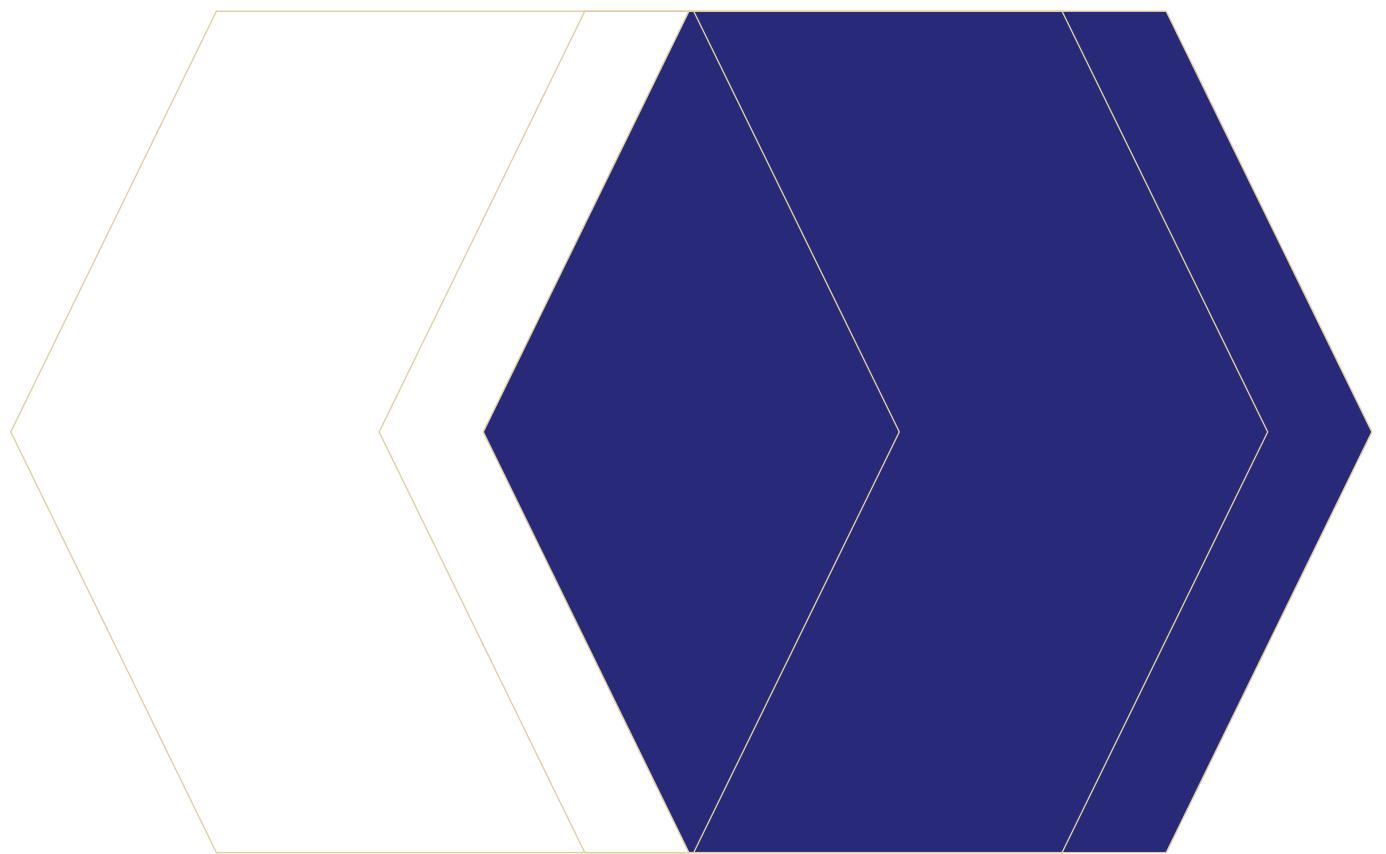




# 2026 Workplan



# I. Introduction

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This document sets out Financial Markets Standards Board (FMSB)'s proposed programme of work for 2026 across its five Committees and newly established buy-side forum. It provides an indicative view of the areas where FMSB expects to focus its efforts, recognising that priorities may evolve.

The workplan focuses on behaviour in wholesale financial markets and covers issues that may be conduct-related or operational in nature where these have the potential to affect market fairness or effectiveness.

The topics included in the workplan are intended to address one or more of the following thematic areas:

- reduce uncertainty and ambiguity in prevailing market practices;
- bridge gaps between regulation and evolving market practices or structures;
- identify and respond to emerging market threats or trends; and
- strengthen and promote the convergence of international market standards.

Sections II and III explain how this workplan has been developed and how it will be delivered. Section II sets out the principles and process by which FMSB identifies and prioritises topics for consideration. Section III describes the proposed programme of work for 2026, including ongoing initiatives, new work expected to commence in the first half of 2026 and potential topics.

## II. Topic Selection

### How does FMSB horizon scan?

Subject matter experts across FMSB's five Committees are responsible for horizon scanning and topic selection. These Committees are (i) Market Practices; (ii) Electronic Trading and Technology; (iii) Sustainable Finance; (iv) Conduct & Ethics; and (v) Market Infrastructure and Operations. Key sources informing the Committee horizon scanning process include:

- Practitioner dialogue
- Issues experienced by users of wholesale markets
- Dialogue with UK and international regulators and public authorities
- Engagement with broader industry stakeholders
- Consideration of emerging industry themes
- Our [Future of financial markets](#) report

Once a topic has been prioritised by a Committee and approved by the Standards Board, a Working Group, made up of subject matter experts from across the membership, is formed to debate and develop the materials.

### How does FMSB decide its workplan?

From the list of potential topics identified through the horizon scanning process, topic selection is narrowed and prioritised taking into account factors including:

|                             |  |
|-----------------------------|--|
| <b>Relevance to mandate</b> | Does the topic relate to: <ul style="list-style-type: none"> <li>• Behaviour in wholesale markets (either of a conduct or operational nature)</li> <li>• Uncertainties and ambiguities in current market practices</li> <li>• Bridging the gap between regulation and market developments</li> <li>• Wholesale market threats or trends</li> <li>• Strengthening international market standards</li> </ul> |
| <b>Impact</b>               | <ul style="list-style-type: none"> <li>• Materiality of the topic for financial market participants</li> <li>• Suitability of the topic for market standards or other FMSB outputs</li> <li>• Level of demand and relevance for end users</li> <li>• Geographic scope of the issue (local, regional, or global)</li> </ul>   |
| <b>Role of FMSB</b>         | <ul style="list-style-type: none"> <li>• Appropriateness of FMSB as the body to address the issue</li> <li>• Overlap with regulatory or other industry initiatives</li> </ul>  |
| <b>Timing</b>               | <ul style="list-style-type: none"> <li>• Timeliness of addressing the issue</li> <li>• Novelty and urgency of the topic</li> </ul>   |
| <b>Complexity</b>           | <ul style="list-style-type: none"> <li>• Likelihood of achieving sufficient market consensus</li> <li>• Competition law considerations and feasibility of mitigation</li> </ul>  |

### III. Workplan

| FMSB Committee   | Topic                              | Topic overview  | Status  |
|------------------|------------------------------------|---|---|
| Market Practices | Pre-hedging disclosure and consent | <p>Pre-hedging is where liquidity providers aim to hedge inventory risk in an anticipatory manner. With the release of IOSCO's Pre-Hedging Final Report, the Working Group will explore industry guidance on disclosure and consent (building on B2 and B3 of the IOSCO recommendations and existing industry codes and guidance including our <a href="#">Large Trades Standard</a>).</p>  | Working Group established                               |
|                  | Grey market trading                | <p>Grey market trading (GMT) is the conditional trading of securities relating to a new issue from the point of deal announcement until such securities are free-to-trade. This <a href="#">Statement of Good Practice</a> is intended to promote a common understanding of the purpose, benefits and risks associated with GMT across issuers, investors and market makers; and identify key considerations for syndicate banks prior to deciding to conduct grey market trading in different contexts.</p>  | Transparency Draft published; Final publication H1 2026 |
|                  | Market quotation mechanisms        | <p>Certain derivative contracts rely on third-party dealers to exercise expert judgement to provide a valuation at a specific point in time, typically as a fallback where market data or bilateral agreement is unavailable. These market quotation mechanisms are widely used across asset classes and contractual contexts, including close-outs, termination events, disrupted reference prices and collateral valuation.</p> <p>In practice, dealers are often reluctant to respond to such requests due to the absence of financial incentives and concerns relating to conduct, litigation and benchmark-related risks. This can limit the effectiveness and reliability of market quotations as a valuation tool. FMSB is exploring whether behavioural guidance on responding to such requests could help support more consistent and constructive market practices.</p> | Exploratory work Q1 2026                                |

| FMSB Committee                           | Topic   | Topic overview  | Status                          |
|--|---|---|---------------------------------|
|  | <b>New issuance swaps</b>   | In 2018, FMSB issued a <a href="#">Standard</a> considering the conduct risks associated with risk management transactions for new issuances. Market practices around the pricing of new issuance swaps and associated anticipatory risk management approaches have evolved since 2018, potentially presenting novel conduct questions.   | <b>Exploratory work Q1 2026</b> |
|  | <b>Price discovery</b>  | Price discovery refers to the process of establishing price or depth of liquidity in a product. This workstream would involve examining the distinction between genuine price discovery and potential illegitimate behaviours such as spoofing.   | <b>Potential workstream</b>     |
| <b>Electronic Trading and Technology</b> | <b>Market-facing applications of AI</b>   | <p>As highlighted in the <a href="#">Future of financial markets</a> report, AI is increasingly being adopted in trading and execution activities. As market participants explore such market-facing applications, the risks associated with such use cases will differ from internal applications. Furthermore, broad definitions of AI potentially capture both traditional machine learning techniques used in e-trading, as well as novel generative AI and natural language processing applications.</p> <p>The focus of the Working Group is on market-facing AI applications in wholesale markets, distinguishing between more traditional and novel use cases, the potential risks these pose to firms, clients and markets as well as how firms may think about mitigating such risks.</p> | <b>Publication Q1 2026</b>      |
|  | <b>Application of model risk management frameworks to electronic trading algorithms</b> | Market-facing AI use cases are typically embedded within models and algo trading systems which are already governed by strict control frameworks. There will be a potential update to the model risk management <a href="#">Statement of Good Practice</a> to reflect changes in the control environments with respect to AI applications and ensure that existing and new risks are appropriately managed.   | <b>Potential workstream</b>     |
| <b>Sustainable Finance</b>               | <b>Horizon scanning</b>   | Sustainable Finance Committee to meet in Q1 2026 to discuss areas of focus. This workplan will be updated to include the topics identified.   | <b>Horizon scanning</b>         |

| FMSB Committee                       | Topic                            | Topic overview  | Status  |
|--------------------------------------|----------------------------------|---|---|
| Conduct & Ethics                     | Non-financial risk               | <p>Non-financial risk (NFR) is a core component of enterprise-wide risk management and has become an increasingly important driver of firms' strategic planning and decision-making. Evolving market expectations and regulatory developments have contributed to divergent approaches to NFR governance, policies, processes and supporting infrastructure across firms and jurisdictions. At the same time, the effective identification, escalation and prioritisation of non-financial risks may be hindered by organisational design, fragmented accountability and other challenges to robust oversight. This work will seek to identify areas where FMSB could support greater clarity and consistency in market practice, including consideration of strategy, governance, culture and the balance between behavioural considerations and controls.</p> | Ongoing   |
|                                      | Non-financial misconduct         | <p>In October 2024, the FCA published the findings of its culture and non-financial misconduct survey, highlighting themes including governance, management information, detection effectiveness, confidentiality agreements, whistleblowing and regulatory references. FMSB's work will seek to promote a common understanding of good practice in some of these areas and support continued cross-industry improvements in conduct and behaviour.</p>   | Ongoing   |
| Market Infrastructure and Operations | Client onboarding                | <p>This <a href="#">Standard</a> streamlines the data points, documents and sources which are acceptable to populate such data points, for the purpose of standard KYC under the UK regulatory framework.</p>   | <b>Publication of country sheets January 2026</b>           |
|                                      | Standard settlement instructions | <p>This <a href="#">Standard</a> codifies existing best practice for the sharing of SSIs, in particular, the use of pre-authenticated solutions which allow for automation and introduces new manual templates consistent with ISO20022 for use where such automation is not legally or operationally feasible.</p>   | <b>Publication of updated manual templates January 2026</b> |

| FMSB Committee | Topic   | Topic overview  | Status                      |
|----------------|---|---|-----------------------------|
|                | <b>Digital Identity</b>                           | This Working Group is considering the technological attributes required to prove provenance (digital ID) as well as the data elements (digital passport) which may be commonly needed to be demonstrated, for selected use cases in the post-trade area.  | <b>Ongoing</b>              |
|                | <b>Due diligence questionnaire for cyber risk</b> | Firms are required to conduct due diligence on their critical third parties, including in relation to cyber risk. This has led to a proliferation of cyber-related questionnaires being issued to third parties and financial market infrastructure providers, often with differing content and formats. As a result, responding can be time-consuming and challenging. Greater standardisation of such questionnaires could improve efficiency and consistency for both requesting and responding firms. | <b>Potential workstream</b> |
|                | <b>Stablecoins and tokenised deposits</b>         | Building on the future of financial markets review, this workstream would consider use cases for stablecoins and tokenised deposits in wholesale markets and the opportunities and risks these may present.   | <b>Potential workstream</b> |

| FMSB Committee | Topic                 | Topic Overview  | Status                |
|----------------|-----------------------|---|-----------------------|
|                | <b>Buy-side forum</b> | <p>FMSB is establishing dedicated focus sessions to:</p> <ul style="list-style-type: none"> <li>• Provide buy-side members with a forum to raise potential topics for consideration by FMSB Committees;</li> <li>• Enable FMSB Committees or Working Groups to engage with buy-side Members to obtain feedback relevant to their work; and</li> <li>• Allow buy-side firms to develop common positions in a buy-side-only forum.</li> </ul> | <b>Launch Q1 2026</b> |