



GIBSON DUNN

This Week in Derivatives

June 18, 2026

From the Derivatives Practice Group: This week, the CFTC and the SEC issued joint requests for public comment on security-based swaps, swap markets, and derivatives product definitions.

New Developments

CFTC, SEC Seek Public Input on Data Reporting Frameworks for Security-Based Swap and Swap Markets. On June 18, the CFTC and the SEC issued a [joint request](#) for public comment on potential opportunities to harmonize, modernize, and streamline data reporting requirements in their regulation of the swap and security-based swap markets, respectively. The request for comment is intended to assist the agencies in evaluating whether changes to the design, scope, and structure of security-based swap and swap data reporting requirements would lead to greater alignment between their respective reporting frameworks. [NEW]

CFTC, SEC Seek Public Comment to Further Clarify and Harmonize Derivatives Product Definitions. On June 18, the CFTC and the SEC issued a [joint request](#) for public comment on potential opportunities to further update, clarify, and harmonize certain derivatives product definitions and interpretive issues. The request for comment is intended to support the Commissions' ongoing evaluation of whether current regulatory definitions, interpretations, and jurisdictional frameworks appropriately reflect evolving market structures, financial products, and trading practices. [NEW]

CFTC Staff Issues No-Action Letter for Swap Post-Trade Risk Reduction Services. On June 17, the CFTC's Division of Clearing and Risk, Division of Market Oversight, and Market Participants Division announced they have taken [no-action positions](#) related to a request from service providers that offer post-trade risk reduction services for swaps in the form of portfolio rebalancing and basis risk mitigation. The letter provided a no-action position to the providers for failure to register as swap execution facilities. The no-action letter also benefits any person who engages in portfolio rebalancing and basis risk mitigation services for: failure to enter into swaps on a designated contract market; swap execution facility; or a swap execution facility that is exempt from registration under the trade execution requirement; and failure to submit swaps that are required to be cleared to a derivatives clearing organization. The no-action letter reiterated the discussion of risk reduction services in the Commission's 2020 part 43 final rule. [NEW]

CFTC Issues a Request for Information to Facilitate Innovation and Competition for Fintech Firms. On June 16, the CFTC issued a [Request for Information](#) to assist the Commission in identifying regulations, guidance documents, orders, no-action letters, and other items that unduly impede fintech firms from entering into partnerships with federally regulated institutions as well as CFTC regulatory items that could be amended to streamline application processes for eligible fintech firms. The comment period will be open for 21 days after publication in the Federal Register. [NEW]

CFTC Chairman Selig Announces Senior Staff Appointments. On June 15, CFTC Chairman Michael Selig announced two senior staff appointments. Don Battle joins the CFTC as chief data innovation officer, serving in the Division of Data and as a member of the Innovation Task Force, and J. Matthew Haws joins as senior advisor in the Office of the Chairman and as the Chicago Regional Administrator. [NEW]

CFTC Issues No-Action Letter for DCMs Converting Existing Perpetual-Style Digital Commodity Futures into True Digital Commodity Perpetual Futures. On June 12, the CFTC announced it has issued [no-action relief](#) to designated contract markets seeking to convert their existing perpetual style digital commodity futures contracts into true digital commodity perpetual futures. This no-action letter follows recent Commission actions (see CFTC Press Release Nos. [9240-26](#) and [9242-26](#)), which the CFTC said clarified the regulatory treatment of true perpetual futures contracts referencing bitcoin and other digital commodities with deep, active, and continuous spot market trading. [NEW].

CFTC Sues New Mexico as the State Becomes the Latest Attempting to Infringe on Federal Jurisdiction. On June 12, the CFTC filed a [lawsuit](#) in federal court against the state of New Mexico, seeking to block the state's efforts to apply state gaming laws against CFTC-registered contract markets. The CFTC's complaint against New Mexico seeks a declaratory judgment that federal law grants it exclusive authority to regulate event contracts and requests a permanent injunction preventing the state from enforcing preempted state laws against its registrants.
[NEW]

CFTC Seeks Public Comment on Notice of Proposed Rulemaking Concerning Whistleblower Rules. On June 11, the CFTC published a [Notice of Proposed Rulemaking](#) to amend its whistleblower rules. According to the CFTC, the proposal incorporates a 30 percent presumption for whistleblower awards of \$5 million or less, subject to Commission discretion and its analysis of relevant regulatory factors, and is modeled on the Securities and Exchange Commission's rule 21F-6(c). The comment period will be open for 30 days after publication of the Notice of Proposed Rulemaking in the Federal Register.

CFTC Seeks Public Comment on Notice of Proposed Rulemaking Concerning Event Contracts Involving Enumerated Activities. On June 10, the CFTC published a [Notice of Proposed Rulemaking](#) seeking public comment on amendments to CFTC Regulation 40.11 and the addition of Appendix F to part 40. The Commission said that it has continued to observe growth in the number and variety of event contracts listed for trading by CFTC-registered entities, including contracts referencing sporting events. The CFTC indicated, in light of these developments, that its proposal would establish a structured framework for evaluating whether such contracts involve an activity enumerated in Section 5c(c)(5)(C) of the Commodity Exchange Act and, if so, whether that contract is contrary to the public interest. According to the Commission, the proposal sets out a 90-day review process ensuring critical procedural protections and a set of public interest factors the Commission would apply on a contract-by-contract basis; it also proposes definitions key statutory terms, including "involve" and "gaming."

CFTC Establishes Joint Data Standards as Required Under the Financial Data Transparency Act of 2022. On June 8, the CFTC announced that it established [joint data standards](#) under the Financial Data Transparency Act of 2022. According to the Commission, the final rule establishes technical standards for data submitted to certain financial regulatory agencies and is designed to promote interoperability of financial regulatory data across various agencies by establishing common identifiers for entities, geographic locations, dates, and certain products and currencies.

New Developments Outside the U.S.

ESMA Issues 2025 Annual Report, Focusing on Stronger Supervision, Regulatory Simplification, and Innovation. On June 17, ESMA published its [Annual Report for 2025](#), which highlighted a year of progress in strengthening EU's financial markets through enhanced supervision, regulatory simplification and innovation. According to ESMA, the report illustrates ESMA's continued contribution to orderly, resilient and attractive EU capital markets. [NEW]

ESAs Publish the First Report on DORA Major ICT-related Incidents. On June 3, the European Supervisory Authorities (ESAs) published their first [annual overview](#) of major information and community technology (ICT) incidents in the EU financial sector based on a reporting mechanism established by the Digital Operational Resilience Act (DORA). ESMA said that the report shows that ICT risks are increasingly borderless and interconnected. The ESAs also noted that the recent evolution of highly capable AI-driven tools should encourage financial entities to strengthen cybersecurity measures going forward.

Euribor Panel to Include KBC Bank. On May 27, the European Money Markets Institute, the administrator of Euribor, announced the inclusion of KBC Bank in the Euribor panel. ESMA and the Belgian Financial Services and Markets Authority welcome the inclusion of KBC Bank in the panel as a positive development that contributes to strengthening the robustness and reliability of this critical benchmark.

New Industry-Led Developments

IOSCO publishes Report on Supervisory Technology. On June 18, IOSCO published its [Report on Supervisory Technology](#), summarizing a survey of 49 jurisdictions on their current and expected future use of technology in financial supervision. [NEW]

IIF, ISDA and SIFMA Submit Comment Letter on Basel III Endgame Proposal. On June 18, ISDA, the Institute of International Finance (IIF), and the Securities Industry and Financial Markets Association (SIFMA) submitted a [joint comment letter](#) to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency on the proposed Basel III endgame capital rule governing Category I and II

banking organizations and banking organizations with significant trading activity. [NEW]

ISDA, SIFMA, IIF Respond to 2026 US G-SIB Surcharge Proposal. On June 18, ISDA, the Securities Industry and Financial Markets Association, and the Institute of International Finance submitted a [joint response](#) to U.S. agencies on proposed changes to the surcharge for global systemically important banks (G-SIBs). The associations stated that they welcome the 2026 proposal as an improvement relative to the 2023 proposal, noting in particular that the revised proposal would not include client-cleared derivatives under the agency model in the complexity and interconnectedness categories of the G-SIB surcharge. [NEW]

ISDA, SIFMA, IIF Respond to 2026 US Basel III Proposal. On June 18, ISDA, the Institute of International Finance, and the Securities Industry and Financial Markets Association submitted a [joint response](#) to the 2026 US Basel III notice of proposed rulemaking. The response focuses on the Fundamental Review of the Trading Book, the revised credit valuation adjustment framework, the securities financing transactions requirements and elements of the standardized approach for counterparty credit risk. [NEW]

ISDA Publishes Paper on Digital Assets and Derivatives. On June 15, ISDA published a [paper](#) on the future of digital assets and derivatives. ISDA said the paper examines digital assets in derivatives markets and associated distributed ledger technologies through the lens of settlement design, prudential capital treatment and collateral management. According to ISDA, its central finding is that the institutional viability of digital assets depends on how exposures are structured, margined, settled and recognized within existing prudential frameworks. [NEW]

ISDA Responds to CFTC's Proposed Modifications to Clearing Requirements. On June 11, ISDA [responded](#) to the CFTC's notice of proposed rulemaking on the clearing requirement determination under Section 2(h) of the Commodity Exchange Act for interest rate swaps to account for Canadian dollar-denominated and Mexican peso denominated interest rate benchmark transitions. ISDA supports the proposed updates and recommends an implementation period of at least three months. [NEW]

ISDA Responds to EC Consultation on Calculation of Carbon Price Paid in a Third Country. On June 10, ISDA [responded](#) to the European Commission's consultation on the calculation of the carbon price paid in a third country under Article 9 of the Carbon Border Adjustment Mechanism (CBAM). ISDA stated that it supports the EC's proposal that evidence of the carbon price effectively paid should encompass all compliance options recognized under third-country pricing

mechanisms, including the use of domestic carbon credits and international carbon credits, to meet CBAM obligations. [NEW]

ISDA Publishes Report on ISDA-Actrix US Treasury Repo Market Clearing Indicators. On June 10, ISDA published a [report](#) concerning indicators related to central clearing adoption in the U.S. Treasury repo market. According to ISDA, sponsored cleared repo volumes can be used as a proxy to monitor client participation in central clearing, the key objective of the Securities and Exchange Commission's U.S. Treasury clearing mandate.

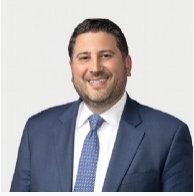
ISDA Publishes ISDA-Actrix US Treasury Repo Market Clearing Indicators Methodology. On June 9, ISDA published a [white paper](#) intended for market participants interested in the structure and methodology used to construct the ISDA-Actrix US Treasury Repo Market Clearing Indicators. According to ISDA, this report provides precise details that allow participants to access the publicly available data and replicate the calculations in the report themselves.

IOSCO Publishes Recommendations for Secondary Market Disclosure. On June 8, IOSCO published its [Final Report on Recommendations for Secondary Market Disclosure](#). The report is intended to assist regulators in reviewing their existing disclosure frameworks and considering whether updates or refinements may be appropriate.

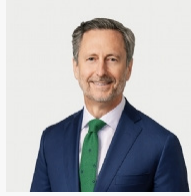
ISDA Responds to BoE Consultation on Permissions to Facilitate Mobilization of New CCPs. On June 4, ISDA submitted a [response](#) to the Bank of England's (BoE) consultation on its approach to using its requirements and permissions powers to facilitate mobilization of new central counterparties (CCPs). The consultation includes a draft policy statement, setting out how the BoE will use its powers to impose de minimis limits and give permissions to modify or waive certain rules for new CCPs in a "mobilization" phase.

ISDA and the Credit Derivatives Governance Committee Select S&P Global as DC Administrator. On June 4, ISDA and the Credit Derivatives Governance Committee [announced](#) that S&P Global Market Intelligence has been selected as the administrator for the Credit Derivatives Determinations Committees (DCs). According to ISDA, the DCs were introduced in 2009 as a centralized decision-making body to enable a standardized auction settlement process and ensure central clearing could be implemented for credit derivatives.

Practice Members



Jeffrey L. Steiner
Washington, D.C.
+1 202.887.3632
jsteiner@gibsondunn.com



Michael D. Bopp
Washington, D.C.
+1 202.955.8256
mbopp@gibsondunn.com



Michelle M. Kirschner
London
+44 20 7071.4212
mkirschner@gibsondunn.com



Darius Mehraban
New York
+1 212.351.2428
dmehraban@gibsondunn.com



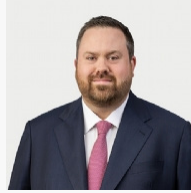
Jason Cabral
New York
+1 212.351.6267
jcabral@gibsondunn.com



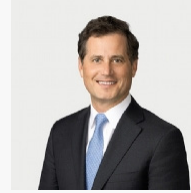
Adam Lapidus
New York
+1 212.351.3869
alapidus@gibsondunn.com



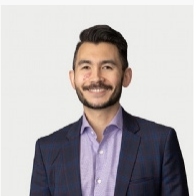
Stephanie L. Brooker
Washington, D.C.
+1 202.887.3502
sbrooker@gibsondunn.com



William R. Hallatt
Hong Kong
+852.2214.3836
whallatt@gibsondunn.com



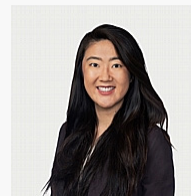
David P. Burns
Washington, D.C.
+1 202.887.3786
dburns@gibsondunn.com



Marc Aaron Takagaki
New York
+1 212.351.4028
mtakagaki@gibsondunn.com



Karin Thrasher
Washington, D.C.
+1 202.887.3712
kthrasher@gibsondunn.com



Alice Yiqian Wang
Washington, D.C.
+1 202.777.9587
awang@gibsondunn.com

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