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This Week in Derivatives

November 6, 2026

From the Derivatives Practice Group: This week, the CFTC issued an interpretation of the requirement that designated contract markets to provide competitive, open, fair, and impartial access to their members and persons with trading privileges.

Please see our Congressional Investigations Practice Group's Client Alert here for what Tuesday's election results mean for the private sector.

New Developments

CFTC Issues Impartial Access Requirements Interpretation. On November 5, the CFTC issued an interpretation of the requirement that designated contract markets (DCMs) to provide competitive, open, fair, and impartial access to their members and persons with trading privileges under Commission Regulation 38.151(b) (Impartial Access Requirements). [NEW]

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. [NEW]

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. [NEW]

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 designated contract markets that are dually registered with the Securities and Exchange Commission as notice-registered national securities exchanges to trade security futures products. [NEW]

CFTC Sues to Block State Enforcement in Utah Amid Ongoing Efforts to Preserve Jurisdiction. On October 27, the CFTC announced it has filed a lawsuit against Utah to block the state's efforts to shut down CFTC-registered contract markets using state laws. The lawsuit follows Utah's decision to file civil enforcement actions in state court against CFTC-regulated markets and other businesses. The CFTC stated that Utah's effort to restrict the functioning of CFTC-registered exchanges obstructs Congress's decision to federally preempt state law.

CFTC Announces Semiweekly Publication of the COT Report. On October 27, CFTC Chairman Michael S. Selig announced the CFTC's plan to increase the publication frequency of the Commitments of Traders Report (COT Report) from once to twice a week by the end of 2026. Data from Monday will be published on Wednesday, and data from Wednesday will be published on Friday. Both reports will be released at 3:30 p.m. ET on their respective publication days. Under the enhanced publication schedule, the reports' latency will decrease from three days to two days.

Agricultural Leaders and Market Participants Join CFTC Chairman Selig in Overland Park, Kansas for AgCon 2026. On October 27, the CFTC published conference highlights from the 2026 Agricultural Commodity Futures Conference (AgCon) in Overland Park, Kansas. The two-day conference brought together industry leaders, policymakers, and market participants to examine critical issues facing the agricultural economy, developments in derivatives markets, and the risk management tools American farmers, ranchers, and agribusinesses depend on.

CFTC and National Basketball Association Sign MOU to Protect Integrity in Professional Basketball. On October 26, the CFTC and the National Basketball Association (NBA) announced their signing of a Memorandum of Understanding (MOU) intended to protect the integrity of professional basketball in prediction markets. Through the MOU, the CFTC and NBA will better share information by regularly communicating and discussing matters relating to integrity, as well as maintaining fair and transparent prediction markets.

New Developments Outside the U.S.

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]

ESMA Proposes Simpler EU Taxonomy Reporting. On October 29, ESMA published its Final Report providing technical advice to the European Commission on simplifying key performance indicators under the Taxonomy Disclosures Delegated Act. ESMA recommended narrowing the mandatory operating expenditure KPI to non-capitalized research and development expenditure. It also proposed simpler group Taxonomy reporting, including removing the weighted-average KPI and targeted measures to make disclosures more proportionate, clearer, and easier to use.

New Industry-Led Developments

ISDA and AFME Respond to EC's Call for Feedback on ETS Review. On November 2, ISDA and the Association for Financial Markets in Europe submitted a joint statement on the European Commission's call for feedback on the review of the EU Emissions Trading System (ETS). The response highlights the importance of a predictable market-based framework and deep, liquid markets in which compliance entities can manage carbon price risk. The response cautions against new barriers to the participation of financial intermediaries and calls for an early timeline for linking the EU and UK emissions trading systems. [NEW]

ISDA Publishes White Paper on Accounting for Tokenized Assets as Collateral. On October 27, ISDA published a white paper on the use of tokenized assets as collateral for derivatives and securities financing transactions (SFTs), which is emerging as a significant development in global capital markets. This white paper analyzes potential gross versus net balance sheet presentation accounting considerations of derivatives and SFTs where certain tokenized financial assets are used as collateral under International Financial Reporting Standards accounting standards and U.S. Generally Accepted Accounting Principles.

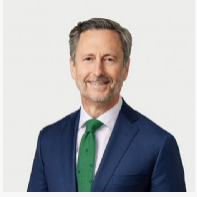
ISDA Publishes ISDA-Actrix US Treasury Repo Market Clearing Indicators September 2026. On October 27, ISDA published the ISDA-Actrix US Treasury Repo Market Clearing Indicators, which illustrate central clearing adoption in the US Treasury repo market. According to ISDA, sponsored cleared repo volumes are used as a proxy to monitor client participation in central clearing, which is a key objective of the Securities and Exchange Commission's U.S. Treasury clearing mandate.

ISDA Publishes Report on the Common Domain Model. On October 26, ISDA published a report concerning the Common Domain Model (CDM). CDM is a standardized, machine-readable and executable model for representing financial products, lifecycle events and contractual information. ISDA argues that, by providing an open source shared language across firms and platforms, CDM supports interoperability, automation, resource optimization and reduced operational risk. The CDM is hosted and governed by the Fintech Open Source Foundation to ensure its continued open-source accessibility.

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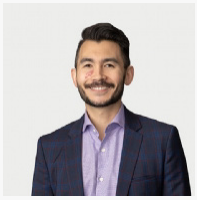
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