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This Week in Derivatives

August 14, 2026

From the Derivatives Practice Group: This week, the CFTC issued an advisory reminding designated contract markets of their regulatory obligations when submitting self-certifications for market-maker, liquidity, trading, or incentive programs under CFTC Regulations 40.5 and 40.6.

New Developments

Chairman Selig Announces Agenda for August 20 Innovation Advisory Committee Meeting in Washington. On August 13, CFTC Chairman Michael Selig, sponsor of the Innovation Advisory Committee (IAC), released the agenda for the IAC's inaugural meeting on Thursday, August 20. Attendees will discuss topics related to the regulation of crypto assets, artificial intelligence, and prediction markets. View the full agenda here. [NEW]

CFTC Releases Advisory on Self-Certification of Incentive Programs for Prediction Markets. On August 12, the CFTC's Division of Market Oversight issued an advisory reminding designated contract markets of their regulatory obligations when submitting self-certifications for market-maker, liquidity, trading, or incentive programs under CFTC Regulations 40.5 and 40.6. This advisory addresses concerns regarding an increasing number of incentive-program rule filings submitted under CFTC Regulation 40.6(a)—particularly those relating to event contract products—that contain procedural or substantive deficiencies. [NEW]

CFTC Exercises Emergency Authority to Ensure Market Stability. On August 11, the CFTC exercised its emergency authority in response to KalshiEX, LLC's notification of a market emergency and ordered the exchange to continue to operate in accordance with the Commodity Exchange Act's Core Principles, which requires the Commission to provide a uniform national market in derivatives transactions. [NEW]

Chairman Selig Announces Inaugural CFTC Innovation Advisory Committee Meeting on August 20 in Washington. On August 10, Chairman Michael Selig, sponsor of the Innovation Advisory Committee (IAC), announced the IAC will host its inaugural meeting at 1 p.m. EST on August 20, in Washington. The Innovation Advisory Committee was created to advise the Commission on complex issues at the intersection of technology, law, policy, and finance. [NEW]

CFTC Reminds Markets to Display Clear Pricing Information. On August 7, the CFTC's Division of Market Oversight and the Market Participants Division of the Commodity Futures Trading Commission issued a letter to remind Commission-regulated entities involved in the listing, soliciting, or acceptance of event contracts of their responsibility not to mislead consumers, including the obligation to display clear and accurate pricing information for derivatives products. [NEW]

New Developments Outside the U.S.

ESMA Confirms Go-live for Weekly Commodity Derivatives Position Reporting. On August 14, ESMA announces that the new weekly commodity derivatives position reporting framework will go live on September 3, 2026. From this date, market participants will be required to submit weekly position reports in accordance with the updated requirements, technical specifications and validation rules introduced by XML schema version v2.0. [NEW]

FCA Publishes Policy Statement on UK MIFIR Transaction Reporting. On August 3, the UK Financial Conduct Authority (FCA) published Policy Statement PS26/15 on improving the UK transaction reporting regime. This sets out the final rules and guidance to be made to the UK Markets in Financial Instruments Regulation (MIFIR) transaction reporting requirements, following feedback received from FCA consultation CP25/32, which was published last year.

EBA Publishes No-Action Letter and Technical Clarifications on Market Risk. On August 3, the European Banking Authority (EBA) published a no-action letter and technical considerations to support the implementation of the market risk framework for EU banks, known as the Fundamental Review of the Trading Book (FRTB). This publication is meant to complement the adoption of the third EU market risk delegated act by the European Commission in June, which introduced temporary adjustments to the FRTB and the application of an overarching multiplier aimed at banks that will be negatively impacted by its implementation.

EBA, EIOPA and ESMA Propose Amendments to Bilateral Margin Requirements. On August 3, the European Supervisory Authorities published a final report on draft Regulatory Technical Standards. The report proposes to simplify the bilateral margin requirements of the European Commission's Delegated Regulation (EU) 2016/2251.

New Industry-Led Developments

ISDA, AFME Respond to EBA on Taxonomy Disclosures Delegated Act. On August 12, ISDA and the Association for Financial Markets in Europe (AFME) responded to the European Banking Authority's discussion paper on certain taxonomy key performance indicators (KPIs) and other aspects of the Disclosures Delegated Act under Article 8 of the Taxonomy Regulation. The associations stated that they support the European Commission's ongoing efforts to simplify the EU Taxonomy reporting framework and caution against the introduction of additional KPIs in the absence of clear use cases or demonstrated investor demand. [NEW]

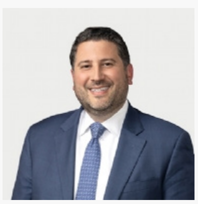
ISDA Responds to JSCC Consultation on Clearing Fund Consolidation. On August 12, ISDA responded to the Japan Securities Clearing Corporation's (JSCC) consultation on its proposal to consolidate clearing fund consumption, calculation and deposit segmentation across six clearing qualifications under the Financial Instruments and Exchange Act. ISDA members broadly support the JSCC's objective to achieve greater capital efficiency, diversification benefit, and operational simplicity consistent with default fund frameworks at other major central counterparties. [NEW]

ISDA Responds to EC on CSDDD Due Diligence Guidelines. On August 6, ISDA responded to the European Commission's (EC) consultation on due diligence guidelines under the Corporate Sustainability Due Diligence Directive (CSDDD). According to ISDA, while model contractual clauses can be a helpful resource for in-scope companies, there are limits on what a model clause can achieve in the context of ensuring effective due diligence. [NEW]

ISDA Responds to Bank of England Consultation on Extension of Settlement Hours. On August 6, ISDA responded to the Bank of England's (BoE) consultation paper on the extension of settlement hours for Real-Time Gross Settlement (RTGS) and the Clearing House Automated Payment System (CHAPS). ISDA stated that it supports the BoE's plan to extend RTGS and CHAPS settlement hours and the response focuses on the relevance of the shift towards longer settlement hours for market participants relying on RTGS for settlement of cash variation margin and initial margin in the context of derivatives clearing. In that regard, extending settlement hours is a welcome development. [NEW]

ISDA Expands SwapsInfo Website with US FX Derivatives Data. On August 4, ISDA announced that it has expanded its SwapsInfo website to include data on US-reported foreign exchange (FX) derivatives. ISDA said the new FX section provides insights into trading activity in FX forwards, swaps and options. According to ISDA, users can analyze the data by product type, currency pair, execution method, tenor and clearing status, thus making it easier to identify market trends and compare activity across different segments of the market.

Practice Members



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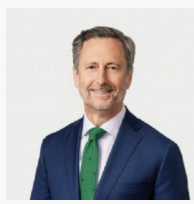

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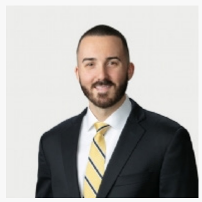

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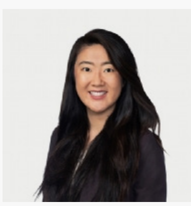

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counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.