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Regulatory Insights

Regulatory Recap: August 2026

Regulatory Recap: August 2026 (Financial Services)

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

Executive/Legislative/SCOTUS

OPM*
- Guidance: Governmentwide Guidance on Annual Staffing Plans

White House*
- EO: "Declaring a National Emergency to Secure the United States Bulk-Power System"
- Executive Action: National Security Science and Technology Strategy
- Announcement: Tracking Fraud through New Website, Fraud.gov
- Statement: Expanding Capabilities to Combat Transnational Cyber-Enabled Crime

Executive Agencies

CISA*
- Guidance: A Tale of Two SOCs: Insights from Two Red Team Assessments
- Report: CISA Vulnerability Review – FY 2024 and 2025

EPA*
- Announcement: Local Government Advisory Committee (AI, Data Centers)

NIST*
- RFI: Modernizing the National Vulnerability Database (NVD)
- Announcement: A Step Towards Quantum Networking
- Blog: Tips & Tactics - Building Automation & Control System Cybersecurity
- Blog: "Back to the Future: Why Agentic AI Needs a Strong Identity Foundation"

OFR*
- Blog: "Do Deep Learning Methods Improve Financial Forecasts?"

Departments

DOJ*
- Announcement: National Fraud Enforcement Division Enforcement Priorities

DOL*
- Guidance: Health-Contingent Wellness Programs (EBSA)

Treasury*
- Final: Removing BOI Reporting Requirements (FinCEN)
- Proposal: GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale
- Guidance: Proposed Framework Governing Eligible Investments in Trump Accounts
- Guidance: Employer-Sponsored Programs for Contributions to Trump Accounts
- Report: Nearly $5 Billion Linked to Suspected Human Smuggling (FinCEN)
- Announcement: Quantum-Readiness Task Force
- Statement: Information-Sharing Engagement to Combat Cartels (FinCEN)

State Activities

CO*
- Proposal: Automated Decision-Making Technology and Chatbot Safety Rules (CO AG)

NAIC*
- Final: Risk-Based Capital Preamble; Life RBC Factors (CLO, CBO, CDO, Collateral Loans)
- Report: Examining Homeowner Property Insurance Market Dynamics
- Announcement: ME and MS License NAIC State Based Systems (SBS)
- Speech: Investment Risk, CIPR, Homeowners Market Data (NAIC President)
- Statement: Summer National Meeting – Priorities and Changes Adopted

NY*
- Statement: Surge in AI Investment Scams (Division of Consumer Protection)

Regulatory Agencies

Inter-agency*
- Final: Unsafe or Unsound Practices, Matters Requiring Attention (FDIC, OCC)
- Guidance: Ransomware Actors Target Critical Infrastructure (CISA, DC3, FBI, NSA, USSS)
- Announcement: Highlights of Administration's Efforts re: Community Banks (Treasury, OCC)
- Announcement: National Fraud Detection Center (DOJ and 14 federal agencies)
- Announcement: MOU Establishing Small Business Investment Company-Energy Initiative (DOE, SBA)
- Withdrawal: Special Purpose Credit Programs Statement (CFPB, DOJ, FDIC, FHFA, HUD, NCUA, OCC)

CFPB
- Agenda: Submission of Proposal to OMB re: Open Banking Rule
- Announcement: New Acting Director

CFTC*
- Proposal: Removal of SEF Order Book Requirement
- Proposal: CPO CTA Registrations
- Guidance: Self-Certification of Incentive Programs for Prediction Markets
- RFC: Listing of Compute Derivatives Contracts
- Speech: Roadmap for Financial Market Innovation (Crypto, Prediction Markets, AI) (Chair)

FCC*
- Speech: Digital and Communications Infrastructure (Commissioner)

FDIC
- Final: Interim Final Rule Regarding Reciprocal Deposits
- Guidance: Risk Management Manual of Examination Policies Updates
- Guidance: Consumer Compliance Examination Manual Updates
- Announcement: Launch of New Office of Supervisory Appeals
- Announcement: New Review Process for Deposit Insurance Applications

FINRA
- Final: Scope of TRACE Non-Member Affiliate—Principal Transaction Indicator
- Proposal: Simplifying Position Statement and Reconciliation Requirements for Alternative Investments
- Proposal: Senior and Vulnerable Investor Protections and Fraud Prevention
- Proposal: Provisions Relating to Arbitrator List Selection
- Guidance: Cybersecurity Effective Practices
- Podcast: Inside FINRA's Financial Intelligence Fusion Center

NCUA
- Final: 11 Final Rules re: Deregulation Project
- Appointment: Chair of NCUA Board

OCC
- Final: Revised Policies & Procedures (Bank Enforcement, Matters Requiring Attention)
- Proposal: Matters Requiring Attention for Violations of Laws and Regulations
- Proposal: Rules Regarding the Availability of OCC Information
- Guidance: 2026 Bank Accounting Advisory Series (BAAS)
- Statement: Deposit Insurance, Promoting De Novo Chartering (Chair)
- Statement: Digital Asset Innovation, GENIUS Act Next Steps (Comptroller)

SEC*
- Proposal: Regulation Crypto Assets
- Guidance: Inappropriate Tag Elements in Consolidated Statements of Operation
- Announcement: New Financial Reporting and Accounting Unit in Division of Enforcement
- Statement: Letter to Chair of CAT NMS Plan Operating Committee (Chair)
- Statement: Div. of Corp Finance's Role in the Exchange Act Rule 14a-8 Process (Shareholder Proposals)

**Some items appear in both FS and cross-industry as they are relevant across all industries.*

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Regulatory Recap: August 2026 (Cross-Industry)

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Executive/Legislative/SCOTUS

OPM*
- Guidance: Governmentwide Guidance on Annual Staffing Plans

White House*
- EO: “Declaring a National Emergency to Secure the United States Bulk-Power System”
- Executive Action: National Security Science and Technology Strategy
- Announcement: Tracking Fraud through New Website, Fraud.gov
- Announcement: Trade Agenda Is Rebuilding the American Auto Industry
- Statement: Expanding Capabilities to Combat Transnational Cyber-Enabled Crime
- Memo: The National Space Transportation Policy

Executive Agencies

CISA*
- Guidance: Logging Reference Architecture re: FCEB Agencies
- Guidance: A Tale of Two SOCs: Insights from Two Red Team Assessments
- Report: CISA Vulnerability Review – FY 2024 and 2025

EPA*
- Guidance: State Drinking Water Standards under Safe Drinking Water Act
- Announcement: Roundtable on Water Sector Workforce
- Announcement: Local Government Advisory Committee (AI, Data Centers)
- Announcement: Funding to Strengthen Water Sector Workforce

FDA
- Proposal: GRAS Notifications
- RFC: Discussion Paper re: Regulation of GenAI-Enabled Medical Devices

NIST*
- RFI: Modernizing the National Vulnerability Database (NVD)
- Announcement: A Step Towards Quantum Networking
- Announcement: Quantum Technology to Help Detect Faint Photons
- Blog: Tips & Tactics - Building Automation & Control System Cybersecurity
- Blog: "Back to the Future: Why Agentic AI Needs a Strong Identity Foundation"

NTIA
- Proposal: Information Collection Activities, OMB Review, Grant Application
- Announcement: All 56 BEAD Final Proposals Now Approved
- Blog: One Year of Results at NTIA

OFR*
- Blog: "Do Deep Learning Methods Improve Financial Forecasts?"

State Activities

CO*
- Proposal: Automated Decision-Making Technology and Chatbot Safety Rules (CO AG)

NY*
- Proposal: Surprise Medical Bill Resolution Process
- Guidance: Surprise Medical Bill Resolution Process
- Statement: Surge in AI Investment Scams (Division of Consumer Protection)

Regulatory Agencies

Inter-agency*
- Proposal: Definition of Ultra-Processed Foods (HHS, USDA)
- Guidance: Ransomware Actors Target Critical Infrastructure (CISA, DC3, FBI, NSA, USSS)
- Announcement: MOU re: AI-accelerated innovation Collaboration (NIST, DOE)
- Announcement: National Fraud Detection Center (DOJ and 14 federal agencies)
- Announcement: MOU Establishing Small Business Investment Company-Energy Initiative (DOE, SBA)

CFTC*
- Guidance: Self-Certification of Incentive Programs for Prediction Markets

FCC*
- Final: Repeal of National Broadcast Ownership Cap
- Proposal: Efficiency Reforms to the Rural Health Care Program
- RFC: Ensuring Reliable Access to Spectrum for Space Launch Activities
- RFC: Recommendations Approved by World Radiocommunication Conference (OIA)
- Announcement: Modification of Power Inverters on the Covered List
- Speech: Digital and Communications Infrastructure (Commissioner)
- Withdrawal: Deletion of Requirement to Support ASCII Transmission Format
- Withdrawal: New Exemptions re: Closed Captioning

FTC
- Final: Policy Statement Against Pursuing Disparate Impact Claims
- Proposal: Enforcement Policy Statement re: Personalized Pricing

SEC*
- Guidance: Inappropriate Tag Elements in Consolidated Statements of Operation
- Announcement: New Financial Reporting and Accounting Unit in Division of Enforcement
- Statement: Letter to Chair of CAT NMS Plan Operating Committee (Chair)
- Statement: Div. of Corp Finance’s Role in Exchange Act Rule 14a-8 Process (Shareholder Proposals)

Departments

DOE
- Guidance: Updated Operating Directives for National Laboratories/Plants/Sites
- Announcement: PROSPECT Launch for Critical Minerals Workforce and Supply Chain
- Withdrawal: Cancellation of 3 Proposed National Interest Electric Transmission Corridors

DOJ*
- Announcement: National Fraud Enforcement Division’s Enforcement Priorities

DOL*
- Guidance: Health-Contingent Wellness Programs (EBSA)
- Guidance: Lead Exposure in Drinking Water

HHS
- Announcement: STREAM Program Launch re: Regenerative Agriculture/Farm Resilience

Treasury*
- Proposal: GENIUS Act Regulations on Payment Stablecoin Issuance, Offer, and Sale
- Guidance: Employer-Sponsored Programs for Contributions to Trump Accounts
- Announcement: Quantum-Readiness Task Force

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August 2026: Financial Services Regulatory Alerts

Topic	KPMG Insights	Regulatory Alerts/Articles
Community Reinvestment Act	— **Continued Priorities:** Proposal is consistent with and continues efforts to limit regulation to statutory mandates and tailor supervision to an institution's circumstances, including size and business strategy. — **Promotion of Strategic Plans:** Process changes and clarifications are intended to promote utilization of the strategic plan option, especially by banks with business models that may not be well captured by standard CRA tests (e.g., de novo banks with nontraditional business models). — **Raised Asset Thresholds:** Proposed asset thresholds would result in significant numbers of smaller, community banks (up to $10 billion) being relieved of certain data collection and reporting requirements. — **Regulatory Divergence:** CRA regulations historically have been, and currently are, interagency rules applied by the OCC, FDIC, and FRB; it is unclear whether the proposal will move forward with just two of the three agencies participating though OCC did finalize and subsequently rescind separate rules in 2020 and 2021.	Community Reinvestment Act: OCC, FDIC Joint Proposed Rule
Crypto Assets	— **Clarification:** Explains that the "security" at issue is the covered investment contract rather than the underlying crypto asset itself; clarifies also when a covered investment contract ceases to exist and becomes subject to the proposed safe harbor. — **Fit-for-Purpose:** Establishes an offering framework specifically tailored to covered investment contracts involving crypto assets which may reduce compliance costs for issuers and potential delays related to regulatory uncertainty. — **Regulatory Runway:** Extended duration (four years) of the startup exemption is intended to "provide issuers with a regulatory runway during which they could attempt to fulfill their representations or promises to engage in essential managerial efforts under covered investment contracts" while ensuring that investors remain sufficiently protected and informed. — **State Preemption:** Preemption of state securities law registration and qualification requirements proposed for covered investment contracts offered under the Regulatory Crypto Asset exemptions, including certain secondary market transactions. — **Market Structure:** The SEC continues to support Congressional efforts to codify a comprehensive market structure framework (e.g., the CLARITY Act); changes to the proposal are possible should legislation pass this year. The CFTC has also stated that it will "move swiftly" to establish rules for the cryptocurrency market if legislation does not pass.	Regulation Crypto Assets: SEC Proposed Rules

August 2026: Cross-Industry Regulatory Alerts

Topic	KPMG Insights	Regulatory Alerts/Articles
Stablecoins	— **Continuing Focus:** Continues the steady roll-out of rule proposals to implement the GENIUS Act in advance of the January 18, 2027, effective date. Currently, there is no clear release date for final regulations by the federal payment stablecoin regulators potentially resulting in compressed timelines for payment stablecoin issuers and other market participants to prepare for compliance. — **Scope:** Provides "fundamental architecture" for payment stablecoins including defined terms and restrictions applicable to the issuance, offer, and sale of payment stablecoins; clarifies extraterritorial reach. — **Mutually Exclusive:** Defines payment stablecoin issuers/digital asset service providers, indicating the rules for both may not be mutually exclusive. — **Rolling Changes Ahead:** Provisions regarding digital asset service providers would come into effect in July 2028, indicating continued change past the effective date of the GENIUS Act.	GENIUS Act: Treasury Proposal for Issuance, Offer, and Sale of Payment Stablecoins
Beneficial Ownership Information	— **Interim Changes Made Permanent:** FinCEN's final rule makes permanent changes found in the March 2025 interim final rule that remove requirements for BOI reporting for domestic companies generally and for foreign companies about U.S. persons. — **Exemptions Expanded:** The final rule expands the interim rule's changes to include exemptions to BOI reporting for U.S. persons acting as "company applicants" for foreign companies as well as for U.S. persons that have applied for FinCEN IDs. — **BOI Data Deletion:** FinCEN announced deletion of existing data about U.S. persons from the BOI database and provides details on the process it intends to follow to complete data deletion though no specific timeframe is given.	CTA Beneficial Ownership Information (BOI) Reporting: FinCEN Final Rule
State-Level AI Legislation	— **Landmark Convergence:** The new Illinois AI Safety Act is based on New York's recent RAISE Act and California's TFAIA; California's law was the first state law to address potentially catastrophic risks from AI; Illinois' law is the first to require third-party audits. — **Large Developers/Models:** Currently only a few companies and models may meet the revenue and compute thresholds, but recent trends suggest this number could rapidly increase between now and 2030; these thresholds will be subject to annual evaluation and may be revised based on technology and/or standards developments. — **Unclear Future:** Some state AI laws may be challenged/preempted under EO 14365 or the White House National Policy Framework for AI; it is unclear whether the option to defer to federal laws/guidance may alleviate some or all of this risk. — **De Facto National Standard?:** As states converge on similar legislative priorities for safe deployment of frontier AI models, the requirements could effectively establish a "de facto" national standard in lieu of federal legislation or regulations.	State AI Safety Laws: California, New York, and Illinois *****Updated August 2026*****
Prediction Markets	— **Growing Markets:** "Significant increase" in the number of event contracts listed for trading on prediction markets, as well as in the diversity of events underlying such contracts. Particular interest in "gaming" contracts. — **Clarifying Scope:** Proposal seeks to clarify the scope of permissible contracts—those that are in the public interest—through many examples. However, potential for contracts found to be contrary to the public interest could still be listed for trading before a final determination is made. — **Jurisdictional Issues:** Ongoing federal/state jurisdictional disputes/lawsuits and state enforcement activity; potential for federal legislation. — **Future Rulemaking:** Additional rulemakings may address DCM Core Principles, the treatment of swaps and futures contracts similar to event contracts that are not listed on DCMs, or the application of the CEA and CFTC regulations to blockchain-based prediction markets.	Prediction Markets: CFTC Proposal on Public Interest Determinations

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