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This Week in Derivatives

September 11, 2026

From the Derivatives Practice Group: This week, the CFTC issued a readout following a meeting of U.S. and U.K. authorities regarding central counterparty resolution.

New Developments

CFTC Issues Joint Readout of Principals' Meeting of UK and U.S. Authorities Regarding Central Counterparty Resolution. On September 11, senior officials from the CFTC, SEC, FDIC, Federal Reserve Board, and Bank of England convened for a tabletop exercise on September 3, 2026, to discuss certain issues relating to the hypothetical resolution of central counterparties (CCPs). This meeting was one of a regular series of senior-level meetings held since 2017 to share views on CCP resolution and review the progress of an ongoing program of joint work among the agencies. [NEW]

CFTC Chairman Selig and Kansas State University Announce Agenda for October 22-23 AgCon Conference in Overland Park. On September 10, CFTC Chairman Michael S. Selig and the Risk Management Center at Kansas State University released the agenda for the Agricultural Commodity Futures Conference (AgCon) on October 22-23, 2026, in Overland Park, Kansas. Attendees will discuss topics related to market structure, changes in emerging markets, contract convergence, financing, data, access to clearing, artificial intelligence, and the state of the farm economy. The full agenda is available here. [NEW]

CFTC Issues Final Rule to Modify Clearing Requirement for Canadian Dollar- and Mexican Peso-Denominated Interest Rate Swaps. On September 2, the CFTC issued a final rule to modify its interest rate swap clearing requirement. The final rule updates the swaps required to be submitted for clearing to a derivatives clearing organization or an exempt DCO under part 50 of the CFTC's regulations.

CFTC Staff Issues No-Action Position on Large Trader Reporting for Direct Participants. On September 2, the CFTC's Division of Market Oversight announced it has issued a no-action letter to Electron Exchange DCM LLC, a designated contract market, which would allow Electron Exchange to submit large trader reporting on behalf of direct participants as if Electron Exchange's contracts were exclusively self-cleared contracts.

CFTC Further Extends Compliance Date for Amendments to Form PF. On August 31, the CFTC published a Joint Final Rule with the Securities and Exchange Commission further extending the compliance date for the amendments to Form PF from October 1, 2026, to July 1, 2027. Extending the compliance date for the Form PF Amendments allows Form PF filers to avoid certain potentially significant costs associated with implementing the Form PF Amendments that the Commissions have subsequently proposed to amend and/or eliminate in a new rule proposal issued on April 20, 2026.

New Developments Outside the U.S.

ESMA Publishes Paper Concluding Ongoing Geopolitical and Economic Vulnerabilities Masked by Strong Investor Optimism. On September 10, ESMA published its second risk monitoring report of 2026, which set out the main risks and vulnerabilities in EU financial markets. According to ESMA, while markets have remained resilient, stretched technology valuations and heightened geopolitical tensions are testing this resilience in a climate of persistent inflation and weaker economic growth. [NEW]

ESMA Consults on Disclosure Requirements and Updates Guidelines and Q&As under the Prospectus Regulation. On September 9, ESMA published a package of materials under the Prospectus Regulation to reflect changes introduced by the Listing Act. The measures aim to promote supervisory convergence and contribute to ESMA's simplification and burden-reduction efforts. The full set of materials are available here. [NEW]

ESMA signs Memorandum of Understanding with the Securities and Exchange Board of India. On September 4, ESMA signed a Memorandum of Understanding with the Securities and Exchange Board of India (SEBI) to facilitate cooperation and exchange of information in relation to the recognition of central counterparties established in India and supervised by SEBI.

ESMA to Host Data Day 2026. On September 4, ESMA announced that it was host Data Day 2026, which will take place on November 24, 2026 in Paris. According to ESMA, the event will bring together over 200 industry participants, regulators and other stakeholders to discuss key developments in supervisory reporting and regulatory disclosures, as well as the role of data in supporting more effective supervision and further integration in capital markets across the European Union. The full agenda is available here.

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

Global Standard-setting Bodies Publish Toolkit for Cyber Resilience at Financial Market Infrastructures (FMIs). On September 8, the Bank of International Settlements (BIS)' Committee on Payments and Market Infrastructures (CPMI) and IOSCO published the Cyber Resilience Toolkit: Practical Considerations for FMIs toolkit and FMIs' Reliance on Third-Party Service Providers: Challenges and Risks discussion paper. According to IOSCO, the toolkit provides practical considerations to support FMIs in strengthening their cyber resilience frameworks. Meanwhile, the discussion paper identifies and examines several key challenges related to the provision of third-party services to FMIs. [NEW]

ISDA and FIA Respond to Bank of England on CCP Resolution. On September 7, ISDA and the Futures Industry Association (FIA) responded to a Bank of England (BOE) discussion paper on central counterparty (CCP) resolution. The associations support greater clarity on valuation capabilities prior to a crisis scenario and the boundary between recovery and resolution, while stressing that default fund contributions are designed to mutualize default risk and should not become a mechanism for absorbing operational or other non-default losses. The associations caution against any change to the creditor hierarchy that would result in weakening the no-creditor-worse-off safeguard. [NEW]

ISDA Publishes Paper on Expanding Legal Agreement Coverage in the CDM. On September 4, ISDA published a paper that examines the recent extension of the Common Domain Model (CDM)1 to represent two of the most significant, and previously undeveloped, areas of its legal agreement model: umbrella agreements and contract amendments. The paper sets out why this structured, machine-readable representation matters, how each area is now modelled and the case for firms, vendors and infrastructure providers to adopt these standards. [NEW]

ISDA Publishes Omnibus Canadian Representation Letter. On September 2, ISDA published the Omnibus Canadian Representation Letter, which combines previously published representation letters drafted to assist firms in compliance with Canadian trade reporting, business conduct, regulatory margin and clearing classification rules. The Omnibus Canadian Letter is designed to be modular and allow additional modules as necessary to assist with compliance of Canadian regulations.

ISDA Publishes Paper on Accounting for Carbon Credits. On August 2, ISDA published a paper that updates and extends the analysis set out in ISDA's October 2023 paper on accounting for carbon credits. While preserving the original focus on the accounting treatment of voluntary carbon credits and compliance carbon credits, it expands the analysis to address emerging issues and reflect important developments in accounting standard setting.

ISDA, FIA Respond to SEC on FICC Proposal to Implement a Dedicated Guaranty Fund. On September 1, ISDA and FIA submitted a joint response to the SEC, supporting the Fixed Income Clearing Corporation's (FICC) proposal to establish a dedicated guaranty fund at its government securities division. The joint response also recommends that non-default losses should remain the responsibility of the CCP rather than being mutualized among members and calls for the retention of the current 10 business day event period, together with a cooling-off mechanism to better contain members' exposure during periods of market stress.

Korea – FSS published its Guidelines on Margin Requirements for Non-Centrally Cleared OTC Derivatives Transactions. On September 1, the Financial Supervisory Service (FSS) of Korea published its Guidelines on Margin Requirements for Non-Centrally Cleared OTC Derivatives Transactions. The guidelines extend the temporary exemption for equity options from the margin requirements until August 31, 2027.

ISDA and FIA Respond to CFTC and SEC on Cross-margining. On August 31, ISDA and FIA submitted a letter to the CFTC and the SEC on the agencies' joint request for comment on the implementation of portfolio margining and cross-margining of securities and derivatives, which was published in the Federal Register on June 30, 2026.

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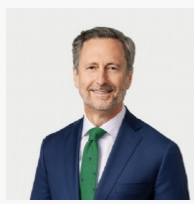

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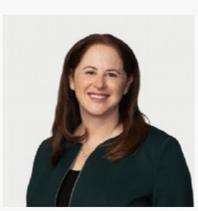

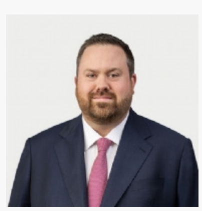

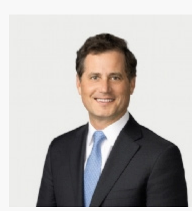

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