MANDY: Hello. I'm Amanda Hale from Citi's Global Trustee and Fiduciary Services Regulatory team.

Joining me today to provide an update on the latest regulatory highlights are my colleagues, Andrew Newson and Matthew Cherrill.

This month we've got a really global spread — we're covering:

- Newly proposed US crypto rules,
- A liquidity shake-up from the FCA in the UK, as well as an update on T+1 readiness,
- A competitiveness push in Singapore,
- As well as the Australian Investment and Securities Commission's latest Corporate Plan,
- And finally, a request from the European Commission to ESMA on the Retail Investment Strategy.

Andy, let's start with you and the latest proposals from the US.

Andrew: Thanks, Mandy. So in the US, on 18th of August, the SEC proposed a brand-new framework called "Regulation Crypto Assets." It's designed to create a clear and fit-for-purpose framework for certain investment contracts involving crypto assets and builds on the SEC's interpretive guidance from March this year, clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets.

Mandy: So the proposals impact issuers, right. What does it mean for them?

Andrew: It includes two new exemptions from the registration requirements under the Securities Act of 1933. The first is a one-time exemption that would permit offerings of up to USD5 million during a four-year period. The second exemption would permit offerings of up to USD75 million during each 12-month period.

Under both exemptions, issuers would be required to make certain principles-based narrative disclosures available to their investors. In addition, issuers under the second exemption would be required to provide financial statements and be subject to ongoing reporting requirements.

Mandy: What else is in the SEC's proposals?

Andrew: There's also a conditional safe harbor that, if satisfied, means a crypto asset wouldn't be treated as an "investment contract" — and therefore not a security — under either the '33 or '34 Acts. It would also pre-empt certain state securities law registration and qualification requirements for qualifying offerings. The comment period runs for 60 days once the proposal is published in the Federal Register.

Mandy: so, a meaningful step towards clarity for crypto markets in the US.

Matt, over to you for what's been happening in the UK.

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Matt: There's two items to flag this month.

First up, on the 13th of August, the FCA published Policy Statement PS26/17 on Enhancing Fund Liquidity Risk Management — finalising the proposals it consulted on in CP25/38 in December last year.

Mandy: Can you remind us what is covered.

Matt: It's really about sharpening the tools authorised fund managers already have. The policy statement covers promoting effective use of anti-dilution tools, how those tools should be calibrated, liquidity risk management - specifically for UCITS and Non Ucits Retail schemes, and a few other miscellaneous changes.

Mandy: And what's the timeline for firms to actually implement this?

Matt: The new rules come into force on the 1st of February 2027, though transitional provisions run until the 1st of August 2027 for things like updating fund prospectuses.

Worth noting too — the FCA has signalled it will soon consult separately on liquidity proposals for funds holding inherently illiquid assets, mainly daily-dealt property funds, including changes to notice periods, deferrals, and the Long-Term Asset Fund regime.

Mandy: So more to come there. What was the second FCA item?

Matt: Also on the 13th, the FCA published a blog from Jamie Bell on T+1 readiness — timely, given how close we now are to going-live. His message is pretty direct: some firms are ready, others have a lot of ground to cover, particularly around automating post-trade processes.

Mandy: Who have the FCA actually been speaking to?

Matt: Buy-side and sell-side firms, financial market infrastructures, third-party providers, and trade associations. The blog sets out the FCA's reflections from their engagement, including on where the FCA expects firms to be with 1 year to go and progress on 2026 recommendations: for example, trade date allocations and confirmations, and standard settlement instructions.

Mandy: And as the October 2027 live date approaches, what are the focus areas there?

Matt: The FCA's being clear that supervision will get more intrusive from here. Firms need to show, with clear evidence, that they're implementing the system and process changes in their project plans — not just talking about them.

Mandy: A strong signal to firms to accelerate.

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Andrew: Mandy, let's head to Asia — what's the latest in Singapore?

Mandy: On 19th of August, the Monetary Authority of Singapore (or MAS) announced a package of measures to strengthen Singapore's position as a leading asset management hub.

MAS says that the industry is a key growth engine for its financial sector, accounting for around 15% of the sector's output and 13% of its employment. MAS adds that, over the past five years, the industry also grew positively by 7.5% per year on average to almost SGD7 trillion.

Andrew: So this is about building on the current momentum?

Mandy: Precisely. There are three measures:

- a tax exemption for profit-related returns from providing fund management services to qualifying funds,
- a new hedge fund investment programme to anchor leading managers locally, and
- a new Investment Management Track under the Overseas Networks and Expertise Pass framework to attract senior global investment talent.

Andrew: A clear talent-and-capital retention play.

Mandy: Matt, over to Australia, tell us about the latest Corporate Plan that ASIC have published.

Matt: Released on 26th of August, it covers 2026-27 and sets out how ASIC will be easier to deal with for businesses trying to comply with the law, and harder to avoid for those causing harm.

ASIC says that its consumer protection work will focus on areas where harm can spread quickly or have lasting consequences, including scams and debt collection, insurance claims intermediaries in disaster-affected communities, buy now pay later, and superannuation advice fee deductions.

Mandy: And AI features here too, I imagine.

Matt: It does. ASIC is enhancing its focus on AI, including how banks use AI in customer-facing services, the impact on consumers and investors, and how AI-driven manipulation, deepfakes and misinformation could undermine market integrity.

Alongside that, it is committing to cutting unnecessary regulatory burden through simpler guidance, better digital services, more efficient licensing processes and closer coordination with other regulators on data collection.

Mandy: So a real theme of AI vigilance running through several regulators this quarter.

Andy, let's close out with Europe.

Andrew: On 24th of August, the European Commission published its formal request to ESMA for technical advice on implementing the Retail Investment Strategy amendments across MiFID II, the UCITS Directive, and AIFMD.

Mandy: What's the scope of the technical advice?

Andrew: It's broad. One strand covers value for money, inducements, simplifying the retail investor journey, suitability and appropriateness assessments, marketing communications, and undue costs — feeding into delegated regulations and directives. A second, related strand covers value for money, inducements, best interest, and undue costs for a further set of delegated measures.

Mandy: And the deadline for ESMA to respond?

Andrew: The Commission's asked for that advice by 1st of October 2027 — so plenty of technical work ahead for ESMA, and something firms should watch closely given how central the RIS is to the retail investor agenda.

Mandy: A fitting way to close things out — from crypto in Washington to retail investor protection in Brussels, it's been a genuinely global month for regulatory change.

MANDY: So, if you would like to learn some more about the topics we discussed today, as well as other regulatory developments, you can follow the relevant links in our Bite-Sized publication.