

GIBSON DUNN

This Week in Derivatives

April 3, 2026

From the Derivatives Practice Group: This week, the CFTC announced Stephen D. Andrews as deputy general counsel for regulation and M. Jordan Minot as deputy general counsel for litigation.

New Developments

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]

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. [NEW]

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.

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.

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).

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. [NEW]

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]

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](#).

New Industry-Led Developments

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. [NEW]

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. [NEW]

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. [NEW]

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. [NEW]

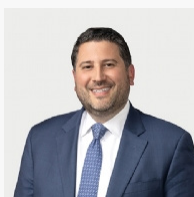
ISDA Publishes Paper on FRTB Rules in Brazil. On March 24, ISDA submitted a [paper](#) to the Banco Central do Brazil on its implementation of the revised market

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.

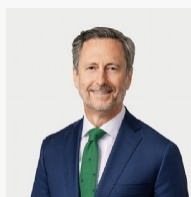
ISDA Responds to FCA CP26/8 on CFI Codes for Derivatives Transparency. On March 19, ISDA [responded](#) to Chapter 3 of the UK Financial Conduct Authority's (FCA) [Quarterly Consultation](#) CP26/8 on transparency requirements for financial instruments under Market Conduct Sourcebook (MAR) 11. According 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.

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.

Practice Members



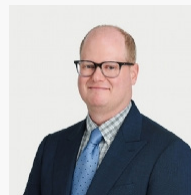
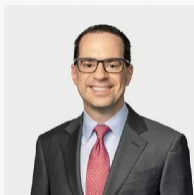
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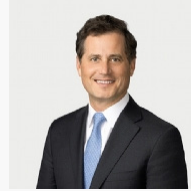
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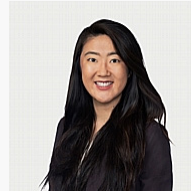
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