



This Week in Derivatives

October 2, 2026

From the Derivatives Practice Group: This week, the CFTC announced it is extending temporary no-action positions in connection with the withdrawal of the United Kingdom from the European Union.

New Developments

CFTC Staff Extends Brexit-Related No-Action Positions. On October 2, the CFTC's Market Participants Division and Division of Market Oversight announced they are extending temporary no-action positions in connection with the withdrawal of the United Kingdom from the European Union, known as Brexit. Letter No. [26-28](#) extends positions previously announced in CFTC Staff Letter No. [24-11](#), as amended by CFTC Staff Letter No. [26-10](#). It seeks to maintain the regulatory certainty established when the CFTC originally acted to issue EU comparability determinations and exemptive orders for certain EU entities. [NEW]

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.

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.

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.

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.

New Developments Outside the U.S.

ESMA Calls for Changes to Make MiCA Clearer, Safer, and Ready for Emerging Services. On September 30, ESMA responded to the European Commission's public consultation on the review of Markets in Crypto-Assets Regulation (MiCA). According to ESMA, ESMA's [recommendations](#) aim to simplify the framework while

improving investor protection and addressing innovative business models, such as decentralized finance, staking, lending and borrowing. [NEW]

ESMA Sets 2027 Priorities for Stronger, Simpler and More Integrated EU Capital Markets. On September 28, ESMA published its annual [Work Program](#) for 2027. According to ESMA, the program reflects a shift from preparation to the delivery of several major initiatives. Among other things, ESMA will advance its supervision of consolidated tape providers and external reviewers of European Green Bonds. [NEW]

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.

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.

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 Industry-Led Developments

ISDA Publishes ISDA-Actrix US Treasury Repo Market Clearing Indicators. On September 29, ISDA [published](#) the ISDA-Actrix US Treasury Repo Market Clearing Indicators, which illustrate central clearing adoption in the U.S. 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. [NEW]

ISDA Publishes Paper on Reshaping the US Treasury Market. On

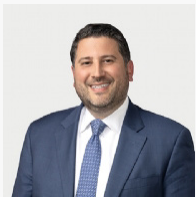
September 23, ISDA published a [paper](#) that examines the transition to mandatory central clearing of US Treasuries, covering the policy objectives underlying the reforms and the evolving market structure, including trends in clearing adoption and client participation. It also addresses application 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.

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.

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.

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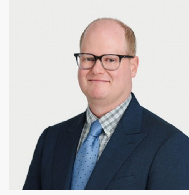
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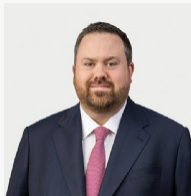
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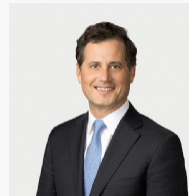
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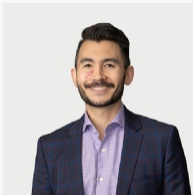
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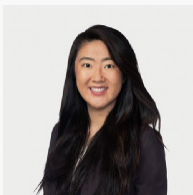
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