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This Week in Derivatives

November 13, 2026

From the Derivatives Practice Group: This week, CFTC announced that it has filed a lawsuit against Arkansas to block the state's attempts to halt event contract trading.

New Developments

CFTC Files Lawsuit Against Arkansas as the Agency Defends its Federal Jurisdiction Over Prediction Markets. On November 13, the CFTC announced that it has filed a lawsuit against Arkansas to block the state's attempts to halt event contract trading and impose up to hundreds of millions of dollars in civil penalties on CFTC-registered exchanges. Arkansas is bringing a civil enforcement against Kalshi, a designated contract market ("DCM"), in state court. The CFTC argues that Arkansas's efforts to obstruct the functions of CFTC-registered exchanges operating lawfully under the Commodity Exchange Act are preempted by federal law. [NEW]

CFTC Issues Impartial Access Requirements Interpretation. On November 5, the CFTC issued an interpretation of the requirement that DCMs provide competitive, open, fair, and impartial access to their members and persons with trading privileges under Commission Regulation 38.151(b). DCMs must cease domestic geographic restrictions that violate the Impartial Access Requirements within 30 days, or else submit to the Division of Market Oversight an explanation for why such compliance is not feasible.

CFTC Staff Addresses Use of Trust Companies for Daily Settlements. On November 5, the CFTC's Division of Clearing and Risk issued a no-action letter addressing whether derivatives clearing organizations may use trust companies to conduct daily settlements with clearing members. According to the letter, a derivatives clearing organization may use a trust company for daily settlements if it treats the trust company as it would a settlement bank under applicable CFTC requirements.

CFTC and USDA Sign MOU to Protect Integrity of American Agricultural Markets. On November 4, the CFTC and the U.S. Department of Agriculture announced their signing of a Memorandum of Understanding (MOU) intended to safeguard the integrity of U.S. agricultural markets. The MOU will allow the CFTC and USDA to harmonize policies and practices to better share information and increase access to risk management tools. The agreement will also assist both agencies with monitoring and identifying structural or potential systematic risks, among other things.

CFTC Chairman Selig Releases Statement on Equity Perpetual Futures. On November 3, CFTC Chairman Michael S. Selig released a statement announcing that perpetual futures contracts on individual equity securities can begin trading for the first time on DCMs that are dually registered with the Securities and Exchange Commission as notice-registered national securities exchanges to trade security futures products.

New Developments Outside the U.S.

European Commission Publishes Delegated Regulation on EMIR Margin Transparency. On November 10, the European Commission published a Delegated Regulation supplementing the European Market Infrastructure Regulation (EMIR) with regulatory technical standards on margin transparency and the margin simulation tool for central counterparties (CCPs), and on margin transparency and margin simulations for clearing service providers. [NEW]

EU Seeks Nominations for Stakeholder Group on Tokenization Standards in Finance. On November 9, the European Central Bank (ECB), together with the European Commission and ESMA, is calling upon wholesale financial industry stakeholders to express their interest in joining the European Tokenization Standards Group (ETSG). The group aims to establish a framework for monitoring compliance with the agreed standards and may formulate recommendations for EU authorities on how to incentivize compliance with those standards. [NEW]

FCA Updates UK EMIR Guidance on Intragroup Exemptions. On November 3, the FCA updated its UK EMIR notifications and exemptions webpage to reflect the streamlined intragroup exemption regime, which takes effect on January 1, 2027. Under the new regime, new margin and clearing exemptions will be notified through the FCA's Connect platform and existing exemptions will remain valid. The FCA strongly encourages counterparties seeking new exemptions under the current process to notify it before December 5, 2026.

New Industry-Led Developments

IOSCO SupTech Sprint regarding the Supervision of Digital Assets Markets. On November 13, IOSCO announced the results of its first SupTech Sprint on the Supervision of Digital Assets. Launched in 2026, the IOSCO SupTech Forum is a collaborative initiative that promotes innovation and knowledge-sharing among securities regulators worldwide. Its inaugural year included four SupTech Spotlight Sessions and one SupTech Sprint. [NEW]

IOSCO Board Announces New Structure for Standing Committees and Discusses Strategic Work Program for 2027. On November 12, the IOSCO Board met over two days at the organization's headquarters in Madrid. The Board discussed the 2027 Work Program, the emerging risks landscape outlined in the 2027 Risk Outlook report, and issues on the global regulatory agenda. [NEW]

ISDA Publishes Paper on Interest Rate Derivatives Trading in Mainland China and Hong Kong. On November 11, ISDA published a report that examines interest rate derivatives (IRD) trading activity in mainland China and Hong Kong in the first half of 2026. Onshore renminbi (RMB) IRD traded notional in mainland China rose to $3.4 trillion in the first half of 2026. In Hong Kong, RMB IRD traded notional rose by 3.7% to $9.1 trillion, lifting its share of the market to 17.5% from 12.9% in the first half of 2025. [NEW]

ISDA Responds to FCA on UK MiFIR Transaction Reporting. On November 6, ISDA responded to the Financial Conduct Authority's (FCA) consultation CP26/34 on preparing for the new transaction reporting regime. ISDA broadly supports the proposed guidance and, on derivatives, recommends that equity swap buyers and sellers be identified by the direction of economic exposure, requests dedicated examples for portfolio and cross-currency equity swaps, and asks the FCA to clarify price and strike price reporting for lifecycle events and options. [NEW]

ISDA, AFME, ISLA Submit Joint Paper on EC Tax Omnibus. On November 5, the Association for Financial Markets in Europe (AFME) and the International Securities Lending Association (ISLA) submitted a paper to support the proposed European Commission Tax Omnibus. The proposal would abolish the 25% minimum holding

requirement, introduce self-assessment, extend coverage to pension funds and include permanent establishment payments. [NEW]

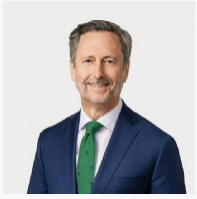
ISDA Publishes Recommendations on European Parliament Compromise Amendments to EMIR under MISP. On November 2, ISDA published its recommendations on the European Parliament's compromise amendments to EMIR under the Market Integration and Supervision Package (MISP). The briefing covers transaction reporting (Article 9), non-financial counterparties (Article 10), initial margin model authorization (Article 11), recognized third-country CCPs (Article 25), and eligible collateral and tokenized assets (Articles 46, 47 and 50). [NEW]

ISDA Comments on European Parliament Amendments to MISP. On October 30, ISDA submitted comments on the European Parliament's proposed transaction reporting and transparency amendments to MISP. ISDA cautions against significant structural reform of transaction reporting under MISP but, if the Parliament pursues simplification, would support streamlining the intragroup reporting exemption and restricting reporting under EMIR Article 9 to OTC derivatives, subject to revisions. [NEW]

Practice Members



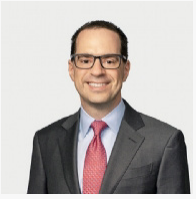
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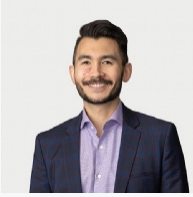
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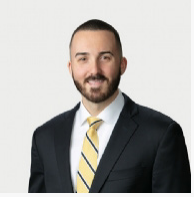
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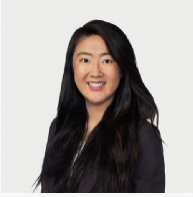
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