



This Week in Derivatives

July 10, 2026

From the Derivatives Practice Group: This week, the CFTC announced that it will exercise its authority to stay the listing of a contract that would have allowed the Chicago Mercantile Exchange to initiate 24/7 trading on crude oil futures.

New Developments

CFTC to Stay Self-Certified Contract on 24/7 Trading for Crude Oil Futures. On July 9, the CFTC announced that it will exercise its authority to stay the listing of a contract that would have allowed the Chicago Mercantile Exchange (CME) to initiate 24/7 trading on crude oil futures as soon as July 10. The CFTC's regulations offer exchanges two methods to list contracts — self certification under 40.2 or to seek Commission review and approval under 40.3. CME made simultaneous, but separate filings under both provisions. [NEW]

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.

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 Developments Outside the U.S.

ESMA Launches Data Collection Under the First Phase of ESAP. On July 10, ESMA launched the collection of information from Officially Appointed Mechanisms (OAMs) and National Competent Authorities (NCAs) for the first phase of implementation of the [European Single Access Point \(ESAP\)](#). Starting July 10, OAMs and NCAs will start providing ESAP the information and the metadata collected from financial entities. [NEW]

ESMA Publishes First Market Capitalization Data for EU Member States. On July 10, ESMA published annual [market capitalization and market capitalization ratios](#) of EU Member States for 2024 and 2025. According to ESMA, the data provides clarity on Member States' position within the framework and helps authorities and market participants prepare for and implement these requirements in a timely manner. [NEW]

ESMA Publishes Report on EU Carbon Markets. On July 9, ESMA published its [third annual market report](#) on EU carbon markets. The report showed that financial intermediaries are central to the functioning of the EU carbon market. According to ESMA's report, they provide liquidity, act as counterparties to non-financial firms, and help compliance entities access allowances and manage price risk. [NEW]

ESMA Publishes Technical Standards on CCP Admission Criteria Elements. On July 8, ESMA published its [Final Report](#) on the Regulatory Technical Standards concerning the central counterparties' (CCPs) admission criteria elements, following the review of the European Market Infrastructure Regulation. ESMA conducted a public consultation on the draft RTS in the last quarter of 2025 and held a public hearing in November 2025. The Final Report considers the feedback received during this process. [NEW]

ESMA Launches Common Supervisory Action on CASPs' Digital Operational Resilience for Custody. On July 8, ESMA announced it is launching a Common Supervisory Action (CSA) focusing on the digital operational resilience of Crypto-Asset Service Providers (CASPs), with a specific emphasis on custody services. According to ESMA, the CSA will assess the maturity of CASPs' digital operational resilience frameworks in relation to custody activities. It will focus on risks inherent to distributed ledger technology (DLT), including governance arrangements, key and storage management, transaction controls, incident detection and response, smart contract risks, and dependencies on third-party providers. [NEW]

ESAs Support ESRB Warning on Systemic Cyber Risks from Frontier AI Models. On July 7, the European Supervisory Authorities announced that they welcomed and supported European Systemic Risk Board's (ESRB) [warning](#) on the systemic cyber risks posed by frontier AI models. The ESRB urged all EU stakeholders, including financial institutions, to enhance their cybersecurity capacities and encouraged relevant authorities to reflect these risks in their supervisory and oversight work. [NEW]

ESMA Selects Etrading Software (Netherlands) B.V. as Consolidated Tape Provider for OTC Derivatives. On July 6, ESMA selected Etrading Software (Netherlands) B.V. as the Consolidated Tape Provider for over-the-counter (OTC) derivatives. ESMA stated that this constitutes an important step in improving transparency for OTC derivatives markets under the Markets in Financial Instruments Regulation. [NEW]

ESMA Publishes Preliminary Findings on the Active Account Requirement and the First Annual Report of the Joint Monitoring Mechanism. On July 6, ESMA published the [Interim Report of the Effectiveness of the Active Account Requirement](#) and the [First Annual Report of the Joint Monitoring Mechanism](#). The Interim Report provides preliminary findings on the Active Account Requirement (AAR) implementation during 2025 and early 2026. The Annual Report addresses the Joint Monitoring Mechanism, which plays a key role in monitoring developments and assessing financial stability risks across clearing members and clients. [NEW]

ESMA Launches Common Supervisory Action with NCAs on the Risk Management Function. On July 3, ESMA launched a Common Supervisory Action (CSA) on risk management function of Undertakings for Collective Investment in Transferable Securities (UCITS) management companies and Alternative Investment Fund Managers (AIFMs) across the European Union. The CSA will be conducted throughout 2026 and 2027, in close collaboration with National Competent Authorities (NCAs). [NEW]

ESMA Identifies Up to €1 Billion in Potential Annual Savings from Simplifying EU Transaction Reporting. On July 2, ESMA published its [final report](#) on the simplification of transaction reporting, which it said set out a clear path towards a “Report Once” approach. According to ESMA, its review confirms that the main drivers of cost and complexity include frequent and unsynchronized regulatory changes, duplication of reporting across frameworks and channels, and dual-sided reporting and associated reconciliation processes.

ESMA Fines Moody’s Germany for Misreporting. On July 2, ESMA [fined](#) Moody’s Deutschland GmbH (Moody’s Germany) a total of EUR 2,145,000, for committing four breaches of the Credit Rating Agencies Regulation. The breaches were found to have resulted from negligence on the part of Moody’s Germany. In calculating the fine, ESMA considered both aggravating and mitigating factors provided in the CRA Regulation.

ESMA Recognizes Clearing Corporation of India Limited as a Tier 1 Third-country CCP. On July 1, ESMA recognized the Clearing Corporation of India Limited (CCIL) as a Tier 1 third-country central counterparty under the European Market Infrastructure Regulation. The recognition allows CCIL to provide clearing services to EU clearing members and trading venues, including banks, investment firms, and other counterparties.

ESMA Consults on Simplifying EU Taxonomy Disclosure Framework. On July 1, ESMA launched a [consultation](#) regarding technical advice to the European Commission on selected KPIs under the Taxonomy Disclosures Delegated Act. ESMA’s consultation focuses on simplification and reduction of reporting burdens for market participants and builds on recent simplification efforts under the Commission’s Omnibus package.

ESMA Appoints Peter Tkáč as the New Member of its Management Board. On July 1, ESMA appointed Peter Tkáč, Národná Banka Slovenska, Slovakia, as the new member of its Management Board. The Management Board, chaired by Verena Ross, Chair of ESMA, is responsible for ensuring that the Authority carries out its mission and performs the tasks assigned to it under its founding Regulation.

New Industry-Led Developments

ISDA Publishes Report on Key Trends in the Size and Composition of OTC Derivatives Markets. On July 9, ISDA published a [report](#) outlining the latest data from the Bank for International Settlements OTC derivatives statistics, which showed an increase in notional outstanding of OTC derivatives during the second half of 2025 compared to the same period in 2024. Notional outstanding rose across all

major asset classes, including interest rate derivatives, foreign exchange, equity and commodity derivatives. [NEW]

ISDA and SIFMA Submit Letter on SEC Security-Based Swap Dealer

Thresholds. On July 8, ISDA and the Securities Industry and Financial Markets Association (SIFMA) submitted a [comment letter](#) to the SEC in response to the staff report on the definitions of “security-based swap dealer” and “major security-based swap participant.” The associations recommend maintaining the current de minimis thresholds for both credit default swap (CDS) and non-CDS security-based swap activity, noting that the SEC’s data shows the existing framework already captures the vast majority of market activity. [NEW]

ISDA Responds to RBI Consultation on SA-CCR. On July 8, ISDA [responded](#) to the Reserve Bank of India’s (RBI) consultation on draft amendment directions on the standardized approach for counterparty credit risk (SA-CCR). According to ISDA, it broadly welcomes the RBI’s move to SA-CCR and updated capital treatment for exposures to central counterparties, noting the draft directions closely track standards from the Basel Committee on Banking Supervision. [NEW]

ISDA and GDF Publish Tokenization Report. On July 7, ISDA and Global Digital Finance published a [report](#) that examines the viability of using tokenized money market funds as collateral for derivatives within existing US legal, regulatory and operational frameworks. [NEW]

ISDA and GDF Respond to FCA and BOE on Future of Tokenization. On July 6, ISDA and Global Digital Finance (GDF) submitted a [joint response](#) to a call for input on the future of tokenization by the Financial Conduct Authority (FCA) and Bank of England (BOE). According to ISDA, tokenization presents a significant opportunity for the derivatives market, with potential benefits that include an expanded pool of eligible collateral, reduced risk during market stress and improved collateral management. [NEW]

ISDA Publishes Joint Association Letter on Enhancing EU Legislative and Supervisory Framework. On July 1, ISDA and 11 other trade associations published a [statement](#) on enhancing the EU legislative and supervisory framework to support market competitiveness. The statement calls for embedding a competitiveness objective within ESMA’s mandate, thus ensuring regulatory decisions fully reflect their impact on market attractiveness. It also urges better sequencing of EU financial legislation.

ISDA Responds to CPMI-IOSCO Consultation on Margin Proposals. On June 29, ISDA submitted a [response](#) to a consultation from the Committee on Payments and Market Infrastructures (CPMI) and IOSCO on updated guidance and public quantitative disclosures to implement the 2025 margin proposals.

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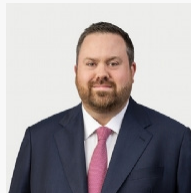
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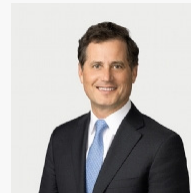
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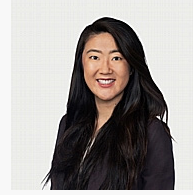
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