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This Week in Derivatives

August 28, 2026

From the Derivatives Practice Group: This week, the CFTC held the inaugural meeting of its Innovation Advisory Committee in Washington, D.C.

New Developments

Members of the CFTC's Innovation Advisory Committee Join Chairman Selig in Washington at Inaugural Meeting. On August 20, the CFTC held the inaugural meeting of its Innovation Advisory Committee in Washington, D.C. This council of American innovators, entrepreneurs, thinkers, and builders provided insights and recommendations to the Commission to help ensure its regulations keep pace with the rapid speed of innovation. Chairman Selig convened the meeting and delivered opening remarks (full remarks here). [NEW]

CFTC Seeks Public Comments on Proposed Elimination of SEF Order Book Requirement for Permitted Transactions. On August 20, the CFTC published a Notice of Proposed Rulemaking seeking public comments on proposed amendments to Commission regulation § 37.3(a)(2) to remove the order book requirement allowing swap execution facilities (SEFs) not to offer an order book for permitted transactions. The proposed elimination of the order book requirement for permitted transactions provides SEFs with the flexibility to determine how to allocate their resources, while also potentially helping to spur further development and innovation in execution methods that may be better suited to trading the products that SEFs list.

CFTC Requests Comment on the Listing of Compute Derivatives Contracts. On August 19, the CFTC issued a request for comment to better inform its understanding and oversight of derivatives markets in compute. This request seeks comment on the size, liquidity, and other considerations with respect to compute cash markets, market oversight and manipulation concerns, customer protection, and perpetual compute futures.

CFTC Resolves Actions Against Former Alameda CEO, and Alameda and FTX Co-Founder. On August 19, the CFTC announced the U.S. District Court for the Southern District of New York entered supplemental consent orders against Caroline Ellison, former Alameda CEO, and Gary Wang, former Alameda and FTX co-founder. The orders require Ellison and Wang to continue cooperating with the Commission, impose a five-year trading ban and a 10-year registration ban on Ellison, and impose a five-year trading ban and an eight-year registration ban on Wang.

CFTC Seeks Public Comment on Proposed Rule Changes for Commodity Pool Operator and Commodity Trading Advisor Registration. On August 18, the CFTC published a Notice of Proposed Rulemaking seeking public comments on amendments to part 4 of the CFTC's regulations. These amendments address registration requirements for commodity pool operators and commodity trading advisors, and the proposed rule aims to reduce duplicative and overlapping regulation.

New Developments Outside the U.S.

ESMA Consults on Reporting Framework for Clearing Activity at Recognized Third-Country CCPs. On August 18, ESMA launched a consultation on a proposed annual reporting framework for clearing activity at recognized third-country central counterparties (CCPs) aimed at improving supervisory visibility of EU firms' exposures to such CCPs. The consultation paper sets out ESMA's proposed Regulatory Technical Standards and Implementing Technical Standards under the European Market Infrastructure Regulation.

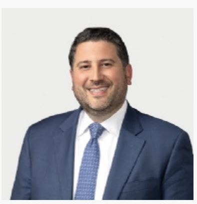
ESMA Confirms Go-live for Weekly Commodity Derivatives Position Reporting. On August 14, ESMA announces that the new weekly commodity derivatives position reporting framework will go live on September 3, 2026. From this date, market participants will be required to submit weekly position reports in accordance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

New Industry-Led Developments

ISDA Publishes Interviews on Expanding the Universe of Eligible Variation Margin Collateral for Non-cleared Derivatives. On August 25, ISDA published a series of interviews with buy- and sell-side firms to understand the drivers of a growing use of non-cash assets as variation margin for non-cleared over-the-counter derivatives and the barriers that remain to expanding the use of non-cash collateral. The firms interviewed span asset managers, pension schemes and global dealers across North America, the UK and Europe, and reflect a wide range of operating models, from fully in-house collateral programs to those outsourced to a custodian or collateral agent. [NEW]

ISDA Responds to FASB Hedge Accounting Guidance. On August 14, ISDA responded to an exposure draft from the Financial Accounting Standards Board (FASB). ISDA states that it broadly supports the FASB's proposed targeted improvements to hedge accounting, including allowing interest rate hedging of held-to-maturity debt securities, recognizing all Secured Overnight Financing Rate tenors as benchmark rates and permitting certain cross-currency swaps different reset dates in net investment hedges.

Practice Members



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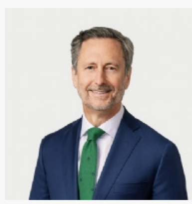

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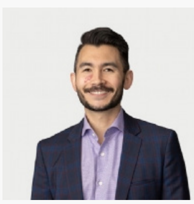

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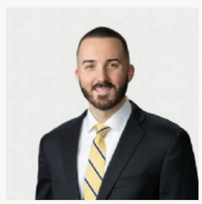

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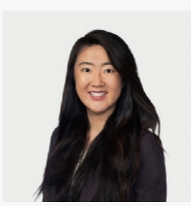

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