



Submission

# BritishAmerican Business Submission to the Transatlantic Taskforce for Markets of the Future, January 2026

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BritishAmerican Business

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## Introduction

Launched in September 2025 during the State Visit, the Transatlantic Taskforce for Markets of the Future (TTMF) was established to shape the next chapter of US-UK financial cooperation. With a 180-day consultation period before recommendations are presented to the US-UK Financial Regulatory Working Group (FRWG), the initiative has been welcomed by industry as a commitment from both US and HM Treasury to maintain consistent engagement on emerging market developments.

Recognising the specificity of recommendations thus far on policy and regulatory changes to support the transatlantic financial services sector, BritishAmerican Business (BAB) will take a broader view in its submission. BAB emphasises that the US and UK have a unique opportunity to future-proof their capital markets, develop an innovation-friendly framework for digital assets, and ensure global competitiveness.

The market context is shifting. The future of capital markets will likely look significantly different from today's status quo. While neither the US nor UK should lose its sovereignty over its capital markets systems, global capital flows into the US and UK capital markets are no longer a given due to a mix of rising costs, heightened risk aversion, and increasingly complex compliance burdens when compared to international competitors.

This Taskforce offers a good moment to explore how to make the transatlantic financial corridor more attractive. Shifts in investor preferences towards private rather than public institutional opportunities, and rapid digitalisation provide a strong basis for alignment on best practices.

## Industry Feedback and Recommendations

### Strengthening Institutional Access to Private Markets

Institutional investors need greater access to private capital to remain competitive. The US hosts the world's largest venture capital market, accounting for the majority of global funding. The UK should consider how best to leverage US funding opportunities to reinforce the strategic importance of the US-UK corridor.

A key practical barrier is that cross-border participation still requires firms to navigate different definitions of "institutional" and "professional" investors, marketing and solicitation rules and inconsistent disclosure expectations for private offerings. The Taskforce could prioritise a shared mapping between UK professional client and US qualified institutional buyer/accredited concepts, alongside clearer guidance on when cross-border communications constitute marketing. This would reduce duplication for issuers and managers while maintaining investor protections.

Across both sides of the Atlantic, institutional investors increasingly seek private capital to support long-term growth plans. They already possess robust risk-management capabilities and fiduciary duties, reducing the need for increasingly costly regulatory intervention.

Beyond aligning rules, the Taskforce could explore mutual reliance mechanisms for supervised firms, where appropriate. For example, where an asset manager, broker, or custodian is already subject to comparable prudential and conduct oversight in one jurisdiction, the other could streamline incremental requirements for the same activity (subject to agreed conditions, supervisory information sharing and clear escalation paths). This would target duplicated compliance costs rather than diluting safeguards.

Post-Brexit, the UK has greater flexibility to design regulatory frameworks that attract private capital while maintaining investor protections. In this context, the Taskforce could explore targeted exemptions or streamlined requirements for institutional investors, enabling more efficient capital deployment while preserving strong systemic safeguards.

Liquidity constraints should also be considered. Sophisticated institutions face limited ability to rebalance exposures due to transfer restrictions, inconsistent secondary market structures and uncertainty over trading venues and intermediaries. The Taskforce could examine how to support the development of more efficient institutional secondary trading.

For the US, there is an opportunity to rebalance opportunity and safety, echoing themes raised in recent

Securities and Exchange Commission (SEC) speeches. Routes specific to qualified institutional investors, such as Rule 144A<sup>1</sup>, have played an important part in such investors' access to capital markets, and BAB supports continued discussion on whether requirements in place continue to appropriately balance risk and reward. The US remains comparatively restrictive relative to other global players, and accelerating digitalisation will intensify competitiveness challenges.

### Substituted Compliance and Regulatory Approaches

Given the US' rules-based and domestically focused approach, the UK should consider opportunities to work in parallel, rather than replicate. For example, the US and UK should agree on standardised goals, such as institutional capability, risk management, and governance, whilst enforcing them domestically.

One example raised is the recognition that post-2008 regulatory structures, such as Central Counterparty (CCP)<sup>2</sup> clearing requirements, are here to stay. However, the Taskforce could explore ways to improve flexibility within these frameworks, including enhancing access and efficiency for retail participation via intermediaries, as retail investors become a larger presence in the cleared market. This would maintain systemic safeguards while promoting market access and transatlantic competitiveness.

Another example of promoting systemic safeguards and enhancing market access and transatlantic competitiveness concerns the ability for UK CCPs serving the US market to access federal reserve master accounts to protect client collateral. Access to a central bank account for systemic CCPs serving the US or UK markets, regardless of domicile of the CCP, helps protect against financial stability concerns.

One suggested metric of success for the Taskforce is the ability to demonstrate to legislators or financial committees a tangible example of cross-border interoperability enabled by recommendations from the final report.

### Dual listings

Aligning with the UK's Financial Services Sector Plan, through the Industrial Strategy, modernising listing frameworks will benefit both US and UK businesses. BAB strongly supports closer alignment of dual listing frameworks. While it is important that both jurisdictions retain control over their regulatory systems, greater alignment can significantly reduce processing and intermediary costs.

Targeting specific friction points, such as duplicative prospectus/registration drafting, inconsistent ongoing disclosure timetables and formats, and differences in audit and assurance expectations (which need to run in parallel compliance programmes for market abuse and insider dealing controls) would be especially impactful.

There are a growing number of globally consequential companies who see the merits in listing in both the US and the UK, maximising their investor reach. Consequently, there is an opportunity for US-UK dual listings to attract global businesses by easing cost and complexity. The SEC and FCA created a good precedent of working together, demonstrated by the recent Fermi America dual listing, signalling positive momentum toward greater interoperability.

A 'fast track' pathway could be explored for issuers already meeting high disclosure and governance standards in one jurisdiction, with defined eligibility criteria and a shortened review cycle in the other. By using a single set of core disclosure materials, supplemented by a minimal local wrapper, legal and underwriting costs could be reduced without compromising standards.

Exploring the viability of a US-UK multi-jurisdictional disclosure system (MJDS) is encouraged. Existing frameworks, such as the US-Canada MJDS, demonstrate that such systems are feasible and can significantly reduce friction for cross-border listings. A US-UK MJDS, with appropriate guardrails, and baseline equivalence thresholds for governance and standards to protect each domestic market, could enable more seamless dual listings, improve efficiency, and enhance investor confidence while maintaining regulatory integrity in both jurisdictions.

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1 Rule 144A is a US SEC safe harbour that allows the resale of certain unregistered securities to Qualified Institutional Buyers (QIBs) without full SEC registration, enabling faster private institutional capital raising.

2 A CCP is a clearing house that guarantees trades by becoming the counterparty to both sides of a transaction to help manage and mutualise counterparty risk.

Dual listing alignment will become more important as markets digitise. If tokenised equities or digital share registers develop, regulators will need compatible views on what constitutes the official register, how investor rights are enforced, and how corporate actions and disclosures are distributed in near real time.

### Foreign Private Issuer (FPI) Status Changes

The Taskforce should not only propose new policies and regulatory solutions but also work to preserve existing US-UK arrangements, ensuring a stable environment for large-scale, long-term investment decisions.

BAB welcomes the SEC's recent concept release and subsequent consultation on FPI status. Historically, FPI status has primarily been used by companies from highly regulated markets such as the UK and Canada. However, its majority use has shifted toward companies incorporated in jurisdictions like the Cayman Islands, Marshall Islands, and British Virgin Islands, where meaningful regulatory oversight is limited.

In light of these changes, we support the SEC review to assess whether changed demographics of FPIs listed on US exchanges warrant reconsideration of the FPI definition. BAB hopes that the review accounts for the fact that businesses in highly regulated, developed markets such as the UK are already subject to extensive disclosure, governance and reporting requirements. We urge a considered approach which avoids unintended consequences, such as imposing additional disclosure provisions on a company that has a 'home' listing' on a regulated market with common disclosures.

### Data flows

Data flows are critical to supporting cross-border financial services and the emerging digital assets market. For digital assets, the most critical cross-border data flows include Know Your Customer (KYC), Travel Rule information exchange, sanctions and fraud screening signals, transaction monitoring data, custody/account and reconciliation data. Firms currently face uncertainty and duplication driven by inconsistent interpretations of privacy requirements, constraints on onward transfers to third parties, divergent retention and access expectations and variability in regulator requests. The result is slower onboarding and higher compliance costs.

To address these challenges, the Taskforce should build on existing frameworks to establish a trusted, streamlined approach for US-UK financial data flows, for example, by building on the UK-US Data Bridge.

### Integrating capital markets and digital assets

The UK has made substantial progress in the regulation of digital assets, positioning itself as a potential global leader in digital financial infrastructure. Initiatives such as the Bank of England and FCA Digital Securities Sandbox, tokenisation pilots, and related frameworks have helped to consolidate this leadership.

The US, having not prioritized digital assets regulation under the previous administration, is catching up rapidly through recent legislative developments, including the passing of the GENIUS Act and movement on the CLARITY Bill.

To maintain a competitive edge on both sides of the Atlantic, the US and UK should prioritise interoperability and jointly prepare for the transition to tokenised market structures.

### Institutionalising Digital Assets Markets

The inclusion of digital assets into mainstream financial markets is still relatively nascent, creating significant opportunity for the Taskforce to help set global standards.

Principle-based standards should focus on outcomes and minimum controls, including clear consumer and investor protections, credible governance and accountability, effective market integrity controls, and robust safeguarding of client assets.

Industry-driven standards and targeted rules are welcome, but attendees cautioned against over-engineering and getting lost in excessive detail at this stage. A general framework or guiding principles is preferable to premature final decisions.

US-UK alignment is critical. US Dollar-denominated stablecoins remain the most traded globally and UK engagement in this space can help reinforce the continued dominance of the dollar. Stablecoins alignment should focus on redemption rights, segregation and insolvency treatment, and disclosures and supervisory cooperation for cross-border issuers and service providers.

The UK has thoroughly discussed stablecoin frameworks and must now push forward to accelerate implementation with clear timelines and supervisory guidance to ensure a workable authorisation pathway that supports regulated issuance, custody, and integration into payment chains, to stay ahead of competing countries.

### Tokenisation and collateral infrastructure

Alignment on tokenised deposit requirements, prudential treatment, and collateral recognition is encouraged. This includes aligning standards for how GBP and USD tokenised deposits are issued and managed for greater interoperability, regulatory clarity, and efficient collateral management across both jurisdictions. Such alignment would support innovation while safeguarding financial stability.

Clarity on instrument taxonomy is also important. Tokenised deposits differ from stablecoins in prudential treatment, safeguarding and access to central bank money. A shared US-UK view on definitions would reduce misclassification risk and support consistent collateral treatment. Therefore, the Taskforce could prioritise aligned guidance on control transfers and settlement finality across systems.

The EU's MiCA and DLT Pilot Regime, along with Switzerland's FINMA and DLT Act<sup>3</sup>, have established good roadmaps for tokenised collateral. In contrast, the UK and US lag behind and remain in the discussion phase on aligning standards. Prioritising its development in the US-UK corridor is needed to accelerate progress and equalise EU advancements on tokenisation.

However, moving to fully digital processes like tokenisation is a huge shift for financial institutions that have historically been slower to adopt digital transformations due to the cost, complexity, and operational risk of significant changes. Therefore, further questioning of how institutions can phase in adoption strategies or provide incentives that reduce cost barriers is helpful.

To support this, the Taskforce could focus on adoption enablers, such as phased implementation pathways, supervisory guidance that reduces uncertainty for pilots moving to production, shared reference architectures that lower integration costs for banks, custodians, and market infrastructure providers, as well as initiatives that showcase the long-term benefits of investing in digitalisation for tokenisation infrastructure. There is an opportunity to support a common baseline for how tokenised collateral is valued and enforced.

### Tokenisation and Basel

Basel capital rules currently make it difficult for regulated traditional banks to engage in crypto and tokenisation activities, creating a competitive disadvantage and slowing innovation for the sector. While the EU and UK have begun clarifying treatment for tokenised assets under Basel capital and liquidity rules (including 3.1 implementation), global consistency is lacking. The US has not yet provided explicit recognition, resulting in uncertainty and limited adoption. Clarity would be helpful not just on capital, but also on liquidity treatment and whether tokenised versions of eligible collateral are recognised equivalently for secured funding.

Therefore, the Taskforce should ensure that tokenised forms of eligible assets receive the same regulatory treatment as their non-tokenised counterparts under Basel-aligned frameworks. This alignment between the US and UK would reduce future global fragmentation.

One suggestion for the Taskforce is to publish a joint US-UK statement on setting out the conditions for equivalent

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<sup>3</sup> EU - (MiCA) The EU Markets in Crypto-Assets Regulation: establishes a harmonised regulatory framework for crypto-assets services across the EU.

(DLT Pilot Regime) Digital Learning Technology Pilot Regime: a regulatory sandbox for market infrastructures to test the use of DLT in the trading and settlement of certain financial instruments.

Switzerland - (FINMA) Swiss Financial Market Supervisory Authority, responsible for regulating crypto-asset service providers in Switzerland. Swiss DLT Act: Integrates DLT by recognising tokenised securities and providing a legal framework for DLT-based trading and settlement systems.

prudential and liquidity treatment of tokenised forms of eligible assets and recommend a roadmap for consistent implementation.

### Data standards and financial reporting clarity

A shared lexicon of digital asset standards would help ensure interoperability in data definitions and reporting models across both jurisdictions, allowing firms to build one data model and map into both regulatory regimes. The Taskforce should review rulebooks from third markets that have developed their digital assets markets at pace, even if they differ slightly from US and UK legal frameworks, to identify best practices and promote consistency. The Taskforce could recommend a joint industry regulator working group to maintain the lexicon as a living artefact to publish versioned updates and implementation guidance.

Beyond operational standards, financial reporting clarity is equally critical. Currently, there is limited guidance that is specific to digital assets and tokenised instruments, so accounting for them falls under the requirements of existing intangible asset standards that were developed before digital assets existed<sup>4</sup>. Without clear accounting standards, issuers, and investors face uncertainty, which could hinder mainstream adoption. Although standards setting is not the key focus for promoting digital asset infrastructure in the corridor, alignment will help stability and trust for the sector as it matures.

#### Insurance and pension opportunities

The corridor has an opportunity to strengthen its insurance and pension markets. Supporting UK pension funds accessing US securitisations would help the flow of trade and capital in both directions. To achieve this, the Taskforce should kickstart discussions on changes to regulation on investing in US insurance-linked securities and natural catastrophe bonds.

The Taskforce should also work with industry to support upgrading digital infrastructure to streamline processes in insurance.

Additionally, adopting securitisations programs rather than traditional capital bonds should be encouraged to diversify risk and improve flexibility across the transatlantic insurance sector. This approach benefits both markets as it provides opportunity for greater innovation, whilst simultaneously improving resilience.

### Security Considerations

The following points are at the periphery of the Taskforce's mandate, although they directly affect and inform the capital markets and digital assets issues under consideration and have therefore been incorporated for future review.

### Managing US-UK-EU Dynamics

Industry welcomes the UK's improving relationship with the EU, however, the loss of Single Market access remains a structural barrier to cross-border service and investment opportunities. Meanwhile, the US will continue to prioritise domestic interests in the near term.

The Taskforce should therefore pursue an approach that strengthens US-UK ties, while avoiding unnecessary friction with the EU, ensuring the transatlantic corridor remains strategically aligned.

As the UK-EU relationship reset progresses, industry expressed interest in an eventual US-EU-UK dialogue on Financial Services as a longer-term objective, with a view to technical and supervisory coordination.

### National security

The recently published [US National Security Strategy](#) connects capital markets with questions of national security.

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<sup>4</sup> We note that, regarding IFRS, the IASB has an ongoing project to comprehensively review IAS 38 Intangible Assets.

Given the strength of the US-UK security partnership, there is a clear opportunity to explore how the UK can partner with the US on its financial services framework by increasing trade flows, committing to US businesses, and contributing to shared objectives outlined in the US national security strategy. To support safe cross-border innovation, the Taskforce should look to establish expectations for trusted digital financial infrastructure across the corridor, covering minimum cyber controls, third-party risk management, and secure key management standards.

### Sanctions

The Taskforce should consider the future use of sanctions as an economic impact tool for political means. Although there was significant support for the use of sanctions in response to recent conflicts, such as the Russian invasion of Ukraine, longer-term geo-political dynamics over the next decade need to be assessed.

As US and UK relations with China warm and reliance on critical minerals and goods from the region grows, a coordinated approach to potential sanctions should be discussed in the event of major state interventions. Sanctions have significant economic implications for both economies, and global capital flows are already shifting away from the US and UK/EU. One member noted that Chinese companies are already investing less in the US due to perceived future sanctions risk. The more the transatlantic corridor excludes the rest of the world, the greater the negative impact will be for the investment corridor.

Starting with the Taskforce, and leveraging the upcoming US and UK G20 Presidencies, there is an opportunity to share thinking and lead global standards settings conversations.

### Anti-Money Laundering

AML obligations are one of the highest compliance costs for the financial sector, estimated at £34bn for UK financial institutions annually, exceeding the overall UK policing budget. It is hugely important to ensure diligent AML compliance, but there are concerns that such high costs do not necessarily translate into greater effectiveness.

Future transatlantic discussions should consider how to develop a more efficient, shared AML framework that maintains strong protections whilst reducing unnecessary cost burdens on institutions.

## **Conclusion: Process and Forward-Planning**

Recognising the commitment from HM and US Treasuries to proactively engage with businesses on the 'how' 'what' and 'why' of the Taskforce's output, the final report should be viewed as a starting point for deeper collaboration through the US-UK Financial Regulatory Working Group.

The TTMF represents a generational opportunity to prepare the transatlantic financial system for the markets of the future. Although there is a transatlantic focus, the repercussions will be global.

BAB will help to prepare annual reviews tracking the status of each recommendation in the final report and looks forward to engaging with both governments and regulators in 2026 and beyond to build on the conversations initiated by this Taskforce.

BAB's response covers recommendations raised in the [2025 British American Finance Alliance](#) (BAFA) paper, which considers the integration of Taskforce input into US-UK FRWG, along with subsequent formalised industry participation in further detail.

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BritishAmerican Business is the leading transatlantic trade association incorporating the British-American Chamber of Commerce in the US and the American Chamber of Commerce in the UK.

We are committed to strengthening the economic corridor between the United States and the United Kingdom by supporting policies and actions that protect and enhance the environment for transatlantic trade and investment on behalf of our members.

We convene and serve a growing network of companies and business leaders through networking opportunities, bespoke programming and marketing platforms.

We actively promote trade and investment and support those who make the transatlantic corridor part of their business growth ambition.

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