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May 30, 2025

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

**Re: REQUEST FOR COMMENT ON TRADING AND CLEARING  
DERIVATIVES ON A 24/7 BASIS**

Dear Mr. Kirkpatrick:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to respond to the Commodity Futures Trading Commission (“CFTC” or the “Commission”) Request for Comment (“RFC”) on Trading and Clearing Derivatives on a 24/7 Basis.<sup>2</sup> FIA PTG members are among the most active providers of liquidity to derivatives markets in the US and will be a necessary source of liquidity should trading hours be extended at some point in the future. Certain markets are trending toward extending trading hours, which poses both risks and opportunities. FIA PTG members are at the forefront of technology-driven market innovation and are well suited to comment on these market developments. Moreover, we note that financial technologies are rapidly evolving, which opens potential new opportunities for global trading, clearing and settlement.

While we are supportive of innovation, the process for extending trading hours should be thoughtful and collaborative, and the appropriateness of doing so will depend on market-specific factors. For example, FIA PTG recognizes that earlier this month, the Commission allowed a registered derivatives contract market (“DCM”) to launch 24/7 trading for two digital asset futures contracts. While the CFTC appears to have determined that 24/7 trading in the context of these contracts is appropriate, in other commodity futures markets extending trading hours will require significant changes to existing trading, risk management, and clearing infrastructure.

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<sup>1</sup> FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

<sup>2</sup> See <https://www.cftc.gov/PressRoom/PressReleases/9068-25>.

## **I. Collateral Movement**

Before extending trading hours in certain markets, the CFTC should consider potential options for moving collateral during extended hours. The introduction of weekend trading hours necessitates the ability to move collateral 24/7. We have concerns with some of the ideas that have been floated as viable workarounds in lieu of the ability to move collateral and would encourage the industry and regulators to consider new solutions, products and possibilities to facilitate collateral movement 24/7 or whenever markets are open. The Commission should consider the following:

- Requiring market participants with open positions going into a weekend to pre-fund additional margin as a cushion against adverse price moves would be very costly. FIA PTG members generally have sizable, well-hedged, cross-asset portfolios as a result of their liquidity provision activities. Requiring the pre-funding of additional margin on the futures and cleared swaps portion of these portfolios every weekend would be very capital inefficient and costly. These increased costs would eventually be passed on to end users.
- Requiring market participants to pre-fund may subject those funds to loss mutualization risk – losses they are not subject to today.
- To the extent “auto liquidation” risk management features are proposed, there remain many questions which may be unique to each individual implementation. If implemented improperly, such features could increase risks to customers and cause market disruptions, particularly during periods of volatility. The industry should consider developing best practice recommendations for evaluating novel risk management features — including auto liquidation.

## **II. Other Considerations**

Extending trading hours will require market participants, trading venues, and other market infrastructure providers to tackle additional operational, technological, and risk management challenges.

While not an exhaustive list, we believe additional discussion and consideration is warranted relating to the items listed below:

- Extended-hours trading generally involves higher levels of risk to end users through reduced liquidity, wider spreads, and higher volatility. These risks will likely increase during weekend hours and could lead to worse execution quality. The Commission should assess whether additional customer disclosures or other tools are appropriate during extended hours.
- Exchanges, clearing agencies, FCMs, and other service providers may need to modify risk management practices to accommodate 24/7 trading, including margin models, add-ons,

concentration limits, etc. The Commission should ensure that these changes are shared with market participants as appropriate.

- Adjusting positions and managing risk in potentially illiquid markets can also be more complex.
- Exchange-provided volatility and other risk management controls are a critical component of ensuring market integrity and will need to be analyzed through the lens of 24/7 trading.
- Downtime windows will need to be established for maintaining, upgrading and testing the various systems used to support the trading and clearing of derivatives.
- Providing liquidity on weekends will require not only traders, but at a minimum, risk managers and IT support staff. Filling these roles may be challenging.

FIA PTG encourages the Commission to confer with the industry through roundtables and other open forums before making a determination to permit widespread 24/7 trading. The decision to significantly extend the trading hours to include weekends is a significant one and should not be made without thorough analysis and a detailed implementation plan.

If you have any questions, please do not hesitate to contact Joanna Mallers at [jmallers@fia.org](mailto:jmallers@fia.org).

Respectfully,

FIA Principal Traders Group



Joanna Mallers  
Secretary

cc: Caroline D. Pham, Acting Chair  
Kristin N. Johnson, Commissioner  
Christy Goldsmith Romero, Commissioner  
Summer K. Mersinger, Commissioner