

The Banking Law Journal

Established 1889

An A.S. Pratt™ PUBLICATION

July-August 2026

Editor's Note: The Dragon Awakens

Victoria Prussen Spears

The Dragon Awakens: China's Banking Industry and Regulatory Reform

Lerong Lu

World Bank's Revised Integrity Compliance Guidelines: Key Takeaways

Sam Eastwood, Johannes Weichbrodt, Kelly B. Kramer, Michel Sancovski, Edouard Gergondet, Paul Whitfield-Jones, Hormis Kallarackel and Elinam Odumala

Staking Out the Perimeter: Securities and Exchange Commission Outlines Limits of Jurisdiction Over Digital Assets

Matthew B. Hanson, Andrew Michaelson, Kimberly A. Prior, Russell Sacks, Daniel Kahan and Bowen Hiatt

New Approval and Notification Requirements for Transactions by CRR Credit Institutions and (Mixed) Financial Holding Companies

Marcel Hörauf and Ulrike Binder

FinCEN Issues Exceptive Relief From Beneficial Ownership Identification and Verification Requirements at Each Account Opening

David Stier, Jeffrey Hare, Dillon Guthrie and Christian Ford



LexisNexis

THE BANKING LAW JOURNAL

VOLUME 143

NUMBER 7

July-August 2026

Editor's Note: The Dragon Awakens Victoria Prussen Spears	319
The Dragon Awakens: China's Banking Industry and Regulatory Reform Lerong Lu	321
World Bank's Revised Integrity Compliance Guidelines: Key Takeaways Sam Eastwood, Johannes Weichbrodt, Kelly B. Kramer, Michel Sancovski, Edouard Gergondet, Paul Whitfield-Jones, Hormis Kallarackel and Elinam Odumala	341
Staking Out the Perimeter: Securities and Exchange Commission Outlines Limits of Jurisdiction Over Digital Assets Matthew B. Hanson, Andrew Michaelson, Kimberly A. Prior, Russell Sacks, Daniel Kahan and Bowen Hiatt	345
New Approval and Notification Requirements for Transactions by CRR Credit Institutions and (Mixed) Financial Holding Companies Marcel Hörauf and Ulrike Binder	355
FinCEN Issues Exceptive Relief From Beneficial Ownership Identification and Verification Requirements at Each Account Opening David Stier, Jeffrey Hare, Dillon Guthrie and Christian Ford	363

QUESTIONS ABOUT THIS PUBLICATION?

For questions about the **Editorial Content** appearing in these volumes or reprint permission, please call or email:

Matthew T. Burke at (800) 252-9257
Email: matthew.t.burke@lexisnexis.com

For assistance with replacement pages, shipments, billing or other customer service matters, please call or email:

Customer Services Department at (800) 833-9844
Outside the United States and Canada, please call (518) 487-3385
Fax Number (800) 828-8341
Customer Service Website <http://www.lexisnexis.com/custserv/>

For information on other Matthew Bender publications, please call

Your account manager or (800) 223-1940
Outside the United States and Canada, please call (937) 247-0293

ISBN: 978-0-7698-7878-2 (print)

ISSN: 0005-5506 (Print)

Cite this publication as:

The Banking Law Journal (LexisNexis A.S. Pratt)

Because the section you are citing may be revised in a later release, you may wish to photocopy or print out the section for convenient future reference.

This publication is designed to provide authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of their employer, its clients, RELX, LexisNexis, Matthew Bender & Co., Inc., or any of its or their respective affiliates.

LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. Matthew Bender, the Matthew Bender Flame Design, and A.S. Pratt are registered trademarks of Matthew Bender Properties Inc.

Copyright © 2026 Matthew Bender & Company, Inc., a member of LexisNexis. All Rights Reserved.

No copyright is claimed by LexisNexis or Matthew Bender & Company, Inc., in the text of statutes, regulations, and excerpts from court opinions quoted within this work. Permission to copy material may be licensed for a fee from the Copyright Clearance Center, 222 Rosewood Drive, Danvers, Mass. 01923, telephone (978) 750-8400.

Editorial Office
101 Park Ave., 24th Floor, New York, NY 10178 (800) 543-6862
www.lexisnexis.com

MATTHEW  BENDER

Editor-in-Chief, Editor & Board of Editors

EDITOR-IN-CHIEF

STEVEN A. MEYEROWITZ

President, Meyerowitz Communications Inc.

EDITOR

VICTORIA PRUSSEN SPEARS

Senior Vice President, Meyerowitz Communications Inc.

BOARD OF EDITORS

CARLETON GOSS

Partner, Hunton Andrews Kurth LLP

DOUGLAS LANDY

White & Case LLP

PAUL L. LEE

Of Counsel, Debevoise & Plimpton LLP

MICHAEL D. LEWIS

Partner, Sidley Austin LLP

TIMOTHY D. NAEGELE

Partner, Timothy D. Naegele & Associates

STEPHEN J. NEWMAN

Partner, Steptoe & Johnson LLP

ANDREW OLMEM

Partner, Mayer Brown LLP

THE BANKING LAW JOURNAL (ISBN 978-0-76987-878-2) (USPS 003-160) is published ten times a year by Matthew Bender & Company, Inc. Periodicals Postage Paid at Washington, D.C., and at additional mailing offices. Copyright 2026 Reed Elsevier Properties SA., used under license by Matthew Bender & Company, Inc. No part of this journal may be reproduced in any form—by microfilm, xerography, or otherwise—or incorporated into any information retrieval system without the written permission of the copyright owner. For customer support, please contact LexisNexis Matthew Bender, 1275 Broadway, Albany, NY 12204 or e-mail Customer.Support@lexisnexis.com. Direct any editorial inquiries and send any material for publication to Steven A. Meyerowitz, Editor-in-Chief, Meyerowitz Communications Inc., 26910 Grand Central Parkway, #18R, Floral Park, NY 11005, smeyerowitz@meyerowitzcommunications.com, 631.291.5541. Material for publication is welcomed—articles, decisions, or other items of interest to bankers, officers of financial institutions, and their attorneys. This publication is designed to be accurate and authoritative, but neither the publisher nor the authors are rendering legal, accounting, or other professional services in this publication. If legal or other expert advice is desired, retain the services of an appropriate professional. The articles and columns reflect only the present considerations and views of the authors and do not necessarily reflect those of the firms or organizations with which they are affiliated, any of the former or present clients of the authors or their firms or organizations, or the editors or publisher.

POSTMASTER: Send address changes to THE BANKING LAW JOURNAL, LexisNexis Matthew Bender, 230 Park Ave, 7th Floor, New York, NY 10169.

POSTMASTER: Send address changes to THE BANKING LAW JOURNAL, A.S. Pratt & Sons, 805 Fifteenth Street, NW, Third Floor, Washington, DC 20005-2207.

World Bank's Revised Integrity Compliance Guidelines: Key Takeaways

***By Sam Eastwood, Johannes Weichbrodt, Kelly B. Kramer,
Michel Sancovski, Edouard Gergondet, Paul Whitfield-Jones,
Hormis Kallarackel and Elinam Odumala****

In this article, the authors review the revised Integrity Compliance Guidelines issued last year by the World Bank and explain that they are both a risk signal and an opportunity for entities participating in World Bank financed projects.

The World Bank last year issued the first full update of its Integrity Compliance Guidelines¹ in 15 years. The revised Guidelines set out the World Bank's standards and expectations of companies seeking conditional release from debarment. It also explores what is regarded as a credible integrity compliance programme for entities participating in World Bank financed projects.

In parallel, the World Bank's 2025 Annual Report reveals record levels of financing, a strategic focus on jobs and private sector mobilisation. Taken together, these factors suggest increased opportunity alongside the greater scrutiny for companies engaged in World Bank financed operations.

Whilst these Guidelines will not automatically apply to other multilateral development banks (MDBs), there is significant coordination and harmonisation among MDBs on integrity and sanctions standards, and many MDBs have mechanisms that result in close alignment.

For U.S.-headquartered groups and U.S.-listed issuers, these revisions also map closely onto familiar expectations around program effectiveness, third-party risk management, and investigation response. These are issues that can carry parallel consequences in U.S. enforcement and, for government-facing businesses, U.S. contracting, False Claims Act and related suspension and debarment risk.

The most important developments for businesses are:

- *Obstruction is to be addressed as an inherent risk.* Obstruction of audits

* The authors who are attorneys at Mayer Brown may be contacted at seastwood@mayerbrown.com, jweichbrodt@mayerbrown.com, kkramer@mayerbrown.com, msancovski@mayerbrown.com, egergondet@mayerbrown.com, pwhitfield-jones@mayerbrown.com and hkallarackel@mayerbrown.com, respectively. Elinam Odumala is a trainee solicitor at the firm.

¹ <https://documents1.worldbank.org/curated/en/099553012082564794/pdf/IDU-aa1f2ca2-33b5-4d3e-a56b-d76aba3ce93b.pdf>.

or investigations is treated not only as a prohibited practice, but as a risk that must be addressed through policies, training and investigation protocols. Companies are expected to incorporate “no obstruction” principles into record keeping, audit response procedures, and staff guidance on interactions with MDB investigators.

- *Recurring risk assessments.* The Guidelines now explicitly call for regular (ideally annual) integrity risk assessments that cover business lines, geographies, third-party use, technology and lessons learned from incidents and enforcement. Ad hoc or one-off reviews are unlikely to be sufficient in higher risk sectors or markets.
- *Tighter controls on business development and bidding.* The Guidelines stress the accuracy of representations in bids and proposals, including CVs and past performance claims. Companies are encouraged to implement and document clear controls over who prepares, reviews, and approves submissions, with segregation of duties.
- *Technology and AI considerations.* Where technology (including AI tools or chatbots) is used for compliance guidance or screening, it should be subject to governance, tested and auditable. Technology risk should also be explicitly considered in risk assessments.
- *Expansions of provisions relating to whistleblowing, PEPs and “soft power” payments.* Reporting channels should extend to key third parties, with non retaliation protections. Definitions of public officials and Politically Exposed Persons (PEPs) have been broadened, and political donations, charitable contributions and sponsorships are treated as core compliance topics, subject to risk based due diligence, approvals and contractual safeguards.
- *More prescriptive third party and supply chain governance.* The Guidelines call for risk-based onboarding, robust contractual protections (including audit and termination rights), and ongoing monitoring of high-risk third parties, consortia, and joint ventures. They also call for evidence that controls work in practice.

These revisions to the Guidelines point to higher expectations from the World Bank for organisations seeking financing from the World Bank, particularly in the context of sustained sanctions activity, cross-debarment, and increased use of remedial action plans highlighted in the 2025 Annual Report. For organisations, a practical response should involve:

- Conducting a focused gap analysis of policies and procedures against the revised Guidelines;

- Tightening risk assessment processes, including technology and obstruction risk; and
- Enhancing business development, M&A and third party controls, supported by clear governance and documentation.

COMMENTARY AND ANALYSIS

The World Bank Group's revised Integrity Compliance Guidelines raise the bar for companies involved in World Bank financed projects. They sharpen expectations on programme design, implementation and testing, and sit alongside the World Bank Group Annual Report 2025, which highlights increased financing and continued reliance on sanctions, cross debarment and remedial action plans.

- *Obstruction and cooperation.* Obstruction of audits and investigations remains a prohibited practice, but is now also a programme-design issue. Companies should adopt clear prohibitions on obstructing World Bank and other MDB inquiries, robust document retention and legal hold procedures, investigation protocols for responding to MDB requests, and targeted training for project, finance, and client-facing staff. How a firm cooperates with MDB inquiries will be treated as a key indicator of programme maturity.
- *Integrity risk assessment.* The Guidelines call for comprehensive, regularly updated risk assessments covering the full workforce, affiliates, joint ventures and intermediaries, higher risk projects and markets, and lessons learned from incidents and enforcement. Boards and senior management are expected to engage directly. Organisations relying on sporadic or informal reviews will need structured, periodic assessments with documented outputs and follow through.
- *Culture, governance and “tone from the middle.”* Formal policies are insufficient if incentives and behaviour diverge in practice. The Guidelines emphasise role modelling by middle management in commercial and operational roles, integrating integrity criteria into performance and promotion decisions, and regular, targeted communications that translate high level standards into concrete expectations. Compliance responsibilities, resourcing and reporting lines to senior management and the board should be clearly defined.
- *M&A and corporate development.* Acquisitions and other transactions are expressly in scope. Acquirers should assess targets' exposure to MDB financed projects, conduct risk based integrity due diligence (including MDB debarment checks and scrutiny of public sector

interactions), and implement post closing integration plans with clear ownership and milestones. Transaction documents for MDB financed deals are expected to include integrity representations, audit and information access rights, and mechanisms to adjust or exit where serious issues are identified, reflecting the increasingly group-wide treatment of MDB risk.

CONCLUSION

Overall, the revised Guidelines confirm that credible, well-governed integrity programmes are now central to accessing and maintaining eligibility for World Bank financed opportunities. For businesses, the revised Guidelines are both a risk signal and an opportunity. Those that proactively align policies, controls and culture with World Bank expectations—particularly around obstruction, risk assessment, bidding, M&A, and third-party governance—will be better placed to secure MDB financed work, manage investigations and preserve eligibility across global project portfolios.