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Fs advisory

Regulatory Update

September 2026



BDO FS Advisory contact points

BDO's Managed Compliance Services Regulatory Update summarises the key regulatory developments.

Our FS Advisory team supports hundreds of clients with various regulatory and non-regulatory matters. Our breadth and depth of expertise gives us a broad perspective on the issues facing the financial services sector. We have aggregated insights from our in-house research, client base, the regulators and professional bodies to support your regulatory considerations and activities.

We hope this pack provides value to you and your colleagues; please do share with us any feedback you may have for our future editions.



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Regulatory round up

General

PS26/15: Improving the UK Transaction Reporting Regime

The FCA has published a policy statement [PS26/15](#) which sets out final reforms to improve the UK transaction reporting regime under the Markets in Financial Instruments Regulation (MiFIR).

What firms are impacted?

MiFID investment firms, broker-dealers, trading venues, market operators, investment banks and other firms subject to UK MiFIR transaction reporting requirements.

Summary of the regulatory update:

Following consultation in CP25/32, the FCA has published its final policy statement setting out a substantial redesign of the UK transaction reporting regime. The reforms are intended to simplify reporting requirements, reduce compliance costs and improve the quality of data received by the FCA for market surveillance and supervisory purposes. The changes form part of a broader post-Brexit reform agenda under which the UK is replacing retained EU MiFIR requirements with a UK-specific framework. The key changes include:

- Reducing reportable data fields from 65 to 52.
- Removing reporting obligations for approximately 7 million instruments traded only on EU trading venues.
- Removing FX derivatives from transaction reporting scope.
- Reducing the default back-reporting period from five years to three years.
- Exempting most corporate actions from reporting requirements.
- Simplifying reporting obligations for trading venues.
- Establishing a new framework for Conditional Single-Sided Reporting (CSSR).

The FCA estimates that the reforms will generate annual industry savings of more than £100 million while maintaining effective market abuse surveillance and regulatory oversight.

When does it take effect?

Most of the reforms will take effect from 3 April 2028.

What should firms be thinking about?

Firms should assess how the future requirements will impact existing transaction reporting frameworks, operating models and technology infrastructure. Particular attention should be given to implementation planning, reporting data quality, reporting scope assessments and any divergence between UK and EU reporting obligations.

Regulatory round up

General

PS26/17 Enhancing Fund Liquidity Risk Management

The FCA has published Policy Statement [PS26/17](#) 'Enhancing fund liquidity risk management', to finalise CP25/38 proposals strengthening liquidity risk governance for UCITS schemes and NURS.

What firms are impacted?

Authorised Fund Managers (AFMs) of UCITS schemes and Non-UCITS Retail Schemes (NURS), delegated investment managers and fund depositaries.

Summary of the regulatory update:

The FCA has finalised rules designed to strengthen liquidity risk management across UK retail investment funds. The reforms require firms to maintain appropriate anti-dilution tools, strengthen liquidity assessment processes and enhance liquidity stress testing arrangements.

The new framework promotes more consistent use of anti-dilution mechanisms to protect investors from transaction costs generated by subscriptions and redemptions. The FCA has also removed the presumption that listed securities are automatically sufficiently liquid and introduced additional guidance on liquidity assessments and governance.

The changes reflect evolving international standards and aim to improve investor protection, market integrity and resilience within the UK funds sector.

When does it take effect?

The new rules and guidance come into force on 1 February 2027, with certain transitional provisions applying until 1 August 2027.

What should firms be thinking about?

AFMs should review liquidity risk management frameworks, anti-dilution tools, governance arrangements and stress-testing methodologies. Firms should also assess any required prospectus updates and implementation plans ahead of the 2027 deadlines.

Regulatory round up

General

PS26/16 Changes to Information Flows for UK Equity IPOs

The FCA has published Policy Statement [PS26/16](#), finalising reforms to information flows for UK equity IPOs by amending the Conduct of Business Sourcebook (COBS) provisions on issuer-analyst communications.

What firms are impacted?

Prospective issuers, investment banks, sponsors, brokers, advisers, independent research providers and other firms involved in the UK equity IPO process.

Summary of the regulatory update:

The FCA has finalised changes to its IPO research and information-sharing regime, removing requirements introduced in 2018 that it believes have increased costs and execution risk without delivering the intended benefits to independent research coverage. The reforms remove the mandatory seven-day waiting period between publication of an approved registration document or prospectus and connected analyst research.

The FCA has also removed requirements for syndicate banks to facilitate access for unconnected analysts and provide them with the same information as connected analysts. Firms and issuers may continue to engage with unconnected analysts, but this will no longer be mandated by FCA rules.

The changes are intended to streamline UK IPO processes, reduce friction in capital raising activities and improve the competitiveness of UK public markets while maintaining appropriate investor protections.

When does it take effect?

The changes came into force immediately on 5 August 2026.

What should firms be thinking about?

Firms involved in IPO transactions should review deal timetables, analyst engagement processes and research publication procedures to reflect the revised requirements. Firms should also consider whether existing internal policies and market practices continue to remain appropriate under the more flexible framework.

Regulatory round up

General

High-Growth Firms: Good and Poor Practice

The FCA has [published](#) findings from its Early and High Growth Oversight pilot, evaluating governance, risk management and control frameworks in high-growth asset management, wealth management and payments firms.

What firms are impacted?

Newly established firms, firms experiencing rapid growth or significant change, particularly those operating in the asset management, wealth management and payments sectors.

Summary of the regulatory update:

The FCA has published findings from its Early and High Growth Oversight pilot involving 15 rapidly growing firms. The review focused on whether governance, risk management and control frameworks were evolving appropriately alongside business growth.

Examples of good practice included clearly defined governance structures, effective board oversight, mature risk management frameworks, succession planning, strong management information and effective financial resilience arrangements. Areas for improvement included over-reliance on key individuals, insufficient independent challenge, inadequate risk management resources, weak documentation and controls failing to keep pace with business model changes.

The publication reinforces the FCA's view that sustainable growth requires firms to develop governance and control frameworks commensurate with their size, complexity and risk profile.

When does it take effect?

Immediate supervisory guidance.

What should firms be thinking about?

Firms experiencing growth should assess whether governance, risk management, operational controls, resources and oversight arrangements remain appropriate. Boards and senior management should ensure that control frameworks evolve alongside business expansion and increasing operational complexity.

Regulatory round up

General

Wealth Management Survey Report - 2026

The FCA has [published](#) the Wealth Management Survey Report 2026, presenting data and insights on discretionary portfolio management to help firms grow responsibly and raise standards through stronger governance, financial crime controls, fair value, and responsible use of technology, including artificial intelligence (AI).

What firms are impacted?

Wealth managers, discretionary portfolio managers, investment managers and firms providing portfolio management services to retail clients.

Summary of the regulatory update:

The FCA has published the results of its 2026 Wealth Management Survey, based on data from approximately 400 firms managing almost £1 trillion of assets. The report highlights increasing client numbers, continues market consolidation and growing adoption of digital technologies and AI.

The FCA emphasises that governance, oversight and controls must keep pace with business growth. It also highlights financial crime controls, fair value assessments, support for vulnerable customers and responsible use of technology as key supervisory priorities.

The report identifies examples of progress across the sector but notes ongoing weaknesses in areas including financial crime monitoring, client vulnerability assessment and value-for-money evaluations.

When does it take effect?

No implementation date applies. The report provides sector insights and supervisory expectations.

What should firms be thinking about?

Firms should assess governance arrangements, financial crime controls, Consumer Duty outcomes, fair value assessments and AI governance frameworks. Particular attention should be given to ensuring that growth and technological innovation are supported by appropriate controls and oversight.

Regulatory round up

General

No. 65 Primary Market Bulletin 65

The FCA has [published](#) Primary Market Bulletin 65 (August 2026), outlining regulatory developments for UK primary participants.

What firms are impacted?

Listed issuers, sponsors, investment banks, advisers, market participants and firms active in UK primary markets.

Summary of the regulatory update:

Primary Market Bulletin 65 covers a range of developments affecting UK capital markets. Key topics include the FCA's equity market transparency reforms, the implementation of the UK Equity Consolidated Tape and consultation work on broader market structure developments.

The FCA also highlights concerns regarding the use of exaggerated, promotional or misleading language within regulatory announcements. The regulator reminds issuers that regulatory announcements should contain factual, regulated information and should not be used as marketing material.

Further sections cover sponsor due diligence practices, delayed disclosure of inside information under UK MAR, the FCA's emergency powers under the Short Selling Regulations 2025 and new submission requirements for listing applications.

When does it take effect?

The bulletin was published on 28 August 2026. Certain measures, including the new inside information declaration form, will apply from 21 September 2026.

What should firms be thinking about?

Issuers should review the content and governance of regulatory announcements, ensuring disclosures remain accurate, balanced and compliant with market abuse requirements. Sponsors and advisers should also consider the FCA's observations on due diligence, inside information controls and ongoing market transparency reforms.

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FCA Statement on Annex 1 Firms

The FCA has published a [statement](#) announcing that it is applying increased scrutiny to Annex 1 firms.

What firms are impacted?

Annex 1 financial institutions such as unregulated lenders, safe custody providers, money brokers and financial leasing companies.

Summary of the regulatory update:

The FCA has issued a statement outlining concerns identified through its supervisory work involving Annex 1 firms. The regulator highlighted weaknesses in governance arrangements, financial crime controls, customer due diligence processes and wider risk management frameworks within parts of the sector.

The FCA noted that some firms appear to underestimate their exposure to financial crime risks or operate control environments that have not evolved alongside business growth and changing customer profiles. The regulator also emphasised the importance of effective senior management oversight, appropriate compliance resources and robust systems and controls.

The statement serves as a warning to firms that deficiencies in governance and control frameworks may lead to increased supervisory intervention and potential enforcement action where weaknesses are not addressed in a timely manner.

When does it take effect?

Immediate supervisory guidance and indication of current FCA priorities.

What should firms be thinking about?

Affected firms should review governance frameworks, financial crime risk assessments, customer due diligence arrangements and management information reporting. Boards and senior management should ensure that operational controls remain appropriately aligned to the firm's scale, complexity and risk profile.

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General

T+1 Settlement Readiness Update

The FCA has [published](#) an update on industry readiness for the UK's planned transition to T+1 settlement.

What firms are impacted?

Asset managers, wealth managers, investment firms, broker-dealers, custodians, trading venues, market infrastructure providers and firms involved in securities settlement processes.

Summary of the regulatory update:

The FCA has published an update on industry readiness for the UK's planned transition to a T+1 securities settlement cycle in October 2027. The regulator reports that while many market participants have developed implementation plans and made significant progress, some firms remain materially behind expected timelines.

The FCA identified particular concerns regarding readiness across parts of the buy-side community, where implementation activity as in some cases been limited. The regulator emphasised that firms should be actively preparing for the operational, technological and process changes required to support shorter settlement cycles and reduce settlement failure rates.

The move to T+1 settlement is expected to improve market efficiency, reduce counterparty risk and align the UK market more closely with other international jurisdictions that have already adopted shorter settlement periods.

When does it take effect?

The UK transition to T+1 settlement is scheduled for 11 October 2027. The FCA expects implementation programmes to be well advanced during 2026 and 2027.

What should firms be thinking about?

Firms should assess readiness programmes, settlement processes, client onboarding arrangements, operational workflows and technology infrastructure. Particular focus should be given to identifying causes of settlement failures, strengthening data quality controls and ensuring effective coordination with custodians, counterparties and service providers ahead of the transition.

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