GIBSON DUNN

Derivatives, Legislative and Regulatory Weekly Update (March 15, 2024)

Client Alert | March 15, 2024

From the Derivatives Practice Group: *This month, we've seen both domestic and international activity in the Voluntary Carbon Markets space. This issue addresses both an ISDA response to IOSCO, and the CFTC's Climate-Related Market Risk Subcommittee.*

New Developments

- **The Market Risk Advisory Committee's Future of Finance and Climate-Related Market Risk Subcommittees to Meet on March 15**. Two subcommittees of the Market Risk Advisory Committee will hold public meetings on Friday, March 15 from 9:30 a.m. to 12:30 p.m. (EDT) at the CFTC's Washington, D.C. headquarters. The Future of Finance Subcommittee and Climate-Related Market Risk Subcommittee will, separately, continue workstreams, including examining the potential risks that emerge in connection with increasing adoption of artificial intelligence in global financial markets and the risks that arise in connection with carbon derivatives markets with a particular focus on fraud and greenwashing, market integrity, product design, and disclosure. [NEW]
- **CFTC's Global Markets Advisory Committee Advances Three Recommendations**. On March 7, the CFTC's Global Markets Advisory Committee (GMAC), sponsored by Commissioner Caroline D. Pham, advanced three new recommendations intended to (1) promote U.S. Treasury markets resiliency and efficiency, (2) provide resources on the upcoming transition to T+1 securities settlement, and (3) publish a first-ever digital asset taxonomy to support U.S. regulatory clarity and international alignment.
- **CFTC's Market Risk Advisory Committee to Meet**. The CFTC's Market Risk Advisory Committee (MRAC) will meet on April 9 at 9:30 am ET. The MRAC will consider current topics and developments in the areas of central counterparty risk and governance, market structure, climate-related risk, and emerging technologies affecting derivatives and related financial markets.
- **CFTC Staff Issues Advisory Regarding FBOT Regulatory Filings**. On March 1, the CFTC's Division of Market Oversight announced that it issued an advisory notifying all foreign boards of trade (FBOTs) registered under Part 48 of the CFTC's regulations that, beginning April 1, 2024, certain regulatory filings (covered filings) should be submitted through the CFTC's online filings portal, which has been updated for FBOT use. The portal has been available to registered FBOTs for the submission of public filings since March 1. Covered filings will be accepted via email until March 31. Beginning April 1, FBOTs should submit all Covered Filings exclusively through the portal.
- **CFTC Extends Public Comment Period for Proposed Rule on Real-Time Public Reporting Requirements and Swap Data Recordkeeping and Reporting Requirements**. On February 26, the CFTC announced that it is extending the deadline for the public comment period on a proposed rule that makes certain modifications to the CFTC's swap data reporting rules in Parts 43 and 45 related to the reporting of swaps in the other commodity asset class and the data element appendices to Parts 43 and 45 of the CFTC's regulations. The deadline is being extended to April 11, 2024. The proposed rule was published in

Related People

Jeffrey L. Steiner

Adam Lapidus

Marc Aaron Takagaki

Hayden McGovern

Karin Thrasher Barry

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit us at www.gibsondunn.com. | **www.gibsondunn.com**

the Federal Register on December 28, 2023, with a 60-day comment period scheduled to close on February 26, 2024.

New Developments Outside the U.S.

- **SFC Issues Guidance on Disciplinary Process Under Virtual Assets Regime**. On February 28, Hong Kong's Securities and Futures Commission (SFC) published a guide outlining the disciplinary process under the new licensing regime for virtual asset trading platforms (AMLO VATP Regime). Under the new regime, introduced via an amendment to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the SFC has the power to discipline its licensees, comprising firms, their responsible officers and those involved in their management, if it finds that such licensee's conduct suggests that it is, or was at any time, guilty of misconduct or not fit and proper. The disciplinary process under the AMLO VATP Regime is based largely on the disciplinary process applicable to persons licensed by or registered with the SFC (including those involved in their management) under the Securities and Futures Ordinance (Cap. 571). The SFC indicated that when determining whether to take disciplinary action and the level of sanction, the SFC will consider, among other things, the nature and seriousness of the conduct, the amount of profits accrued or loss avoided, and circumstances specific to the firm or individual.

New Industry-Led Developments

- **ISDA Submits Response to IOSCO Voluntary Carbon Markets Consultation**. On March 1, ISDA submitted a response to IOSCO's Voluntary Carbon Markets Consultation Report. The response welcomes IOSCO's work on developing good practices for regulation of voluntary carbon markets (VCMs), as well as its recognition of the critical role that financial market participants play in VCMs. ISDA explains that clear legal and regulatory categorization of voluntary carbon credits is key to building liquidity in order to support scaling VCMs and to develop safe, efficient markets in Voluntary Carbon Credit derivatives. [NEW]
- **ISDA Submits Response to the UK Financial Conduct Authority's Money Market Funds Consultation**. On March 8, ISDA responded to the UK Financial Conduct Authority's (FCA) consultation on updating the regime for money market funds (MMF). In the response, ISDA highlights its support for using MMFs as collateral for non-cleared derivatives margin requirements and the advancement of tokenized MMFs to be used as collateral to increase collateral mobility, reduce collateral-related transaction costs and related settlement risks. [NEW]
- **ISDA Publishes Whitepaper Charting the Next Phase of India's OTC Derivatives Market**. On March 4, ISDA published a new whitepaper that explores the growth of India's financial markets and makes a series of market and policy recommendations to encourage the further development of a safe and efficient over-the-counter (OTC) derivatives market. The whitepaper proposes several initiatives that industry participants and regulators could take that ISDA believes will create deeper and more liquid domestic derivatives markets and enhance risk management practices. The recommendations are centered on five key pillars: (1) Broaden product development, innovation and diversification; (2) Foster adoption of similar market and risk principles across regulatory regimes; (3) Enhance market access and diversification of participants in the OTC derivatives market; (4) Ensure growth in a safe and efficient manner; and (5) Encourage greater alignment with international principles and practices.
- **ISDA Extends Digital Regulatory Reporting InitiativeDRR: The Answer to Reporting Rule Rush**. On February 26, ISDA reported that it has worked to extend its Digital Regulatory Reporting (DRR) initiative to cover the rush of reporting rules, which starts with Japan on April 1, followed by the EU on April 29, the UK on September 30 and Australia and Singapore on October 21. ISDA stated

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit us at www.gibsondunn.com. | **www.gibsondunn.com**

that iIn each case, regulators are revising their rules to incorporate globally agreed data standards in an effort to improve the cross-border consistency of what is reported and the format in which it is submitted – a process that started in December 2022 with the rollout of the first phase of the US Commodity Futures Trading Committee's revised swap data reporting rules.

The following Gibson Dunn attorneys assisted in preparing this update: Jeffrey Steiner, Adam Lapidus, Marc Aaron Takagaki, Hayden McGovern, and Karin Thrasher. Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these developments. Please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm's Derivatives practice group, or the following practice leaders and authors: Jeffrey L. Steiner, Washington, D.C. (202.887.3632, jsteiner@gibsondunn.com) Michael D. Bopp, Washington, D.C. (202.955.8256, mbopp@gibsondunn.com) Michelle M. Kirschner, London (+44 (0)20 7071.4212, mkirschner@gibsondunn.com) Darius Mehraban, New York (212.351.2428, dmehraban@gibsondunn.com) Jason J. Cabral, New York (212.351.6267, jcabral@gibsondunn.com) Adam Lapidus – New York (+1 212.351.3869, alapidus@gibsondunn.com) Stephanie L. Brooker, Washington, D.C. (202.887.3502, sbrooker@gibsondunn.com) Roscoe Jones Jr., Washington, D.C. (202.887.3530, rjones@gibsondunn.com) William R. Hallatt, Hong Kong (+852 2214 3836, whallatt@gibsondunn.com) David P. Burns, Washington, D.C. (202.887.3786, dburns@gibsondunn.com) Marc Aaron Takagaki, New York (212.351.4028, mtakagaki@gibsondunn.com) Hayden K. McGovern, Dallas (214.698.3142, hmcgovern@gibsondunn.com) Karin Thrasher, Washington, D.C. (202.887.3712, kthrasher@gibsondunn.com) © 2024 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit us at www.gibsondunn.com. Attorney Advertising: These materials were prepared for general informational purposes only based on information available at the time of publication and are not intended as, do not constitute, and should not be relied upon as, legal advice or a legal opinion on any specific facts or circumstances. Gibson Dunn (and its affiliates, attorneys, and employees) shall not have any liability in connection with any use of these materials. The sharing of these materials does not establish an attorney-client relationship with the recipient and should not be relied upon as an alternative for advice from qualified counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.

Related Capabilities

Derivatives

Energy and Infrastructure

Power and Renewables

Oil and Gas

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit us at www.gibsondunn.com. | **www.gibsondunn.com**