



This Week in Derivatives

January 23, 2026

From the Derivatives Practice Group: This week, the CFTC and the SEC announced that they will hold a joint event on harmonization and U.S. financial leadership in the crypto era.

New Developments

Chairman Selig to Sponsor the CFTC's Agricultural Advisory Committee. On January 23, CFTC Chairman Michael S. Selig announced that he will sponsor the CFTC's Agricultural Advisory Committee (AAC). The CFTC is seeking nominations to fill current vacancies on the AAC. Submissions must be received by February 18. [NEW]

CFTC and SEC to Hold Joint Event on Harmonization, U.S. Financial Leadership in the Crypto Era. On January 22, CFTC Chairman Michael S. Selig and SEC Chairman Paul S. Atkins announced that they will hold a joint event on Tuesday, January 27, from 10 a.m. to 11 a.m. ET at CFTC headquarters to discuss harmonization between the two agencies and their efforts to deliver on President Trump's promise to make the U.S. the crypto capital of the world. [NEW]

CFTC Chairman Selig Announces Senior Staff Appointments. On January 20, CFTC Chairman Michael S. Selig announced two senior staff appointments in his office. Michael Passalacqua joins the CFTC as senior advisor to Chairman Selig. Prior to joining the Commission, Passalacqua practiced law in the New York office of

Simpson Thacher & Bartlett LLP. Cal Mitchell also joins the CFTC as senior advisor to Chairman Selig. Previously, Mitchell served as special advisor in the Office of Legislative Affairs at the U.S. Department of the Treasury. [NEW]

Chairman Selig Launches the CFTC Innovation Advisory Committee. On January 12, CFTC Chairman Michael S. Selig launched the [Innovation Advisory Committee](#) (IAC) to gather expertise and recommendations on innovation in financial markets. The IAC has been renamed from the former Technology Advisory Committee. The CFTC said that the body will include a balance of viewpoints representing the financial industry, regulatory bodies, financial technology providers, public interest groups, academia, and market infrastructure firms. Chairman Selig will sponsor this committee and intends to nominate the [CEO Innovation Council](#) participants as its charter members. Chairman Selig is also seeking nominations for additional IAC membership. Submissions must be received by January 31, 2026.

New Developments Outside the U.S.

ISDA Publishes Note on Key Trends in the Size and Composition of OTC Derivatives Markets in the First Half of 2025. On January 22, ISDA published a [research note](#) on the latest data from the Bank for International Settlements (BIS) over-the-counter (OTC) derivatives statistics, which showed an increase in notional outstanding of OTC derivatives during the first half of 2025 compared to the first half of 2024. Notional outstanding rose across all major asset classes, including interest rate derivatives, foreign exchange, and equity and commodity derivatives. [NEW]

ISDA and UK Finance Respond to FCA and HMT Consultations. On January 16, ISDA and UK Finance [responded](#) to both the consultation on streamlining the UK European Market Infrastructure Regulation (UK EMIR) intragroup regime by the Financial Conduct Authority's (FCA) and the draft statutory instrument from His Majesty's Treasury (HMT). ISDA is supportive of creating a more permanent, streamlined intragroup regime and, while welcoming the proposals, has recommended further simplifications. The proposals aim to create a permanent, more streamlined intragroup regime for UK EMIR and also includes making intragroup exemptions currently enabled by TIGER permanent. [NEW]

European Supervisory Authorities and UK Financial Regulators Sign MoU on Oversight of Critical ICT Third-party Service Providers under DORA. On January 14, the European Supervisory Authorities (ESAs) signed a [Memorandum of Understanding](#) (MoU) with the Bank of England, the Prudential Regulation Authority, and the Financial Conduct Authority. ESMA said that the agreement enhances cooperation between the authorities to oversee critical information and

communication technology (ICT) third-party service providers as required by the Digital Operational Resilience Act (DORA) and establishes clear principles and procedures for cooperation, information sharing, and coordination of oversight activities.

ESMA Promotes Clarity in Communications on ESG Strategies. On January 14, ESMA published a [second thematic note](#) on sustainability-related claims, focusing on ESG strategies. ESMA said that the note concentrates on ESG integration and ESG exclusions because, in ESMA's view, references to these strategies are often made by market participants and widely referenced in marketing communications directed to retail investors. Similarly to the [first thematic note](#) on ESG credentials, ESMA noted, this publication offers practical do's and don'ts for making sustainability claims.

ESMA Adopts Digital and Data Strategies to Support Supervision of EU Financial Markets. On January 13, ESMA adopted a new [Digital Strategy](#) and updated its [Data Strategy](#). ESMA noted that the updates reflect its commitment to smarter regulatory reporting and technology-driven supervision, promote synergies and innovation while reducing unnecessary complexity. According to ESMA, the digital strategy aims to continue ESMA's digital transformation, while the Data Strategy update is oriented to capitalize on opportunities to simplify, better integrate, and streamline data management and technology.

New Industry-Led Developments

ISDA Publishes Report on Credit Derivatives Trading Activity Reported in EU, UK and US Markets. On January 12, ISDA published a [report](#) analyzing credit derivatives trading activity reported in Europe. The analysis shows European credit derivatives transactions based on the location of reporting venues (EU versus UK) and product type. The report also compares European-reported credit derivatives trading activity to what is reported in the US.

Practice Members



Jeffrey L. Steiner
Washington, D.C.
+1 202.887.3632
jsteiner@gibsondunn.com



Michael D. Bopp
Washington, D.C.
+1 202.955.8256
mbopp@gibsondunn.com



Michelle M. Kirschner
London
+44 20 7071.4212
mkirschner@gibsondunn.com



Darius Mehraban
New York
+1 212.351.2428
dmehraban@gibsondunn.com



Jason Cabral
New York
+1 212.351.6267
jcabral@gibsondunn.com



Adam Lapidus
New York
+1 212.351.3869
alapidus@gibsondunn.com



Stephanie L. Brooker
Washington, D.C.
+1 202.887.3502
sbrooker@gibsondunn.com



William R. Hallatt
Hong Kong
+852.2214.3836
whallatt@gibsondunn.com



David P. Burns
Washington, D.C.
+1 202.887.3786
dburns@gibsondunn.com



Marc Aaron Takagaki
New York
+1 212.351.4028
mtakagaki@gibsondunn.com

Karin Thrasher
Washington, D.C.
+1 202.887.3712
kthrasher@gibsondunn.com

Alice Yiqian Wang
Washington, D.C.
+1 202.777.9587
awang@gibsondunn.com

**Alice Wang, a law clerk in the firm's Washington, D.C. office, is not admitted to practice law.*

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