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YOUR COMPLIANCE SURVIVAL GUIDE | JUNE 2026

AM I AT RISK?

HIGH:
Significant impact - Immediate action required.

- **AMLA Direct Supervision Data Collection (CSSF Circular 26/914)**
  AMLA supervision preparations now require data collection from in-scope fund structures. Failure to coordinate submissions may increase future supervisory scrutiny.
- **SFDR Review – Simplified ESG Product Classification**
  Proposed replacement of Articles 6/8/9 classifications may require future repositioning of ESG products, disclosures and data frameworks.

MEDIUM:
Moderate impact - May require adjustments.

- **FATF – AML/CTF Monitoring Lists Update**
  Updated FATF jurisdictions may require changes to country risk assessments, EDD procedures and transaction monitoring controls.
- **MMF Liquidity & Stress Testing**
  Enhanced liquidity expectations may require updates to liquidity management and stress testing frameworks.

LOW:
Minimal operational impact - Monitor.

- **Ireland – AI Regulation Bill**
  Emerging AI governance requirements should be monitored where firms use AI tools in compliance, onboarding or reporting activities.
- **ESG Ratings: Proposed Regulation**
  Future regulation may affect reliance on ESG ratings and sustainability data providers.

MY SURVIVAL TOOLS

FATF Monitoring Lists
Update country risk assessments and screening controls to reflect revised FATF jurisdictions.

SFDR Classification Review
Map existing Article 6/8/9 products against proposed future ESG categories.

AMLA Direct Supervision Data Collection
Confirm scope and coordinate CSSF eDesk submission before 22 July 2026.

IOSCO Valuation Recommendations
Review valuation governancem documentation and oversight for illiquid and alternative assets.

UK AML Amendments
Gap-assess AML/CTF policies and ongoing monitoring arrangements against new requirements.

MMF Liquidity & Stress Testing
Assess liquidity thresholds, stress testing assumptions and redemption management controls.

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EXPERT INSIGHTS

AMLA Draft Guidelines on Ongoing Monitoring (Article 26(5) AMLR)

WHAT'S CHANGING:
- Introduces enhanced expectations for ongoing monitoring under AMLR
- Reinforces continuous risk-based monitoring beyond onboarding
- Expands expectations on transaction monitoring, behavioural analysis, periodic client reviews

ACTIONS REQUIRED:
- Assess adequacy of transaction monitoring frameworks
- Review ongoing monitoring triggers and escalation processes
- Prepare for harmonised EU AML supervision

CSSF – UCITS Merger Forms

WHAT'S CHANGING:
- CSSF introduces mandatory application templates for:
  - UCITS domestic mergers
  - UCITS outbound cross-border mergers
- Applies under UCITS frameworks (Law of 17 December 2010 / Directive 2009/65/EC)
- Forms must be fully completed and submitted with all required supporting documentation
- Mandatory use for all applications from 19 June 2026
- Reflects broader EU supervisory convergence efforts aimed at enhancing consistency, investor protection and regulatory oversight across UCITS structures

ACTIONS REQUIRED:
- Update internal UCITS merger procedures and templates
- Ensure all future submissions use new CSSF forms
- Review ongoing or planned merger transactions
- Inform legal and operations teams of updated requirements
- Assess whether existing UCITS governance, liquidity and documentation frameworks remain aligned with evolving regulatory expectations

FATF – Plenary Outcomes & AML/CTF Monitoring Lists

WHAT'S CHANGING:
- FATF has updated its lists of jurisdictions under increased monitoring ("grey list") and high-risk jurisdictions
- Reflects the latest global AML/CTF risk landscape and supervisory priorities
- Reinforces expectations on enhanced due diligence (EDD) and risk-based controls for exposed jurisdictions

ACTIONS REQUIRED:
- Update country risk frameworks and AML risk assessments
- Ensure screening tools and transaction monitoring reflect updated FATF lists
- Review exposure to flagged jurisdictions across investor base and investments
- Reinforce EDD processes and escalation procedures

SFDR Review – Simplified ESG Product Classification (EU)

WHAT'S CHANGING:
- The EU Council has agreed its position on a simplified SFDR framework, introducing new product categories: sustainable, transition, ESG basics
- The revision aims to replace current Articles 6/8/9 classifications and reduce greenwashing risk
- New mandatory ESG indicators will be required to support sustainability claims
- Specific rules introduced for transition investments, including certain fossil fuel exposures under strict conditions
- AIFs marketed to professional investors may benefit from reduced disclosure requirements

ACTIONS REQUIRED:
- Assess potential impact on fund classification and ESG positioning
- Prepare for updates to disclosures and reporting frameworks
- Review data availability for ESG indicators and metrics
- Monitor regulatory developments ahead of final adoption

Recast of Directive on Administrative Cooperation (DAC)

WHAT'S CHANGING:
- The European Commission is preparing a recast of the DAC Directive, consolidating DAC1-DAC9 into a single framework
- Objective to simplify tax reporting and reduce compliance burden
- Focus on improving clarity, efficiency and consistency of reporting requirements
- DAC framework will continue to support automatic exchange of tax information across EU Member States
- Potential refinements to scope and reporting processes impacting cross-border structures

ACTIONS REQUIRED:
- Monitor publication of the formal legislative proposal
- Review existing DAC reporting obligations across fund structures
- Anticipate potential adjustments to data collection and reporting systems
- Engage with service providers to ensure readiness for future changes

IOSCO – Recommendations on Valuing Collective Investment Schemes (FR/03/2026)

WHAT'S CHANGING:
- IOSCO has published updated Recommendations on Valuing Collective Schemes (CIS), providing a global benchmark for valuation governance and oversight.
- The recommendations reinforce expectations regarding valuation policies, independence, conflicts of interest management and valuation controls.
- Particular attention is given to less liquid and difficult-to-value assets, reflecting growing supervisory focus across jurisdictions.

ACTIONS REQUIRED:
- Review valuation governance frameworks and oversight arrangements.
- Assess independence of valuation methodologies and challenge processes.
- Ensure valuation policies remain appropriate for private, illiquid and alternative asset strategies.
- Monitor potential adoption of the recommendations by European and local regulators.

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EXPERT INSIGHTS

AMLA Direct Supervision Data Collection (CSSF Circular 26/914)

WHAT'S CHANGING:
• CSSF launches AMLA data collection exercise ahead of new EU AML supervision
• Relevant for RAIFs, AIFs and UCITS, via their AIFM/ManCo or governing body
• Supports selection of entities for direct AMLA supervision from 2027

ACTIONS REQUIRED:
• Confirm if your fund structure is in scope
• Coordinate with AIFM/ManCo and service providers to complete required data
• Ensure submission via CSSF eDesk by 22 July 2026
• Be aware of potential future AMLA supervision impact

CSSF – IFM Ancillary Services Notification

WHAT'S CHANGING:
• New framework introduced following the transposition of Directive (EU) 2024/927 into Luxembourg law
• IFMs / ManCos may provide ancillary services to third parties, where such services are already performed for managed UCIs
• CSSF introduces a dedicated notification / authorisation process
  - prior authorisation required for first-time provision
  - subsequent services require notification only
    • Requirement to update articles of incorporation to reflect new activities
    • CSSF may request additional information at any time

ACTIONS REQUIRED:
• Assess whether expansion into third-party service provision is envisaged
• Submit CSSF notification / authorisation where applicable
• Update articles of incorporation if required
• Review internal services offering vs permitted activities
• Ensure governance and operational setup supports multi-client servicing

CSSF Thematic Review – Valuation Frameworks or Illiquid Assets

WHAT'S CHANGING:
• CSSF identified weaknesses in valuation practices for illiquid assets
• Focus on governance and independence, consistency of methodologies and documentation and justification

ACTIONS REQUIRED:
• Review valuation frameworks and governance structures
• Strengthen documentation and audit trails
• Ensure consistency across portfolios and funds

CSSF – De-Risking Practices and ML/FT Risk Management

WHAT'S CHANGING:
• CSSF raises concerns about excessive de-risking practices
• Emphasises risk-based approach vs blanket exclusions
• Reinforces expectations on AML governance and decision making

ACTIONS REQUIRED:
• Review onboarding and client acceptance frameworks
• Ensure proportional risk-based decision-making
• Strengthen documentation of AML decisions

EXPERT INSIGHTS

UK – Money Laundering and Terrorist Financing (Amendment) Regulations 2026

WHAT'S CHANGING:
• The UK has introduced amendments to the Money Laundering Regulations 2017, updating AML/CTF requirements across a range of regulated sectors.
• Changes include enhanced customer due diligence requirements, strengthened governance expectations, revised reporting obligations and amendments reflecting the UK's evolving financial crime risk framework.
• New provisions introduce additional requirements relating to pooled accounts, FCA notification obligations and enhanced due diligence measures for certain cryptoasset-related activities.
• The amendments form part of the UK's broader programme to strengthen AML supervision, improve transparency and align controls with emerging financial crime risks.

ACTIONS REQUIRED:
• Review AML/CTF policies, procedures and control frameworks against the amended requirements.
• Assess the impact on customer due diligence, ongoing monitoring and governance arrangements.
• Confirm that internal reporting, record-keeping and escalation processes remain aligned with regulatory expectations.
• Monitor implementation timelines and any further supervisory guidance issued by the FCA or HM Treasury.

Reforms to UK Money Market Fund Regulation

WHAT'S CHANGING:
• Proposed reforms to strengthen MMF resilience and liquidity management
• Focus on liquidity management tools (LMTs), stress resilience and investor protection

ACTIONS REQUIRED:
• Assess liquidity management frameworks
• Review stress testing assumptions
• Monitor final rule implementation

CP26/19 – FCA Penalty Decision-Making Policies Changes

WHAT'S CHANGING:
• Updates to FCA enforcement and penalty framework
• Improvements to transparency and consistency
• Includes increased minimum penalties
• CPI-linked adjustments and extension to crypto-related misconduct

ACTIONS REQUIRED:
• Monitor consultation outcome
• Ensure governance and compliance frameworks remain robust

CP26/23 – Consumer Duty: Scope & Proportionality

WHAT'S CHANGING:
• FCA consultation clarifies how Consumer Duty applies across different firm types and distribution chains
• Focus on proportional application depending on size, role, and client interaction
• Reinforces accountability across manufacturers and distributors

ACTIONS REQUIRED:
• Review applicability of Consumer Duty across UK-facing activities
• Assess roles as manufacturer / distributor in product governance frameworks
• Ensure documentation of proportionality assessments
• Monitor final guidance and supervisory expectations

UK – Cyber Security and Resilience (Network and Information Systems) Bill

WHAT'S CHANGING:
• UK introducing enhanced cyber resilience and ICT risk framework, aligned with NIS2-type requirements
• Increased focus on ICT risk management, incident detection and response and third-party and outsourcing dependencies
• Signals convergence with EU operational resilience frameworks (e.g. DORA)
• Indicated strengthened supervisory expectations on resilience and governance

ACTIONS REQUIRED:
• Monitor legislative developments and implementation scope
• Assess potential impact on ICT risk and resilience frameworks and outsourcing and third-party oversight
• Integrate into long-term operational resilience strategy

EXPERT INSIGHTS

FCA – Motor Finance Complaints Redress Scheme

WHAT'S CHANGING:
• FCA proposes a large-scale industry-wide redress scheme for motor finance customers
• Firms expected to:
  - identify impacted agreements and complaints
  - submit Scheme Implementation Plans
  - provide structured data and projections
• Strong focus on governance and oversight, data quality and traceability and operational readiness

ACTIONS REQUIRED:
• Monitor developments and legal outcome
• Assess implications for governance frameworks and remediation and complaint processes
• Benchmark against FCA expectations for large-scale remediation exercises
• Review data and reporting capabilities

UK – New Data Protection Changes Under DUAA

WHAT'S CHANGING:
• The UK's Data (Use and Access) Act 2025 introduces targeted changes to the data protection framework
• Updates include revised definitions, new provisions on data use, and changes to supervisory powers
• The changes affect organisations handling personal data across operations

ACTIONS REQUIRED:
• Review internal data governance and processing frameworks
• Monitor guidance from the ICO
• Assess implications for outsourced services and operational processes

UK – Strengthened Governance Rules for Closed-Ended Funds (FCA Consultation)

WHAT'S CHANGING:
• The FCA is consulting on targeted changes to UK Listing Rules for closed-ended investment funds
• Focus on strengthening conflicts of interest management and protecting shareholders
• Proposed changes include:
  - Applying safeguards to new investment manager appointments
  - Reinforcing board independence from large shareholders
  - Addressing conflicts where shareholder also act as investment managers
    • Aim is to ensure rules remain robust and consistent across different scenarios

ACTIONS REQUIRED:
• Identify any UK-listed closed-ended fund exposure
• Review governance and conflicts of interest frameworks
• Assess potential need to update board oversight arrangements and policies on related party transactions
• Monitor consultation outcome (final rules expected end-2026)

CP25/34 – ESG Ratings: Proposed Regulation

WHAT'S CHANGING:
• FCA outlines approach to regulating ESG ratings providers
• Aims to improve transparency, governance and conflicts management in ESG ratings market
• Supports reliability of ESG data used in investment decision-making

ACTIONS REQUIRED:
• Identify reliance on ESG ratings in investment and risk processes
• Review governance around use of third-party ESG data providers
• Monitor regulatory developments and potential impact on disclosures and reporting

FCA – UK Cryptoasset Regime: Gateway and Authorisation Timeline Clarified

WHAT'S CHANGING:
• The FCA has outlined how firms will access the new UK cryptoasset regulatory regime, introducing a "gateway" authorisation model
• Firms must obtain authorisation before carrying out regulated cryptoasset activities
• The FCA will assess governance and controls, business model and risk management frameworks
• The FCA has also confirmed key implementation timelines:
  - Application window: 30 Sep 2026 – 28 Feb 2027
  - Firms applying within this period may continue operating while their application is assessed
  - Firms applying after this period will be limited to running off existing business only
  - Firms that do not apply will be required to cease crypto-related activities

ACTIONS REQUIRED:
• Assess whether the firm has current or planned exposure to UK cryptoasset activities
• Monitor developments and prepare for potential authorisation requirements
• Consider implications for business strategy where crypto exposure exists

UK – Strengthening AML Supervision Framework

WHAT'S CHANGING:
• UK government confirms reforms to the AML/CTF supervisory framework
• FCA will take on an expanded role across additional sectors
• Increased focus on risk-based supervision and oversight powers

ACTIONS REQUIRED:
• Monitor developments in UK AML supervisory expectations
• Consider potential implications for group-wide compliance frameworks

EXPERT INSIGHTS

Enhanced MMF Liquidity & Stress Testing Expectations

WHAT'S CHANGING:
• The Central Bank of Ireland has confirmed the application of ESMA's updated MMF stress testing guidelines and launched a consultation on enhanced Weekly Liquid Asset (WLA) expectations for MMFs.
• The proposals strengthen liquidity risk management, stress testing and resilience expectations for MMFs.
• MMFs operating below expected liquidity levels for prolonged periods may be subject to increased supervisory scrutiny and engagement.

ACTIONS REQUIRED:
• Review MMF liquidity risk management and stress testing frameworks.
• Assess Weekly Liquid Asset levels against proposed resilience thresholds.
• Review contingency funding and redemption management arrangements.
• Monitor consultation outcomes and future supervisory expectations.

Ireland – Updated National Financial Crime Risk Assessment (Priority Action Implementation Plan)

WHAT'S CHANGING:
• Ireland publishes updated National Risk Assessment on financial crime, alongside a 30-point action plan
• Identified key risks including increasing fraud sophistication, crypto-related risks and cross-border financial crime vulnerabilities
• Signals areas of supervisory and policy focus

ACTIONS REQUIRED:
• Consider implications for AML risk assessments and controls
• Monitor evolving expectations in financial crime prevention frameworks

Ireland – Strengthened Sanctions Enforcement Framework (PIJ; Iran; Human Rights Violations)

WHAT'S CHANGING:
• Ireland has implemented updated legislation giving effect to EU sanctions regimes (including Russia, Moldova and Libya)
• The regulations introduce criminal liability for breaches and strengthen enforcement powers
• Authorities may issue directors, and penalties include significant fines and imprisonment

ACTIONS REQUIRED:
• Ensure sanctions controls and screening frameworks are up to date
• Confirm governance and escalation processes for sanctions compliance
• Monitor ongoing developments in EU restrictive measures

Ireland – AI Regulation Bill

WHAT'S CHANGING:
• Ireland progressing national legislation aligned with EU AI Act implementation
• Focus on governance, risk classification and oversight of AI systems
• Likely impact on firms using AI for risk management, monitoring, or investor profiling

ACTIONS REQUIRED:
• Identify use of AI tools across fund operations (incl. AML, onboarding, reporting)
• Begin assessment against EU AI Act risk categories
• Ensure governance, oversight and documentation frameworks are in place
• Monitor further regulatory guidance and implementation timelines