Market & Regulatory Digest

SEPTEMBER 2026

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The Market & Regulatory Digest provides a scan of global regulatory changes and market developments from the past quarter.

The Americas

- **The Canadian Securities Administrators** (CSA) has made or proposed amendments to several policy documents:
  - Adopted amendments to restrict dealers to acting as principal distributors for a single fund family, requiring disclosure of principal distributor arrangements and compensation while prohibiting the deferred sales charge option for investor protection. The amendments to National Instruments 81-101, 81-102 and 81-105 are effective October 1, 2026, while National Instrument 31-103 amendments are effective January 1, 2027, with 24-month transition periods applying.
  - Finalized amendments implementing an optional access model for continuous disclosure documents of reporting issuers other than investment funds, modernizing how annual financial statements, interim financial reports and MD&A are made available to investors through electronic access. The Access Model is not mandatory, and investors can continue requesting paper/electronic copies. Amendments come into force September 22, 2026.
  - Proposed to codify increases to the Listed Issuer Financing Exemption (LIFE) that would raise the amount qualified listed issuers can raise without a prospectus from CAD 10 million to CAD 25 million—or up to CAD 50 million for larger companies—in a 12-month period.
  - Published a consultation paper seeking feedback on modernizing securities legislation for reporting issuers, focusing on proportionate regulation, alternative financial reporting for certain venture issuers, private placement hold periods, material change reporting and the impact of recent US regulatory developments. Comments are due November 13, 2026.
  - Announced changes to Policy Statement 91-507 respecting Trade Repositories and Derivatives Data Reporting and Companion Policy 96-101 in 11 participating jurisdictions, providing market participants with an updated derivatives data technical manual with revised technical specifications. Changes will take effect on August 11, 2027.
  - Proposed amendments to enhance issuer bid, take-over bid and beneficial ownership reporting regimes by providing issuers greater flexibility to repurchase securities.
  - Issued Staff Notice 33-322 following a compliance examination sweep of 73 registered firms' cybersecurity practices, identifying observed practices, gaps and updated guidance across policies, procedures, employee training, risk assessments, third-party oversight and incident response planning.
- **The Canadian Investment Regulatory Organization** (CIRO) is republishing revised proposed rule amendments to modernize account transfer requirements, including enabling broader automated transfer facilities, specifying electronic communication among firms, clarifying account transfer process steps and specifying completion timeframes with more precision. Comments are due October 21, 2026. CIRO is also proposing a new crypto fee model designed to recover crypto surveillance regulatory costs through an activity-based approach, effective July 1, 2027, with comments due September 28, 2026.

  CSA and CIRO issued Staff Notice 81-339 setting out guidance on industry practices relating to the marketing and sale of ETFs that are listed on a foreign exchange but not also on a Canadian exchange. CSA and CIRO also announced a delay in implementing final

HIGHLIGHTS

- CSA adopts Principal Distributor Model amendments
- OSFI updates regulatory returns for insurers to align with IFRS 18
- Government of Canada implements fail-to-deliver fee for securities
- CIRO proposes new crypto trading platform regulation fee model
- SEC proposes Regulation Crypto Assets to create a tailored securities offering regime
- Germany introduces MiKaDiv Reporting Requirements under implementation of the EU FASTER Directive
- EU's CRD VI strengthens prudential framework for credit institutions

amendments to access fee and tick-size rules, with the CSA delaying amendments to NI 23-101 Trading Rules regarding trading fee caps for US inter-listed securities and CIRO pausing adoption of amendments to its Universal Market Integrity Rules related to trading increments for US inter-listed securities.

The Autorité des marchés financiers (AMF) announced implementation of changes to CIRO's recognition order transferring responsibility for mutual fund dealer representatives to CIRO for continuing education, complaints reporting, enforcement and fees, effective July 4, 2026. Following the transfer, CIRO will end transitional fee measures for Quebec mutual fund dealers to align fees with services provided.

- **The Canadian Securities Exchange** (CSE) announced fee changes that will introduce a market data fee applicable to ETFs, Canadian depositary receipts and closed end funds. Changes took effect August 1.
- **The Office of the Superintendent of Financial Institutions (OSFI)** released its second Quarterly Release of 2026, focusing on sharpening oversight of credit, liquidity and governance risks through targeted draft guidelines addressing liquidity adequacy, crypto asset capital treatment, concentration limits for mid-sized banks and interest rate risk management and disclosure. Comments were due by August 19, 2026. OSFI is also updating regulatory returns for insurers to align with IFRS 18 Presentation and Disclosure in Financial Statements, a new international financial reporting standard that applies to annual reporting periods beginning on or after January 1, 2027. Filings using the revised OSFI regulatory returns are expected starting January 1, 2027 (for December fiscal year-end filers) and November 1, 2027 (for October fiscal year-end filers), with the regulatory update effective July 15, 2026.
- **The Autorité des marchés financiers (AMF)** issued a guideline establishing expectations for management practices and commercial practices related to financial institutions' use of artificial intelligence (AI) systems. The guideline applies to all use of AI systems by institutions and supplements existing Model Risk Management Guideline expectations. Guideline takes effect on May 1, 2027.
- **The Financial Services Regulatory Authority of Ontario (FSRA)** issued guidance on Test and Learn Environments (TLEs) to support responsible innovation in regulated financial services while protecting consumers, requiring proposals to demonstrate market readiness, genuine innovation and consumer benefits. The guidance establishes a collaborative process with FSRA's Innovation Office to define testing parameters, success criteria and consumer protections. Guidance took effect March 31, 2026.
- **The Canada Deposit Insurance Corporation (CDIC)** issued updated guidance on compliance with deposit insurance information disclosure requirements, including new rules for managing misinformation risks, AI/chatbot representations about CDIC coverage and standards for accurate advertising, signage, digital platform disclosure and fintech partner oversight. Member institutions must use prescribed membership statements, label ineligible deposit instruments with warning statements and provide annual compliance filings.
- **The Financial and Consumer Services Commission of New Brunswick** issued a notice urging insurance licensees to comply with the Segregated Funds Guidance published by the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO), which outlines expectations for insurers and intermediaries regarding the design, sale and servicing of individual variable insurance contracts (IVICs).
- **The Ontario Securities Commission (OSC)** approved four new rules indefinitely extending temporary exemptions related to prospectus and disclosure requirements, financing exemptions and investment limits, effective October 16, 2026. The OSC did not object to CIRO's proposed housekeeping amendments to the CIRO Fee Model to end transitionary measures for mutual fund dealers operating in Quebec, resulting in deemed approval. The OSC and AMF Quebec also entered into an agreement with AMF France to facilitate initial cross-listing of securities between Canada and France through a new collaborative procedure enabling dialogue and information sharing between regulators, effective April 16, 2026.
- **The Government of Canada** proposed regulations implementing the *Use of French in Federally Regulated Private Businesses Act* to protect and promote French language use in federally regulated private businesses operating in Quebec (25+ employees) and designated regions with strong Francophone presence (100+ employees), with comments due February 27, 2027. The Government of Canada Market Functioning Steering Group also established a framework implementing a fail fee of 50 basis points (escalating to 150 basis points for persistent failures) applied to sellers in delivery-versus-payment transactions for Government of Canada bond and bill transactions. The first implementation stage, beginning September 8, 2026, will last a minimum of 18 months during which settlement failures and associated penalties will be calculated and reported but not collected.
- **The Government of Ontario** proposed amendments to Ontario Regulation 909 to increase flexibility for locked-in account holders by allowing full unlocking of life income funds, locked-in retirement income funds and locked-in retirement accounts with balances less than 40% of the Year's Maximum Pensionable Earnings, with applications requiring spousal consent. Comments due October 2, 2026.
- **The Government of Alberta** amended its *Adult Guardianship and Trusteeship Act* through Amendment 36/2026 to Regulation 219/2009, revising capacity assessment procedures, streamlining court applications for guardianship and trusteeship orders and clarifying documentation requirements for decision-makers, effective April 1, 2026.

- **The Government of British Columbia**'s Bill 5, the *Trade Recognition Act*, establishes that goods legally sold or used in other Canadian provinces may be sold or used in British Columbia, and services legally supplied in other provinces may be supplied in British Columbia, regardless of conflicting local regulatory measures.
- **United States: The Depository Trust Company (DTC)** announced that "Accept the security offer (SECU)" will be set as the default option for newly created 144A Exchange offers on DTC-held securities, effective June 29, 2026.

  The Securities and Exchange Commission (SEC) proposed Regulation Crypto Assets to create a tailored securities offering regime for investment contracts involving crypto assets, including exemptions for offerings of up to USD 5 million over four years or USD 75 million per 12-month period. The proposal aims to reduce offshore incentives and expand U.S. investor opportunities while preempting state securities law requirements. Comments are due 60 days following Federal Register publication.
- **Chile:** NUAM migrated to the TWS Trading Workstation trading screen and the Nasdaq Eqlipse Trading matching engine for the Chilean equity market, effective July 20, 2026, modernizing the trading infrastructure for the equity market in Chile.

EMEA updates

- **The European Union:** The Capital Requirements Directive VI strengthens the prudential framework for EU banks and credit institutions by implementing international banking standards, including explicit requirements to identify and manage ESG risks, harmonized supervisory powers and sanctions for national competent authorities, a framework for third-country branches and stricter governance standards. The directive entered into force on January 11, 2026, with provisions effective July 11 and January 11, 2027.

  Euroclear announced a change of Central Securities Depository (CSD) of reference for 16 foreign securities to comply with Euronext's new settlement model requirements, with Euroclear France becoming the CSD of Reference for securities currently held at Euroclear Nederland. The new settlement place code must be used for all settlement instructions dated July 23, 2026, onwards.
- **Germany:** MiKaDiv reporting requirements were introduced as part of implementing the EU FASTER Directive, requiring banks, brokers and other financial intermediaries holding German securities to collect, maintain and transmit detailed investor and transaction data to support withholding tax relief services. Requirements are effective January 1, 2027.
- **Denmark:** The Danish Supreme Court ruled that the statute of limitations for non-resident taxpayers' refund claims of Danish withholding tax on dividends, interest and royalty is five years, overturning the tax authorities' 2016 interpretation that had limited it to three years. Non-resident taxpayers may now pursue refund claims dating back to June 2021, with the ruling effective June 11, 2026.
- **Italy:** The Italian Supreme Court ruled that US pension funds receiving dividends from Italian companies must receive the same 11% reduced withholding tax rate as EU/EEA pension funds, rather than the higher 15% treaty rate, as differential treatment violates free movement of capital rules. The ruling solidifies the legal basis for US pension funds to claim refunds and signals that non-EU/EEA pension funds may claim equivalent treatment if a tax information exchange mechanism exists with Italy. Refund claims must be filed within four years, effective June 5, 2026.
- **Ireland:** The Irish Revenue Commissioners updated guidance on foreign entity classification for Irish tax purposes, distinguishing between tax opaque entities (comparable to Irish companies) and tax transparent entities (comparable to Irish partnerships). This classification directly impacts eligibility for Relief at Source under Irish Dividend Withholding Tax, as transparent entities are not regarded as beneficial owners of income and therefore cannot claim relief themselves.
- **Turkey:** The Capital Markets Board is coordinating a T+1 settlement transition expected by year-end 2026, with industry meetings held July 29–30, 2026, to ensure market readiness through comprehensive scenario testing and regulatory amendments. Separately, Turkey's Presidential Decree extended the application of the 0% withholding tax rate on income and capital gains derived from government bonds, treasury bills and lease certificates issued by government asset lease companies to eligible securities acquired on or before December 31, 2026, effective June 20, 2026.
- **Spain:** Iberclear implemented an updated custody framework requiring French registered securities to be held in dedicated accounts separate from French Bearer Securities to comply with Euroclear France requirements, effective May 26, 2026.
- **Oman:** The Muscat Clearing & Depository Company (MCD) introduced an omnibus accounts framework under Articles 50–53 of the MCD Rulebook, allowing licensed operators including custodians and brokers to hold securities on behalf of multiple underlying investors through a single omnibus account while maintaining detailed beneficial owner records. MCD also announced that the transition to the T+2 settlement cycle has been rescheduled to October 1, 2026. In addition, MCD removed the mandatory requirement for passport copies of authorized signatories when opening legal entity accounts, simplifying investor onboarding, effective June 1, 2026.
- **Botswana:** The Bank of Botswana and Botswana Stock Exchange delayed their consolidation to centralize custody, clearing and settlement of Botswana Government Bonds with the Central Securities Depository Botswana (CSDB), which was originally scheduled to go live on June 30, 2026. A revised go-live date has not yet been committed.

APAC updates

- **India:** The Reserve Bank of India (RBI) amended the regulatory framework for foreign portfolio investor (FPI) investments in government securities by removing investment limits under the General Route, merging investment sub-categories and expanding eligible securities under the Fully Accessible Route to include new government securities and sovereign green bonds in various tenors, effective June 6, 2026. The Government of India also published an ordinance amending the Income Tax Act, 2025 to exempt eligible FPIs from tax on interest income and capital gains derived from Indian government securities, deemed effective as of April 1, 2026.
- **Hong Kong:** The Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC) jointly published guidance on the Uncertificated Securities Market regime, which allows investors to hold securities in their own names and uncertificated form while preserving the existing CCASS central nominee structure. Newly listed securities will be issued in uncertificated form from launch, previously listed issuers transition gradually over five years, and investors are not subject to mandatory conversion of physical certificates. Implementation is effective November 16, 2026. In addition, HKEX announced target implementation dates for enhancements to the Orion Cash Platform relating to settlement instruction processing, including mandatory Real Time Matching of SI for all CCASS Participants and optional Push-based API Updates on SI Status Change, with target launch dates in Q2 2027, subject to regulatory approval. HKEX also published a consultation paper outlining proposed operational changes to support a transition to T+1 settlement cycle for Hong Kong's cash market from the current T+2, with an indicative implementation timeline of Q4 2027. The proposal maintains existing trade execution arrangements while amending cash market trade lifecycle processes.
- **Singapore:** The Singapore Exchange Regulation modernized the post-trade custody model by removing individual segregation requirements to allow depository agents to commingle securities for multiple clients, while mandating enhanced operational standards and establishment of independent disciplinary committees to safeguard client assets. Depository agents and trading members must now facilitate shareholder rights for individual sub-account holders. These amendments are effective July 15, 2026.
- **Bangladesh:** The Finance Act 2026 and Tax at Source Rules 2026 reduced domestic withholding tax rates on interest to 10% (from 20%) and on dividends for non-corporate investors to 25% (from 30%), while maintaining capital gains tax at 15% and leaving the reclaim framework unchanged. These changes are effective July 1, 2026.