

GIBSON DUNN

This Week in Derivatives

May 8, 2026

From the Derivatives Practice Group: This week, the CFTC issued a proposal to modify the CFTC's swap clearing requirement for Canadian dollar- and Mexican peso- denominated interest rate swaps.

New Developments

CFTC Issues Proposed Rule to Modify Clearing Requirement for Canadian Dollar- and Mexican Peso-Denominated Interest Rate Swaps. On May 8, the CFTC issued a [proposal](#) to modify the CFTC's swap clearing requirement. The regulations would be amended to remove the requirement to clear interest rate swaps referencing the Canadian Dollar Offered Rate and the Interbank Equilibrium Interest Rate, and replace it with a requirement to clear Canadian dollar- and Mexican peso- denominated interest rate swaps referencing overnight, nearly risk-free rates. [NEW]

CFTC Staff Issues Supplemental Letter Regarding No-Action Position on Reporting, Recordkeeping Requirements. On May 4, the CFTC's Division of Market Oversight and Division of Clearing and Risk announced they have taken a [no-action position](#) regarding swap data reporting and recordkeeping regulations with respect to Railbird Exchange, LLC, a designated contract market, and Bitnomial Clearinghouse, LLC, a derivatives clearing organization, or their participants. [NEW]

CFTC Staff Issues Supplemental Letter Regarding No-Action Position on Reporting, Recordkeeping Requirements. On May 1, the CFTC's Division of Market Oversight and Division of Clearing and Risk announced they have taken a [no-action position](#) regarding swap data reporting and recordkeeping regulations with respect to Gemini Titan, LLC, a designated contract market, and Gemini Olympus, LLC, a derivatives clearing organization, or their participants.

CFTC Seeks Public Comment Relating to Commitments of Traders Reports. On April 30, the CFTC issued a [Request for Comment](#) regarding potential modifications to its Commitments of Traders Reports program, including publication of the reports on a more frequent basis and changes to the content of the reports.

CFTC Announces Director of the Whistleblower Office. On April 29, the CFTC announced Raagnee Beri has been named director of the Whistleblower Office. Beri was previously a trial attorney in the Division of Enforcement and a senior assistant general counsel in the Litigation Branch of the Office of the General Counsel. Prior to joining the CFTC, Beri was a trial attorney at the Department of Justice Tax Division.

CFTC Transitions Its Public Comment Submission Process to Regulations.gov. On April 28, the CFTC announced the Commission's public comment submission process has transitioned to Regulations.gov. The CFTC stated that members of the public who wish to submit comments electronically on all CFTC rulemaking proposals and other CFTC comment requests issued on or after April 28 must go to Regulations.gov. Updated comment submission instructions are available [here](#).

CFTC Reaffirms Exclusive Jurisdiction Over Prediction Markets in Massachusetts Supreme Judicial Court Filing. On April 24, the CFTC filed an amicus brief in the Massachusetts Supreme Judicial Court confirming the CFTC's exclusive jurisdiction over the U.S. commodity derivatives markets, including event contract markets commonly referred to as prediction markets. The CFTC stated that its filing in Massachusetts comes as a part of a broader effort to protect its jurisdiction over prediction markets from an ongoing campaign of state encroachment.

CFTC Sues New York Over Prediction Markets Amid Ongoing Efforts to Preserve Jurisdiction. On April 24, the CFTC filed a lawsuit in the U.S. District Court for the Southern District of New York to halt the State of New York's efforts to apply state gambling laws against CFTC-registered contract markets. According to the CFTC, this action builds upon ongoing efforts to affirm its exclusive jurisdiction over CFTC-registered designated contract markets that offer trading in event

contracts. It follows similar CFTC lawsuits in Arizona, Connecticut, and Illinois. [NEW]

CFTC and SEC Jointly Propose Amendments to Strengthen Disclosure and Reduce Private Fund Reporting Burdens. On April 20, the CFTC and the SEC jointly proposed amendments to reduce reporting burdens for private funds. The agencies proposed to amend Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a commodity pool operator or a commodity trading advisor. The amendments would eliminate filing requirements for smaller advisers, who represent almost half of the advisers that currently must file Form PF.

New Developments Outside the U.S.

ESMA Outlines Enforcement Activities for Corporate Reporting Across the EEA in 2025 Corporate Finance. On May 7, ESMA published its [report](#) on 2025 corporate reporting enforcement and regulatory activities. According to ESMA, the report provides an overview of how national enforcers and ESMA supervised corporate reporting across the European Economic Area (EEA) during 2025. [NEW]

ESMA Promotes Proportionate Supervision of Sustainability Requirements. On May 6, ESMA issued a [statement](#) presenting the results of its Common Supervisory Action on how sustainability is integrated into firms' suitability assessment as well as into processes and procedures for product governance. [NEW]

ESMA Consults on New Simplified Approach to Updating MMF Stress Test Parameters. On May 5, ESMA launched a [consultation](#) on a new approach to updating the parameters for stress test scenarios under the Money Market Funds framework. ESMA proposed replacing the current annual amendments to Section 5 of the Guidelines with an annual web-based publication of the calibration parameters. [NEW]

ESMA Advances the Simplification of EU Reporting Frameworks for Funds and Transactions. On May 5, ESMA stated that it has launched a harmonized approach to funds reporting and has set a clear path towards streamlined, more efficient transaction reporting across European markets. According to ESMA, the [two reports](#) are complementary pillars of ESMA's broader simplification and burden reduction agenda. [NEW]

ESMA Launches Sixth Stress Test Exercise for Central Counterparties. On April 30, ESMA launched its sixth [stress test exercise](#) for Central Counterparties (CCPs). ESMA stated that the CCP stress test framework it drafted for the purpose of this exercise is supported by an adverse market scenario provided by the European Systemic Risk Board.

ESMA Launches a Call for Evidence on the Structure of European Equity Markets. On April 30, ESMA published a [call for evidence](#) that invites stakeholder feedback on observed trends and their potential regulatory implications based on what ESMA described as a data driven analysis of the evolution of trading in European equity markets between 2022 and 2025.

ESMA Consults on Guidelines on Endorsement under the ESG Ratings Regulation. On April 29, ESMA launched a public [consultation](#) on draft guidelines on endorsement under the [ESG Ratings Regulation](#). According to ESMA, this consultation paper sets out its proposed approach to the endorsement of non-EU ESG ratings under the regulatory framework and seeks feedback from ESG rating providers and other stakeholders on the draft guidelines.

ESMA Publishes Joint Committee Annual Report Highlighting Digitalization, Cyber Resilience and Sustainable Finance as Key Priorities of 2025. On April 24, the Joint Committee of the European Supervisory Authorities published its [Annual Report for 2025](#), setting out the main priorities and achievements of its cross-sectoral work over the past year. In 2025, the Joint Committee focused on protecting consumers in increasingly digital financial markets, strengthening operational and cyber resilience through the implementation of the Digital Operational Resilience Act, improving the effectiveness of sustainable finance disclosures, and enhancing cross-sectoral risk monitoring.

New Industry-Led Developments

CPMI-IOSCO Seeks Input on Updated Guidance and Public Disclosures to Implement Initial Margin Proposals. On May 6, IOSCO and the BIS Committee on Payments and Market Infrastructures (CPMI) announced they are seeking comments on proposed amendments to the “2017 CPMI-IOSCO [resilience of central counterparties](#)” and to the “2015 CPMI-IOSCO [public quantitative disclosure standards](#) for central counterparties.” [NEW]

ISDA Publishes Paper on Capital Models Benchmarking. On May 5, ISDA published a [paper](#) introducing a benchmarking approach that it states can be applied to internal models for counterparty credit risk. ISDA noted that this is an industry approach developed with engagement from the UK Prudential Regulation Authority as part of a wider regulatory initiative. [NEW]

ISDA Responds to ESMA on Guarantees as CCP Collateral and CCP Investment Policy. On April 30, ISDA [responded](#) to ESMA's [consultation](#) paper on central counterparty collateral and investment policy. ISDA stated that it broadly supports ESMA's proposed draft regulatory technical standards to expand the use of guarantees as eligible CCP collateral, emphasizing the importance of robust eligibility conditions and strict concentration limits. [NEW]

ISDA Margin Survey Shows Leading Derivatives Firms Collected Record \$1.6 Trillion of Margin in 2025. On April 29, ISDA published its latest annual [margin survey](#), which ISDA said shows that initial margin (IM) and variation margin (VM) collected by the leading derivatives market participants for their non-cleared derivatives exposures increased by 9.3% to a record \$1.6 trillion at the end of 2025. The survey shows that respondents collected \$524.7 billion of IM at the end of 2025, up by 21.7% versus \$431.2 billion the year before. Total VM collected grew by 4% to \$1,038.8 billion from \$998.7 billion.

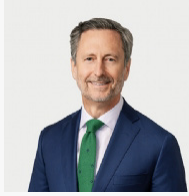
ISDA Announces Four Directors Join ISDA Board. On April 28, ISDA announced that two directors have been elected to the ISDA board and two new directors have been appointed. The newly appointed directors are: Tom Ceusters, Director and Chief Investment Officer, World Bank Group, and Suzanne Sprague, Chief Operating Officer and Global Head of Clearing, CME Group. The directors elected for the first time are: Viet-Linh Ha Thuc, Head of Global Markets, Asia Pacific, and Natixis Joana Schlenczek, Global Head of Rates Structuring and Client Solutions, Banco Santander S.A.

ISDA Responds to Eurosystem Consultation on Appia Roadmap. On April 22, ISDA [responded](#) to the Eurosystem consultation on the Appia roadmap. In its response, ISDA broadly supported the roadmap and its high level principles, while recommending that the principle on market access and integration should be expanded to explicitly address interoperability with tokenized ecosystems in other jurisdictions, reflecting the global and interconnected nature of financial markets. ISDA strongly encouraged the adoption of common standards, particularly the open-source Common Domain Model.

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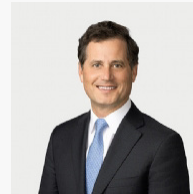
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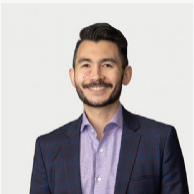
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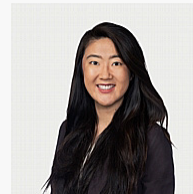
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