



GIBSON DUNN

## This Week in Derivatives

July 2, 2026

**From the Derivatives Practice Group:** This week, ESMA published a report relating to transaction reporting simplification, while ISDA published a joint association letter for enhancing the EU's legislative and supervisory framework.

### 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.

**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.

### **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.

### **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 Developments Outside the U.S.**

### **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. [NEW]

**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. [NEW]

### **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. [NEW]

**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. [NEW]

**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]

**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.

**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]

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## New Industry-Led Developments

**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. [NEW]

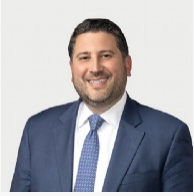
**ISDA Responds to CPMI-IOSCO Consultation on Margin Proposals.** On June 29, ISDA submitted a [response](#) to a consultation from the Committee on Payments and Market Infrastructures (CPMI) and IOSCO on updated guidance and public quantitative disclosures to implement the 2025 margin proposals. [NEW]

**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.

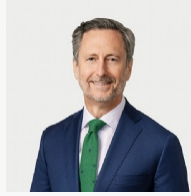
**ISDA, FIA, GFMA, CMC, CMCE Responds to IOSCO on Best Practices for OTC Commodity Derivatives.** On June 23, ISDA and others [responded](#) to IOSCO's [consultation report](#) on best practices for over-the-counter (OTC) commodity derivatives position reporting. The associations indicated their support 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.

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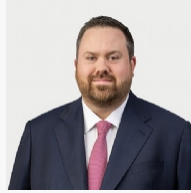
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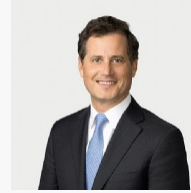
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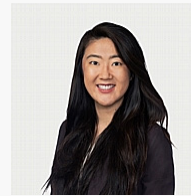
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