Asset Management, Banks and Funds - January 2026 Top News

In January 2026, technology policy is revealed as one of the key foundations of market structure policy for asset management, banking and funds. Three key themes dominated the month: tokenization and crypto perimeter setting, AI governance moving from principles to supervision, and operational resilience (including "future" threats like quantum) landing on boards' agendas.

1. SEC Tokenized Securities Statement, CFTC "Crypto Era" Harmonization, RFA Definitions and PCAOB Shifts

What happened: At the end of the month, three SEC statements shed light on regulatory trends. On Jan 28, the SEC Divisions of Corporation Finance, Investment Management and Trading & Markets published a joint statement addressing "tokenized securities" and the application of federal securities laws[i]. It controls: what is being issued, how ownership is recorded, how transfer restrictions are enforced, and how disclosures remain true when instruments are represented on crypto networks. This is a near-term catalyst for broker-dealer / ATS strategy, custody models, fund distribution (including tokenized fund shares), and surveillance/market integrity expectations. On Jan 30, the SEC and CFTC signaled an intent to expand inter-agency alignment (joint "crypto era" harmonization event, later rescheduled[ii]), which can reshape examination posture, rulemaking priorities, and enforcement focus, particularly for broker-dealers, exchanges, custody, and "fund-like" wrappers. Also on Jan 30, the SEC appointed new leadership and board members at the Public Company Accounting Oversight Board (PCAOB) [iii], which has significant impact on asset managers', banks' and funds' fair value processes, model governance, internal controls and disclosure standards (especially around complex assets like private credit, fee income recognition, and risk disclosures). And on Jan 7, the SEC proposed amendments to definitions used for Regulatory Flexibility Act analyses for investment advisers and investment companies[iv].

Asset managers and banks should consolidate policy to enhance innovation while mitigating proliferation: one cross-business view of digital asset activities, one product governance workflow, and a single set of escalation paths. For boards, the strategic opportunities - faster settlement, new distribution rails, and potentially broader investor access – should be balanced with risk management related to custody/key management, vendor dependencies, and complex failure modes that don't fit legacy playbooks. And concurrently, the RFA definition amendments, while technical, can alter who is treated as "small" for certain analyses, and preview broader regulatory modernization and data expectations for the industry.

Boards should require:

- A single cross-business crypto policy (no "shadow product" proliferation).
- A regulatory perimeter heatmap (what businesses are most exposed to definitional changes).
- Tightened new-product governance (risk sign-offs; marketing review; suitability/appropriateness), and map links from products (tokenized share classes, transfer agent model, secondary trading venues) to legal and operating controls.
- A map and analysis of custody and key-management risks (segregation of duties, recovery, third-party risk), and compliance / legal assessment of downstream impacts (affiliate structures, disclosure scope, compliance program scaling).
- Client disclosure postures: what is the security, what rights attach, and what are the failure modes?
- Impact briefs from external auditors - what changes in inspection priorities could mean for controls and testing – and a review by internal audit and risk of valuation committee governance and third-party pricing/vendor oversight.

2. Proxy voting infrastructure is being rebuilt—now with internal AI tooling

What happened: Concurrent with regulatory scrutiny of proxy voting firms by regulators (with possible requirement to register as investment advisors) and corporate executives (for stances urging shareholders to vote against boards or directors, or placing excessive weight on climate and social priorities), and the 2025 issuance of SEC Regulation 13(d) and 13(g) which increases disclosure requirements for asset owners who engage with portfolio holdings[v], two financial companies have ended their ties with proxy voting firms. JPMorgan Chase's asset management arm has moved to an internal AI-driven voting platform, and Wells Fargo has ended its relationship with ISS to utilize an internal system[vi]. This shift places higher accountability and transparency requirements on asset managers, banks and funds, impacting operational risk (models, audit / recordkeeping), conflicts and stewardship defensibility.

Boards should: Treat proxy voting as a regulated decision system (model governance, bias testing, change control, audit trails) and require stewardship defensibility (documented policy rationale and escalation paths on contentious votes).

3. UK Lawmakers urge AI-specific Stress Tests for Financial Services

What happened: UK lawmakers urge AI-specific stress tests for financial services, and the Financial Conduct Authority launches a review into advanced AI's impact on retail finance[vii]. Even US-centric firms operate globally, and should expect convergence on: senior manager accountability, consumer protection guidance, operational resilience requirements and model risk expectations (especially for agentic AI).

Boards should: Establish an AI risk appetite statement (what's allowed in advice, trading, surveillance, servicing), and implement AI scenario testing (model-driven liquidity events, correlated decisioning, operational disruption) and impacts on client servicing, advice, trading and surveillance.

4. Trade policy shock: tariff threats hit global markets and risk cross-border flows

What happened: AP reported a sharp market reaction after Donald Trump threatened new tariffs on several European countries tied to a Greenland dispute[viii]. For banks and fund complexes, trade shocks can translate into FX moves, liquidity dynamics, EM risk repricing, client flows, and cross-border compliance considerations.
Boards should require: Trade shock playbooks (liquidity stress, collateral calls, prime brokerage exposures, client concentration) and prepare client communications (volatility, tracking error, hedging posture).

5. Quantum Risk: The World Federation of Exchange Release

What happened: The World Federation of Exchanges issued a January press release noting the long-term benefits and risks of cryptographically relevant quantum computers (CRQCs). The WFE recommends that members: i) actively monitor regulatory guidance, vendor progress, and developments in NIST standardization; ii) incorporate Quantum Computing discussions into risk committees and cyber governance forums; iii) conducting preliminary quantum risk assessments; iv) including quantum-safe encryption criteria in procurement and vendor evaluation cycles; v) considering projects to map existing cryptographic assets, as the first step in any migration roadmap; and vi) working with the WFE to develop a best-practice guide on quantum transition, and a structured roadmap for market infrastructures. Asset managers, banks and funds depend on custodians, administrators, exchanges, clearing, and identity vendors. The quantum-related "harvest now, decrypt later" risk means long-lived data (client identity, trading records, legal docs) needs a migration plan.
Boards should: i) include post-quantum readiness in digital transformation, AI governance and the cyber roadmap (inventory, vendor requirements, migration timelines); and ii) require procurement to include quantum-safe language in strategic vendor renewals.

Summary: January 2026 reinforced the trend that, in modern financial services, governance and strategy are inseparable from governance of technology, third parties, and regulatory perimeter. Boards must adopt policies, require dashboards, and commit to ongoing education, training and geostrategic / regulatory updates in order to protect franchise value while staying positioned to compete.

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[i] https://www.sec.gov/newsroom/speeches-statements/corp-fin-statement-tokenized-securities-012826-statement-tokenized-securities

[ii] https://www.sec.gov/newsroom/press-releases/2026-14-sec-cftc-reschedule-joint-event-harmonization-us-financial-leadership-crypto-era

[iii] https://www.sec.gov/newsroom/press-releases/2026-16-sec-appoints-new-chairman-board-members-pcaob

[iv] https://www.sec.gov/newsroom/press-releases/2026-1-sec-proposes-amendments-small-entity-definitions-investment-companies-investment-advisers-purposes

[v] https://www.sec.gov/rules-regulations/staff-guidance/compliance-disclosure-interpretations/exchange-act-sections-13d-13g-regulation-13d-g-beneficial-ownership-reporting

[vi] https://www.jdsupra.com/legalnews/jpmorgan-s-split-with-proxy-advisers-a-3938791/#:~:text=In%20an%20industry%2Dfirst%20move,how%20boards%20engage%20with%20investors, and https://www.reuters.com/business/finance/wells-fargo-cuts-ties-with-proxy-adviser-iss-wsj-reports-2026-01-28/#:~:text=Wells%20Fargo%20cuts%20reliance%20on,Reuters

[vii] https://www.reuters.com/sustainability/boards-policy-regulation/britain-needs-ai-stress-tests-financial-services-lawmakers-say-2026-01-20/ and https://www.reuters.com/sustainability/boards-policy-regulation/uk-regulator-kicks-off-review-impact-ai-retail-finance-2026-01-27/

[viii] https://apnews.com/article/stock-markets-trump-greenland-inflation-58a6fed13a1e04afd57f0a22a2c9cfb0