

GIBSON DUNN

This Week in Derivatives

April 10, 2026

From the Derivatives Practice Group: This week, the CFTC announced the members of the Innovation Task Force.

New Developments

CFTC Announces Innovation Task Force Staff. On April 10, the CFTC announced the members of the Innovation Task Force (ITF). The CFTC said that the ITF will work with the CFTC to develop a clear regulatory framework for innovators focused on crypto assets and blockchain technologies; artificial intelligence and autonomous systems; and prediction markets and event contracts. The complete list of ITF members can be found [here](#). [NEW]

CFTC Announces Agricultural Advisory Committee Members. On April 10, the CFTC announced the members of the Agricultural Advisory Committee (AAC). Chairman Selig is the sponsor of the AAC and nominated Emma Johnston as the committee's designated federal officer. The complete list of AAC members can be found [here](#). [NEW]

CFTC Seeks to Enjoin Arizona Criminal and Civil Enforcement Against Prediction Markets. On April 8, the CFTC filed a motion in the U.S. District Court for the District of Arizona asking the court for a preliminary injunction and temporary restraining order that would halt Arizona's efforts to apply state criminal and gambling laws against CFTC-regulated prediction markets. According to the CFTC,

the motion builds on last week's filing, with the Department of Justice, of a lawsuit challenging Arizona's preempted conduct. To date, the CFTC has filed complaints against Arizona, Connecticut, and Illinois, seeking declaratory judgments that federal law grants the CFTC exclusive authority to regulate event contracts and requesting permanent injunctions preventing the states from enforcing preempted state laws against its registrants. [NEW]

CFTC Chairman Selig Announces Deputy General Counsel Appointments. On April 3, the CFTC announced Stephen D. Andrews and M. Jordan Minot have been named deputy general counsel for regulation and litigation, respectively. Andrews joins the CFTC from the United States Senate, where he served as general counsel to Senator Josh Hawley. Minot comes to the CFTC from the Virginia Attorney General's Office, where he served as an assistant solicitor general and senior assistant attorney general.

CFTC Sues Trio of States to Reaffirm its Exclusive Jurisdiction Over Prediction Markets. On April 2, the CFTC filed lawsuits challenging the actions of Arizona, Connecticut, and Illinois against CFTC-registered designated contract markets. The CFTC stated that, despite its clear and longstanding exclusive jurisdiction to regulate event contracts under the Commodity Exchange Act, various states have attempted to outlaw, regulate, or otherwise restrain the activities of DCMs that facilitate trading in lawful event contracts.

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 Developments Outside the U.S.

ESMA Clarifies Expectations in the Run-up to the Launch of EU's Consolidated Tapes. On April 1, ESMA published [Q&As](#) on the onboarding of data contributors to the EU's Consolidated Tapes (CTs), and on the operational rules for the Consolidated Tape Providers (CTPs). According to ESMA, the goal is to increase certainty for all market participants in anticipation of the go-live of the EU's CTs for bonds and for equities. In this context, ESMA expects the relevant data contributors to engage with the selected CTPs ahead of their formal authorization, to ensure that the data transmission setup is in place before the CTs' go-live.

ESAs Spring Risk Update Highlights Geopolitical Pressures and Rising Private Finance Risks. On March 27, the European Supervisory Authorities (EBA, EIOPA and ESMA, known together as the ESAs) [published](#) their spring 2026 Joint Committee update on risks and vulnerabilities in the EU financial system. The update focuses on the challenges arising from ongoing geopolitical tensions and developments in private finance.

New Industry-Led Developments

ISDA, CMCE, ETE, and FIA Respond to FCA on Commodity Derivatives Clearing Threshold. On April 9, ISDA, the Commodity Markets Council Europe (CMCE), Energy Traders Europe (ETE), and the Futures Industry Association (FIA) jointly [responded](#) to Chapter 7 of the UK Financial Conduct Authority's (FCA) Quarterly Consultation CP26/8 on increasing the clearing threshold for commodity derivatives under the UK European Market Infrastructure Regulation. [NEW]

ISDA Responds to EC's Settlement Finality Regulation Proposal. On April 9, ISDA [published](#) technical comments on the European Commission's (EC) proposed Settlement Finality Regulation as it applies to designated EU systems and registered third-country systems. According to ISDA, one significant concern is that the scope of insolvency protections provided to registered third-country systems by the new framework is unduly restricted. ISDA's technical comments also cover proposed changes to the Financial Collateral Directive to facilitate the implementation of distributed ledger technology. [NEW]

ISDA, AFME, ICMA and EBF Publish Paper on Proposals Relating to MiFIR PTT. On April 7, the Association for Financial Markets in Europe (AFME), the International Capital Market Association (ICMA) and the European Banking Federation (EBF) published a [paper](#) on proposals relating to post-trade transparency (PTT) under the Markets in Financial Instruments Regulation (MiFIR) contained in the European Commission's Market Integration and Supervisions Package. ISDA said that the paper supports the EC's proposal to remove forward rate agreements and basis swaps from the scope of public transparency due to their illiquid nature and also backs the existing proposal to disapply PTT requirements under MiFIR for over-the-counter derivatives concluded on certain third-country trading venues, effectively superseding an existing European Securities and Markets Authority opinion that currently provides for this. However, ISDA also said, the paper urges the EC and co-legislators to be more ambitious by extending the scope of the proposal to cover all asset classes in the scope of PTT and to disapply PTT for transactions executed away from trading venues and made public on suitably qualified third-country approved publication arrangements. [NEW]

ISDA Publishes Paper on Maintaining Data Integrity for Single-sided

Reporting. On April 2, ISDA published a [paper](#) that it described as addressing concerns among regulators that moving from dual-sided to single-sided reporting would adversely affect the quality of data they receive. ISDA said that the paper reinforces its longstanding advocacy that true single-sided reporting would reduce reporting costs and administrative workload in alignment with the EU's simplification and burden reduction agenda and would enhance consistency with other global reporting regimes. [NEW]

ISDA, AFME and ICMA Publish Paper on Removal of SI Regime for UK

Derivatives and Bonds. On April 2, ISDA, AFME and ICMA published an [update to a paper](#), originally published in October 2025, on the practical implications of the removal of the systematic internalizer regime for derivatives, bonds and other non-equity financial instruments in the EU and UK. ISDA said that the associations have updated the paper to show that the impact of the removal of the regime in the EU in September 2025 and in the UK on March 27, 2026, has been minimal and is expected to remain so. [NEW]

ISDA Publishes Paper on Managing Liquidity Risk. On April 1, ISDA published a [report](#) on about the opportunities and challenges for Australian superannuation funds. ISDA argued that funds should consider a range of strategies and tools to effectively manage liquidity demands and the associated risks. According to ISDA, strategies and tools may include arranging repo and committed liquidity facilities, building cash buffers, negotiating broader collateral eligibility where possible, deploying triparty infrastructure, optimizing FX hedging profiles and adopting risk-sensitive margin models.

IOSCO Announces 3rd IMF-IOSCO Conference. On April 1, IOSCO and the IMF [announced](#) their third joint conference on Market-Based Finance in Washington, DC, USA. The conference will feature a fireside chat between IOSCO Board Chair Jean-Paul Servais and SEC Chairman Paul Atkins, and high-level panels on digital assets and on the retailization of illiquid assets.

ISDA Responds to EC Call for Evidence on Tax Omnibus. On March 30, ISDA, the International Securities Lending Association and the Association for Financial Markets in Europe [responded](#) to the European Commission's call for evidence on the tax omnibus. The associations argued that inconsistent interpretation of "beneficial ownership" among member states creates significant tax uncertainty for dividends and interest in securities lending and derivatives, a problem that will worsen with the move to T+1 settlement.

ISDA CEO Offers Informal Remarks on Next Steps on Basel III Endgame. On March 30, ISDA CEO Scott O'Malia offered informal comments on important OTC derivatives issues. According to O'Malia, publication of the revised Basel III endgame proposal earlier this month marked an important step towards completion of the global capital reforms, and gave banks much-needed clarity on the likely calibration of the rules in the US. O'Malia also stated that the new proposal is a major improvement on the original and includes a number of important changes that ISDA had advocated for.

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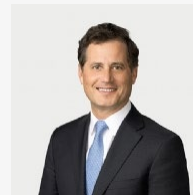
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