

GIBSON DUNN

This Week in Derivatives

December 5, 2025

From the Derivatives Practice Group: This week, the CFTC announced the first-ever listed spot crypto trading on U.S. regulated exchange.

New Developments

Acting Chairman Pham Announces First-Ever Listed Spot Crypto Trading on U.S. Regulated Exchanges. On December 4, Chairman Caroline D. Pham announced that listed spot cryptocurrency products will begin trading for the first time in U.S. federally regulated markets on CFTC registered futures exchanges. This announcement follows [recommendations](#) by the President's Working Group on Digital Asset Markets and [stakeholder insights](#) from the CFTC's [Crypto Sprint](#) and [cooperative engagement](#) with the Securities and Exchange Commission. The Crypto Sprint also launched public consultations on all other recommendations from the President's Working Group report relevant to the CFTC. [NEW]

Acting Chairman Pham Announces Reforms to Wells Process, and Amendments to the Rules of Practice and the Rules Relating to Investigations. On December 1, Chairman Caroline D. Pham announced the Commission is [amending](#) its Rules of Practice and its Rules Relating to Investigations. The amended Rules of Practice seek to enhance the transparency of the Commission's enforcement actions, including changes to ensure an accurate and complete administrative record by improving internal memoranda to the

Commission when the Division of Enforcement recommends an enforcement action. [NEW]

Acting Chairman Pham Announces CFTC Interpretation to Unlock Over \$22 Billion of Collateral and Promote American Competitiveness. On November 25, Chairman Caroline D. Pham announced that the CFTC's Market Participants Division published an [interpretation](#) to clarify the circumstances under which a futures commission merchant may post customer-owned securities and securities purchased with customer funds with foreign brokers and foreign clearing organizations to margin customers' foreign futures and foreign options positions in compliance with Part 30 of CFTC regulations. [NEW]

CFTC Staff Issues CPO No-Action Letter. On November 21, the CFTC's Market Participants Division announced it has issued a [no-action letter](#) to the Structured Finance Association, in the context of qualifying credit risk transfer transactions engaged in by their member financial institutions, and certain commodity pool operator (CPO) requirements. [NEW]

U.S. Senate Agriculture Committee Advances CFTC Chair Nominee. On November 20, the U.S. Senate Committee on Agriculture, Nutrition, and Forestry advanced Michael Selig's nomination to serve as Chairman and Commissioner of the CFTC to the full Senate for consideration.

CFTC to Resume Publishing COT Reports. On November 18, the CFTC announced that it would resume publishing Commitments of Traders (COT) reports on November 19 and released a [schedule](#) for the publication of reports that were interrupted during the lapse in federal government appropriations. According to the CFTC, the reports will be published in chronological order beginning November 19 at 3:30 p.m. (ET). The CFTC said that it will increase publication frequency allowing for the backlog to be cleared by the report scheduled for Jan. 23.

New Developments Outside the U.S.

ESMA Welcomes Commission's Ambitious Proposal on Market Integration. On December 4, ESMA announced that it welcomes the European Commission's [legislative proposal](#) on market integration and supervision. According to ESMA, the package represents a major step towards deeper and more efficient EU capital markets and reflects many of the recommendations set out in ESMA's 2024 Position Paper on building more effective and attractive capital markets in the EU. [NEW]

ESMA to Launch Common Supervisory Action on MiFID II Conflicts of Interest Requirements. On December 2, ESMA announced that it will launch a Common Supervisory Action (CSA) with National Competent Authorities on conflicts of interest in the distribution of financial instruments. The CSA will assess how firms comply with their obligations under MiFID II to identify, prevent, and manage conflicts of interest when offering investment products to retail clients. [NEW]

ESAs Designate Critical ICT Third-Party Providers. On November 18, the European Supervisory Authorities published the [list](#) of designated critical information and communication technology (ICT) third-party providers under the Digital Operational Resilience Act.

ESMA Identifies Measures to Further Enhance Depositary Supervision. On November 17, ESMA published the results of a [peer review](#) that assessed the supervision of depositaries, in particular their oversight and safekeeping obligations. According to ESMA, the peer review found that the foundational frameworks for the supervision of depositaries are in place, but also found notable divergences across jurisdictions in terms of the depth and maturity of supervisory approaches.

New Industry-Led Developments

ISDA Responds to Bank of England on Gilt Market Resilience. On December 5, ISDA [responded](#) to the Bank of England's [discussion paper](#) on gilt market resilience. In the response, ISDA encourages the Bank of England, before introducing any significant policy changes that would affect the functioning of the gilt repo market, to consider the prudential requirements on capital and liquidity in relation to repo transactions, in conjunction with monetary policy and financial stability, to avoid unintended and detrimental consequences for the UK gilt market and firms' risk management practices. [NEW]

ISDA Publishes Note on Determining Initial Reference Index for New Trades referencing CPI-U. On November 25, ISDA published a [Market Practice Note](#) to recommend a specific methodology that market participants could elect to use for the purposes of determining the Initial Reference Index for certain new inflation derivative transactions given that the Bureau of Labor Statistics has confirmed it will not publish the October 2025 level of the "USA – Non-revised index of Consumer Prices for All Urban Consumers (CPI-U)" as defined in the 2008 ISDA Inflation Derivatives Definitions. [NEW]

ISDA Responds to FCA on Progressing Fund Tokenization. On November 21, ISDA [responded](#) to the Financial Conduct Authority's (FCA) consultation paper CP25/28 on progressing fund tokenization. In the response, ISDA focuses on the

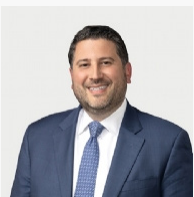
use of tokenized assets as both cleared and non-cleared derivatives collateral. Tokenization presents a significant opportunity in the derivatives market, improving risk management through the accelerated movement of collateral and is critical to facilitating 24/7 trading with sound risk management practices. [NEW]

ISDA Responds to CFTC Tokenized Collateral and Stablecoin Initiative. On November 21, ISDA [responded](#) to the CFTC's request for input on the Tokenized Collateral and Stablecoin Initiative, offering perspectives on how tokenization and GENIUS Act-compliant payment stablecoins might contribute to more efficient and resilient collateral practices in derivatives markets. [NEW]

ISDA Publishes Paper Highlighting Changes in OTC IRD Markets. On November 20, ISDA published a [paper](#) highlighting changes in over-the-counter interest rate derivatives (IRD) markets between April 2022 and April 2025 based on data from the Bank for International Settlements (BIS) Triennial Central Bank Survey. ISDA said that global IRD average daily turnover rose by nearly 60% to \$7.9 trillion in April 2025 from \$5.0 trillion in April 2022, attributing the increase to strong growth in euro-denominated IRD trading.

ISDA Publishes Report Analyzing IRD Activity in Mainland China and Hong Kong. On November 19, ISDA published a [report](#) examining market growth, structure, and integration across onshore and offshore centers in mainland China and Hong Kong, with a particular focus on renminbi (RMB)-denominated IRD.

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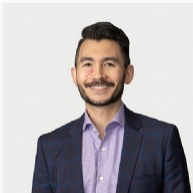
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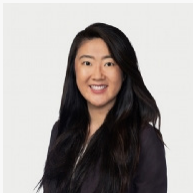
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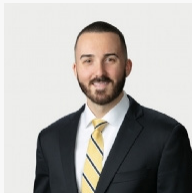
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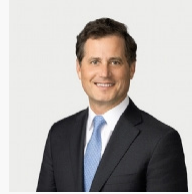
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