Katten

NEWSLETTER

UK Financial Insights from Katten | Issue 34

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UK Financial Insights from Katten is a monthly newsletter highlighting key noteworthy developments potentially affecting financial markets and funds in the UK and Europe.

To read more issues of *UK Financial Insights from Katten*, please click here.

Derivatives

Derivatives 2026: Law and Practice | Trends and Developments – England and Wales

By Christopher Collins, Carolyn Jackson, Nathaniel Lalone, Ciara Watson

The United Kingdom's regulatory framework over the derivatives markets and products is currently comprised of a mixture of UK-domestic and EU-derived rules and regulations. The rise of prediction markets has been one of the most striking developments in the global financial landscape in the last one to two years. *Read Katten's Chambers and Partners guide.*

ESMA Publishes Preliminary Findings on the Active Account Requirement

By Christopher Collins, Carolyn Jackson, Nathaniel Lalone, Neil Robson, Ciara Watson

On 6 July 2026, the European Securities and Markets Authority (ESMA) published two important documents on recent developments concerning central clearing in the European Union (EU): the Interim Report on the effectiveness of the Active Account Requirement (AAR) and the first Annual Report of the Joint Monitoring Mechanism (JMM). Together, these publications offer the first substantive read on how the AAR is reshaping the EU clearing landscape. *Read about ESMA's key findings.*

Artificial Intelligence

Charlotte Hill Discusses FCA Findings on Young Investors, AI and the Limits of Regulatory Protection

Financial Markets and Funds Partner Charlotte Hill offered commentary on newly published Financial Conduct Authority (FCA) research examining how young UK investors use and understand AI when making investment decisions. In a survey of 666 UK investors aged 18 to 40, the FCA found that 56 percent trust AI tools for investment help, ahead of television and radio (47 percent), the press (46 percent) and social media influencers (29 percent). *Read about Charlotte's comments.*

Cryptoassets

FCA Finalizes Cryptoasset Perimeter Guidance Ahead of the New UK Regime

By Christopher Collins, Charlotte Hill, Carolyn Jackson, Nathaniel Lalone, Neil Robson, Sara Portillo, Ciara Watson

The FCA has published a policy statement (PS26/18) on the finalized perimeter guidance for the UK's new regulated cryptoasset activities regime. PS26/18 sets out the FCA's response to feedback on consultation CP26/13 and inserts Chapter 18 into the FCA's Perimeter Guidance Manual (PERG). *Read about the new regulated cryptoasset activities*.

UK Market Regulation

FCA Finalizes Overhaul of UK Transaction Reporting

By Christopher Collins, Carolyn Jackson, Nathaniel Lalone, Neil Robson, Ciara Watson

On 3 August, the FCA published Policy Statement PS26/15, setting out final transaction reporting rules that will replace and restate assimilated EU law derived from the Markets in Financial Instruments Regulation (UK MiFIR). The policy statement follows HM Treasury's decision to repeal the existing UK MiFIR transaction reporting legislation, enabling the FCA to deliver a purpose-built domestic framework. *Read about the key changes.*

New FCA Rules on Reporting Material Outsourcings

By Neil Robson

Published by *Grip*, this article analyzes the FCA's new unified reporting regime for Material Third-Party Arrangements (MTPAs), introduced under FCA policy statement PS26/2 and the revised FCA guidance, which takes effect on 18 March 2027. From that date, the FCA, alongside the Prudential Regulation Authority (PRA) and the Bank of England, will replace legacy outsourcing frameworks with a single reporting regime, requiring regulated entities to deliver real-time notifications when they enter or significantly modify an MTPA and to submit a comprehensive annual register via the FCA's online Connect platform. *Read Katten's article.*

Neil Robson Discusses FCA Non-Financial Misconduct Regime With *Law360*

Law360 recently spoke with Financial Markets and Funds Partner Neil Robson regarding the FCA's new rules on non-financial misconduct, which take effect this week and will hold some 37,000 non-banking finance businesses, including asset managers and insurers, to the same conduct standards already in place for banks, targeting bullying, harassment, and violence at work. Lawyers have warned that the regime could unfairly jeopardize careers, as firms face both wider enforcement risk and a temptation toward excessive caution in hiring decisions and regulatory references. *Read about Neil's comments.*

Broader FCA Regulatory Reference Rules Leave Newer Market Entrants 'Highly Vulnerable'

Law360 recently spoke with Financial Markets and Funds Partner Neil Robson regarding the FCA's extension of non-financial misconduct rules to 37,000 non-bank firms, which, since 1 September, have been required to provide more detail about non-financial misconduct in regulatory references. Legal experts warn that the wider requirements are likely to spur a surge in disputes between firms and former employees, as bullying, harassment and discrimination are often more subjective and fact-sensitive than financial misconduct. *Read about Neil's warning for newer market entrants.*

ICYMI

Read these important Katten client advisories on key industry developments.

- [Grade Expectations: MEES and Changing EPC Requirements in England and Wales](), 16 September, 2026
- [BlueCrest in the Supreme Court: Applying Condition B of the Salaried Members Rules in Practice](), 9 September 2026
- [Taxation of earn-outs on business sales: capital gain or disguised salary?](), 8 September 2026
- [The OCC's "Wise" Decision: How the Denial of a Bank Charter Application Provides a Clearer Road Map for Stablecoin Issuers](), 6 August 2026
- [Fifth NSI Act Annual Report: More Notifications, Fewer Interventions](), 5 August 2026

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