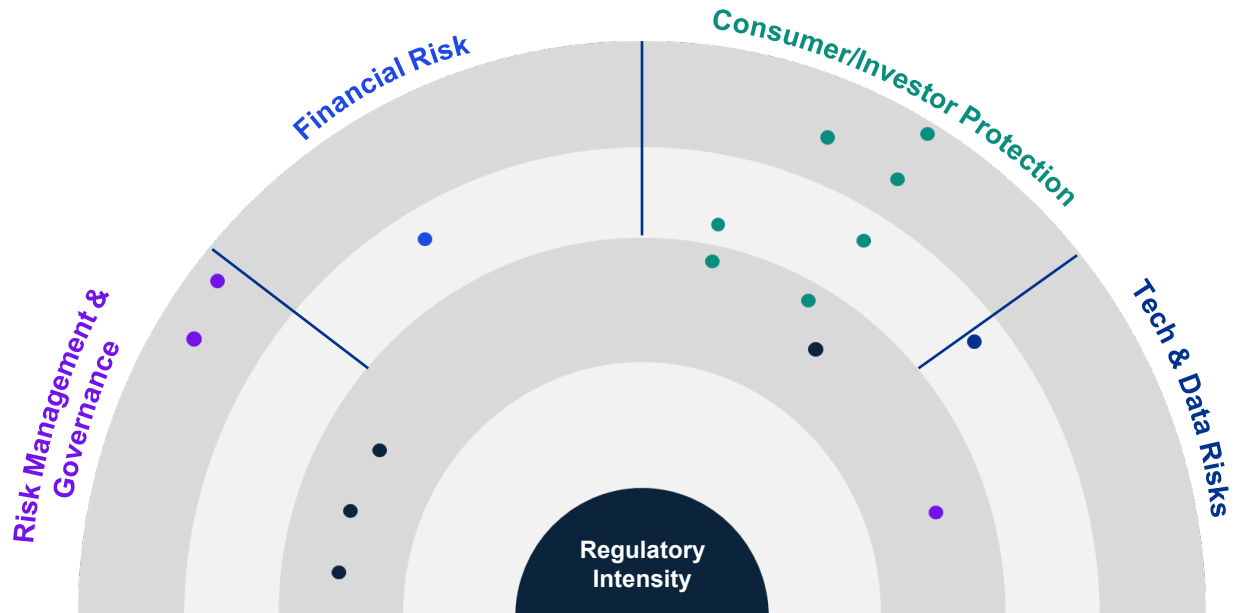




Regulatory Recap & Look Forward

Insights from Q1 2024



Q1 2024 Regulatory Recap: Insights and Look Forward

The anticipated full-force of regulatory intensity has hit in 2024, with complexity and impacts across all areas of the business.

Where are companies feeling the most regulatory pressure?

- 1 Strong supervisory and enforcement action**
Focus on heightened risk standards (including financial, OpRisk, Compliance). Drive comprehensive AML programs. Ensure trustworthy technology and operations (incl AI/other technologies/TPRM)
- 2 Magnified focus on heightened risk standards**
Strengthen issues management, risk frameworks, processes, and controls; Demonstrate sustainability
- 3 Resiliency & change**
Enhance operational resiliency; Prepare to navigate potential discord, uncertainty, and change
- 4 Expanding regulatory perimeter**
Expect new rulemakings/requirements to close “gaps” in regulatory coverage
- 5 Complicated legal environment**
Continue to plan/prepare for implementation of new requirements/expectations during periods of legal challenge



What is still coming? *

Basel III

Operational Resiliency

Long Term Debt

SEC Cybersecurity

CFPB 1071

CPFB 1033

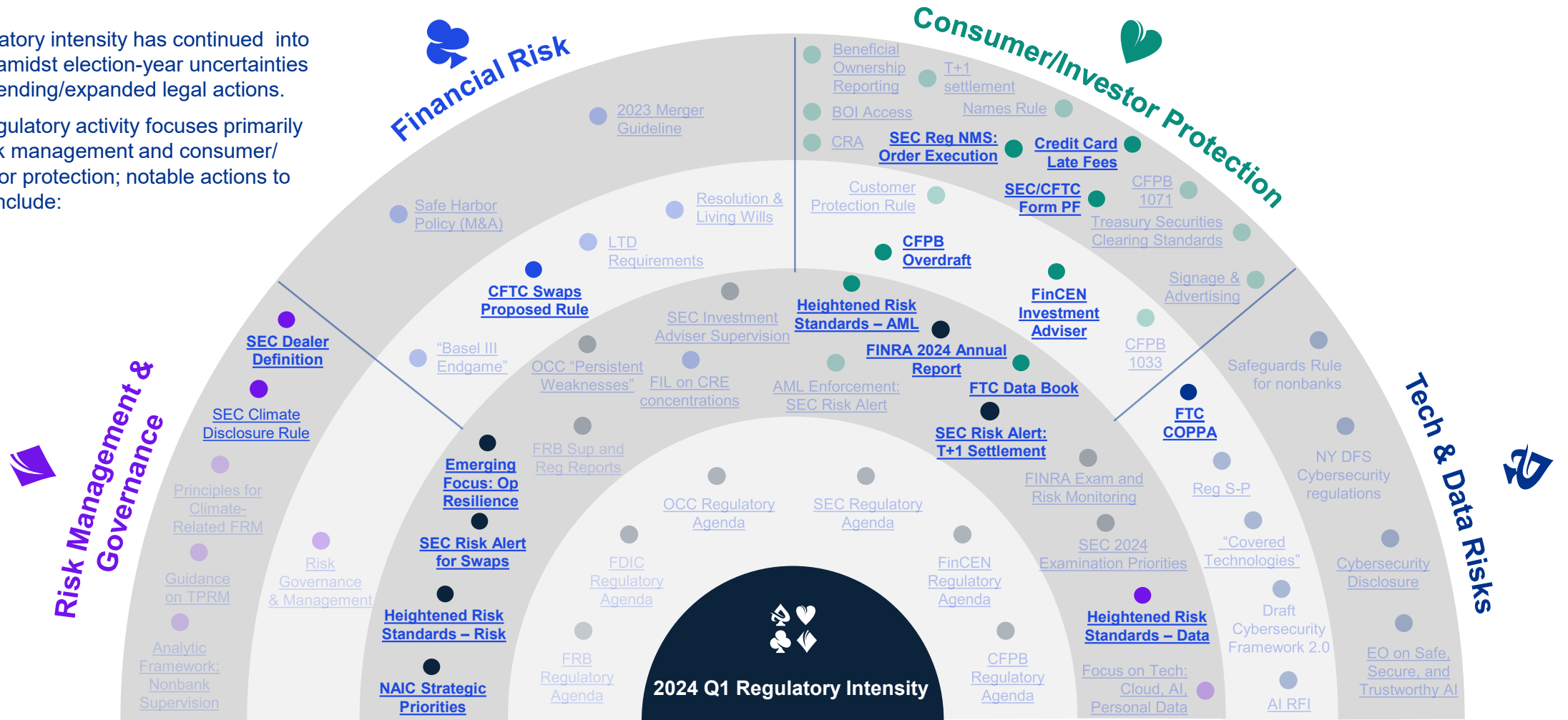
CTA/CDD/Beneficial Ownership

** Regulatory action may include final rulemaking, guidance, and/or legal decisions.*

2024 Q1 Regulatory Summary*

Regulatory intensity has continued into 2024 amidst election-year uncertainties and pending/expanded legal actions.

Q1 regulatory activity focuses primarily on risk management and consumer/investor protection; notable actions to date include:



* 2024 Q1 regulatory activity shown with 2023 highlights

Q1 2024 Regulatory Activity by Stage ^(1/2)

Reports and alerts released early in 2024 (as included below) and following on from others released at year-end 2023 highlight areas of supervisory focus for the year, including heightened attention to risk standards related to AML/BSA, non-financial risk management and controls, and data. Areas where regulators will focus in 2024 will include:

Stage	Agency	Action/Summary	KPMG Regulatory Alert
Reports/ Alerts	Multi-agency	Heightened regulatory intensity in non-financial risk management, including internal controls and operational risk	Heightened Risk Standards: Focus on Risk Frameworks, Processes, and Controls
		Increased regulatory scrutiny in the management of AML/BSA	Heightened Risk Standards: Focus on AML/BSA
		Intensified regulatory scrutiny of data management and governance practices for financial and non-financial risk data, including risk data aggregation and risk reporting	Heightened Risk Standards: Focus on Data Management (& BCBS 239)
		Emerging regulatory focus on operational resiliency, critical operations and core lines of business, disruption tolerances, and third-party oversight	Emerging Regulatory Focus: Operational Resilience
	FTC	2023 Data Book highlighting fraud, identity theft and other scams	Fraud, Identity Theft, and Other Scams
	FINRA	2024 Annual Report containing insights/findings from FINRA's Member Supervision, Market Regulation, and Enforcement programs	Regulatory Oversight: FINRA 2024 Annual Report
	NAIC	2024 Strategic Priorities including, climate risks, insurer financial oversight, financial inclusion, and use of AI	NAIC Strategic Priorities
	SEC	Risk Alert highlighting areas for improvement in compliance programs, policies and procedures, and internal controls for security-based swaps dealers	Swaps: SEC Examinations Risk Alert; CFTC Proposals
Risk Alert highlighting the scope and content of forthcoming examinations and outreach to assess registrants' (broker-dealers, clearing agencies, registered investment advisers) preparedness for the May 28, 2024 shift to a T+1 standard settlement cycle.		SEC Examinations Risk Alert: T+1 Settlement Cycle	

Q1 2024 Regulatory Activity by Stage ^(2/2)

Rulemaking activity in the first quarter of 2024 fell predominantly in the areas of risk management and governance and consumer/investor protection; additional rulemakings in the areas of financial risk and tech and data. These rulemakings include:

Stage	Agency	Action/Summary	KPMG Regulatory Alert
Proposed Rulemaking	CFPB	Overdraft lending proposal directed to financial institutions over \$10B; limiting fees and exemptions	Fees: CFPB Overdraft Lending Proposed Rule
	CFTC	Proposals for Swap Dealers and Major Swap Participants addressing requirements for i) reporting and recordkeeping requirements, ii) establishing and maintaining an operational resilience framework, and iii) capital and financial reporting	Swaps: SEC Examinations Risk Alert; CFTC Proposals
	FTC	Proposed amendments to the rule implementing the Children’s Online Privacy Protection Act (COPPA), which requires websites and online services to obtain verifiable parental consent before collecting, using, or disclosing children’s personal information	NPR to Children’s Online Privacy (COPPA)
	Treasury	FinCEN proposal to impose AML/CFT requirements for investment advisers	Financial Crimes & AML: FinCEN Proposal and Treasury Actions
Final Rulemaking	Interagency	SEC, CFTC amendments to Form PF reporting requirements	Form PF Reporting: SEC, CFTC Joint Final Rule
	CFPB	Amendments to Regulation Z	Credit Card Late Fees: CFPB Final Rule
	SEC	Final rule defining certain significant market participants as “Dealers” or “Government Securities Dealers”	Dealer Definition: SEC Final Amendments
		Climate Disclosure rule – The Enhancement and Standardization of Climate-Related Disclosures for Investors	SEC Climate-Related Disclosure: Final Rule
		Amendments to the disclosure requirements of Rule 605 of Regulation NMS for executions of “covered orders” in national market system (NMS) stocks.	SEC Final Amendments: Rule 605 of Regulation NMS

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