



This Week in Derivatives

January 30, 2026

From the Derivatives Practice Group: This week, the CFTC and the SEC held a joint event on harmonization and U.S. financial leadership in the crypto era. During the event, CFTC Chairman Selig offered his first public remarks since joining the Commission.

New Developments

CFTC and SEC Hold Joint Event on Harmonization, U.S. Financial Leadership in the Crypto Era. On January 29, the CFTC and the SEC held a joint event 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. During the event, Chairman Selig provided his first public remarks since joining the Commission. [NEW]

CFTC Chairman Offers First Public Remarks as CFTC Chairman. On January 29, CFTC Chairman Michael S. Selig offered his first [public remarks](#) as CFTC Chairman at the CFTC-SEC Joint Event on Harmonization "U.S. Financial Leadership in the Crypto Era." During his remarks, Chairman Selig announced that the CFTC is partnering with the SEC on [Project Crypto](#) to "advance a clear crypto asset taxonomy, clarify jurisdictional lines, remove duplicative compliance requirements, and reduce regulatory fragmentation." Chairman Selig specifically discussed priorities including expanding eligible tokenized collateral, creating

onshore pathways for perpetual derivatives, and facilitating permissionless innovation. Additionally, Chairman Selig said that he has directed CFTC staff to draft rules to foster leveraged, margined, and financed trading, both on- and off-exchange and explore the creation of a new category of DCM registration that is tailored specifically to retail leveraged, margined, or financed crypto asset trading. He also committed to working closely with the SEC to identify opportunities to better align regulatory requirements across markets and examine whether substituted compliance can achieve equivalent or better regulatory outcomes at lower costs for market participants. With respect to prediction markets, or “event contracts,” Chairman Selig highlighted his recent actions directing CFTC staff to (1) withdraw the [2024 event contracts rule proposal](#) prohibiting political and sports-related event contracts and the [cautionary 2025 staff advisory](#) regarding access to sports-related event contracts, (2) move forward with drafting an event contracts rulemaking, (3) reassess the Commission’s participation in currently pending litigation with an eye toward defending its exclusive jurisdiction over commodity derivatives, and (4) work with SEC counterparts to develop a joint interpretation on Title VII definitions intended to draw a clearer line between certain commodity and security options, CFTC-regulated swaps, and SEC-regulated security-based swaps. [NEW]

CFTC Announces Tyler S. Badgley as General Counsel. On January 28, the CFTC announced that Tyler S. Badgley has been named the agency’s General Counsel. Badgley comes to the CFTC from the U.S. Department of the Treasury, where he served as the Deputy General Counsel and, previously, Executive Secretary. Prior to his time at Treasury, he was Senior Counsel at the U.S. Chamber of Commerce Litigation Center. [NEW]

CFTC Staff Issues No-Action Letter, Announces Implementation Updates to 2024 Large Trader Reporting Rule. On January 27, the CFTC’s Division of Market Oversight (DMO) announced it has taken a [no-action position](#) regarding the compliance date for the Part 17 large trader reporting final rule in response to a request from the Futures Industry Association. DMO will not recommend the Commission take enforcement action against futures commission merchants, clearing members, foreign brokers, or designated contract markets for failure to comply with the 2024 Part 17 large trader reporting [final rule](#). The no-action relief will extend for 18 months after CFTC staff execute the actions referenced below. [NEW]

CFTC Chairman Selig Announces Alex Titus as Chief Advisor. On January 26, Chairman Selig announced Alex Titus as Chief Advisor to the Chairman. Titus joins the CFTC after serving as Chief of Staff at the White House Council of Economic Advisers under Chairman Stephen Miran and Acting Chairman Pierre Yared. [NEW].

Chairman Selig to Sponsor the CFTC's Agricultural Advisory Committee. On January 23, Chairman 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.

CFTC Chairman Selig Announces Senior Staff Appointments. On January 20, Chairman 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 Developments Outside the U.S.

ESMA Signs Memorandum of Understanding with the Reserve Bank of India. On January 27, ESMA signed a Memorandum of Understanding with the Reserve Bank of India (RBI) to facilitate cooperation and exchange of information for the recognition of central counterparties established in India and supervised by RBI. This agreement marks a significant step towards restoring access for EU clearing members to Indian central counterparties and follows two years of sustained engagement between ESMA and RBI. [NEW]

New Industry-Led Developments

ISDA Publishes Paper on Climate Risk Scenario Analysis for the Trading Book: Phase 4. On January 29, ISDA published a [paper](#) that it said reviews, from a trading book perspective, the short-term scenarios recently published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). ISDA also noted that the paper provides a set of market risk shocks consistent with two of those NGFS scenarios. [NEW]

ISDA Publishes Paper on the Development of a Safe and Efficient OTC Commodity Derivatives Market in India. On January 27, ISDA published a [white paper](#) that it said explores the case for broadening the use of over-the-counter (OTC) commodity derivatives in India and considers the necessary steps to make this a reality. ISDA indicated its belief that the development of a robust and liquid OTC commodity derivatives market in India could support the continued growth of India's economy given its significant reliance on commodities. [NEW]

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.

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.

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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