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September 25, 2026

This Week in Derivatives

From the Derivatives Practice Group: This week, the CFTC released updates to its FAQs Concerning Registrant and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies.

New Developments

CFTC Staff Releases Updates to FAQs Concerning Registrants and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies. On September 24, the CFTC's Market Participants Division, Division of Market Oversight, and Division of Clearing and Risk released updates to the FAQs Concerning Registrant and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies to address investments of customer funds in tokenized forms of permitted investments and the use of blockchain technologies to satisfy a registrant's recordkeeping requirements. [NEW]

CFTC Releases Staff Advisory on Mention Markets. On September 22, the CFTC's Division of Market Oversight issued an advisory that addresses the listing and trading of event contracts that are based on whether an individual will say or "mention" certain words, attend or appear at an event, or otherwise interact with another person, which are commonly referred to as "mention market" contracts. The advisory outlines the limited circumstances in which such contracts may be listed consistently with the Commodity Exchange Act and Commission regulations. [NEW]

CFTC Innovation Task Force to Host Frontier Forum Series on Innovative

Financial Technologies. On September 21, the CFTC's Innovation Task Force announced it will host the Frontier Forum Series, a series of public roundtables on the technologies that are transforming American financial markets. Each Frontier Forum will provide a venue for public dialogue on the financial technologies and evolving market structures that are shaping the new frontier of finance. Each Forum will convene builders and leaders from across the public and private sectors to discuss how the Commission can promote responsible innovation while protecting market participants and preserving the integrity and resilience of U.S. financial markets. [NEW]

CFTC Sends Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets Proposal to the White House for Review. On September 17, the CFTC filed its "Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets" proposal with the Office of Information and Regulatory Affairs, which is a division within the Office of Management and Budget (OMB) that reviews federal regulations before publication. Once the OMB reviews the draft, it will return to the CFTC for a vote and public comment. It would then need another vote to become effective.

CFTC Staff Issues No-Action Position to Providers of Passive Software. On September 17, the CFTC's Market Participants Division announced it has issued a no-action position for the benefit of providers of passive software. The letter states that, subject to certain specified conditions, MPD will not recommend the Commission take enforcement action against any such provider or their relevant personnel for failure to register as an introducing broker or associated person of an introducing broker.

CFTC Approves Final Rule Concerning Whistleblower Awards. On September 11, the CFTC approved a final rule that incorporates a 30 percent presumption for whistleblower awards of $5 million or less, subject to Commission discretion and its analysis of relevant regulatory factors. The final rule is modeled on the SEC's rule 21F-6(c), further enhancing the ongoing efforts at harmonization between the two agencies. The CFTC expects this new provision to improve the efficiency, transparency, and predictability of whistleblower award claims processing.

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.

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 Developments Outside the U.S.

Upcoming Changes to the Euribor Panel. On September 24, ESMA announced it will issue a statement on the upcoming changes to the Euribor panel. ESMA's statement concerns the announcement by the European Money Markets Institute that Cecabank, based in Spain, will withdraw from the Euribor panel. The withdrawal will take effect on September 30, 2026, which will be the bank's final day contributing input data to the benchmark determination. [NEW]

ESAs Call for Vigilance Over External Dependencies, Cyber Threats, and Private Credit Risks. On September 23, the European Supervisory Authorities (the ESAs) identified external dependencies, emerging technologies, and private credit as key vulnerabilities for the EU financial system in their Autumn 2026 risk update. The ESAs warn that the sector's reliance on non-EU providers and infrastructures could amplify the impact of geopolitical shocks and operational disruptions. [NEW]

ESMA Sets New Supervisory Priority on Digital Innovation from 2027. On September 23, ESMA announced it will launch a new Union Strategic Supervisory Priority (USSP) to help embrace innovation while protecting investors and maintaining strong safeguards. The digital innovation USSP aims to ensure supervisors have the expertise and capacity to oversee the use of new technologies. In collaboration with National Competent Authorities, ESMA's initial focus will be on how supervised entities use artificial intelligence and tokenization. [NEW]

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.

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 Industry-Led Developments

ISDA Publishes Paper on Reshaping the US Treasury Market. On September 23, ISDA published a paper that examines the transition to mandatory central clearing of US Treasuries, covering the policy objectives underlying the reforms and the evolving market structure, including trends in clearing adoption and client participation. It also addresses application of the mandate to market participants, the clearing ecosystem and access models, margin and capital considerations, the connection to derivatives markets, and the documentation and operational steps required for efficient implementation. [NEW]

ISDA Responds to PRA on Adjustments to Market Risk IMA. On September 18, ISDA, the Association for Financial Markets in Europe, the Institute of International Finance and UK Finance submitted a joint response to the UK Prudential Regulation Authority (PRA) consultation on adjustments to the internal model approach (IMA) for the market risk capital framework, known as the Fundamental Review of the Trading Book. [NEW]

ISDA Publishes Updated ISDA SIMM® Governance Framework. On September 18, ISDA published an updated version of the ISDA SIMM® Governance Framework, which sets out the principles under which the ISDA Standard Initial Margin Model® operates and the process through which it will be reviewed and amended on a consistent and transparent basis. [NEW]

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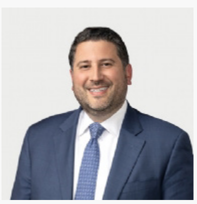
ISDA Publishes ISDA-Actrix US Treasury Repo Market Clearing Indicators for July 2026. On September 15, ISDA published the ISDA-Actrix US Treasury Repo

Market Clearing Indicators, which illustrate central clearing adoption in the US Treasury repo market. 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.

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.

Practice Members



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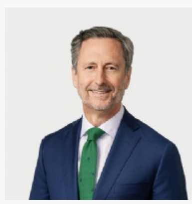

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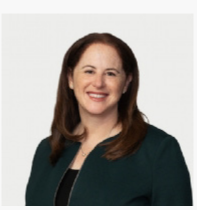

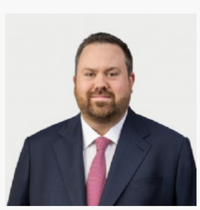

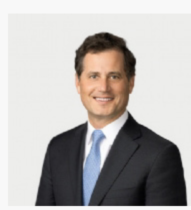

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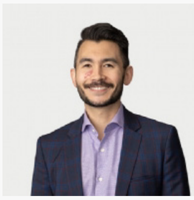

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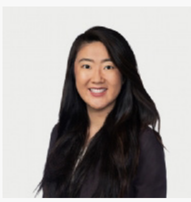

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