, potentially lowering compliance costs and improving efficiency. • Impact: Expected to result in less volatility but more risk-sensitive capital requirements; not expected to materially change capital requirements for covered firms. • More to Come: One of several changes being considered for the bank capital framework (e.g., leverage ratios, GSIB surcharge, bank category thresholds, Basel III capital requirements). 	Capital: FRB Proposed Rules on Stress Testing Transparency

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