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REGULATORY OUTLOOK · 2026 to 2028

Risk Management: The Calendar to 2028

SR 26-2 was the headline event of April. It will not be the last. Between now and 2028, the regulatory calendar in the UK, the US and the EU lands obligations across three streams simultaneously: regulatory **capital** (Basel 3.1, FRTB, the US Basel III Endgame reproposal); **AI** (EU AI Act Annex III, the US interagency RFI, the PRA's technology-neutral supervisory dialogue); and **model risk** (SR 26-2, SS1/23, the ECB's revised Guide to Internal Models). This note collects the items currently scheduled, the ones expected, and the dates that are likely to move. It is written for Chief Risk Officers planning the work through to 2028.

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WHAT CHANGED IN THE OCTOBER 2026 UPDATE

- The EU **Digital Omnibus** (Regulation (EU) 2026/1744) entered into force on 27 July 2026. EU AI Act **Annex III** high-risk obligations, including credit scoring, move from 2 August 2026 to **2 December 2027**; **Annex I** moves from 2 August 2027 to **2 August 2028**.
- **Article 50** transparency obligations applied from 2 August 2026, with a 2 December 2026 deadline for machine-readable marking by GenAI systems already on the market.
- On **19 October 2026** the FCA published *AI in financial services: good practice and areas for improvement*.
- Other items are as published in May 2026. Changed and new items are marked in the calendar.

1 JAN 2027
BASEL 3.1 & FRTB-SA UK AND EU

2 DEC 2027
EU AI ACT ANNEX III HIGH-RISK

1 JAN 2028
UK FRTB-IMA LIVE

17 JAN 2028
DORA TLPT FIRST CYCLE COMPLETE

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01

Three Streams, Three Jurisdictions

The regulatory work between now and 2028 sits across three streams that touch the same teams (regulatory capital, AI, and model risk) and is supervised in three jurisdictions on three different timetables. The matrix below is the planning view. Where dates are firm, they are given; where dates are signalled but not yet published, that is flagged.

	UNITED KINGDOM	UNITED STATES	EUROPEAN UNION
CAPITAL BASEL 3.1 / FRTB / OUTPUT FLOOR	Basel 3.1 from **1 January 2027**; FRTB-IMA delayed to **1 January 2028**. The Strong & Simple final phase for SDDTs starts on 1 January 2027. Pillar 2 rebasing data is due on **31 March 2026**, and ICAAPs move to a Basel 3.1 / SDDT basis from January 2027. The BoE's second System-Wide Exploratory Scenario runs in 2026/27.	The Basel III Endgame was **reproposed on 19 March 2026** and is materially less capital-additive than the 2023 NPR. Comments close on **18 June 2026**; the final rule is expected in late 2026, with implementation as soon as 2027. The trading-book threshold has been raised from $1B to $5B.	CRR3 has been in force since January 2025; FRTB has been postponed to **1 January 2027**. The EBA ESG Risk Management Guidelines apply from 11 January 2026 (and from 11 January 2027 for SNCIs). The EBA EU-wide stress test integrates climate from 2027.
AI GOVERNANCE / SCOPE / DUTIES	SS1/23 already covers AI/ML in scope. **AI has been named a 2026 supervisory priority.** The AI Consortium report and the biennial AI survey are both expected in H2 2026, and the FCA Mills Review is running in parallel. **On 19 October 2026 the FCA published its AI good and poor practice review** — no new rules, but clear expectations under existing ones. No UK AI-specific rules are planned; the BoE/PRA approach remains technology-neutral.	SR 26-2 explicitly excludes generative and agentic AI. An interagency RFI on AI is **expected in H2 2026** and will cover MRM generally and banks' use of generative, agentic and AI-based models. Any resulting principles are likely to land in 2027.	**The Digital Omnibus (Regulation (EU) 2026/1744), in force since 27 July 2026,** deferred Annex III high-risk obligations, which cover credit scoring and creditworthiness assessment, to **2 December 2027**, and Annex I to **2 August 2028**. Article 50 transparency obligations apply from **2 August 2026**.
MODEL RISK MRM FRAMEWORK / VALIDATION / GOVERNANCE	SS1/23 has been in force since May 2024, and annual self-assessments and remediation continue. David Bailey's September 2025 thematic feedback ended the grace period, so expectations are now actively supervised. The **SS5/25 climate-risk gap analysis is due on 3 June 2026.** SMF accountability remains the binding constraint on group MRM.	SR 26-2 replaced SR 11-7 on **17 April 2026**. It is principles-based, non-enforceable and narrower in scope, and applies above the $30B threshold. Validation rigour is valued over structural independence. The forthcoming AI RFI will shape the next iteration of US guidance, expected in 2027.	The ECB Guide to Internal Models was updated on 28 July 2025, with a new ML section, refined IRB validation and CRR3 alignment. EBA work on ML for IRB models continues. ESA Guidelines on ESG scenario analysis are expected to apply during H1 2026.

Gold text marks content changed in the October 2026 update.

02

The Calendar, in Order: 2026

Items are in chronological order of the next binding action point. The tag in each header indicates the stream (Capital, AI, Model Risk) and the jurisdiction. Items marked *expected* have been signalled by the relevant authority but not yet placed on a public timetable.

1

31 March 2026 · Pillar 2 rebasing data submission

CAPITAL · UK PRUDENTIAL REGULATION AUTHORITY

This is the submission deadline for the 2025 Pillar 2 rebasing exercise. Existing requirements are being rebased for 2026 ahead of Basel 3.1 implementation. Boards are expected to seek assurance on RWA calculation accuracy. Data quality is being flagged as a recurring driver of supervisory findings, so invest in lineage and controls before submission, not after.

2

3 June 2026 · PRA SS5/25 climate gap analysis deadline

MODEL RISK · UK PRUDENTIAL REGULATION AUTHORITY

SS5/25 replaced SS3/19 on 3 December 2025. Firms must complete an internal review of alignment with the updated expectations, identify gaps, and agree a credible remediation plan by 3 June 2026. The PRA has been clear that this is not an implementation period; it is the runway before supervisory engagement begins.

3

18 June 2026 · US Basel III Endgame reproposal: comments close

CAPITAL · US OCC · FEDERAL RESERVE · FDIC

The reproposal was published on 19 March 2026 across three coordinated rules (Basel III, the GSIB surcharge, and the Standardised Approach). It is materially less capital-additive than the 2023 NPR, and overall capital is expected to "modestly decrease". The 90-day comment window and bipartisan board support point to a final rule before year-end and implementation as soon as 2027. The trading-book threshold for the most complex market-risk requirements has been raised from $1B to $5B.

4

Q2/Q3 2026 · US interagency RFI on AI *(expected)*

AI · US OCC · FEDERAL RESERVE · FDIC

The agencies committed in SR 26-2 to issue an RFI addressing model risk management generally and banks' use of generative, agentic and AI-based models. No date has been published. Group MRM teams should pre-position a coordinated response covering AI inventory, governance, validation approach and human oversight.

5

2 August 2026 · EU AI Act: Article 50 transparency obligations apply UPDATED OCT 2026

AI · EU EUROPEAN COMMISSION · NATIONAL COMPETENT AUTHORITIES

Customers must be told when they are interacting with an AI system, and AI-generated content must be marked. Annex III high-risk obligations, originally due on this date, were deferred to 2 December 2027 by the Digital Omnibus (Regulation (EU) 2026/1744), in force since 27 July 2026. Deferred, not cancelled: use the time to finish conformity work rather than pause it.

6

H2 2026 · PRA AI Consortium report and biennial AI survey

AI · UK BANK OF ENGLAND · PRA · FCA

The AI Consortium is examining explainability and transparency in generative AI, agentic AI, AI-accelerated contagion, and credit-risk and trading edge cases. Its forthcoming report and the next biennial AI survey will set the tone for PRA supervisory questions through 2027. The FCA Mills Review, launched in January 2026, runs in parallel and is expected to feed into Consumer Duty guidance.

7

19 October 2026 · FCA: AI good practice and areas for improvement NEW

AI · UK FINANCIAL CONDUCT AUTHORITY

No new rules, but a clear statement of what the FCA treats as good practice under existing rules: monitoring real-world outcomes rather than technical metrics, structured evaluation of GenAI outputs, SMF ownership from design, an inventory of AI use cases and the models behind them, and contractual notice of vendor model changes. Gap-assess GenAI governance against it.

8

2 December 2026 · EU AI Act: Art. 50(2) content-marking deadline NEW

AI · EU EUROPEAN COMMISSION

Providers of generative AI systems placed on the market before 2 August 2026 must apply machine-readable marking to AI-generated content. Confirm the position with each GenAI vendor.

02

The Calendar: 2027 and 2028

9

1 January 2027 · Basel 3.1 implementation: UK and EU

CAPITAL · UK + EU PRA · EUROPEAN COMMISSION · EBA

The output floor, the revised credit-risk standardised approach, IRB recalibrations and the FRTB Standardised Approach all go live. New written notices on saved IRB permissions take effect from this date. The Strong & Simple final phase for UK SDDTs lands the same day, with simplified Pillar 2A methodologies and a revised buffer framework.

10

1 January 2027 · FRTB-IMA application cut-off (UK)

CAPITAL · UK PRUDENTIAL REGULATION AUTHORITY

UK FRTB-IMA implementation has been delayed to 1 January 2028, but PRA decisions on IMA permission applications are unlikely if applications are submitted after 1 January 2027; affected desks would default to the SA at go-live. For globally active firms still triangulating between US, EU and UK timelines, this is the binding internal cut-off for the IMA pack.

11

11 January 2027 · EBA ESG Risk Management Guidelines: SNCIs

MODEL RISK · EU EUROPEAN BANKING AUTHORITY

The EBA Guidelines on the management of ESG risks have applied to other institutions since 11 January 2026. From 11 January 2027 the Guidelines also apply to small and non-complex institutions. ESG risk identification, measurement and management must be embedded across credit, market, operational and reputational risk frameworks.

12

March 2027 · PRA standardised reporting for operational incidents

MODEL RISK · UK PRUDENTIAL REGULATION AUTHORITY

The final policy was published in March 2026 and comes into force in March 2027. It introduces standardised reporting for operational incidents and material third-party dependencies. The Critical Third Parties regime advances in parallel, and SIMEX26 will sector-test resilience.

13

2027 · EBA EU-wide stress test: combined climate integration

CAPITAL · EU EUROPEAN BANKING AUTHORITY

The EBA's gradual integration of climate risk into the EU-wide stress test begins in 2027 with a combined-approach exercise. Banks should expect the first wave of supervisory questions on the mapping of NGFS scenarios to Pillar 1 risk parameters during the year.

14

2027 · US Basel III Endgame: implementation expected

CAPITAL · US OCC · FEDERAL RESERVE · FDIC

A 2027 implementation start follows from a late 2026 finalisation. The practical question for in-scope US banks is the multi-year transition profile and how output-floor mechanics interact with internal model permissions during the ramp.

15

2 December 2027 · EU AI Act: Annex III high-risk obligations apply UPDATED OCT 2026

AI · EU EUROPEAN COMMISSION · NATIONAL COMPETENT AUTHORITIES

Deferred from August 2026 by the Digital Omnibus. Obligations cover conformity assessments, technical documentation, risk management, data governance, post-market monitoring, transparency, human oversight and registration in the EU AI database. Credit scoring and creditworthiness assessment are explicitly Annex III.

16

January 2028 · UK FRTB-IMA live and DORA TLPT first cycle complete

CAPITAL · UK / OP RESILIENCE · EU PRA · ECB · NCAS

On **1 January 2028**, UK FRTB-IMA implementation lands; existing IMA permissions will not be saved at cutover, and positions outside granted scope will move to the ASA. On **17 January 2028**, the first DORA threat-led penetration test must complete for designated significant institutions. Scoping needs to be in place during 2026 and live testing during 2027.

17

2 August 2028 · EU AI Act: Annex I high-risk obligations apply UPDATED OCT 2026

AI · EU EUROPEAN COMMISSION

High-risk obligations for AI embedded as a safety component in regulated products, deferred from August 2027 by the Digital Omnibus. For most banks the residual exposure is limited; confirm it through the AI inventory.

03

At a Glance

DATE	STREAM	JURIS.	ITEM	ACTION CARRIED IN PLAN
31 Mar 2026	CAPITAL	UK	Pillar 2 rebasing data submission	Board assurance on RWA calculation
3 Jun 2026	MODEL RISK	UK	PRA SS5/25 climate gap analysis	Internal review and remediation plan
18 Jun 2026	CAPITAL	US	Basel III Endgame reproposal: comments due	Industry response; impact reassessment
Q2/Q3 2026	AI	US	Interagency RFI on AI (expected)	Pre-position group response; align with SS1/23
2 Aug 2026 •	AI	EU	EU AI Act: Article 50 transparency applies	AI disclosure on customer-facing tools
H2 2026	AI	UK	PRA AI Consortium report and biennial survey	Refresh AI register; brief board
19 Oct 2026 •	AI	UK	FCA AI good practice and areas for improvement	Gap-assess GenAI governance; brief SMFs
2 Dec 2026 •	AI	EU	EU AI Act: Art. 50(2) content-marking deadline	Confirm vendor marking of AI content
2026/27	OP RES.	UK	HMT Critical Third Party designations	Map AI infrastructure dependencies
1 Jan 2027	CAPITAL	UK + EU	Basel 3.1 and FRTB-SA implementation	Lock model permissions in 2026; output floor
1 Jan 2027	CAPITAL	UK	Strong & Simple final phase; FRTB-IMA cut-off	SDDT Pillar 2A; submit IMA pack by Q4 2026
11 Jan 2027	MODEL RISK	EU	EBA ESG Risk Management Guidelines: SNCIs	Embed ESG factors in risk frameworks
Mar 2027	OP RES.	UK	PRA standardised operational incident reporting	Reporting taxonomy; data pipeline
2027	CAPITAL	EU	EBA stress test: combined climate integration	NGFS scenario mapping to risk parameters
2027	CAPITAL	US	Basel III Endgame implementation (expected)	Multi-year transition profile
2 Dec 2027 •	AI	EU	EU AI Act: Annex III high-risk applies	Conformity assessment; FRIA; AI database
Jan 2028	CAP. + OR	UK + EU	UK FRTB-IMA live (1 Jan); DORA TLPT cycle complete (17 Jan)	Cutover IMA permissions; close TLPT cycle
2 Aug 2028 •	AI	EU	EU AI Act: Annex I high-risk applies	Annex I product-embedded review

• Changed or added in the October 2026 update.

PRACTITIONER INSIGHT

The window to 2028 is heavier than 2024 to 2025, and it does not flatten in the second half. Three workstreams matter most for a group risk function: Basel 3.1 model-permission discipline into January 2027; EU AI Act readiness for December 2027 — deferred, not cancelled; and a group AI policy that holds the SS1/23 line for the models MRM can validate, governs GenAI on its own terms, and stays ready for whatever the US RFI surfaces. The US Basel III Endgame is a fourth, with a 2027 implementation start realistic.

The risk is not failure on any one item. **It is capacity.** Validation, MRM, FO modelling and legal teams will be drawn into all four workstreams concurrently, with the same evidence base feeding multiple supervisory dialogues. The Chief Risk Officers who finish 2027 cleanly will be the ones who kept MRM for the models it can validate, governed GenAI around the use case, and mapped their evidence once so that jurisdiction-specific submissions draw from it.

Planning your 2026/27 risk and capital book of work?

We work with banks on regulatory roadmap design, SS1/23 self-assessments, GenAI governance, EU AI Act conformity assessment, FRTB and Basel 3.1 model permission packs, and DORA TLPT scoping across the US, UK and EU.

GET IN TOUCH

VIEW ALL INSIGHTS

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