



GIBSON DUNN

This Week in Derivatives

June 26, 2026

From the Derivatives Practice Group: This week, the CFTC and the SEC issued a joint request for public comment on approaches to harmonize regulatory frameworks across securities, security-based swaps, futures, swaps, and related positions, building on their recent efforts to streamline regulations.

New Developments

CFTC, SEC Seek Public Comment on the Harmonization of Portfolio Margining Frameworks. On June 26, the CFTC and the SEC issued a [joint request](#) for public comment on potential approaches to further harmonize regulatory frameworks applicable to portfolio margining across securities, security-based swaps, futures, swaps, and related positions. The public comment period will remain open for 60 days following publication of the request for comment in the Federal Register. [NEW]

CFTC Seeks Public Comment on Notice of Proposed Rulemaking Concerning Data Reporting Requirements for Certain Event Contracts. On June 25, the CFTC published a [Notice of Proposed Rulemaking](#) seeking public comment on amendments to Parts 15, 16, and 17 of the Commission's regulations. According to the CFTC, the proposal sets forth an alternate framework for reporting of data for certain fully collateralized event contracts, which have been the subject of staff no-action letters since 2017, and would require certain reporting markets, futures commission merchants, clearing members, and foreign brokers to report certain event contracts pursuant to Parts 15 through 18 of the Commission's regulations, rather than Parts 38, 39, 43 and 45. Comments must be received 30 days after publication of the notice in the Federal Register. [NEW]

CFTC Sues Kentucky to Prevent Violation of CFTC's Exclusive

Jurisdiction. On June 23, the CFTC [filed](#) a lawsuit against Kentucky to block the state's efforts to shut down CFTC-registered contract markets using state laws. To date, the CFTC has also initiated legal proceedings against Minnesota, Illinois, and Rhode Island, and has submitted amicus briefs to the U.S. Court of Appeals for the Sixth and Ninth Circuits as well as the Supreme Judicial Court of Massachusetts. [NEW]

CFTC Seeks Public Comment on the Extension of Standard Futures Contracts to 24/7 Trading and on Perpetual Contracts Referencing Physically Delivered or Storable Energy Commodities.

On June 22, the CFTC issued a [request](#) for comment seeking public input on two related developments in the energy derivatives markets: the extension of standard futures contracts to 24/7 trading, and the potential listing of perpetual contracts that reference physically delivered or storable energy commodities, such as crude oil. Comments must be in writing and received by Saturday, July 25, 2026. [NEW]

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.

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.

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.

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.

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.

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.

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.

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.

New Developments Outside the U.S.

ESMA Publishes Register of External Reviewers under EuGB Regulation. On June 22, ESMA published the [register](#) of firms authorized to act as external reviewers of European Green Bonds (EuGB). As of June 22, registered external reviewers are subject to ESMA supervision and must fully comply with the requirements of the EuGB Regulation. The transitional regime provided for under Articles 69 and 70 of the EuGB Regulation has ended and external reviewers listed in ESMA's transitional regime register must cease their external review activities. ESMA has also created a [separate register](#), which it said is intended to ensure transparency about disclosure requirements for previously issued European Green Bonds, ESMA has created a separate register. The register lists firms that notified ESMA under Articles 69 and 70 and were allowed to provide external reviews during the transitional period, and includes the periods during which they were active. ESMA said that issuers planning to issue a European Green Bond should consult ESMA's register to select a registered external reviewer to perform their pre-issuance, post-issuance and, where applicable, impact report review. [NEW]

ESMA Contributes to Global CCP Fire Drill Exercise. On June 19, Bafin, the Bank of England, Bundesbank, the CFTC, and ESMA published a [report](#) summarizing the outcome of, and industry feedback from, the 2025 CCP Global Default Simulation exercise, in which 38 central counterparties from across the world, together with clearing members, conducted a coordinated fire drill exercise simulating the failure of a hypothetical common participant. The report also highlights areas for consideration in the development of CCPs' default management processes, as well as observations and recommendations from the lead authorities. [NEW]

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 Industry-Led Developments

ISDA-Actrix US Treasury Repo Market Clearing Indicators May 2026. On June 25, ISDA published a [research note](#) highlighting how the ISDA-Actrix US Treasury Repo Market Clearing Indicators illustrate central clearing adoption in the US Treasury repo market. According to ISDA, sponsored cleared repo volumes are used as a proxy to monitor client participation in central clearing, the key objective of the Securities and Exchange Commission's US Treasury clearing mandate. [NEW]

ISDA, FIA, GFMA, CMC, CMCE Responds to IOSCO on Best Practices for OTC Commodity Derivatives. On June 23, ISDA and others [responded](#) to IOSCO's [consultation report](#) on best practices for over-the-counter (OTC) commodity derivatives position reporting. The associations indicated their support for IOSCO's objectives of enhancing market integrity and orderly trading and resilience in OTC commodity derivatives markets, but emphasized that these goals should be achieved through better use of existing data and stronger cross-border regulatory cooperation, rather than introducing new reporting requirements. [NEW]

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.

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.

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.

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.

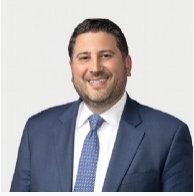
ISDA Publishes Paper on Digital Assets and Derivatives. On June 15, ISDA published a [paper](#) on the future of digital assets and derivatives. ISDA said the paper examines digital assets in derivatives markets and associated distributed ledger technologies through the lens of settlement design, prudential 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.

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.

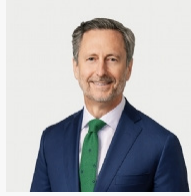
ISDA Responds to EC Consultation on Calculation of Carbon Price Paid in a Third Country. On June 10, ISDA [responded](#) to the European Commission's consultation on the calculation of the carbon price paid in a third country under Article 9 of the Carbon Border Adjustment Mechanism (CBAM). ISDA stated 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.

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.

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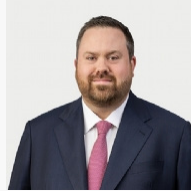
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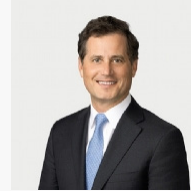
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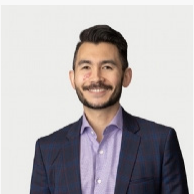
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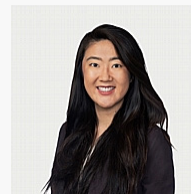
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