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This Week in Derivatives

From the Derivatives Practice Group: This week, the CFTC announced it is extending the deadline for public comment related to (1) the extension of standard futures contracts to 24/7 trading and (2) the potential listing of energy commodity perpetual contracts. The deadline is extended to August 26, 2026.

New Developments

CFTC Extends Public Comment Period on Proposed Rule on the Extension of Standard Futures Contracts to 24/7 Trading and on Perpetual Contracts Referencing Physically Delivered or Storable Energy Commodities. On July 23, the CFTC announced it is extending the deadline for public comment on two related developments in the energy derivatives markets: the extension of standard futures contracts to 24/7 trading and the potential listing of energy commodity perpetual contracts. Based on requests by commenters and the addition of several questions to the request, the deadline is being extended by 30 days to August 26, 2026. [NEW]

Chairman Selig Announces Agenda for July 29 Agricultural Advisory Committee Meeting in Washington. On July 23, CFTC Chairman Michael S. Selig, sponsor of the Agricultural Advisory Committee (AAC), released the agenda for the AAC's first meeting of 2026. Among other topics, attendees will discuss the Basel III proposal, risk management tools for agricultural end users, 24/7 trading and emerging markets, and recent CFTC activity in the agricultural industry. The full agenda can be found here. [NEW]

Senator Lummis Releases Revised Text of the Clarity Act. On July 22, Senate Banking Digital Assets Subcommittee Chair Cynthia Lummis (R-WY) released an updated text for the Digital Asset Market Clarity Act (H.R. 3633), which reflects the merged work products of the Banking and Agriculture Committees. [NEW]

CFTC Sunsets Routine Large Trader Reporting Requirements for Physical Commodity Swaps. On July 17, the CFTC issued a final order sunsetting the routine position-reporting requirements of Part 20, the large trader reporting rules for physical commodity swaps. Under the order, clearing organizations, clearing members, and swap dealers will no longer be required to file the daily and event-based position reports currently required under Part 20.

Chairman Selig Announces CFTC Agricultural Advisory Committee to Meet July 29 in Washington. On July 15, CFTC Chairman Michael S. Selig, sponsor of the Agricultural Advisory Committee (AAC), announced that the AAC will host its first meeting of 2026 at 1:00 PM EST on July 29, 2026, at CFTC Headquarters. This meeting is open to the public and will be streamed live on CFTC.gov.

CFTC Stays KalshiEX Rule Change and Exercises Emergency Authority to Order Fulfillment of Pending Trades. On July 14, the CFTC exercised its authority to stay an emergency rule change proposed by KalshiEX, LLC in response to a Michigan state court order directing the company to cancel certain previously executed trades involving Michigan residents. The CFTC also exercised its emergency authority to order KalshiEX, LLC to fulfill the open trades in accordance with its normal practices.

CFTC Approves Final Rule Amending Margin Requirements for Uncleared Swaps. On July 13, the CFTC approved a final rule that amends margin requirements for uncleared swaps for swap dealers and major swap participants who are not subject to prudential regulator margin rules. The CFTC said the amendments enhance market efficiency, promote global harmonization, and support responsible financial innovation, while maintaining robust risk management standards.

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 Developments Outside the U.S.

ESMA Calls on Firms to Finalize Preparations Ahead of T+1 Settlement Deadlines. On July 20, ESMA published a statement highlighting key deadlines and action points in preparation for the transition to a T+1 settlement cycle in EU financial markets. According to ESMA, the statement outlines key milestones, including the first regulatory deadline on December 7, 2026. ESMA states that market participants are encouraged to prepare and test their own readiness across the entire trading and settlement chain. [NEW]

ESMA Publishes Report on Cross-border Investment Services Supervision. On July 20, ESMA published its follow-up report to the peer review on the supervision of cross-border activities of investment firms. The report assesses the progress made by national competent authorities in implementing recommendations issued in 2022 and covers the Netherlands, Germany, the Czech Republic, Luxembourg, Cyprus and Malta. [NEW]

Joint Board of Appeal Dismisses Appeal Against the EBA. On July 16, the Joint Board of Appeal of the European Supervisory Authorities issued a decision stating that an appeal brought by an individual against the European Banking Authority (EBA) is inadmissible. The appeal concerned a response by the EBA to a complaint regarding the closure of a bank account by a credit institution and the handling of the matter by the Finnish National Competent Authority (FIN-FSA). The appellant had requested that the EBA investigate a possible breach of Union law by FIN-FSA. The Board of Appeal concluded that, under established EU case law, any decision to initiate an investigation is at the EBA's discretion. [NEW]

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.

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.

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 Industry-Led Developments

IOSCO Announces Themes of the 10th Edition of World Investor Week. On July 22, IOSCO announced that the primary themes for World Investor Week 2026 (taking place from October 5 to 11, 2026) are Investor Resilience, Digital Deception, and Scam Alert, which it states reflects some of the most significant challenges facing investors today. [NEW]

ISDA Comments on EP's MISP Draft Reports. On July 15, ISDA shared comments with policymakers in the European Union on the European Parliament's (EP) draft reports by Member of the European Parliament Markus Ferber and MEP Eero Heinäluoma on the Market Integration and Supervision Package (MISP). ISDA's commentary discusses amendments in relation to the European Securities and Markets Authority's mandate and powers, the Markets in Financial Instruments Regulation transparency, and the European Market Infrastructure Regulation transaction reporting, among other topics. [NEW]

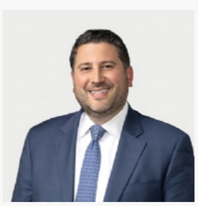
HMT Lays SI Granting UK EMIR Article 25(1) Equivalence to Several Jurisdictions. On July 13, the UK Treasury (HMT) laid before Parliament a statutory instrument (SI) setting out UK European Market Infrastructure Regulation (EMIR) Article 25(1) equivalence determinations in respect of the regulatory framework for CCPs established in Australia, Hong Kong, India, Japan, South Africa, the United Arab Emirates and the US. The statutory instrument will come into force on August 3.

UK Digital Markets Champion Publishes First Report on Wholesale Markets Tokenization. On July 13, Christopher Woolard CBE, the UK's Wholesale Markets Digital Champion, published his first report on the future of UK wholesale financial markets. The report recommends that the Bank of England consider broader acceptability of tokenized collateral in the market (for example, for use in central counterparties).

ISDA Comments on EP's MISP Draft Reports. On July 15, ISDA shared [comments] with policymakers in the European Union on the European Parliament's (EP) draft reports by Member of the European Parliament (MEP) Markus Ferber and MEP Eero Heinäluoma on the Market Integration and Supervision Package (MISP). According to ISDA, its commentary discusses amendments in relation to the European Securities and Markets Authority's mandate and powers, the Markets in Financial Instruments Regulation transparency, and the European Market Infrastructure Regulation transaction reporting, among other topics.

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.

Practice Members



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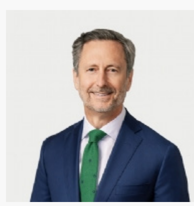

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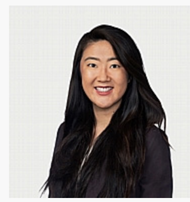

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