



Regulatory Insights

Regulatory Recap: May 2026

Regulatory Recap: May 2026 (Financial Services)

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

Executive/Legislative/SCOTUS

White House*	<ul style="list-style-type: none"> ● EO: "Integrating Financial Technology Innovation into Regulatory Frameworks" ● EO: "Restoring Integrity to America's Financial System" ● Statement: Updates on Task Force to Eliminate Fraud
Senate	<ul style="list-style-type: none"> ● Confirmation: FRB Chair

Departments

DOJ*	<ul style="list-style-type: none"> ● Speeches: Antitrust, Algorithmic Conduct (Acting & Deputy Assistant AG)
DOL*	<ul style="list-style-type: none"> ● Guidance: Advisory Opinion on Employee Welfare Benefit Plan
Treasury*	<ul style="list-style-type: none"> ● Guidance: Alert to Stop Illicit Finance Activities by Sanctioned Group (FinCEN) ● Speech: Conference Remarks on Funding of Terrorism (Secretary) ● Announcement: Template MOU for Debt Treatment under the Common Framework

Executive Agencies

CISA*	<ul style="list-style-type: none"> ● Guidance: New Nomination Form to Report Known Exploited Vulnerabilities ● Guidance: Careful Adoption of Agentic AI Services ● Guidance: "CI Fortify" Initiative for Critical Infrastructure Resilience ● Guidance: Software Bill of Materials for AI - Minimum Elements
NIST*	<ul style="list-style-type: none"> ● Announcement: Expanded Scope for AI Consortium
OFR	<ul style="list-style-type: none"> ● Report: Affiliate Repo

State Activities

NAIC	<ul style="list-style-type: none"> ● Speech: Emerging Technologies, Capital Frameworks (NAIC President)
NY	<ul style="list-style-type: none"> ● Announcement: Reforms to Lower Auto Insurance Premiums

Regulatory Agencies

Interagency	<ul style="list-style-type: none"> ● Final: Host State Loan-To-Deposit Ratios (FDIC, FRB, OCC) ● Proposal: Financial Institutions (CAMELS) Rating System (FFIEC Members)
CFPB	<ul style="list-style-type: none"> ● Report: Criminal Regulatory Offenses
CFTC*	<ul style="list-style-type: none"> ● Proposal: Clearing Requirement for Swaps Denominated in CAD, MXN ● Guidance: No-Action Letters re: Reporting, Recordkeeping Reqmts, Event Contracts ● Guidance: Comparability Determination and Order re: Nonbank Swap Dealers ● Guidance: Second MOU with Professional Sports League ● Guidance: Advisory on Cooperation in Enforcement Matters
FDIC	<ul style="list-style-type: none"> ● Proposal: BSA/Sanctions Compliance Standards for PPSIs ● Guidance: Updated FAQs re: Official Signs and Advertising Requirements ● Report: Dissecting Depositor Flight: Spring 2023 Bank Failures
FINRA	<ul style="list-style-type: none"> ● Guidance: Cyber Incident Alert ● Statement: How FINRA Is Enhancing Member Firm Examinations ● Announcement: Review of Higher-Risk Structured Products
FRB	<ul style="list-style-type: none"> ● Proposal: Establishing a "Payment Account" for Clearing and Settling ● Speeches: Opportunities & Risks of AI in the Financial System ● Speech: Consumer Financial Health Metrics (Governor) ● Speech: Coordinated Approach to Consumer Fraud Protection (V. Chair Supervision) ● Speech: Tokenization and Implications for the Financial System (Governor) ● Speech: The Migration of Corporate Lending (V. Chair, Supervision)
FTC*	<ul style="list-style-type: none"> ● Speech: Procedural Integrity in the Merger Review Process (Commissioner)
NCUA	<ul style="list-style-type: none"> ● Proposal: GENIUS Act Permitted Payment Stablecoin Issuer Standards ● Proposal: "Deregulation" Project – Management Interlocks, Share Insurance
OCC	<ul style="list-style-type: none"> ● Final: Real Estate Lending Escrow Accounts ● Final: Preemption Determination: State Interest-on-Escrow Laws ● Report: Semiannual Risk Perspective
SEC*	<ul style="list-style-type: none"> ● Proposal: Registered Offering Reform Rule ● Proposals: Public Company Reporting – Framework; Semiannual Option ● Guidance: No-Action Letter on Form CRS Delivery ● Guidance: Signs MOU with National Futures Association ● Speech: Cryptographic Technologies and Financial Services Regulation (Comm.) ● Speech: AI+ Expo - Innovation and Evolving Technologies (Chair) ● Speeches: Enforcement Focus, Goals, and Economic Analysis (Chair, Director) ● Statement: Novel Exchange-Traded Funds (ETFs) (Chair) ● Withdrawal: Proposed Rescission of Climate-Related Disclosure Rules ● Withdrawal: Policy re: Denials of Settlements in Enforcement Actions

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



Regulatory Recap: May 2026 (Cross-Industry)

Legend

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

Executive/Legislative/SCOTUS

- White House***
- EO: "Integrating Financial Technology Innovation into Regulatory Frameworks"
 - EO: "Restoring Integrity to America's Financial System"
 - Statement: Updates on Task Force to Eliminate Fraud

Regulatory Agencies

- Interagency**
- Announcement: Collaboration to Prevent Unemployment Insurance Fraud (DOL, OIG)
 - Announcement: Workforce Development Partnership (DOL, ED)
- CFTC***
- Guidance: Signs Second MOU with Professional Sports League
 - Guidance: Advisory on Cooperation in Enforcement Matters
- FERC**
- Proposal: Blanket Permitting Process for Natural Gas Facilities
- FCC**
- Final: Spectrum Sharing Rules for Space-Based Broadband
 - Final: Broadband Data Collection Processes
 - Proposal: Rate-of-Return Carrier High-Cost Mechanisms
 - Proposal: Enhanced 'Know-Your-Upstream-Provider' Requirements
 - Speech: Drone Dominance in the Age of AI (Commissioner)
 - Statement: On Decision Overturning Digital Equity Rules (Chair)
- FTC***
- Guidance: Letters to Tech Companies and Web Sites re: Take It Down Act
 - Speech: Procedural Integrity in the Merger Review Process (Commissioner)
- NRC**
- Proposal: Rules for Medical and Industrial Radioactive Materials
 - Announcement: Accelerated Review of New U.S. Uranium Enrichment Facility
- SEC***
- Proposal: Registered Offering Reform Rule
 - Proposals: Public Company Reporting – Framework; Semiannual Option
 - Guidance: Securities Laws Applied to Pooled Employer Plans (PEPs)
 - Guidance: No-Action Letter on Form CRS Delivery
 - Speech: AI+ Expo - Innovation and Evolving Technologies (Chair)
 - Speeches: Enforcement Focus, Goals, and Economic Analysis (Chair, Director)
 - Statement: EGC Accommodations and Registered Offering Reforms (Chair)
 - Statement: Novel Exchange-Traded Funds (ETFs) (Chair)
 - Withdrawal: Proposed Rescission of Climate-Related Disclosure Rules
 - Withdrawal: Policy re: Denials of Settlements in Enforcement Actions

Departments

- DHS**
- Guidance: Counter-Drone Purchasing Tool to Support C-UAS Program
- DOE**
- Final: Enhanced Plutonium Facility Utilization Project (NNSA)
- DOJ***
- Speeches: Antitrust, Algorithmic Conduct and Enforcement (Acting/Deputy Asst. AG)
- DOL***
- Final: Exemptions for Executive, Administrative, and Professional Employees
 - Guidance: Advisory Opinion on Employee Welfare Benefit Plan
 - Announcement: Expansion of FECA Pharmacy Benefit Program
- HHS**
- Guidance: Action Plan on Psychiatric Prescriptions
 - Announcement: Launch of Intelligent Generator of Research (IGoR) Program
 - Announcement: Public-Private Partnership re: Advancing Maternal Health
- Treasury***
- Speech: Conference Remarks on Funding of Terrorism (Secretary)
 - Announcement: Template MOU for Debt Treatment under the Common Framework



Executive Agencies

- CISA***
- Guidance: Careful Adoption of Agentic AI Services
 - Guidance: "CI Fortify" Initiative for Critical Infrastructure Resilience
 - Guidance: Software Bill of Materials for AI - Minimum Elements
 - Guidance: New Nomination Form to Report Known Exploited Vulnerabilities
- EPA**
- Final: Technology Transitions Reconsideration Rule
 - Proposal: Excluding Road and Intermodal Container TRUs from HFC Rule
 - Proposal: Two Rules on PFAS in Drinking Water
 - Proposal: Preconstruction Permitting Requirements
 - Proposal: Hazardous and Solid Waste Management System
 - Guidance: Launch of EPA Permitting Authority Map
 - Guidance: Review Process of Clean Air Act (CAA) Title V Permits
 - Withdrawal: Affirmative Defense Rule
- FDA**
- Guidance: Draft Streamlined Approaches for Nonclinical Safety Studies
 - RFI: Drug Repurposing to Address Unmet Medical Needs
 - Announcement: One-Day Inspectional Assessments
- NIST***
- Announcement: Expanded Scope for AI Consortium
- NTIA**
- Speech: Identifying Federal Spectrum for Commercial Use (Asst. Sec.)
 - Speech: BEAD Program (Administrator and Assistant Sec'y of Commerce)
 - Speech: Satellite Policy and Regulation (Chief of Staff)




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May 2026: Financial Services Regulatory Alerts

Topic	KPMG Insights	Regulatory Alerts/Articles
<p>Consumer Protection</p>	<ul style="list-style-type: none"> – Incremental Approach: The CFPB states an initial narrow scope to implement data collection under the Small Business Lending requirements (Section 1071) will ensure the quality of data collection and limit regulatory burden; future amendments may be warranted. – Fragmentation: The CFPB notes that other statutes, including HMDA, FHA, and state laws relating to disparate impact liability remain unchanged. Companies may need to reassess their processes and procedures to ensure balanced compliance with ECOA and other applicable laws. – Litigation Challenges: Due to litigation challenging provisions of the 2023 final rule and past delays in the compliance dates for this rule, the changes made by the current final rule will not meaningfully change compliance obligations as they exist now. – “On the Basis Of”: The CFPB concludes that “on the basis of” does not refer to the effects of an action. Additionally, disparate, but unintentional, impact is not provided for by the ECOA. – Executing Mandates: The Regulation B final rules implement executive order mandates/directives on fair lending. 	 <p>CFPB Final Rules: Regulation B (Section 1071 and Disparate-Impact Liability)</p>
<p>Banking Customer Due Diligence Know-Your-Customer</p>	<ul style="list-style-type: none"> – Phased Buildout: Directs agencies to address, through advisories, guidance, and rulemaking, potential risks of illicit financial activity related to "non-work authorized" populations and their employers. – Due Diligence Requirements: Emphasizes requirements for risk-based customer due diligence programs, know-your-customer practices, and accurate account holder information. – Information Requirements: Priorities include requirements that financial institutions maintain authority to obtain information regarding account holders' lawful immigration status and work authorization when it is warranted by other risk factors or supervisory concerns, rather than blanket requirements to obtain additional information about account holders. – Looking Ahead: While the Executive Order outlines specific actions to be taken by various regulators, the exact structure of rulemaking provisions remains unknown as well as the potential implementation challenges with other regulatory priorities. 	 <p>Banking Services, Customer Due Diligence, and Know-Your-Customer</p>

May 2026: Cross-Industry Regulatory Alerts

Topic	KPMG Insights	Regulatory Alerts/Articles
Digital Assets: Payment Stablecoins	<ul style="list-style-type: none"> – Unified Focus: The FDIC, NCUA and OCC issue proposed implementing regulations that closely align with the provisions of the GENIUS Act and with one another, nuanced for the specific entities under their respective jurisdictions, including a focus on safety and soundness and requirements related to application processes, reserve requirements, capital, risk management, and custody (as appropriate). – OCC Frontrunner: The OCC is the first of the federal payment stablecoin regulators to issue a “comprehensive” proposal—covering frameworks for applications/licensing and supervision and regulation, “setting the tone” for the other regulators (Note: FDIC states that it has aligned its proposal with that of the OCC where relevant). – Potential for Change: Though closely aligned with the GENIUS Act, the agencies are posing a large number of questions—nearly 350 from the FDIC and OCC combined—which could generate significant input from interested parties. – Safe Harbor: The safe harbor provides opportunity for the agencies to waive compliance with the GENIUS Act provisions for up to 12 months for PPSIs with substantially complete applications pending as of the effective date of the GENIUS Act. Important to note that a waiver does not preclude the agencies from denying an application. 	 <p>GENIUS Act: FDIC, NCUA, OCC Proposals for Applications, Prudential Frameworks</p>
Digital Assets: Payment Stablecoins	<ul style="list-style-type: none"> – Payment Stablecoin Framework: FinCEN and OFAC’s joint proposal establishes stablecoin issuers as a new category of financial institution, separate from money services businesses; working with the implementing regulations issued by federal and state payment stablecoin regulators. – AML/CFT Reforms: Rules for payment stablecoin issuers would align with FinCEN’s AML/CFT proposals for U.S. financial institutions more broadly, emphasizing program effectiveness, risk-based assessments, and the allocation of resources to higher-risk areas. – Sanctions Compliance Program: The proposal is the first time that federal law would explicitly require a category of financial institution to maintain a formal sanctions compliance program. – Secondary Market Responsibilities: Issuers would have certain requirements to meet AML/CFT and sanctions compliance concerning secondary market activities, including the ability to block, freeze, or reject impermissible transactions. Notably, suspicious activity reporting obligations would not extend to the secondary market under the proposal. 	 <p>GENIUS Act: FinCEN/OFAC Proposal on AML/CFT and Sanctions Compliance</p>
Digital Assets: Payment Stablecoins	<ul style="list-style-type: none"> – Unified Focus: Federal and state regulators are working to implement the GENIUS Act provisions recognizing that certain state qualified payment stablecoin issuers over defined thresholds may be supervised at the federal level. – Substantial Similarity: The Department of the Treasury proposes broad-based principles to determine if state regulatory regimes are “substantially similar” to the federal regulatory framework, covering areas where the state has and does not have regulatory discretion. – “Federal Regulatory Framework”: Determined to encompass both the statutory text of the GENIUS Act and the core regulatory framework set up across federal agencies’ implementing regulations, specifically: issuances from the OCC, Treasury (e.g., BSA, sanctions), and FRB (e.g., anti-tying). – Transition: State regulatory regimes are expected to adopt transition provisions for state qualified payment stablecoin issuers to shift to federal oversight once they exceed the \$10 billion outstanding payment stablecoin issuances threshold. – Calibration: The proposal includes minimal flexibility for state-calibrated requirements (e.g., additional reserve assets, discretionary limits on timely redemptions, rehypothecation) and aligns those with GENIUS Act citations. 	 <p>GENIUS Act: Treasury Proposal on State-Level Regulatory Regimes</p>

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