



Derivatives 2025 – Global Overview

Published by ***Chambers and Partners***

September 2, 2025

Derivatives are an integral part of the global financial landscape, with transaction volumes growing dramatically over the years. These powerful, capital-efficient financial instruments, whose value is derived from the value of underlying assets such as stocks, bonds, commodities, currencies, interest rates and market indexes, play a crucial role in risk management and speculative opportunities worldwide.

The derivatives industry has undergone significant changes, shaped by global events like the 2008 financial crisis, which prompted a wave of regulatory reforms aimed at enhancing market stability and transparency. Today, derivatives are traded on regulated exchanges and via the over-the-counter (OTC) markets in major financial centers around the world, including New York, London, Tokyo, Singapore and Hong Kong.

There are several main types of derivatives, each with its own unique characteristics and purposes.

- **Futures:** contracts obligating the buyer to purchase, or the seller to sell, an asset at a predetermined future date and price. These are traded on regulated futures exchanges.
- **Commodity options:** contracts giving the buyer the right, but not the obligation, to buy or sell an asset at a set price within a specific period. Options on futures are traded on regulated futures exchanges, while OTC options are bilaterally executed between two parties off-exchange.
- **Forwards:** customized contracts between two parties to buy, sell and deliver an asset at a specified future date for a price agreed upon today (which is often modified during the course of the contract).
- **Swaps:** agreements to exchange cash flows or other financial instruments between parties over a set period.
- **Contracts for Difference (CFDs):** these are derivatives that allow traders to speculate on price movements of assets, settling the difference in value between opening and closing prices in

cash, without physical delivery of the underlying commodity. CFDs are deemed to be swaps in the United States but are considered a distinct type of derivatives product in some other jurisdictions.

While derivatives are powerful tools for risk management, allowing businesses to protect against price volatility, currency fluctuations and interest rate changes, they also carry significant risks, including market, credit and liquidity risks. Most jurisdictions place considerable restrictions on who can trade derivatives, how these instruments are traded, and whether certain post-execution activities (e.g., mandatory clearing, imposition of margin, risk mitigation measures) must occur.

The regulatory environment for derivatives varies by country but has seen increased oversight and reform over the last decade. The primary regulatory bodies in some of the most active trading jurisdictions (by trading volumes) include:

- the U.S. Commodity Futures Trading Commission (CFTC);
- the European Securities and Markets Authority (ESMA);
- the Financial Conduct Authority (FCA) of the United Kingdom;
- the Financial Services Agency of Japan (FSA); and
- the Monetary Authority of Singapore (MAS).

This "Derivatives Global 2025" Guide aims to provide a clear understanding of derivatives, their types, global market impact and regulatory landscape, helping business professionals navigate the complexities of this rapidly evolving financial environment. This guide will also cover recent developments in the derivatives market, including but not limited to geopolitical trends/deregulation, 24/7 trading, tokenization and stablecoins, perpetual futures, and event contracts.

["Derivatives 2025 – Global Overview,"](#) *Chambers and Partners*, September 2, 2025

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Carl E. Kennedy

+1.212.940.8544

carl.kennedy@katten.com



Daniel J. Davis

+1.202.625.3644

daniel.davis@katten.com



Stephen R. Morris

+1.212.940.6654

stephen.morris@katten.com



Matthew F. Kluchenek

+1.312.902.5500

matt.kluchenek@katten.com



Alexander C. Kim

+1.212.940.6535

alexander.kim@katten.com



Nicholas Gervasi

+1.212.940.8562

nicholas.gervasi@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2025 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.