

United States: Asset Management Spotlight (May 2026 – June 2026)

Major developments for alternative asset managers (May 2026 - June 2026)

United States: Asset Management Regulatory Developments and Enforcement Trends (May–June 2026)

In brief

From May to June 2026, US regulators introduced a series of rulemakings, proposals, and policy signals reshaping the regulatory landscape for asset managers, with a focus on simplifying compliance requirements while reinforcing core investor protection principles.

The US Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) advanced multiple initiatives to streamline regulatory frameworks, including proposed amendments to Form PF and the adoption of joint data standards and efforts to harmonize derivatives reporting and definitions. These measures aim to reduce operational complexity and improve data consistency across regimes. At the same time, broader rulemaking — such as the SEC’s proposed overhaul of the registered offering framework and updated “qualified client” thresholds — signals continued efforts to facilitate capital formation and modernize market access.

Regulators also emphasized increased flexibility and clarity in specific areas, including guidance on pooled employer plans, cooperation in enforcement matters, cross-border substituted compliance for swap dealers, and evolving approaches to crypto assets and climate-related disclosures. In derivatives markets, the CFTC continued to advance benchmark reform and modernization initiatives, including transitions to risk-free rates and updated frameworks for event-based contracts.

These developments indicate a regulatory environment that is increasingly focused on efficiency, clarity, and international coordination, while maintaining targeted oversight of key risk areas. For asset managers, this evolving landscape presents both opportunities to expand product offerings and operational efficiencies, as well as ongoing requirements to adapt compliance systems, reporting infrastructure, and governance frameworks.

Contents

[In more detail](#)

In more detail

- **SEC raises “qualified client” thresholds for performance fee eligibility.** The SEC’s Order (IA 6961) approves an inflation adjustment update to the dollar amount tests in Rule 205 3 under the Advisers Act, required every five years under the Dodd Frank Wall Street Reform and Consumer Protection Act (“**Dodd Frank Act**”), by increasing the “qualified client” thresholds for charging performance fees to USD 1.4 million in assets under management (AUM) and USD 2.7 million in net worth. The new thresholds apply to advisory contracts entered into on or after June 29, 2026 and are intended to ensure that only sufficiently sophisticated clients — who are deemed not to need the protections against performance-based compensation — are eligible for such fee arrangements.

What this means: Effective June 29, 2026, investment advisers can only charge performance fees to clients with at least USD 1.4 million in AUM or USD 2.7 million in net worth — thereby narrowing the eligible investor base and requiring updates to client onboarding and compliance processes.

- **SEC staff clarifies application of securities laws to pooled employer plans.** The SEC’s Divisions of Investment Management and Corporation Finance issued staff guidance clarifying how federal securities laws apply to pooled employer plans (PEPs), which allow multiple, unrelated employers to participate in a single retirement plan. The guidance confirms that PEPs may rely on exemptions commonly used by tax-qualified ERISA plans and may use Form S-8 to register securities offered to employees, providing greater regulatory clarity for plan sponsors and providers.

This development is relevant to asset managers involved in retirement products, as it facilitates broader adoption of pooled investment structures and reduces regulatory uncertainty. By lowering administrative barriers and confirming available

exemptions, the guidance may expand opportunities for managers to participate in or support retirement plan offerings targeting small and mid-sized employers.

What this means: Clarifies how PEPs can rely on existing ERISA-related exemptions and streamlined registration (e.g., Form S 8), reducing regulatory uncertainty and enabling asset managers and service providers to more efficiently structure and offer retirement investment products to small-business participant pools.

- **CFTC proposes transition to risk-free rates for Canadian dollars (CAD) and Mexican pesos (MXN) swap clearing.** The CFTC has proposed amendments to its clearing requirements for interest rate swaps, aligning them with the global transition away from legacy benchmark reference rates. The proposal would eliminate clearing mandates for swaps referencing the Canadian Dollar Offered Rate (CDOR) and the Interbank Equilibrium Interest Rate (TIIE) and instead require clearing for Canadian dollar and Mexican peso swaps tied to overnight risk-free rates, such as the Canadian Overnight Repo Rate Average (CORRA) and the Overnight TIIE Funding Rate.

This development reflects ongoing benchmark reference reform and signals future changes to derivatives markets infrastructure. For asset managers active in these markets, the proposal highlights potential updates to clearing obligations, contract specifications, and operational processes, as firms adjust to the adoption of risk-free reference rates and revised regulatory requirements.

What this means: Shifts mandatory clearing toward overnight risk-free reference rates for CAD and MXN interest rate swaps, requiring asset managers to update their derivatives hedging, clearing practices, and operational infrastructure to align with benchmark reference reform and revised clearing obligations.

- **CFTC allows EU-based swap dealers to use substituted compliance for capital requirements.** The CFTC has approved a comparability determination permitting certain France-based CFTC-registered nonbank swap dealers to satisfy US capital and financial reporting requirements through compliance with equivalent EU rules. The order recognizes the EU's Investment Firms Regulation and Directive as comparable, allowing eligible firms to rely on substituted compliance subject to conditions and CFTC oversight. This development supports cross-border regulatory alignment and reduces duplicative compliance burdens for internationally active firms. For asset managers, it signals continued progress toward global harmonization in derivatives regulation, particularly when engaging with EU-based swap counterparties, while maintaining structured supervisory safeguards through notification and approval requirements.

What this means: Allows certain EU-based swap dealers to rely on home country capital and reporting regimes in lieu of duplicative CFTC requirements, reducing compliance burdens and potential regulatory fragmentation for asset managers operating cross border derivatives businesses.

- **SEC proposes major overhaul of registered offering framework.** (See also) The SEC has proposed significant reforms to the registered offering process aimed at facilitating capital formation and modernizing public market fundraising. Key elements include expanding eligibility for Form S-3 and shelf offerings to a broader range of issuers, extending benefits traditionally reserved for well-known seasoned issuers (WKSIs), and modernizing Form S-1 by allowing greater use of incorporation by reference. The proposal also includes changes to communication rules and would broadly preempt state "blue sky" registration requirements for additional registered offerings such as non-traded REITs and Business Development Companies.

While primarily focused on public companies, the proposal signals a broader regulatory effort to make public markets more accessible and efficient. For asset managers, these reforms may influence capital markets activity, deal structuring, and investment opportunities, particularly by increasing the flexibility and frequency of public offerings and reducing regulatory friction in the issuance process.

What this means: Enables asset managers — particularly BDCs and closed-end funds — to access registered capital markets more quickly and cheaply by expanding shelf registration eligibility, broadening offering flexibilities, and reducing state-law compliance burdens, while maintaining investor protections.

- **Commissioner Peirce supports rescission of SEC climate disclosure rules.** SEC Commissioner Hester Peirce expressed support for the SEC's proposal to rescind its 2024 climate-related disclosure rules, emphasizing that the prior framework exceeded the agency's statutory authority and improperly used securities disclosure as a tool to influence corporate behavior. She reiterated that SEC disclosure requirements should remain focused on material information relevant to investors as a class, rather than broader policy objectives such as climate change.

Peirce's statement highlights a broader regulatory shift back toward a materiality-centered, merit-neutral disclosure regime, signaling a more restrained approach to Environmental, Social and Governance (ESG)-related requirements. For asset

managers, this reinforces the likelihood of reduced prescriptive climate disclosure obligations at the federal level, while also underscoring the importance of aligning disclosures with core financial relevance rather than stakeholder-driven metrics.

What this means: If adopted, the rescission would reduce or eliminate prescriptive climate-related disclosure obligations, reinforcing a materiality focused regime and potentially lowering compliance burdens and ESG reporting pressures for asset managers and their portfolio companies.

- **Commissioner Peirce highlights principles for crypto regulation and limits of SEC authority.** In remarks at the IC3 Blockchain Camp, SEC Commissioner Hester Peirce outlined a principles-based approach to crypto regulation, emphasizing that SEC rules should apply only where clearly within the agency's statutory mandate. She cautioned against overextending securities laws to decentralized technologies and argued that purely infrastructure-level or open-source activities — such as publishing code or operating blockchain networks — should generally fall outside regulatory scope. Peirce also highlighted the need for clearer regulatory definitions and boundaries, particularly as crypto challenges traditional intermediary-based frameworks. For asset managers, the speech provides insight into a more flexible and innovation-friendly regulatory outlook, signalling potential future efforts to refine how securities laws apply to digital assets and decentralized finance.

What this means: Reinforces the SEC's shift to a more flexible, principles based approach to crypto regulation — distinguishing between decentralized infrastructure and regulated intermediaries — which could expand opportunities for asset managers to engage with tokenized assets and blockchain-based strategies while reducing regulatory uncertainty in certain areas.

- **SEC and CFTC adopt joint data standards to streamline regulatory reporting.** The SEC and CFTC, alongside other federal financial regulators, have adopted joint data standards under the Financial Data Transparency Act of 2022 to improve the consistency and interoperability of regulatory data. The rule introduces common identifiers for entities, geographic locations, dates, and financial products, along with principles-based standards for data transmission, taxonomy, and schema formatting. This coordinated effort is intended to enable the submission of high-quality, machine-readable data across agencies.

For asset managers, this development signals a broader shift toward standardized, cross-agency reporting frameworks designed to reduce duplicative and inconsistent data requirements. While the initiative aims to lower long-term compliance burdens, firms will likely need to adapt their data systems, reporting processes, and governance frameworks as these standards are implemented and expanded through future agency-specific rulemaking.

What this means: Asset managers will be required to adopt standardized, machine readable data formats and common identifiers for regulatory reporting, improving cross agency consistency while potentially reducing compliance burden and enhancing data usability for investors and regulators.

- **CFTC chairman signals push to modernize rules governing event contracts.** In a June 10, 2026, op-ed, CFTC Chairman Michael Selig outlined the agency's effort to modernize Rule 40.11 to address the rapid growth of prediction markets and event-based derivatives. The actual rule proposal aims to establish clearer standards for determining when contracts involve restricted activities — such as terrorism, war, assassination, or gaming — and to define how the CFTC will assess whether such products are contrary to the public interest.

The op-ed highlights a broader regulatory priority to provide clarity and transparency while supporting financial innovation within a federally regulated framework. For asset managers, these signals increased regulatory focus on event-linked derivatives and prediction markets, with potential implications for product availability, compliance considerations, and market participation as the rules evolve.

What this means: For asset managers, the CFTC's proposal would create a clearer regulatory framework for event contracts (including prediction-type products), which could affect whether certain strategies or instruments are permissible and increase scrutiny of contracts tied to enumerated or sensitive activities.

- **SEC and CFTC seek input on harmonizing and modernizing swap data reporting.** The SEC and CFTC have issued a joint request for public comment on potential reforms to harmonize and streamline data reporting requirements for swap and security-based swap markets. The initiative focuses on improving alignment between the two regulatory frameworks, with emphasis on enhancing data quality, reducing operational complexity, and promoting more efficient regulatory oversight. Key areas of feedback include standardization of identifiers, transparency, and implementation challenges.

This effort builds on broader regulatory moves toward unified data standards and reflects a continued push for cross-agency coordination in derivatives oversight. For asset managers active in swaps markets, the request signals potential future changes to reporting obligations that could simplify compliance over time but may also require updates to internal systems and reporting processes.

What this means: For asset managers, the SEC and CFTC are seeking input on how to harmonize and streamline swap data reporting requirements to reduce compliance costs and operational complexity while maintaining transparency and regulatory oversight.

- **SEC and CFTC seek comment on harmonizing and clarifying derivatives definitions.** The SEC and CFTC have jointly requested public comment on potential updates to harmonize and clarify key derivatives product definitions under Title VII of the Dodd-Frank Act. The initiative aims to resolve longstanding ambiguities in how swaps, security-based swaps, and emerging products are classified, including issues related to mixed swaps, exclusions from swap definitions, and jurisdictional boundaries between the two agencies.

This development is particularly relevant for asset managers, as changes to derivatives classifications can directly affect regulatory obligations, trading strategies, and compliance frameworks. By signalling a potential realignment of how products are defined and regulated, the proposal may require firms to reassess product categorization, reporting, and cross-regulatory compliance approaches if adopted.

What this means: For asset managers, the SEC and CFTC are seeking input on clarifying and harmonizing derivatives definitions and jurisdictional boundaries, which could affect how products are classified, regulated, and traded and potentially reduce uncertainty and compliance friction across markets.

- **CFTC issues new enforcement cooperation policy and framework for self-reporting credit.** The CFTC's Division of Enforcement ("**Division**") issued a new advisory establishing its approach to evaluating self-reporting, cooperation, remediation, and restitution in enforcement matters. The advisory replaces prior cooperation guidance and creates a framework under which respondents may be considered for a declination of enforcement action where they voluntarily self-report misconduct, fully cooperate with investigations, implement timely remediation measures, and provide full restitution and/or disgorgement. The advisory also outlines the factors the Division will consider in determining whether to award cooperation credit through a reduction in monetary penalties when a declination is not available. The policy is intended to promote transparency, consistency, and incentives for proactive compliance while enhancing the Division's ability to detect and address market misconduct.

What this means: Asset managers, commodity pool operators, and other market participants may have increased incentives to promptly self-report potential violations, cooperate with CFTC investigations, and implement remediation measures, as these actions may significantly reduce enforcement exposure and, in appropriate cases, result in a declination of enforcement action.

Contact us



Karl Paulson Egbert

Partner

karl.egbert

@bakermckenzie.com

[Read my Bio](#)



Matthew Smith

Partner

matthew.smith

@bakermckenzie.com

[Read my Bio](#)



James Linhardt

Counsel

james.linhardt

@bakermckenzie.com

[Read my Bio](#)



Deborah You

Associate

deborah.you

@bakermckenzie.com

[Read my Bio](#)

© 2026 Baker & McKenzie. **Ownership:** This site (Site) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms, including Baker & McKenzie LLP). Use of this site does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion:** All information on this Site is of general comment and for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulation and practice are subject to change. The information on this Site is not offered as legal or any other advice on any particular matter, whether it be legal, procedural or otherwise. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any information provided in this Site. Baker McKenzie, the editors and the contributing authors do not guarantee the accuracy of the contents and expressly disclaim any and all liability to any person in respect of the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the contents of this Site. **Attorney Advertising:** This Site may qualify as "Attorney Advertising" requiring notice in some jurisdictions. To the extent that this Site may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. All rights reserved. The content of the Site is protected under international copyright conventions. Reproduction of the content of this Site without express written authorization is strictly prohibited.

