



GIBSON DUNN

This Week in Derivatives

April 17, 2026

From the Derivatives Practice Group: This week, the CFTC approved an order to grant a limited exemption to the Chicago Mercantile Exchange and the Fixed Income Clearing Corporation to make their existing cross-margining arrangement available to certain customers.

New Developments

CFTC and Kansas State University Announce Return of AgCon Conference. On April 17, the CFTC and the Risk Management Center at Kansas State University announced the return of the Agricultural Commodity Futures Conference, known as AgCon. From October 22-23, the CFTC and KSU will jointly host the fourth AgCon, bringing government officials, agribusiness leaders, and academia together to discuss critical issues affecting America's agricultural futures markets. [NEW]

Chairman Michael Selig Testifies Before the U.S. House Committee on Agriculture. On April 16, CFTC Chairman Selig testified before the House Committee on Agriculture. As part of his prepared remarks, Chairman Selig highlighted recent efforts to reduce regulatory burdens for farmers and small businesses, advance crypto regulation, and oversee emerging prediction markets. He also emphasized the CFTC's dual commitment to combating fraud and manipulation while updating its regulatory tools to address the challenges of evolving financial markets. [NEW]

CFTC Approves Order to Further Strengthen U.S. Treasury Market

Liquidity. On April 15, the CFTC approved an order to grant a limited exemption necessary for the Chicago Mercantile Exchange Inc. (CME) and the Fixed Income Clearing Corporation (FICC) to make their existing cross-margining arrangement available to certain customers with appropriate safeguards. The order permits joint clearing members of CME and FICC that are dually registered as broker-dealers with the Securities and Exchange Commission and futures commission merchants with the Commission to hold futures customer funds in a commingled customer account at FICC. [NEW]

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](#).

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](#).

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.

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.

New Developments Outside the U.S.

ESMA Launches Call for Evidence on Restricted Subscription and Private Credit Ratings. On April 16, ESMA launched a call for evidence to gather stakeholder views on the purposes, market practices, needs and risks associated with restricted subscription and private credit ratings. ESMA invites stakeholders to provide evidence-based responses, including quantitative information where available, as well as concrete examples drawn from market practice. [NEW]

ESMA Releases Reporting Templates and Instructions for the Active Account Requirement. On April 13, ESMA published the reporting [templates](#) and [instructions](#) for the Active Account Requirement (AAR) reporting under European Market Infrastructure Regulation. The new templates set out in detail how entities subject to the AAR should report the required information to their competent authorities. Through this development, ESMA stated that it aims to ensure a harmonized and efficient approach to AAR reporting across the EU. [NEW]

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.

New Industry-Led Developments

CPMI-IOSCO Assesses that U.K. has Implemented Principles for Financial Market Infrastructures (FMI) for Two FMI Types. On April 16, IOSCO and the Committee on Payments and Market Infrastructures (CPMI) released a [report](#) that assesses whether, and to what degree, the content of the legal, regulatory and oversight frameworks—including rules and regulations, any relevant policy statements or other forms of implementation—are complete and consistent with the IOSCO's [principles](#) for financial market infrastructures. [NEW]

ISDA Published Research Note on Global Trading in INR Derivatives and the Indian OTC Derivatives Market. On April 13, ISDA [published](#) a research note that provides a global perspective on the Indian rupee (INR) derivatives markets, followed by an analysis of over-the-counter (OTC) derivatives activity reported by

sales desks in India. The research note examines market size, growth trends and the composition of trading by geography, currency, product and counterparty. [NEW]

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.

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.

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.

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.

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