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This Week in Derivatives

March 27, 2026

From the Derivatives Practice Group: This week, the CFTC launched the Innovation Task Force, which is charged with executing on the Commission's innovation agenda and will coordinate with federal agencies and departments on innovation initiatives.

New Developments

Chairman Selig Announces Formation of New Innovation Task Force. On March 24, CFTC Chairman Michael S. Selig launched the Innovation Task Force, which is dedicated to advancing clear rules of the road for American innovators building novel products and technologies within U.S. derivatives markets. The Innovation Task Force, in partnership with the Innovation Advisory Committee, will work with the Commission to develop a clear regulatory framework for innovators focused on: (i) crypto assets and blockchain technologies; (ii) artificial intelligence and autonomous systems; and (iii) prediction markets and event contracts. [NEW]

CFTC Staff Amends Brexit-Related No-Action Positions for Additional UK Trading Facilities. On March 24, the CFTC's Division of Market Oversight (DMO) [announced](#) it is amending no-action positions in connection with the withdrawal of the United Kingdom from the European Union, known as Brexit. Specifically, DMO is amending Appendix A to [CFTC Staff Letter 24-11](#) to include OptAxe Limited and Capitolis UK Limited as additional eligible U.K. trading facilities covered by the no-action positions in that staff letter. [NEW]

CFTC Staff Issues FAQs Concerning Registrant and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies.

On March 20, the CFTC's Market Participants Division and Division of Clearing and Risk published responses to [frequently asked questions](#) concerning registrant and registered entity activities relating to crypto assets and blockchain technologies. The responses provide further clarity to market participants on topics addressed in CFTC Staff Letter [25-39](#) (Tokenized Collateral Guidance) and CFTC Staff Letter [26-05](#) (Staff No-Action Position Regarding Digital Assets Accepted as Margin Collateral).

CFTC and MLB Sign Groundbreaking MOU. On March 19, the CFTC and the MLB announced the signing of a [Memorandum of Understanding](#) (MOU), the first of its kind between the CFTC and a professional sports league. The MOU establishes a framework for the CFTC and MLB to discuss, cooperate, and exchange information concerning issues of common interest including protecting the integrity of professional baseball and the relating prediction markets.

CFTC Joins SEC to Clarify the Application of Federal Securities Laws to Crypto Assets.

On March 17, the CFTC joined the SEC in issuing an [interpretation](#) clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets. The CFTC joined the interpretation to provide guidance the CFTC and its staff will administer the Commodity Exchange Act consistent with the SEC's interpretation. According to the CFTC, this is a major step in the agencies' efforts to provide greater clarity regarding the treatment of crypto assets, and complements Congressional endeavors to codify a comprehensive market structure framework into statute.

CFTC Staff Issues No-Action Position to Self-Custodial Crypto Asset Wallet Software Provider.

On March 17, the CFTC's Market Participants Division announced it has issued a [no-action position](#) in response to a request from Phantom Technologies Inc., a developer of self-custodial crypto asset wallet software. It states that, subject to certain specified conditions, MPD will not recommend the Commission take an enforcement action against Phantom or its relevant personnel for failure to register as an introducing broker or associated person of an introducing broker solely in relation to these activities.

CFTC Chairman Selig Announces Jessica Harris as Director, Division of Data and Chief Data Officer.

On March 16, CFTC Chairman Michael S. Selig announced Jessica Harris as director, Division of Data, and chief data officer. Harris's background encompasses surveillance, market conduct, data standards, and financial regulation over a career spanning 25-years.

New Developments Outside the U.S.

SEC Confirms Exemption for Directors and Officers of EEA Foreign Private Issuers Market Abuse Post Trading. On March 18, the SEC decided to [exempt](#) directors and officers of European Economic Area (EEA) foreign private issuers (FPIs) from the reporting requirements under Section 16(a) of the US Securities Exchange Act of 1934. The SEC's decision means that directors and officers of EEA FPIs will not be required to comply with specific US [reporting obligations](#).

ESMA Sets Out Actions to Simplify the Retail Investor Journey and Make Investing More Accessible. On March 12, ESMA published its [takeaways](#) from the 2025 Call for Evidence on the retail investor journey. Taking into account the input from stakeholders, ESMA outlined a number of actions and operational improvements it will take forward to make it easier for retail investors to access suitable investment opportunities.

EU Financial Markets Enter 2026 Amid High-risk Environment. On March 11, ESMA published its first [risk monitoring report](#) of 2026, outlining the key risks and vulnerabilities in EU financial markets. ESMA found that risks of market and systemic stress remain high despite resilient market performance in the second half of 2025.

New Industry-Led Developments

ISDA Publishes Paper on FRTB Rules in Brazil. On March 24, ISDA submitted a [paper](#) to the Banco Central do Brazil on its implementation of the revised market risk framework under the Fundamental Review of the Trading Book (FRTB). According to ISDA, this paper identifies specific aspects of the Brazilian FRTB implementation where refinements could support a more effective and sustainable framework. These include the treatment of alternative sensitivities and curvature risk, calendar and tenor conventions, foreign exchange shock calibration and several other technical and drafting issues. [NEW]

ISDA Responds to FCA CP26/8 on CFI Codes for Derivatives Transparency. On March 19, ISDA [responded](#) to Chapter 3 of the UK Financial Conduct Authority's (FCA) [Quarterly Consultation](#) CP26/8 on transparency requirements for financial instruments under Market Conduct Sourcebook (MAR) 11. According to ISDA, Sections 3.11-3.13 of the consultation paper explain a discrepancy between the over-the-counter derivatives in scope of public transparency and the Classification of Financial Instruments codes permissible when making trades transparent, and

propose a change to Note 1 of Annex 1 of MAR 11 to resolve that discrepancy.
[NEW]

IOSCO Publishes Consultation Report on Good Practices Concerning Over-the-counter Commodities Derivatives Markets. On March 19, IOSCO published a [Consultation Report](#) on Good Practices concerning over-the-counter Commodity Derivatives Markets. This report invites comments on proposed good practices intended to support the effective implementation of IOSCO's Principles for the Regulation and Supervision of Commodity Derivatives Markets, with a particular focus on strengthening the implementation of Principles 12, 15, and 161 in the context of related OTC markets.

ISDA Publishes Paper on Safe, Efficient Markets for SFTs. On March 12, ISDA [published](#) a report on securities financing transactions (SFTs). ISDA's paper identifies the structural and regulatory drivers that influence secured funding availability under different market conditions and outlines targeted advocacy priorities aimed at supporting resilient, efficient and well-supervised SFT markets. It also considers the differences in accounting, data and prudential frameworks for SFTs and derivatives – along with emerging digital asset developments – that can create barriers to holistic trading book risk management, including efficient cross-product netting sets, liquidity management and collateral efficiencies.

ISDA, GFXD, UK Finance, LMA Respond to HMT on UK BMR Reform. On March 11, ISDA, the Global Foreign Exchange Division of the Global Financial Markets Association, UK Finance and the Loan Market Association [responded](#) jointly to a [consultation](#) from His Majesty's Treasury (HMT) on the future regulatory regime for benchmarks and benchmark administrators. The associations support the HMT proposals to replace the existing UK Benchmark Regulation (BMR), which was onshored from the EU and has wide regulatory reach, with a regime that would regulate only those benchmarks and benchmark administrators that may pose systemic risks to UK financial markets.

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