

United States: Asset Management Spotlight (July 2026 - September 2026)

Major developments for alternative asset managers (July 2026 - September 2026)

United States: Asset Management Regulatory Developments and Enforcement Trends (July–September 2026)

Key developments reflect continued deregulatory momentum and reduced reporting burdens, growing regulatory attention to crypto assets, tokenization and prediction markets, expanded retail access to private markets, and targeted SEC scrutiny of fees, financial reporting and compliance programs.

In brief

From July to September 2026, US regulators continued to reshape the regulatory landscape for asset managers through a series of proposals, final rules, and guidance, with a clear focus on reducing compliance burdens, modernizing market infrastructure and expanding access to capital and investment opportunities. At the same time, regulators continue to pursue enforcement actions, albeit in more targeted manner.

The US Securities and Exchange Commission (SEC) released its 2026 Regulatory Agenda and advanced several proposals, including expanded retail access to private markets a new framework for crypto asset offerings, the rescission of the political contribution (“pay-to-play”) rule and the shareholder proposal rule, the modernization of transfer agent rules, and a default electronic delivery framework for investor disclosure. The SEC also issued a temporary “Innovation Exemption” for digital asset markets to permit trading tokenized National Market System (NMS) stocks. The Commodity Futures Trading Commission (CFTC) proposed significant registration relief for certain commodity pool operators and commodity trading advisors, eliminated routine large trader reporting for physical commodity swaps, finalized updated clearing requirements for CAD and MXN interest rate swaps, and sought input on compute derivatives and updated its crypto asset FAQs.

Oversight and enforcement also remained active. The SEC created a new Financial Reporting and Accounting Unit within its Division of Enforcement, settled a case over unapplied advisory fee offsets and flagged common deficiencies in advisers’ annual compliance reviews. The CFTC invoked its emergency authority in a prediction markets dispute and issued guidance on prediction market incentive programs. Separately, Financial Crimes Enforcement Network (FinCEN) permanently eliminated beneficial ownership reporting for US companies and US persons, Hong Kong proposed expanded tax concessions for funds, family offices and carried interest, and Baker McKenzie’s Data Centers Unlocked report highlights data centers as a fast-growing asset class.

For asset managers, these developments create new opportunities in product design, fundraising and digital assets, while also calling for a review of compliance programs, disclosures, fee practices and reporting processes as these proposals move forward.

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In more detail

CFTC proposes registration relief for certain commodity pool operators (CPOs) and commodity trading advisors (CTAs)

The CFTC proposed amendments to its registration framework for CPOs and CTAs aimed at reducing duplicative regulatory requirements. The proposal would effectively codify the CFTC's 2025 no-action relief and represent a partial return to the CFTC's pre-Dodd-Frank registration exemptions. The proposal would create new registration exemptions for certain SEC-registered investment advisers managing commodity pools with sophisticated investors, establish a related exemption for certain CTAs, and increase the capital contribution threshold for the existing small pool exemption to reflect inflation.

The CFTC has proposed amendments to Part 4 that would exempt certain SEC-registered investment advisers from CPO and CTA registration requirements for certain commodity pools (i.e., private funds) limited to sophisticated investors, while also increasing the small commodity pool exemption threshold to account for inflation, with the stated goal of reducing duplicative regulation and compliance burdens. To use the private fund exemption, the SEC-registered investment adviser must report the fund on Form PF.

Why it matters: The proposal could reduce regulatory burdens for SEC-registered investment advisers to private funds who are also registered as CPOs or CTAs. But the requirement to report on Form PF will render the exemption unavailable for some funds (particularly if Form PF filing thresholds increase). Asset managers should assess whether the proposed exemptions could affect their registration status, compliance obligations, or fund structures. Comments were due on October 5, 2026.

SEC proposes rescission of political contribution rule for investment advisers

The SEC has proposed rescinding Advisers Act Rule 206(4)-5, commonly known as the "pay-to-play" rule, along with amending the related recordkeeping requirements. The rule currently prohibits investment advisers from providing compensated advisory services to certain government clients for two years following political contributions to covered officials or candidates. The SEC stated that the rule has created significant compliance burdens and unintended consequences since its adoption in 2010, including restrictions on political participation and operational challenges for advisers.

If finalized, this proposal would eliminate the two-year compensation ban, pre-clearance, and recordkeeping burdens tied to political contributions by covered associates, meaning firms could meaningfully scale back internal pre-approval and monitoring systems for employee political giving.

Why it matters: If adopted, the proposal would eliminate a key compliance requirement for registered investment advisers, potentially reducing the need for political contribution monitoring, pre-clearance procedures, employee certifications, and related recordkeeping obligations. Advisers that manage public pension assets or other government-related accounts should monitor the proposal closely, as it could lead to significant changes in compliance programs and policies. Comments are due on November 9, 2026.

SEC 2026 regulatory agenda highlights focus on crypto, capital formation, private markets, and retail access to alternative assets

The SEC released its 2026 Regulatory Agenda, outlining key rulemaking priorities focused on modernizing securities regulation, promoting capital formation, and expanding retail access to investment opportunities. Notable priorities include developing a clearer regulatory framework for crypto assets and tokenized securities, pursuing reforms to facilitate initial public offering (IPO) activity and public company participation, and exploring ways to broaden retail investor access to private markets while maintaining investor protections.

The SEC's 2026 agenda signals a continued business-friendly regulatory approach aimed at expanding capital formation, easing certain disclosure burdens, and increasing retail investor access to private markets, which could benefit asset managers' fundraising and product development efforts. It also prioritizes regulatory clarity for digital assets and tokenized securities, potentially creating new opportunities for asset managers to offer crypto-related and blockchain-based investment products.

Why it matters: The agenda provides insight into the SEC's policy direction and future rulemaking priorities. Asset managers should monitor developments in crypto regulation, disclosure reform, capital-raising initiatives, and private market access, as these areas may shape future compliance obligations, fundraising opportunities, and investment product offerings.

SEC proposes default electronic delivery framework for investor disclosures

(See also) The SEC proposed Regulation E-Delivery, a new framework that would allow issuers, broker-dealers, investment advisers, and other market participants to satisfy many federal securities law delivery requirements through electronic delivery as the default method. The proposal would replace the SEC's longstanding consent-based guidance approach and apply to a broad

range of documents, including fund prospectuses, shareholder reports, proxy statements, Form CRS disclosures, trade confirmations, and Form ADV brochures.

The proposal would modernize disclosure delivery requirements by permitting asset managers and affiliated funds to satisfy many federal securities law delivery obligations through default electronic delivery, eliminating the need for prior investor consent in many cases. If adopted, the rule could reduce operational costs and administrative burdens while accelerating the distribution of prospectuses, shareholder reports, and other investor disclosures, subject to specified investor-protection safeguards and opt-out rights.

Why it matters: If adopted, the proposal could require fund managers and advisers to review and update disclosure delivery procedures, investor communications, recordkeeping practices, and Form ADV-related processes. Firms would also need to evaluate transition plans for existing investors and ensure compliance with the rule's notice and opt-out requirements before moving recipients from paper to electronic delivery. Comments were due on September 21, 2026. [More info.](#)

CFTC eliminates routine large trader reporting requirements for physical commodity swaps

The CFTC issued a final order eliminating the routine Part 20 large trader reporting requirements for physical commodity swaps. As a result, clearing organizations, clearing members, and swap dealers will no longer be required to submit the daily and event-based position reports previously required under the rule. The CFTC determined that these reporting requirements have become duplicative in light of the agency's broader swap data reporting framework and related regulatory reporting regimes.

The CFTC has eliminated the routine daily and event-based large trader reporting requirements for physical commodity swaps, reducing compliance and operational reporting burdens for asset managers and their counterparties that participate in these markets. However, firms must still maintain the underlying records and be prepared to provide position information to the CFTC upon request through the agency's special-call authority.

Why it matters: Firms involved in physical commodity swaps should review their regulatory reporting procedures to assess the impact of the reporting relief. While routine reporting obligations are being eliminated, the CFTC will retain recordkeeping requirements and the authority to request information through targeted special calls, making it important for market participants to maintain appropriate records and data governance processes.

SEC settles with New York adviser over unapplied advisory fee offsets

On July 31, 2026, the SEC announced a settled order against New York-based adviser Papamarkou Wellner Asset Management, Inc. for failing to offset client advisory fees by third-party referral, solicitation, or placement fees received by its affiliated broker-dealer, as its advisory agreements and Form ADV Part 2A brochures stated it would. The SEC found that, from 2019 to January 2022, clients were not credited at least USD 282,921.82, that the practice created an undisclosed conflict of interest, and that the firm failed to implement its written compliance policies on fee calculations. Without admitting the findings, the firm agreed to a censure, a cease-and-desist order, disgorgement, prejudgment interest, and a USD 125,000 civil penalty for violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7.

Asset managers should ensure their actual fee offset practices (including referral, solicitation, or placement fees received by affiliated broker-dealers) match exactly what's disclosed in advisory agreements and Form ADV brochures, since any undisclosed conflict of interest from retaining such fees can trigger liability under Sections 206(2) and 206(4) of the Advisers Act. It also underscores the need to actually implement (not just draft) compliance policies that verify fee calculations align with disclosures, as the SEC penalized both the fee discrepancy and the compliance procedure failure separately.

Why it matters: Advisers should confirm that their actual fee calculation and offset practices match their advisory agreements, Form ADV Part 2A, and written compliance policies. Where a practice has changed or a policy is not being followed, the documents should be updated and the conflict of interest disclosed, because the gap itself can be a violation.

SEC creates new enforcement unit focused on financial reporting and accounting misconduct

The SEC announced the creation of a new Financial Reporting and Accounting Unit within its Division of Enforcement, dedicated to investigating and pursuing financial reporting fraud, accounting misconduct, and auditing-related violations. The specialized unit will combine legal and accounting expertise and work across SEC divisions to support enforcement efforts in these areas.

For asset managers, the creation of the SEC's specialized Financial Reporting and Accounting Unit signals increased enforcement scrutiny of financial reporting, accounting practices, and auditor conduct, which may heighten compliance, disclosure, and oversight expectations for public companies and investment advisers. The new unit could also increase the risk of investigations involving portfolio companies, fund financial statements, valuation practices, and audit-related matters, reinforcing the importance of robust accounting controls and governance.

Why it matters: The new unit signals increased SEC focus on the accuracy of financial reporting, accounting judgments, disclosures, and audit-related practices. Asset managers, public companies, and other market participants should expect heightened scrutiny of financial reporting controls and disclosure processes, particularly where accounting issues may affect investors' decision-making.

FinCEN permanently eliminates Beneficial Ownership reporting requirements for US companies and US persons

(See also) FinCEN issued a final rule permanently removing the requirement for US companies and US persons to report Beneficial Ownership Information (BOI) under the Corporate Transparency Act. The rule, effective August 14, 2026, makes permanent the exemptions previously adopted on an interim basis in March 2025 and confirms that FinCEN will delete BOI previously reported by US persons from its database.

The final rule also eliminates the obligation for US persons with FinCEN identifiers to update or correct previously submitted information, exempts foreign reporting companies from reporting US-person company applicants, and exempts certain foreign pooled investment vehicles from reporting information related to US persons exercising control. Foreign reporting companies will remain subject to BOI reporting requirements with respect to non-US beneficial owners.

The rule significantly reduces Corporate Transparency Act compliance obligations for US-based fund sponsors, investment advisers, and US pooled investment vehicles by eliminating beneficial ownership reporting requirements for US entities and persons. Managers with non-US fund structures should note that certain foreign entities may still have reporting obligations, although the final rule provides additional exemptions that limit the disclosure of US persons associated with those structures.

Why it matters: The rule substantially reduces Corporate Transparency Act compliance obligations for US businesses and individuals, while narrowing BOI reporting requirements primarily to certain foreign entities registered to do business in the United States. [More info.](#)

CFTC invokes emergency authority in prediction markets dispute

The CFTC exercised its emergency authority to require KalshiEX to continue operating in accordance with the Commodity Exchange Act after the exchange notified the agency of a market emergency arising from litigation brought by the New York Attorney General. The CFTC stated that maintaining orderly derivatives markets and preserving a uniform national regulatory framework are key responsibilities under the Commodity Exchange Act, particularly where state actions could affect federally regulated exchanges.

For asset managers, the CFTC's action signals strong federal support for the continued operation of CFTC-regulated event contract markets and reinforces the agency's view that derivatives exchanges should be governed by a uniform national regulatory framework rather than a patchwork of state laws. The development is particularly relevant for managers with exposure to event contracts, prediction markets, or other derivatives products, as it may help preserve market access, reduce regulatory uncertainty, and support the growth of innovative trading and hedging strategies.

Why it matters: The action highlights the ongoing regulatory and jurisdictional debate surrounding prediction markets and event contracts. The outcome of these disputes could have broader implications for the development, oversight, and availability of event-based derivatives products in the United States, an area that continues to attract increasing interest from market participants and regulators alike.

CFTC issues guidance on self-certification of prediction market incentive programs

The CFTC's Division of Market Oversight issued an advisory reminding designated contract markets (DCMs) of their obligations when self-certifying market-maker, liquidity, trading, and other incentive programs, particularly those associated with prediction market and event contract products. The advisory outlines the Commission's expectations regarding the procedural and substantive information that should accompany submissions and addresses concerns about deficiencies in recent filings.

For asset managers, this advisory signals heightened CFTC scrutiny of exchange incentive and liquidity programs, particularly for event contracts, and may lead to stronger governance, disclosure, and compliance standards for markets where managers trade derivatives. It also suggests that the CFTC is focused on ensuring that new trading incentives and market-maker arrangements are appropriately reviewed and transparent, which could affect market structure, liquidity, and trading opportunities.

Why it matters: The guidance signals increased CFTC scrutiny of incentive programs linked to prediction markets and event contracts. Market participants active in these products should monitor regulatory developments closely, as the CFTC continues to refine its oversight framework and expectations for exchange-operated incentive arrangements.

SEC proposes new framework for Crypto Asset offerings

(See also) The SEC proposed Regulation Crypto Assets, a new framework designed to facilitate capital raising for certain crypto asset projects while maintaining investor protections. The proposal would create two tailored securities offering exemptions, permit qualifying issuers to raise up to USD 5 million during a four-year period or USD 75 million during each 12-month period, subject to disclosure requirements, and establish a conditional safe harbor under which certain crypto assets may no longer be treated as securities once specified conditions are met.

The SEC's proposed Regulation Crypto Assets would establish a tailored offering framework for certain crypto-related investment contracts, including new exemptions that could allow issuers to raise up to USD 75 million annually under a more predictable regulatory regime. For asset managers, the proposal could expand the pipeline of investable digital asset opportunities and provide greater regulatory clarity around the issuance, disclosure, and eventual treatment of crypto-related securities.

Why it matters: The proposal could provide greater regulatory certainty for crypto asset issuers and market participants, potentially expanding investment opportunities and affecting how digital asset offerings are structured and regulated. Comments are due October 20, 2026.

CFTC seeks input on framework for compute derivatives markets

The CFTC issued a request for comment on compute derivatives contracts, seeking input on the development and regulation of markets tied to computing resources used in artificial intelligence and other data-intensive technologies. The request covers topics including market size and liquidity, customer protection, market manipulation risks, oversight considerations, and the potential use of perpetual futures contracts linked to compute resources.

For asset managers, the CFTC's request for comment signals the potential emergence of a new derivatives market tied to AI computing capacity, creating future investment, hedging, and trading opportunities for funds with exposure to artificial intelligence, data centers, cloud infrastructure, and digital assets.

Why it matters: The initiative reflects growing regulatory attention to the emerging market for compute as a tradable economic resource. While still at an early stage, the development of compute derivatives could create new hedging, risk management, and investment opportunities for market participants with exposure to AI infrastructure and related technologies. Comments are due on October 20, 2026.

Valuation of private funds: a conversation with Dan Brinks and Peter Chan

In a new video conversation, Dan Brinks (Partner, StoneTurn) and Peter Chan (Partner, Baker McKenzie), both former SEC staff, discuss why valuation of illiquid private fund assets has become a top focus of SEC examinations and enforcement, alongside the agency's continued scrutiny of conflicts of interest and fee calculations. Drawing on their SEC experience, they offer practical guidance for navigating the Commission's principles-based (and often sparse) standards, including documenting valuation methodology, conducting periodic testing, and aligning fee structures with best practices, as individual accountability in enforcement actions continues to rise. [Watch the full discussion here.](#)

SEC's lack of prescriptive valuation guidance means Asset Managers cannot rely on regulatory checklists; they need to proactively build, document, and periodically test their own valuation methodology, particularly where management fees scale with asset value, to withstand examiner scrutiny and avoid being caught up in the rising trend of SEC enforcement actions against individuals, not just firms.

Why it matters: In choppy markets, valuation is under the microscope. The SEC's principles-based but guidance-light approach to valuing illiquid private fund assets means managers bear the burden of building and documenting their own defensible methodology, especially where management fees are tied to asset value, a growing enforcement trigger as individual accountability cases rise under the current SEC leadership.

SEC proposes to modernize rules for registered transfer agents

The SEC has proposed a comprehensive modernization of the regulatory framework governing registered transfer agents, the first significant update to the rules since their adoption in the late 1970s and early 1980s. The proposal would update transfer agent requirements to reflect current market practices and technologies, including electronic recordkeeping, electronic communications, and the use of blockchain technology in securities issuance and share transfers. The SEC also proposes amendments to existing rules and forms, the rescission of certain legacy requirements, and the adoption of new operational and compliance standards for transfer agents.

The SEC's proposal to modernize transfer agent rules, updating decades-old requirements to account for electronic processes and blockchain technology, could streamline settlement and recordkeeping operations that asset managers depend on through their transfer agents.

Why it matters: Although the proposal is directed primarily at transfer agents, it reflects the SEC's broader effort to modernize securities market infrastructure and accommodate tokenized securities and blockchain-based ownership records. Asset managers should monitor the proposal as it may facilitate the continued development of digital securities markets, improve transfer and settlement processes, and influence how tokenized securities are issued, maintained, and transferred in the future. Comments are due on November 3, 2026.

CFTC finalizes rule updating clearing requirements for CAD and MXN interest rate swaps

The CFTC adopted a final rule that removes the clearing requirement for interest rate swaps referencing the Canadian Dollar Offered Rate (CDOR) and the Interbank Equilibrium Interest Rate (TIIE). In their place, it requires clearing of Canadian dollar (CAD)- and Mexican peso (MXN)-denominated swaps referencing overnight, nearly risk-free rates. The rule also updates the termination date ranges for these swaps and amends the related compliance dates. The rule has been effective as of October 8, 2026.

For asset managers running CAD- or MXN-denominated interest rate swap strategies (including those using swaps for hedging, duration management, or client separately managed accounts), this shifts which swaps must go through mandatory central clearing: swaps referencing CDOR or TIIE lose clearing-mandate status, while new overnight risk-free rate swaps (Canadian Overnight Repo Rate Average (CORRA)-based Overnight Index Swap (OIS) and TIIE Funding Rate OIS) become mandatorily cleared instead. Managers will need to update trading, clearing, and compliance workflows to reflect the new swap categories and the post-effective-date compliance deadlines, particularly if existing CDOR/TIIE swap books need to be transitioned or unwound.

Why it matters: Asset managers that trade CAD or MXN interest rate swaps should confirm that their clearing arrangements, trading documents, and compliance procedures cover the new risk-free rate swaps before the rule takes effect.

SEC examinations Division flags common deficiencies in investment advisers' annual compliance reviews

The alert described deficiencies staff found in how advisers carry out their annual written compliance review as required under Rule 206(4)-7 of the Advisers Act. Staff observed advisers that:

- Did not review their policies and procedures at least once a year, or relied on training or employee attestations instead of a review.
- Had no procedures, or incomplete ones, for testing and validating their policies and procedures.
- Did not follow their own written review procedures, or reviewed outdated versions of their policies.
- Missed gaps between written policies and actual practice in areas such as fee billing, proxy voting, custody, marketing, and oversight of delegated functions.
- Did not keep the records of their reviews as Rule 204-2(a)(17) requires.
- Did not carry out corrective actions recommended in their reviews.

The risk alert reflects staff views only and creates no new obligations.

This alert signals the specific deficiencies examiners are flagging in annual compliance reviews under Rule 206(4)-7, including late or skipped reviews, incomplete testing procedures, misalignment between policies and actual practices (fees, proxy voting, custody, marketing rule, Form CRS), and failure to document or act on findings. Asset managers should use this as a roadmap to self-audit their own annual review process now, before their next exam, since the SEC explicitly called out recidivist firms that didn't fix issues from prior deficiency letters.

Why it matters: Staff often ask for annual review materials during exams, and the risk alert notes cases where advisers repeated the same problems after receiving deficiency letters. Advisers should confirm that their reviews are completed at least once a year and follow written testing procedures. The reviews should also compare policies with how the firm actually operates, be properly documented, and lead to recommended fixes being carried out.

SEC proposes rescission of shareholder proposal rule and reforms to proxy solicitation process

The SEC has proposed rescinding Rule 14a-8, the shareholder proposal rule, on the grounds that it exceeds the agency's statutory authority and improperly intrudes into matters governed by state corporate law, with determinations about shareholder proposals left instead to state law and company governing documents. Alongside this, the Commission proposed amendments to Rule 14a-4(c) giving companies more flexibility on discretionary proxy voting authority, and separate proxy solicitation reforms that would eliminate the annual report delivery requirement, remove delivery deadlines for documents incorporated by reference, eliminate Notices of Exempt Solicitation, and shorten the broker search period from 20 to five business days.

For asset managers: if Rule 14a-8 is rescinded, shareholder proposal rights would no longer be federally guaranteed, shifting that battleground to state law and individual company bylaws/charters, which means portfolio engagement strategies and proxy voting policies may need to be reassessed on a state-by-state and company-by-company basis rather than under a uniform federal standard. Combined with the proposed proxy solicitation reforms (shorter broker search periods, no annual report delivery requirement), managers should also expect faster but less standardized proxy processes, warranting an early review of internal proxy voting and shareholder engagement protocols.

Why it matters: If adopted, these proposals could significantly reshape shareholder engagement and proxy practices for public companies, institutional investors and asset managers. Fund managers may need to review stewardship, proxy voting and shareholder engagement policies, while public companies could gain greater flexibility in managing shareholder proposals and proxy solicitations. Comments are due on November 20, 2026.

SEC issues "Innovation Exemption" to facilitate trading of tokenized NMS stocks

The SEC has issued a temporary, conditional exemption permitting certain Tokenized Securities Venues (TSVs) to facilitate secondary trading of tokenized NMS stocks using permissioned automated market maker (AMM) liquidity pools. The exemption allows TSVs to operate outside the traditional Exchange Act definition of an "exchange" while the SEC evaluates a longer-term regulatory framework for on-chain securities trading. The relief is subject to numerous investor protection conditions, including limits on trading volume, requirements that tokenized shares provide the same rights as traditional shares, public and auditable smart contracts, trading halt coordination with primary listing exchanges, and enhanced transparency regarding TSV operations.

For asset managers, this "Innovation Exemption" opens a new, conditional pathway to trade tokenized NMS stocks on permissioned platforms (TSVs) using AMM liquidity pools, potentially creating fresh on-chain liquidity and execution venues for equity positions over the next five years. Managers considering participation, whether as liquidity providers or traders on a TSV, should note the dealer registration exemption for proprietary liquidity providers and the strict conditions (volume limits, equivalent shareholder rights, synchronized trading halts) that will shape how these venues can be used.

Why it matters: This development represents one of the SEC's most significant steps toward integrating tokenized securities into the US capital markets framework. Asset managers should monitor the proposal closely, as it could expand future opportunities to invest in, trade, custody, and settle tokenized securities while providing greater regulatory certainty for blockchain-based market infrastructure. The exemption is temporary and expires after five years, and the SEC has requested public comment as it considers whether additional rulemaking is needed to support broader adoption of on-chain securities trading.

CFTC staff updates crypto asset FAQs to address tokenized collateral investments and blockchain-based recordkeeping

Three CFTC divisions (Market Participants, Market Oversight, and Clearing and Risk) updated their FAQs on crypto assets and blockchain technologies. The new answers cover two topics: investing customer funds in tokenized forms of permitted investments, and using blockchain technology to meet registrant recordkeeping requirements. The FAQs were first released on March 20, 2026. They clarify CFTC Staff Letter 25-39 (Tokenized Collateral Guidance) and Staff Letter 26-05 (no-action position on digital assets accepted as margin collateral).

For asset managers holding customer or client funds, this clarifies that permitted investments (like money market instruments or other approved collateral) can be held in tokenized form, and that blockchain technology can be used to satisfy recordkeeping requirements, potentially streamlining custody, collateral management, and compliance infrastructure. Managers exploring tokenized collateral arrangements or blockchain-based recordkeeping systems now have clearer regulatory footing to do so without running afoul of CFTC registrant obligations.

Why it matters: The updates are another step in the CFTC's effort to bring tokenized assets and blockchain technology into the existing derivatives framework. Asset managers that are CFTC registrants, or that post margin through FCMs, should review the updated FAQs. They clarify how tokenized investments and blockchain-based records can be used within current regulatory requirements.

SEC proposes expanded retail access to private markets and new paths to accredited investor status

On September 30, 2026, the SEC voted to propose rule amendments expanding retail investor access to private markets, including allowing registered investment advisers to receive performance-based compensation from regulated funds, modernizing the interval fund framework, and replacing exemptive orders with a rules-based framework for closed-end fund multiple share classes. The Commission separately requested public comment on expanding accredited investor qualification methods, including a potential Financial Industry Regulatory Authority (FINRA)-developed accreditation exam and recognition of credentials such as the CPA license, CFA charter, CFP certification, and FINRA Series 79/86/87 licenses. Both comment periods will remain open for 60 days following publication in the Federal Register.

For asset managers, this expands the playbook for reaching retail capital: performance-based compensation tied to regulated funds and a broader accredited investor pool could make it commercially viable to offer private market strategies (hedge fund, PE, venture capital style) through regulated fund wrappers and interval/closed-end fund structures. This means new product design and distribution opportunities, but also new compliance and disclosure obligations to track as the rules develop.

Why it matters: For asset managers, this signals a potentially larger addressable investor base and new product opportunities, since performance-based fee structures and multi-class closed-end fund frameworks could make private market strategies viable to offer through regulated funds and a broader accredited investor pool.

Data Centers Unlocked: powering the next trillion-dollar asset class

Baker McKenzie's Data Centers Unlocked: What's new and what matters (December 2025) outlines how AI-driven demand is projected to push the global data center market to USD 600-700 billion by 2030, with McKinsey estimating USD 6.7 trillion in cumulative investment needed by the same year. The report highlights capital recycling strategies gaining traction among sponsors and operators, including YieldCos, REIT IPOs, joint ventures, and platform sales, pointing to 2024's record USD 73 billion in data center M&A and the USD 40 billion Aligned Data Centers sale in 2025 as evidence of continued momentum. It also flags the critical legal and commercial issues shaping the sector's growth, spanning tax structuring and incentives, land acquisition and construction risk allocation, power procurement (including grid constraints, PPAs, BESS, and small modular reactors), and operational concerns like cybersecurity, export controls, and critical infrastructure regulation.

For asset managers, data centers represent a fast-growing real asset class offering diversification and steady income through structures like REITs and YieldCos, but capturing that value requires navigating capital-intensive financing, complex tax structuring, and jurisdiction-specific regulatory and power constraints that directly affect returns and exit timing. The report's emphasis on capital recycling, REIT IPOs, and evolving power/SMR strategies signals where allocators can find both yield opportunities and structuring risk in this sector.

Why it matters: Data centers have become a trillion-dollar asset class where capital access, power procurement, and regulatory navigation now determine winners as much as location or technology, making legal and structuring sophistication a core competitive advantage for sponsors and investors alike. Especially in a more uncertain market, investors need to know how their data center investments work.

Hong Kong proposes expanded tax concessions for funds, family offices and carried interest

Hong Kong has introduced the Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026, which would significantly expand existing tax concession regimes for funds, family-owned investment holding vehicles (FIHVs) and carried interest. The proposed changes broaden the range of eligible funds and investments, remove certain limitations on tax-exempt profits, enhance the carried interest regime, and introduce new economic substance and reporting requirements. Subject to enactment, the enhanced tax concession regimes would apply retrospectively from April 1, 2025.

Fund managers and family offices should review their structures now: the Bill significantly broadens tax-exempt qualifying investments (loans, digital assets, non-corporate private entities, etc.) and carried interest eligibility while removing the hurdle rate requirement, but this comes paired with new economic substance requirements (minimum two full-time employees and HKD 2 million operating expenditure) and annual IRD reporting obligations. Since the regime applies retrospectively from April 1, 2025, taxpayers should also flag any tax return revisions needed once the ordinance is enacted.

Why it matters: Global mobility has been a major trend for asset managers in 2026. The proposed reforms are intended to strengthen Hong Kong's position as a leading asset and wealth management hub by providing greater tax certainty, flexibility and access to incentives. Fund managers, family offices and investment professionals may have opportunities to expand investment strategies, streamline structures and optimize carried interest arrangements under the enhanced rules, while ensuring compliance with the new substance and reporting requirements.

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