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YOUR COMPLIANCE SURVIVAL GUIDE | THE AUGUST 2026 REVIEW

AM I AT RISK?

HIGH:
Significant impact - Immediate action required.

FCA liquidity rules: implementation clock starts

WHY IT MATTERS?
UK UCITS, NURS, authorised fund managers, delegated managers and depositaries face strengthened expectations for liquidity assessments, stress testing and anti-dilution arrangements. The rules apply from 1 February 2027, so governance design and implementation should now move onto the 2026 planning agenda.

Red flags: no named implementation owner; liquidity tools not linked to fund dealing profile; board reporting does not evidence challenge.

KEY ACTION
Map impacted funds and delegates, confirm ownership, and establish a documented readiness plan covering stress testing, liquidity governance and anti-dilution tools.

FCA scrutiny of Annex 1 firms: group controls may not be enough

WHY IT MATTERS?
The FCA is placing greater focus on financial crime controls in Annex 1 firms. Entity-level risk assessments, policies and oversight evidence need to reflect the risks of the individual business, rather than relying solely on a group-wide framework.

Red flags: generic group risk assessment; unclear delegated responsibility; limited evidence that the UK entity challenges its service providers.

KEY ACTION
Re-test each UK entity's AML risk assessment and control set, then close gaps in delegated oversight records, governance minutes and management information.

MEDIUM:
Moderate impact - May require adjustments.

Ireland expands access to beneficial ownership information

WHY IT MATTERS?
Ireland's amended beneficial ownership framework widens access for designated authorities and certain third parties with a legitimate interest. The practical exposure is not a new filing project, but greater reliance on the accuracy and consistency of existing RBO records.

KEY ACTION
Reconcile RBO entries against statutory registers, investor due diligence files and governance records, and ensure escalation routes cover access requests and vulnerable beneficial owners.

US ownership transparency reduces, but your AML duties do not

WHY IT MATTERS?
FinCEN's final rule removes CTA beneficial ownership reporting for US domestic entities. For European regulated firms, fewer official data points may be available when verifying ownership and control of US LLCs, LPs, SPVs and holding structures.

KEY ACTION
Identify due diligence steps that relied on CTA filings and strengthen direct collection, corroboration and risk-based escalation for relevant US legal entity investors and counterparties.

LOW:
Minimal operational impact - Monitor.

Luxembourg considers umbrella flexibility for unregulated partnerships

WHY IT MATTERS?
Bill of Law No. 8814 proposes umbrella functionality for unregulated SCS and SCSp AIFs managed by an EU-authorised AIFM, including legally segregated compartments. It may expand product design options, but remains subject to parliamentary approval.

KEY ACTION
Monitor the legislative process and consider how compartment structures could affect future launches, operating models and governance mandates. Do not treat the proposal as enacted law.

MMF stress-testing adoption shows supervisory convergence

WHY IT MATTERS?
ESMA's compliance table confirms broad implementation of the revised 2025 MMF stress-testing Guidelines, including CSSF compliance through Circular CSSF 26/911. It does not add a new implementation layer.

KEY ACTION
Confirm existing governance evidence aligns with Circular CSSF 26/911 and continue monitoring for changes to scenarios or parameters.

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MY SURVIVAL TOOLS

The practical shortlist for the month. Prioritise evidence, ownership and decision-making rather than creating parallel compliance projects.

TOPIC	ACTION REQUIRED	DEADLINE/URGENCY
UK fund liquidity risk management	Build an impacted-fund inventory; allocate owners; review liquidity assessments, stress testing, anti-dilution tools, delegate oversight and board reporting.	Prepare now Rules apply 1 Feb 2027
UK Annex 1 AML controls	Refresh entity-level business-wide risk assessments; tailor policies; evidence delegated oversight and challenge.	High Near-term
Irish beneficial ownership	Reconcile RBO data with statutory registers and KYC files; review procedures for access, refusals, appeals and safeguards.	Medium Prompt review
US entity due diligence	Remove assumptions that CTA filings will be available; strengthen direct UBO evidence and corroboration for higher-risk US structures.	Medium Prompt review
Luxembourg SCS / SCSp umbrella proposal	Track Bill No. 8814 and assess potential structuring, service-provider and governance implications for the future pipeline.	Monitor No immediate action
MMF stress testing	Retain evidence of compliance with Circular CSSF 26/911; brief boards and risk functions on supervisory convergence.	Low Business as usual

EXPERT INSIGHTS

ESMA publishes MMF stress-test Guidelines compliance table

WHAT'S CHANGING:
ESMA published the implementation status of its revised 2025 MMF Stress Test Guidelines across EU and EEA authorities. The CSSF confirmed compliance through Circular CSSF 26/911. The table increases transparency on supervisory convergence but does not create additional stress-testing requirements.

ACTIONS REQUIRED:
Continue to comply with Circular CSSF 26/911, retain evidence of board and risk-function oversight, and monitor future changes to scenarios, parameters or Guidelines.

ONE PERSPECTIVE

Convergence reduces the scope for assuming that local supervisory practice will be materially lighter. For cross-border groups, this is a good moment to compare methodology, escalation thresholds and board reporting across domiciles. Consistency should not mean identical outputs where portfolios differ, but differences should be explainable and documented.

EBA ESG Risk Dashboard reports stable exposures and improving data quality

WHAT'S CHANGING:
The EBA's latest ESG Risk Dashboard reports broadly stable climate-risk exposures in the EU and EEA banking sector and continued improvement in ESG and climate-related data quality, including energy-performance information.

ACTIONS REQUIRED:
No immediate fund-specific remediation is indicated. Continue monitoring ESG data expectations and consider whether sustainability oversight relies on complete, traceable and decision-useful data.

ONE PERSPECTIVE

Although the dashboard concerns banking, the direction of travel matters for fund governance: supervisors increasingly expect evidence that ESG data is understood, challenged and used, not merely collected. Boards should distinguish between data gaps that are disclosed and controlled, and gaps that quietly undermine risk decisions or investor reporting.

ESMA updates the register of authorised ELTIFs

WHAT'S CHANGING:
ESMA updated its register of authorised ELTIFs on 6 August 2026. The register offers a current view of authorised products as the market develops following the ELTIF 2.0 reforms.

ACTIONS REQUIRED:
No immediate remediation is required. Monitor authorisations, product features and domicile trends, and assess whether emerging opportunities fit the firm's governance and operating capabilities.

ONE PERSPECTIVE

Growth in a product label is not, by itself, a business case. Any ELTIF opportunity should be tested against the liquidity profile, eligible-asset strategy, distribution model, valuation capability and retail investor servicing needs. Governance providers can add value by identifying where a familiar alternative-fund model needs stronger retail-facing controls.

EXPERT INSIGHTS

- Beneficial ownership access regime amended

WHAT'S CHANGING:
Ireland's European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) (Amendment) Regulations 2026 widen access to beneficial ownership information for designated Irish and EU authorities and certain third parties with a legitimate interest. They also introduce procedures for access requests, verification, refusals, appeals, identity checks and safeguards for vulnerable beneficial owners.

ACTIONS REQUIRED:
Confirm that RBO information for relevant Irish entities is accurate and current. Reconcile it against statutory registers and due diligence records, and review procedures for handling access, verification, escalation and safeguards.

ONE PERSPECTIVE

Expanded access makes data quality a governance issue as well as a filing obligation.

Inconsistencies across the RBO, company records and KYC files may be more visible and harder to explain. A proportionate response is a targeted reconciliation with clear ownership for discrepancies, rather than a wholesale redesign of the AML framework.

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EXPERT INSIGHTS

- **Umbrella flexibility proposed for unregulated SCS and SCSp AIF**

  WHAT'S CHANGING:
  Bill of Law No. 8814 proposes allowing unregulated Luxembourg SCS and SCSp AIFs managed by an EU-authorised AIFM to operate as umbrella structures with segregated compartments. The proposal includes legal segregation of assets and liabilities, independent compartment liquidation and cross-investment between compartments. It remains subject to parliamentary approval.

  ACTIONS REQUIRED:
  Monitor the bill and assess possible impacts on future structuring, constitutional documentation, service-provider arrangements and governance models. No immediate implementation is required.

ONE PERSPECTIVE

The real value is not simply "more compartments". If enacted, the change could bring product flexibility to partnership structures that are already familiar to alternative managers. Sponsors should test whether the operational model can preserve segregation in practice across accounting, cash, contracts, conflicts and reporting.

Governance should be designed around compartment-level decision rights rather than added after launch.

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EXPERT INSIGHTS

FCA increases scrutiny of Annex 1 firms

WHAT'S CHANGING:
The FCA is increasing its focus on Annex 1 firms in response to financial crime concerns. Its expectations emphasise entity-specific, risk-based AML controls, robust governance and evidence of oversight. A group framework alone may not demonstrate that the risks of each legal entity have been addressed.

ACTIONS REQUIRED:
Review the business-wide risk assessment for each relevant entity, tailor policies and controls to its activities, and verify that delegated responsibilities, oversight, challenge and escalation are documented and evidenced.

ONE PERSPECTIVE

All registered Annex 1 firms will have received an information request from the FCA so it can get a better understanding of activities, business models and risks amongst the population. Annex I firms will need to clearly demonstrate that they can comply with the money laundering regulations. A failure to do so could restrict ability to do business in the UK.

FCA finalises enhanced liquidity risk management rules

WHAT'S CHANGING:
FCA Policy Statement PS26/17 strengthens liquidity risk management for UK retail funds, including UK UCITS and NURS. The framework focuses on liquidity assessments, stress testing and anti-dilution tools, while authorised fund managers retain ultimate responsibility. The rules apply from 1 February 2027.

ACTIONS REQUIRED:
Identify impacted funds and delegates. Review liquidity governance, stress-testing methodology, anti-dilution arrangements, escalation thresholds, oversight evidence and board reporting. Establish an implementation plan with accountable owners ahead of 1 February 2027.

ONE PERSPECTIVE

PS26/17 makes it clear liquidity risk management is a daily operational discipline, pushing firms to embed it into fund design, dealing terms, delegation and oversight rather than treating it as periodic compliance task.

FCA updates the list of merged authorised UCITS funds

WHAT'S CHANGING:
The FCA updated its published list of merged authorised UCITS funds. The update provides transparency on completed mergers and does not introduce new regulatory requirements.

ACTIONS REQUIRED:
No remediation is required. Firms may use the list to monitor consolidation trends and benchmark activity relevant to product range reviews or cross-border planning.

ONE PERSPECTIVE

A register update becomes useful when it informs strategy. Boards and product committees can use merger activity as a prompt to challenge whether sub-scale products remain viable, whether investors are receiving clear communications and whether operational readiness for a merger has been maintained. The compliance task is light, but the product-governance signal may be meaningful.

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YOUR COMPLIANCE SURVIVAL GUIDE
UNITED STATES / CROSS-BORDER AML

EXPERT INSIGHTS

- **FinCEN removes BOI reporting for US domestic entities**

WHAT'S CHANGING:
FinCEN's final rule permanently removes Corporate Transparency Act beneficial ownership reporting requirements for US domestic entities. Previously submitted domestic BOI data is to be removed. Luxembourg and wider European AML obligations remain unchanged, but official ownership information that may have supported verification will be less available.

ACTIONS REQUIRED:
Review whether onboarding or periodic review processes relied on CTA filings. For relevant US LLCs, LPs, SPVs, holding companies and family-office vehicles, confirm that ownership and control can be established through direct documentation, corroboration and risk-based escalation.

ONE PERSPECTIVE

This is a source-data problem, not a relaxation of European AML duties.

Firms should map the evidential gap before automatically labelling all US entities higher risk.

The control response should reflect structure, purpose, jurisdictional links and the reliability of alternative evidence. Exceptions should be visible to the MLRO and governance bodies, with a clear rationale for acceptance or escalation.

GET IN TOUCH

Need help understanding how these regulatory changes could affect you? Our specialists can help you identify key considerations and prepare for the evolving requirements.

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