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This Week in Derivatives

August 7, 2026

From the Derivatives Practice Group: This week, the CFTC reported on its first Agricultural Advisory Committee meeting of 2026.

New Developments

CFTC's Agricultural Advisory Committee Joins Chairman Selig in Washington at First Meeting of 2026. On July 31, the CFTC reported on its first Agricultural Advisory Committee (AAC) meeting of 2026. Following opening remarks from CFTC Chairman Michael Selig, Senator Tommy Tuberville (R-AL), and AAC Chairman Ed Prosser, membership discussed 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 report is available here. [NEW]

CFTC Seeks Public Comment on Notice of Proposed Rulemaking Concerning Affiliations Among Certain CFTC-Regulated Entities. On July 30, the CFTC published a Notice of Proposed Rulemaking seeking public comment on amendments to Part 37, Part 38, and Part 39 of the CFTC's regulations, as well as Commission regulations 1.52 and 1.55. Comments will be accepted for 60 days following publication in the Federal Register.

CFTC Releases Advisory on Self-Certification of an Event Contract Series. On July 24, the CFTC's Division of Market Oversight issued an advisory reminding designated contract markets about the proper procedures for submitting self-certifications of an event contract series. The advisory addresses concerns about the practice of submitting broad, template-style certifications that combine many potential event contract variations into a single certification.

CFTC Staff Issues No-Action Position on Designated Contract Market Procedures. On July 24, the CFTC's Division of Market Oversight announced it has issued a no-action letter to Kraken Derivatives Exchange Inc., formerly Small Exchange Inc., a designated contract market, which addresses certain procedures related to dormancy. The no-action position is time-limited and subject to the terms and conditions in the division's no-action letter. This position is in response to a request from Kraken Derivatives Exchange Inc. to extend the no-action position granted to KDE in CFTC Letter No. 25-46.

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.

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 Developments Outside the U.S.

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. [NEW]

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. [NEW]

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]

EBA, EIOPA and ESMA Call for Enhanced Governance and Consistent Supervision to Mitigate ICT Risks from Frontier AI Models. On July 31, the European Supervisory Authorities (ESAs) published a statement calling for a cross-sectoral, risk-based and consistent supervisory approach to mitigate the ICT risks stemming from frontier AI models. The ESAs outlined measures to help financial entities strengthen their operational resilience against cyber risks linked to frontier AI models.

ESMA Authorizes EuroCTP as the Consolidated Tape Provider for Shares and Exchange-traded Funds. On July 27, ESMA authorized EuroCTP B.V. (EuroCTP) to operate as the Consolidated Tape Provider (CTP) for shares and exchange-traded funds (ETFs). According to ESMA, EuroCTP will be responsible for operating the consolidated tape for shares and ETFs for a period of five years under ESMA's direct supervision. The five-year period will begin on the date EuroCTP starts its operations.

New Industry-Led Developments

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. [NEW]

ISDA Publishes US Basel III Endgame Trading and Capital Markets Impact 2026 Update. On July 31, ISDA published a quantitative impact study with input from eight US global systemically important banks. The report shows that the market risk portion of the framework, known as the Fundamental Review of the Trading Book, would increase market risk capital by approximately 89% under the standardized approach applied across the full portfolio, and by approximately 30% under a blend of internal models and standardized approach that reflects current model approvals.

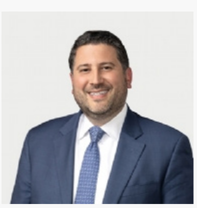
ISDA Publishes Research Note on CDS Market Dynamics. On July 29, ISDA published a report that concluded global credit default swap (CDS) market activity reached a record $41.8 trillion in 2025, surpassing the previous peak of $38.7 trillion in 2022. Index CDS drove the increase, accounting for 93.3% of total activity and reaching a record $39.0 trillion.

ISDA Publishes ISDA-Actrix US Treasury Repo Market Clearing Indicators for June 2026. On July 27, ISDA published the ISDA-Actrix US Treasury Repo Market Clearing Indicators for June 2026, which 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, a key objective of the Securities and Exchange Commission's US Treasury clearing mandate.

ISDA Submits Letter to CFTC on Public Interest Determinations for Event Contracts. On July 27, ISDA submitted a letter to the CFTC on the CFTC's proposed rulemaking on public interest determinations for event contracts published in the Federal Register on June 12, 2026. According to ISDA, its letter emphasized the importance of market integrity as well as legal and regulatory certainty regarding the scope of event contracts that are swaps and/or security-based swaps.

ISDA Responds to ASIC Consultation on Pre-hedging Guidance. On July 27, ISDA submitted a response to the Australian Securities and Investments Commission's (ASIC) consultation on its proposed regulatory guide on pre-hedging. ISDA's response emphasized the importance of international consistency, including alignment with the International Organization of Securities Commissions' (IOSCO) final report on pre-hedging, and supports a proportionate, principles-based and risk-based approach.

Practice Members



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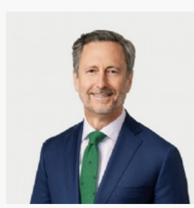

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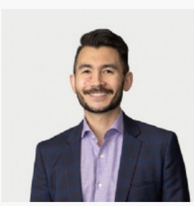

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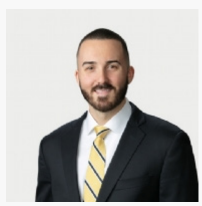

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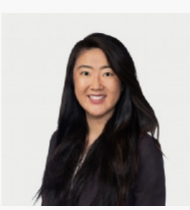

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