



Addressing top of mind issues for capital markets and wealth management



April 2026



Contents

SEC examination priorities for 2026	01
Changes at the SEC – Impact on wealth and asset management	02
Custody of cryptoasset securities	03
Broker-dealer UST clearing mandate update	04
Wealth management operations: A connected future	05

SEC examination priorities for 2026



The U.S. Securities and Exchange Commission's (SEC) Division of Examinations (the Division) has released its fiscal year 2026¹ priorities, outlining the key areas it will focus on to protect investors and maintain the integrity of US capital markets. The report highlights the Division's commitment to promoting compliance, preventing fraud, and monitoring risk across the securities industry.

The 2026 priorities emphasize a risk-based approach, targeting practices, products, and services that may pose heightened risks to investors. The primary areas of focus include:

- **Investment advisers:** Ensuring adherence to fiduciary duties, such as care and loyalty, while managing conflicts to achieve best execution. Advisers should provide client-aligned advice, particularly for complex, high-cost, or alternative products and for senior clients. There is an emphasis on establishing strong, effective compliance programs, especially for advisers that have never been examined, recently registered, or dual registrants.
- **Broker-dealers:** Maintaining financial responsibility and resilience by managing net capital, customer protection, and liquidity. They must oversee trading activities to ensure best execution, proper order routing, and compliance with Rule 605 and Regulation SHO: Regulation of Short Sales/Regulation ATS: Alternative Trading Systems. Additionally, reviews of cash sweeps and prime brokerage services are vital.
- **Standards of conduct (regulation best interest (BI) + investment advisers (IA) duty of care):** Ensuring that recommendations on products, accounts, and rollovers prioritize investors' best interests, are cost-effective, and consider reasonably available alternatives. It is crucial to identify and mitigate conflicts, especially for dual registrants, and to focus on complex and tax-advantaged products.
- **Cybersecurity and data privacy (Regulations S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information² and S-ID: Identity Theft Red Flags³):** Complying with Regulation S-P to protect customer data from unauthorized access and with Regulation S-ID to detect and prevent identity theft.
- **Technology and anti-money laundering (AML):** Examining the use of artificial intelligence (AI) and automated technologies to ensure marketing claims are accurate. Firms must maintain robust, tailored AML programs with independent testing and proper Suspicious Activity Report (SAR) filing.

Opportunity

1 Assess fiduciary & regulatory BI practices

Assess and enhance policies for product recommendations and conflict-of-interest disclosures to ensure full alignment with Regulation Best Interest.

2 Evaluate trading practices and safeguards

Audit trading practices for compliance with regulation NMS and regulation SHO, and confirm ATS safeguards are in place to protect subscriber data.

3 Responsibility

Test internal controls for Net Capital and Customer Protection rule compliance, focusing on risks from cash sweep and prime brokerage activities.

4 Review and update security policies

Regularly update policies to incorporate the latest security technologies and best practices in data protection and identity verification, ensuring compliance with Regulations S-P and S-ID.

Contact KPMG

Mike Sullivan

Principal, Advisory Risk Services
KPMG LLP

T 703-286-8000

E mmsullivan@kpmg.com

Larry Godin

Principal, Advisory Risk Services
KPMG LLP

T: 914-587-0462

E: lgodin@kpmg.com

Mark McKeever

Director, Advisory Risk Services
KPMG LLP

T: 264-256-1704

E: mmckeever@kpmg.com



¹U.S. Securities Exchange Commission, "SEC Division of Examinations Announces 2026 Priorities" (November 17, 2025)

²U.S. Securities Exchange Commission, "Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information" (May 16, 2024)

³U.S. Securities Exchange Commission, "Identity Theft Red Flags Rules" (April 10, 2013)

Changes at the SEC – Impact on wealth and asset management



In April 2025, Paul Atkins was appointed as Chairman of the SEC,⁴ marking a shift toward a market-friendly regulatory approach. His key priorities include fostering innovation, enhancing transparency, and reducing compliance burdens.⁵ Atkins' leadership represents a change in the SEC's regulatory philosophy, emphasizing investor-focused regulations and promoting economic growth.

Atkins has criticized certain past SEC enforcement practices, such as the crackdown on off-channel communications like texting,^{6,7} regarding them as excessive. He advocates for concentrating enforcement efforts on cases involving actual investor harm rather than minor technical violations. This approach is expected to influence how asset and wealth managers navigate regulatory requirements and engage in market activities. As a result, asset and wealth managers should consider the impact that the SEC's 2026 agenda will have on their organizations:

- **Deregulation:** Atkins aims to reduce regulatory complexity, including withdrawing proposed mandates on climate disclosure and standardized reporting requirements for environmental, social, and governance (ESG) funds.⁸
- **Expansion of retail access to private markets:** There is a push to allow retail investors greater access to private credit and alternative assets, including through retirement plans like 401(k) accounts. This could increase demand for new investment products.
- **Cryptocurrency and digital assets regulation:** SEC is planning an "innovation exemption" to support crypto firms and integrate blockchain technology into US markets. Known as "Project Crypto," this initiative signals a change in the SEC's approach to digital asset regulation. It focuses on regulatory clarity, innovation, and enhancing market competition.⁹
- **Agentic finance and AI integration:** Atkins sees AI as a transformative force in capital markets, enabling agentic agents to manage trading, risk, and compliance in real time.¹⁰

Overall, Atkins' leadership at the SEC signals a significant shift towards a more market-friendly and innovation-focused regulatory environment, prompting asset and wealth managers to adapt to new opportunities in deregulation, private markets, digital assets, and AI integration.

Opportunity

1 Realign ESG strategy

Reevaluate existing ESG frameworks and disclosures. Discuss with investors potential changes to mandatory reporting rules and impact on their business.

2 Monitor cryptocurrency and digital assets regulations

Stay informed on evolving regulatory frameworks for digital assets, including tokenization, custody, and trading rules.

3 Align compliance framework

Ensure compliance frameworks align with the new regulatory landscape.

4 Leverage agentic finance and AI integration

Assess opportunities to incorporate agentic agents into trading, risk management, and compliance processes.

Contact KPMG

Mike Sullivan

Principal, Advisory Risk Services
KPMG LLP

T 703-286-8000

E mmsullivan@kpmg.com

Larry Godin

Principal, Advisory Risk Services
KPMG LLP

T: 914-587-0462

E: lgodin@kpmg.com

Mark McKeever

Director, Advisory Risk Services
KPMG LLP

T: 264-256-1704

E: mmckeever@kpmg.com

⁴ U.S. Securities and Exchange Commission, "Paul S. Atkins Sworn In as SEC Chairman" (April 21, 2025)

⁵ U.S. Securities and Exchange Commission, "Statement on the Spring 2025 Regulatory Agenda" (September 4, 2025)

⁶ U.S. Securities and Exchange Commission, "Order denying motions to modify or amend and stay settled orders" (June 26, 2025)

⁷ ThinkAdvisor, "SEC Chief: Texting Crackdown Went Too Far" (October 21, 2025)

⁸ U.S. Securities and Exchange Commission, "Statement on the Spring 2025 Regulatory Agenda" (September 4, 2025)

⁹ U.S. Securities and Exchange Commission, "Remarks at the Investor Advisory Committee Meeting" (September 18, 2025)

¹⁰ U.S. Securities and Exchange Commission, "Keynote Address at the Inaugural OECD Roundtable on Global Financial Markets" (September 10, 2025)



On December 17, 2025, the SEC issued a statement¹¹ clarifying its position on the custody of digital asset securities by broker-dealers. The SEC is rapidly advancing a more structured regulatory framework for digital assets. Recent guidance has fundamentally shifted the landscape for broker-dealers, moving away from a highly restrictive stance to providing a clear, detailed path for any carrying broker-dealer to custody cryptoasset securities by meeting specific requirements for "physical possession." The December statement clarifies how broker-dealers can take "physical possession" of a customer's fully paid and excess margin cryptoasset securities under Rule 15c3-3 (the Customer Protection Rule). This involves several key conditions:

- **Access and transfer capability:** The broker-dealer must have access to the cryptoasset security and the ability to transfer it on the associated distributed ledger, which includes possessing the private keys.
- **Policies for private key protection:** Establishing and enforcing industry-standard written policies, procedures, and controls to protect against theft, loss, or unauthorized use of private keys is crucial.
- **Assessment of distributed ledger technology (DLT):** Broker-dealers must assess the DLT and network where transfers are recorded, both before and at regular intervals, to identify and mitigate significant weaknesses or operational problems. If a broker-dealer is aware of material security or operational problems, then it should not deem itself to possess the cryptoasset security.
- **Disruption response plans:** Policies and procedures must be in place to respond to events like blockchain malfunctions, 51 percent attacks, hard forks, or airdrops.
- **Compliance with lawful orders and liquidation:** Broker-dealers must have arrangements to comply with lawful orders (e.g., seizing, freezing assets) and to transfer cryptoasset securities to appropriate parties during self-liquidation or bankruptcy.

Cryptoassets that are not securities such as bitcoin or US-dollar-backed stablecoins would not be subject to the SEC's physical possession or control requirements.

Opportunity

1 Identify process alignment

Map potential custody activity to your existing broker-dealer lines of business and identify whether changes trigger designated examining authority (DEA) processes; the statement highlights that it does not alter obligations to follow DEA rules and cites FINRA Rule 1017 as an example of change-in-business approval requirements.

2 Create policy and procedures

Create written policies and procedures to conduct and document an assessment of the DLT and associated network before the broker-dealer intends to custody cryptoassets securities and revisit at reasonable intervals thereafter.

3 Design controls

Design controls that are focused on the protection of private keys from theft, loss, or unauthorized use.

4 Develop a disruption playbook

Build a written disruption playbook that identifies in advance steps to take after events that could affect possession, explicitly including blockchain malfunctions, 51 percent attacks, hard forks, and airdrops.

Contact KPMG

Murat Oztan

Director, Advisory, Regulatory & Compliance,
KPMG LLP

T: 212-954-2349

E: eoztan@kpmg.com

The SEC is actively implementing its Treasury Clearing Rules, which mandate the central clearing of most secondary market US Treasury transactions to enhance market stability and reduce systemic risk. Key structural changes, such as the segregation of customer margin and amendments to broker-dealer customer protection rules (Rule 15c3-3a), were required by March 31, 2025, with final compliance deadlines now set for December 31, 2026 (cash transactions) and June 30, 2027 (repo transactions). Recent progress, highlighted in a December 23, 2025, SEC statement,¹² shows that implementation is advancing rapidly. Key recent actions include:

- The SEC approved a new Fixed Income Clearing Corporation (FICC) “Collateral-in-Lieu” service within its Sponsored General Collateral repo program. This allows FICC to take a lien on repo collateral instead of collecting margin, reducing redundant margin requirements and lowering costs for fund companies and other cash investors accessing clearing through sponsoring members.
- The SEC published notice of a proposed rule change to expand FICC–CME cross-margining to customer positions (not just proprietary trades). The SEC is also considering related exemptive relief requests needed to enable customer-level cross-margining.
- The SEC approved CME Securities Clearing Inc. as a registered clearing agency for US Treasury securities, adding competition and capacity to the clearing ecosystem.

SEC Commissioner Mark Uyeda emphasized the SEC’s commitment to a collaborative, phased, and risk-aware implementation of Treasury clearing reforms with a goal to strengthen the resilience of the US Treasury market while minimizing disruption and unnecessary costs.

Opportunity

1 Expand knowledge

Engage sponsoring members and FICC to understand eligibility, onboarding timelines, and capacity constraints under Sponsored General Collateral, agent clearing, and expanded triparty services.

2 Quantify benefits

Quantify potential margin efficiency benefits for customers and proprietary trading desks related to cross-margining.

3 Assess readiness

Assess operational readiness to support cross-product margining across Treasury securities and futures, including systems, legal agreements, and risk governance.

4 Evaluate approach

Evaluate gross versus net margin approaches for segregated customer accounts as the SEC continues to assess alternatives.

5 Analyze impacts

Analyze balance sheet and liquidity impacts of FICC’s newly approved collateral-in-lieu service, which allows liens on repo collateral instead of traditional margin.

Resources

- [US Treasury central clearing and settlement transformation](#)

Contact KPMG

Murat Oztan

Director, Advisory, Regulatory & Compliance, KPMG LLP

T: 212-954-2349

E: eoztan@kpmg.com

Brian Dunham

Principal, Advisory, Performance Transformation KPMG LLP

T: 919-593-4636

E: bdunham@kpmg.com

¹² U.S. Securities and Exchange Commission, “Update on Continuing Work Toward Treasury Clearing Implementation” (December 23, 2025)

Wealth management firms are facing a critical crossroads to modernize their internal management operations. While the pressure to scale and innovate grows, traditional operational models are struggling to keep pace due to several key factors:

- **Market pressures:** Increasing demands to control costs, support complex new products, and expand into new markets.
- **Customer expectations:** Rising client needs for real-time transparency and advanced digital capabilities.
- **Fragmentation across operating environment:**
 - **Platform disconnect:** Technology and data are spread across multiple platforms, creating a fragmented environment.
 - **Functional silos:** Siloed teams and data stall the adoption of modern tools like AI.
 - **Vendor complexity:** Heavy reliance on third-party vendors requires stronger oversight and clearer accountability to maintain quality and consistency across the value chain.
 - **Manual inefficiency:** Teams often rely on manual workarounds and handoffs that add significant cost and slow down delivery.
- **The "Process Improvement" gap:** Traditional workshop-based methods often fail because they focus on individual functions rather than the end-to-end client journey, leaving data-driven inefficiencies unaddressed. As a result, the work required to modernize operations becomes fragmented, takes too long, and rarely creates the integrated foundation needed to scale automation or AI.

Without a connected, end-to-end view, organizations struggle to deliver the speed, transparency, and consistency that today's environment demands. By moving away from fragmented, surface-level documentation toward a **connected, data-driven approach**, firms can build the integrated foundation necessary to scale automation and deliver consistent, high-speed outcomes.

Opportunity

1 Holistic approach

Reimagine processes holistically—not in silos—to eliminate manual steps, reduce friction, and align work to real client and business outcomes.

2 Digitize workflow

Digitize core workflows by capturing processes as structured, reusable data that enable transparency, automation, and smarter decisioning.

3 Journey evaluation

Evaluate priority journeys through efficiency, risk, and experience lenses to target the highest-impact opportunities for improvement.

4 AI and automation integration

Embed AI and automation into daily operations to enhance monitoring, strengthen controls, and reduce manual workload.

5 Delivery acceleration

Accelerate delivery using rapid pilots, cross-functional teams, and actionable blueprints that move quickly from design to value.

Contact KPMG

Brian Dunham

Principal, Advisory, Performance Transformation
KPMG LLP

T: 919-593-4636

E: bdunham@kpmg.com

Neam Ahmed

Principal, Advisory, Head of FS Operations
KPMG LLP

T: 203-249-2351

E: nmahmed@kpmg.com

Daisy Tung

Partner, Advisory, Wealth & Asset Management
Operations
KPMG LLP

T: 212-954-4184

E: daisytung@kpmg.com

Contacts

Peter Torrente
US Sector Leader & Audit
Leader, Banking & Capital
Markets
KPMG US
ptorrente@kpmg.com

Karen Silverman
Industry Insights Leader,
Banking & Capital Markets
KPMG US
ksilverman@kpmg.com

Andrew Ellis
Banking Consulting Leader
KPMG US
aellis@kpmg.com

Agnel Kagoo
Capital Markets Consulting
Leader
KPMG US
akagoo@kpmg.com

Joe Santucci
Partner, Audit
KPMG US
josephsantucci@kpmg.com

Mark Price
Tax Industry Leader,
Banking & Capital Markets
KPMG US
mhprice@kpmg.com

Liz L'Hommedieu
National Tax Industry
Deputy Leader, Banking &
Capital Markets
KPMG US
elhommedieu@kpmg.com

Stephanie S Petruzzi
Capital Markets Strategy
Leader
KPMG US
spetruzzi@kpmg.com

Brian Dunham
Wealth and Asset
Management Strategy Lead
KPMG US
bdunham@kpmg.com

Mark Orovio
Partner, Audit
KPMG US
morovio@kpmg.com



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.