Submitted Electronically

August 26, 2026

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Request for Comment on the Extension of Standard Futures Contracts to 24/7 Trading and on Perpetual Contracts Referencing Physically Delivered or Storable Energy Commodities (RIN 3038-AF75)

Dear Mr. Kirkpatrick:

The Securities Industry and Financial Markets Association and its Asset Management Group[1] (collectively, "**SIFMA**") appreciates the opportunity to submit this letter in response to the Commodity Futures Trading Commission's (**"CFTC" or "Commission"**) request for comment on the extension of standard futures contracts to 24/7 trading and on perpetual contracts referencing physically delivered or storable energy commodities (the "**RFC**").[2]

SIFMA supports responsible innovation in U.S. derivatives markets and recognizes that market and technological developments have increased interest, particularly from retail and crypto native market participants, in expanded trading hours for certain products. The transition from existing extended-hours trading to true 24/7 trading, however, raises material market structure, operational, liquidity, risk management, clearing, settlement, and customer protection considerations, particularly where contracts serve as benchmark risk management tools for end users or reference markets that do not trade or settle continuously.

SIFMA has previously addressed related issues in the context of the CFTC's April 2025 request for comment on trading and clearing derivatives on a 24/7 basis. In that letter, SIFMA, together with ISDA, observed that 24/7 trading must be evaluated holistically, with careful attention to the interdependencies among trading venues, clearing systems, market participants, middleware providers, payment systems, collateral processes, default management frameworks, and adjacent markets.[3] Trading hours can only safely expand to the extent that the necessary

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[1] *See* Appendix for descriptions.

[2] Request for Comment on the Extension of Standard Futures Contracts to 24/7 Trading and on Perpetual Contracts Referencing Physically Delivered or Storable Energy Commodities, 91 Fed. Reg. 38334 (June 25, 2026) and Extension of Comment Period, 91 Fed. Reg. 47158 (July 28, 2026),

[3] *See* ISDA, SIFMA, and SIFMA AMG response to the CFTC staff's Request for Comment on Trading and Clearing Derivatives on a 24/7 Basis (May 21, 2025) ("**Joint Trades Letter**"), at 2. https://www.sifma.org/advocacy/letters/trading-and-clearing-derivatives-on-a-24-7-basis-sifma-sifma-amg-and-isda

clearing and risk infrastructure can support them. Those observations remain directly relevant because extended trading hours cannot be viewed in isolation from the infrastructure necessary to support continuous risk management.

SIFMA's comments below focus principally on the extension of standard futures contracts to 24/7 trading. We do not attempt to respond to each question in the RFC individually. Instead, we identify several overarching considerations that we believe should guide the Commission's analysis and any future treatment of 24/7 trading.

I. Executive Summary

SIFMA respectfully submits that any move toward 24/7 trading of standard futures contracts should be guided by the following principles:

- **24/7 trading should be evaluated holistically across the full market ecosystem.** A market that trades continuously but depends on clearing, collateral, payment, settlement, surveillance, compliance, and default-management systems that do not operate continuously may relocate risk rather than reduce it.
- **Weekend trading is different from existing extended-hours futures trading.** Many futures contracts already trade on an extended-hours basis during the traditional trading week. The incremental question raised by 24/7 trading is the addition of weekend and holiday trading, and the reduction or elimination of established maintenance, reconciliation, and operational reset periods that support market resiliency.
- **Liquidity during weekend and holiday periods should be evaluated carefully.** The existence of a tradable market should not be equated with the existence of robust, resilient, and representative liquidity.
- **Product-by-product review is essential.** Trading conditions, liquidity profiles, commercial use cases, reference markets, and operational dependencies vary significantly across products and asset classes. The Commission should avoid a one-size-fits-all approach.
- **Clearing, margin, collateral, and payment infrastructure are central to the safe operation of 24/7 trading.** Robust margin collection and collateral movement during overnight, weekend, and holiday periods are essential to safe and orderly 24/7 trading, but traditional payment and funding systems do not currently operate on that basis.
- **Default management protections should not be weakened.** The Commission should be cautious about the introduction of models that rely on automatic liquidation or otherwise compress cure periods in ways that may undermine hedging, central clearing protections, or broader market stability.
- **End users and benchmark integrity should remain central to the analysis.** Standard futures contracts play a critical role in risk transfer, price discovery, and end user hedging. Changes to trading hours should be evaluated through the lens of their effects on those functions, not solely by reference to demand for continuous access.

II. 24/7 Trading Should Be Evaluated Holistically Across the Full Market Ecosystem

As SIFMA has previously noted, and the RFC recognizes, continuous trading should be examined as a market-wide operational model rather than as a change limited to designated contract market ("**DCM**") trading hours. Expanding market access to weekends and holidays raises practical questions about the availability of the broader support framework on which derivatives markets depend, including numerous operational and risk-management services that historically have been designed around periodic market closures. Such critical market infrastructure includes third-party services such as middleware providers, credit-check systems, reporting, collateral-management processes, custodians, and payment systems.

Clearing members, executing brokers, clients, DCMs, vendors, and regulators would need to coordinate and maintain systems and staff to cover not only transaction-related functions, but also those needed to maintain customer protection, compliance and surveillance, and operational readiness around the clock.[4] Established market closures also serve important operational functions. Scheduled maintenance windows provide opportunities for software updates, reconciliation processes, cybersecurity activities, testing, and contingency planning. The reduction or elimination of these periods should be evaluated carefully to ensure that market resiliency is not diminished.

The RFC appropriately recognizes that 24/7 trading also raises questions about margin, settlement, payment infrastructure, customer protection, surveillance, operational readiness, and effects on related markets and benchmarks.[5] These issues are interdependent. As the RFC also notes, trading activity during weekend periods may create variation margin obligations, collateral demands, or liquidity pressures at times when traditional payment rails are unavailable or when related hedging markets are closed.[6]

Another consideration is the need to clarify the definition of a "business day" in the context of 24/7 trading. The definition has a widespread impact on interpretations of contractual and regulatory obligations. Further, an expansion of trading days should not create unintended mismatches between execution dates, clearing dates, and settlement dates.

Liquidity provision in futures markets does not occur in isolation. Firms that facilitate trading activity manage resulting exposures through a combination of offsetting transactions, financing arrangements, collateral movements, and risk transfers executed across a range of related markets. Such related markets may include repo and securities financing, swaps and security-based swaps, securities, and physical commodity markets, in addition to payment systems, custodial arrangements, and cash-management channels.

The ability to access those complementary markets is often a significant factor in determining the level of liquidity that providers are willing to offer. Where they are unavailable or operate with reduced functionality, liquidity providers may widen pricing, reduce position capacity, or limit participation altogether. Consequently, the quality of liquidity available during weekend periods may depend as much on the availability of supporting market infrastructure as

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[4] Id. at 2-4; see also FIA, 24/7 Markets in Exchange-Traded Derivatives (March 2026).

[5] 91 Fed. Reg. at 38335-36.

[6] Id. at 38336.

on demand for trading itself. SIFMA previously observed that, absent a coordinated regulatory approach that accounts for related markets, it may be challenging to trade and value certain derivatives products, execute package transactions, or conduct portfolio margining across swaps and security-based swaps.[7]

The Commission should therefore consider liquidity as an ecosystem issue. The analysis should include not only whether a futures contract can be traded, but also whether market participants can hedge exposures, obtain financing, move collateral, manage credit risk, and satisfy margin obligations during the same periods. The feasibility of continuous trading depends on whether the supporting infrastructure can operate safely and efficiently during the same periods. A partial transition, in which trading is extended but clearing, collateral movement, payment systems, liquidity providers, and risk management functions are not comparably available, could create new operational and financial risks.

III. Weekend Trading Is Different From Existing Extended-Hours Futures Trading

The Commission should distinguish between the existing extended-hours trading environment and the incremental issues presented by true 24/7 trading. Many futures contracts already trade on an extended-hours basis through much of the trading week. Accordingly, the most significant new issue is not merely the existence of overnight trading, but the addition of weekend and holiday trading and the potential elimination of operational reset periods.

This distinction is important for several reasons. First, weekend trading would occur during periods when market participation may be substantially lower and materially different in composition. Second, many firms' staffing models, risk governance processes, treasury functions, compliance coverage, and technology maintenance cycles are not designed around full weekend operations. Third, related markets and infrastructure, including banking, funding, repo, cash commodity, securities, swaps, and security-based swaps markets, may not operate on a comparable basis.

IV. Liquidity During Weekend and Holiday Periods Should Be Evaluated Carefully.

SIFMA believes that liquidity should be a central focus of the Commission's analysis. The relevant question is not whether trading can occur on weekends, but whether weekend liquidity will be deep, diverse, and resilient enough to support reliable price formation and efficient risk transfer. Liquidity observed during overnight weekday sessions may not be indicative of liquidity available during weekends and holidays, when many institutional participants, related markets, and supporting funding channels operate with reduced staffing or are unavailable altogether.

The availability of trading on its own does not necessarily indicate that a market is functioning with sufficient depth and resilience to support efficient price discovery and risk transfer. Liquidity quality depends on market depth, bid-offer spreads, participant diversity, the presence of commercial and institutional users, the ability of liquidity providers to hedge, and the resilience of the market during periods of stress. During weekend or holiday periods, trading may be characterized by reduced participation, thinner order books, wider spreads, and greater susceptibility to disproportionate price moves. As SIFMA previously noted, continuous trading

[7] Joint Trades Letter, at 3-4.

could result in lower-volume periods, especially during weekends, and that diminished liquidity may lead to wider spreads, increased volatility, and reduced price transparency.[8]

SIFMA also encourages the Commission to consider whether prices formed during thin weekend sessions could have outsized effects on related markets. Weekend price movements may affect margin, valuation, trading limits, risk models, contractual triggers, over-the-counter ("**OTC**") derivatives, options, exchange traded funds ("**ETFs**"), benchmark-linked products, and commercial agreements that were designed around traditional – or even 23/5 – trading cycles. The RFC appropriately identifies these potential transmission channels, including effects on OTC derivatives, physical commercial contracts, benchmark calculations, investment portfolios, ETFs, options, and related valuation processes.[9]

V. Product-by-Product Review Is Essential

SIFMA supports a product-by-product and measured approach to any expansion of trading hours. The liquidity, operational, and risk management issues associated with 24/7 trading will vary by product. Contracts tied to deep, continuously traded underlying markets may present different considerations from contracts linked to physical commodities with delivery constraints, storage limitations, benchmark assessment windows, and commercial hedging functions.

SIFMA also believes that the existing self-certification process may not be sufficient, standing alone, for novel market structure changes that could have broad effects on benchmark contracts, commercial hedgers, clearing members, futures commission merchants ("**FCMs**"), and related markets. As SIFMA and other associations previously noted, complex and novel risk and market infrastructure issues associated with 24/7 trading may warrant additional Commission review and public comment before implementation.[10]

VI. Clearing, Margin, Collateral, and Payment Infrastructure Are Central to the Safe Operation of 24/7 Trading

The RFC appropriately devotes significant attention to off-hours settlement and payment infrastructure. Contracts that trade 24/7 may generate margin and settlement obligations at times when traditional fiat payment systems, including Fedwire and CHIPS, do not operate.[11] This creates questions regarding how DCOs, FCMs, clearing members, and customers would meet margin obligations, move collateral, and manage liquidity during weekend and holiday periods.

SIFMA believes these issues represent critical prerequisites that must be addressed before any safe expansion to 24/7 trading. Trading creates risk exposures. Those exposures must be supported by margin, collateral, payment, and settlement processes that are reliable during the period in which the risk is created.

If participants cannot move cash, securities, or other eligible collateral during weekend periods, market participants may be required to pre-fund positions, maintain larger buffers, or rely

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[8] Id. at 3.

[9] 91 Fed. Reg. at 38336-37.

[10] Joint Trades Letter, at 3 n.7.

[11] 91 Fed. Reg. at 38336.

on alternative collateral arrangements. Each approach raises important questions regarding cost, efficiency, legal certainty, customer protection, credit risk, and competitive effects. In particular, the Commission should consider the implications of requiring or incentivizing pre-positioned collateral or additional liquidity buffers. While such buffers may mitigate certain risks, they may also impose significant costs on market participants, especially end users and asset managers that do not currently operate on a continuous settlement cycle.

An additional consideration is that to the extent different venues adopt different approaches to trading hours, collateral practices, risk management requirements, or customer participation models, the Commission should consider whether resulting fragmentation could create operational complexity for market participants active across multiple markets.

VII. Default Management Practices Should Not Be Weakened

SIFMA also urges the Commission to consider carefully how 24/7 trading would affect existing default-management practices. Traditional derivatives clearing frameworks rely on margin calls, cure periods, hedging, auctions, portfolio splitting, and coordinated default-management procedures. These practices are designed to protect the integrity of the clearing system, minimize losses, and avoid unnecessary disruption to customer positions and hedging strategies.

The Commission should be cautious about introducing frameworks that depend primarily on immediate position liquidation as a means of addressing collateral shortfalls. Established clearing arrangements have historically relied on a broader toolkit that seeks to preserve market stability while managing default risk. Automatic liquidation may be used in certain markets or structures, but widespread reliance on such mechanisms in standard futures markets could create significant risks. Mandatory liquidation during reduced-participation periods may amplify price moves, disrupt hedging programs, and make the management of a default event more difficult for clearing participants and market infrastructure providers.[12]

For end users, this issue is especially important. Many participants use futures markets to hedge physical commodity and other exposures. The value of central clearing includes the dependability of maintaining hedging positions subject to established margin and default-management processes. A structure that results in rapid liquidation because collateral cannot be moved over a weekend could undermine the hedging function of the market.

VIII. End User and Benchmark Integrity Should Remain Central to the Commission's Analysis

Standard futures contracts serve important public interest functions. They support price discovery, risk transfer, and hedging for producers, refiners, merchants, transporters, asset managers, institutional investors, and other commercial and financial market participants. Any extension of trading hours should be evaluated based on whether it preserves and enhances those functions.

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[12] Joint Trades Letter, at 4-5.

The Commission should consider whether weekend price formation will be representative of genuine supply and demand, whether sufficient end user participation will exist, and whether thin liquidity could create artificial or disproportionate price movements that affect benchmark contracts when traditional markets reopen. The Commission should also evaluate how weekend trading may affect physical commercial contracts, OTC derivatives, listed and cleared options, leveraged and inverse products, margin models, collateral calls, and valuation processes.

SIFMA does not suggest that expanded trading hours are inherently inappropriate. Rather, we believe that any such expansion should be appropriately sequenced, data-driven, and supported by infrastructure that allows market participants to manage the resulting risks. Such a regulatory framework, however, should not assume that every FCM or end user will elect to participate continuously. Firms should retain flexibility to determine whether and how they offer access to extended trading sessions based on their business models, risk management practices, and client demand. Market structure changes should not impose operational, liquidity, or risk management costs on participants that do not themselves seek to trade continuously, particularly where the affected products serve broader hedging and benchmark functions.

IX. Conclusion

SIFMA appreciates the Commission's careful consideration of the significant issues raised by 24/7 trading of standard futures contracts. SIFMA supports responsible innovation and recognizes that certain products and markets may evolve toward longer trading hours over time. However, any move toward 24/7 futures trading should be evaluated holistically, on a product-specific basis, and with careful attention to liquidity, market quality, clearing, margin, collateral mobility, payment systems, operational resilience, surveillance, customer protection, and default management.

Any expansion of trading hours should proceed only where supporting operational, funding, clearing, and supervisory capabilities have evolved sufficiently to maintain market integrity under normal and stressed conditions. The addition of weekend trading raises issues beyond existing extended-hours trading, including thinner liquidity, different participant composition, limited collateral mobility, constrained payment systems, and reduced availability of adjacent markets. These issues are especially important for standard energy futures contracts that serve as benchmarks and hedging tools for commercial users.

SIFMA welcomes the opportunity to continue engaging with the Commission and market participants on these issues, including through public roundtables or other forums designed to assess the operational and market structure implications of 24/7 trading.

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SIFMA appreciates the Commission's willingness to engage early and publicly on the considerations associated with extended trading hours. As the Commission evaluates potential next steps, SIFMA encourages a deliberate approach that builds on existing regulatory frameworks and market infrastructures while maintaining robust market integrity and customer protection outcomes.

We look forward to continued dialogue and stand ready to provide additional perspective as the Commission contemplates further regulatory action.

Respectfully submitted,

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cc: The Hon. Michael S. Selig, Chairman

Appendix

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit http://www.sifma.org.

SIFMA's Asset Management Group (SIFMA AMG) brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG's members represent U.S. and global asset management firms that manage more than 50% of global AUM. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds. For more information, visit http://www.sifma.org/amg.