December 31, 2025

Chairman Michael Selig
Commodity Futures Trading Commission
Three Lafayette Centre - 1155 21st Street, NW
Washington, DC 20581

VIA EMAIL

Re: 24/7 Trading and Clearing of Futures

Dear Chairman Selig:

The Committee on Capital Markets Regulation ("Committee") is writing with respect to a potential shift to continuous trading and clearing ("24/7 trading") of exchange-traded futures. Trading hours in futures markets are set by trading venue rules, which must comply with the Commodity Exchange Act ("CEA") and the regulations of the Commodity Futures Trading Commission ("CFTC"). Self-certification allows trading venues to modify these rules without advance CFTC approval, and several trading venues have already implemented 24/7 trading of digital asset futures and event contracts through self-certification. However, we believe that the expansion of 24/7 trading to traditional exchange-traded futures, including Treasury, equity, physical commodity, and foreign exchange futures, could have a significant impact on liquidity and price efficiency and would likely involve significant changes to existing futures market structure that go beyond the intended scope of the self-certification framework. Self-certification is therefore not the appropriate process to implement 24/7 trading of traditional exchange-traded futures. We therefore recommend that the CFTC only permit the implementation of 24/7 trading in traditional exchange-traded futures markets via a rulemaking process with a public comment period.

Founded in 2006, our membership includes forty-three leaders drawn from the finance, investment, business law, accounting, and academic communities. The Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. The Committee is chaired jointly by R. Glenn Hubbard (Emeritus Dean, Columbia Business School) and John L. Thornton (Former Chairman, The Brookings Institution) and is led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

Part I of our letter provides background on the structure and role of futures markets and 24/7 trading of futures. Part II analyzes the potential benefits and challenges of 24/7 trading in traditional futures. Part III concludes.

I. Background

A futures contract is a standardized agreement to buy or sell an asset at a set price on a future date, and which is traded on regulated exchanges. Futures contracts are cleared through derivatives clearing organizations ("DCOs"), which guarantee performance and manage counterparty risk through margin requirements that require market participants to post collateral. Futures are traded with respect to a variety of underlying assets including Treasury securities, equities, equity indices, foreign currencies, agricultural products, precious metals, and digital assets. Futures markets are closely linked to their underlying or "spot" markets, where the referenced assets are traded.

Trading hours in futures markets are set by trading venue rules, and these rules must comply with the CEA and CFTC regulations. Currently, exchange-traded futures generally trade from Sunday 5:00 p.m. to Friday 4:00 p.m. CT, with a one-hour overnight break each day ("23/6" trading). The degree of alignment between these hours and trading hours in corresponding spot markets varies across different types of futures products. Current trading hours in exchange-traded futures and corresponding spot markets are summarized in the table below.

Modifications to futures trading hours generally require CFTC approval. However, under the self-certification process, trading venues are permitted to change trading hours and other rules without prior CFTC approval by certifying that the change complies with the CEA and CFTC regulations. Self-certification was introduced in the Commodity Futures Modernization Act of 2000 and is intended to provide a streamlined mechanism for trading venues to update rules or introduce products. It is currently the typical process through which trading venues modify their rules or introduce new derivatives products.[1]

Under the self-certification framework, the CFTC has 10 business days to review a new rule or rule amendment before it becomes effective. The CFTC may issue a 90-day stay, which includes a 30-day public comment period, if the CFTC determines that a proposed rule or amendment "presents novel or complex issues."[2] The rule or amendment then becomes effective at the end of the 90 days unless the CFTC objects on the basis that the proposed rule or rule amendment is inconsistent with the CEA or CFTC regulations.[3]

This year, several trading venues implemented 24/7 trading in digital asset futures and event contracts (contracts that pay a set amount depending on whether a specified future event occurs) via self-certification. In May 2025, a digital asset futures exchange and a DCO began offering 24/7 trading and clearing of listed digital asset futures after self-certifying compliance with the Commodity Exchange Act and CFTC regulations.[4] In July 2025, Kalshi self-certified a rule change

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[1] CFTC, *Provisions Common to Registered Entities* 89 FR 88,594 (Nov. 7, 2024), https://www.federalregister.gov/documents/2024/11/07/2024-24388/provisions-common-to-registered-entities ("Typically, a registered entity elects to use the self-certification process through which the registered entity certifies that the product, rule or rule amendment complies with the CEA and the Commission regulations.").

[2] 7 USC § 7a-2(c)(2).

[3] 7 USC § 7a-2(c)(3)(B)(ii).

[4] Cody Alvarez (Chief Compliance Officer of Nodal Clear, LLC), *Letter to Chris Kirkpatrick (Secretary of the CFTC)* (Apr. 24, 2025), https://www.nodalclear.com/wp-content/uploads/Self-Certification-Letter-4-24-2025.pdf; Jane Downey (Chief Regulatory Officer of Coinbase Derivatives, LLC), *Letter to Chris Kirkpatrick (Secretary of the*

revising its trading hours for all listed event-based contracts, allowing continuous trading throughout the week apart from a two-hour weekly maintenance period.[5]

The beginning of 24/7 trading in digital asset futures and event contracts has prompted consideration of whether 24/7 trading should also be permitted in traditional futures, including Treasury, foreign exchange, equity, and physical commodity futures. Our letter focuses solely on traditional futures, since 24/7 trading of digital asset futures has already commenced.

The following table summarizes current U.S. market trading hours in exchange-traded futures markets and corresponding spot markets across asset classes.

Asset Class	Spot Market	Exchange-Traded Futures
U.S. Treasuries	Core trading hours (i.e., peak liquidity): 7:00 AM–5:00 PM ET, Monday–Friday; Extended trading with reduced liquidity possible up to 24 hours a day from Sunday PM through Friday.	23/6 (i.e., Sunday-Friday with a daily 1-hour break)
Foreign Exchange	Core trading hours: 8:00 AM–12:00 PM ET, Monday–Friday; Extended trading with reduced liquidity possible up to 24 hours a day from Sunday PM through Friday.	23/6
U.S. Equities	Core trading hours: 9:30 AM – 4:00 PM ET, Monday–Friday; Extended trading with reduced liquidity possible from 4:00 AM – 8:00 PM ET Monday-Friday.	23/6
Physical Commodities	Core trading hours: 8:00 AM – 12:00 PM ET, Monday–Friday; Extended trading possible up to 24 hours a day from Sunday through Friday.	23/6
Digital Assets and Event Contracts	24/7	24/7 trading adopted by certain trading venues via self-certification. Other trading venues continue to provide 23/6 trading.

CFTC) (Apr. 24, 2025), https://www.cftc.gov/sites/default/files/filings/orgrules/25/04/rules04242519667.pdf [hereinafter, "Coinbase Self-Certification"].

[5] Sam Schwartz (Chief Compliance Officer of KalshiEX, LLC), *DCM Notice of Changes to Scheduled Maintenance Periods that Impact Trading Hours (Self-certification filing to the CFTC)* (Jul. 23, 2025), https://www.cftc.gov/sites/default/files/filings/orgrules/25/07/rules07232527194.pdf.

II. Analysis

24/7 trading in traditional futures markets could potentially benefit markets by improving flexibility in risk management and accelerating price discovery. For example, 24/7 trading of certain futures, particularly in commodities and foreign exchange, could better align with their underlying spot markets, which operate nearly continuously across global time zones. This closer alignment might reduce informational frictions, enhance liquidity, support tighter bid-ask spreads, improve price efficiency, and lower transaction costs tied to overnight exposures. In addition, around-the-clock access could allow participants to respond more quickly to geopolitical or economic developments as they occur.

However, the actual effects of 24/7 trading in traditional futures markets remain uncertain and will also likely vary by contract type based on how well the related underlying market already supports continuous pricing and trading. Digital asset futures may be more naturally suited to 24/7 trading than some types of traditional futures because the underlying digital assets already trade continuously, eliminating the timing gaps between futures and spot market hours that exist in many traditional contracts. Early trading data also suggest stronger demand in digital asset futures markets for weekend and overnight trading (i.e., elimination of the current weekend trading break and the daily one-hour trading break on weekdays), whereas there may be less demand for 24/7 trading in some traditional futures markets.[6] Furthermore, 24/7 trading would present significant challenges and necessitate major changes to existing futures market structures that must be considered before 24/7 trading is permitted. We review these issues in detail below.

i. Uncertain effects on liquidity, price efficiency, and risk management

The effects of 24/7 trading on liquidity, price efficiency, and risk management in traditional futures markets remain uncertain. In particular, during overnight and weekend hours, fewer participants are active and order books are thinner, so even small trades can cause large price swings. This effect may be magnified when underlying markets are closed, since there is no real-time price information to anchor futures values. Lower liquidity and limited price signals can in turn lead to greater volatility, higher trading costs, and less reliable prices for hedging or risk management.

Furthermore, when futures trade and underlying markets are closed, portfolio hedges can become imperfect. For example, an equity futures price may move on new information while cash equity prices remain unchanged, distorting the hedge. These dislocations can deepen if extended trading hours amplify volatility or further separate futures prices from those in underlying markets.

Firms already manage some divergence between futures and underlying markets, particularly in equity index futures markets, which already trade when underlying equity markets are closed, but 24/7 trading could widen those gaps across more products and require more active, around-the-

[6] Caroline D. Pham (Acting Chairman of the CFC), *Keynote Address at the Piper Sandler Global Exchange and Trading Conference 2025: Innovation and Market Structure* (Jun. 5, 2025), https://www.cftc.gov/PressRoom/SpeechesTestimony/opapham16.

clock risk management. This includes Treasury futures, where underlying markets remain closed on weekends.

ii. Modifications to collateral and pricing practices

Current collateral and valuation practices in traditional futures markets are not designed for 24/7 trading and would require substantial modifications. In particular, DCOs currently update margin requirements once per day, typically at the official market closing, thus providing a predictable reference point for market participants to determine when and how much additional margin they are required to post. If trading were to continue overnight and through weekends, new methods would be needed to determine when market participants' margin requirements are calculated and whether they would be required to post margin during overnight or weekend hours.

Collateral transfers also depend on banks and payment systems that close on weekends. Today, collateral is generally posted at the start of the next business day, but continuous trading raises questions about whether margin must be posted immediately and whether systems exist to make that possible. Some argue that tokenized assets could facilitate real-time collateral movement, but such tools are not yet proven at scale.

Prices formed during low-liquidity periods would also feed into margin calculations for all participants, even those not trading at those times, potentially increasing systemic risk. Greater volatility during off-hours could trigger margin calls that cannot be met promptly, causing defaults even among otherwise solvent participants. DCOs might struggle to close or hedge defaulted positions when markets are thin, amplifying losses shared by non-defaulting members.

Additional issues arise for individual contract categories, such as equity index futures, which reference baskets of underlying stocks. Corporate actions such as mergers or stock splits are currently processed when markets close; without a daily close, new procedures would be needed to adjust contract terms and keep futures prices aligned with their underlying assets.

iii. Operational and compliance issues

Implementing 24/7 trading would also require trading venues, DCOs, futures commission merchants, asset managers, and market regulators to expand staffing and enhance their risk management, technology, and compliance functions, potentially increasing labor costs and operational complexity. For example, the current market structure depends on nightly and weekend breaks for essential system maintenance, software and hardware updates, and testing that ensure continuity and resilience. Eliminating these downtime periods would require new frameworks for maintaining and upgrading critical infrastructure without interrupting trading activity.

In addition, regulatory frameworks would require revision. For example, many regulatory requirements assume a defined market close, including rules that require participants to report

futures transaction data on a "daily" basis. Extending continuous trading to traditional futures would therefore require regulatory adjustments to preserve accurate and timely market data.[7]

III. Recommendation

While 24/7 trading in traditional futures markets could offer benefits by improving flexibility in risk management and accelerating price discovery, its overall effects remain uncertain. 24/7 trading would also introduce significant challenges for liquidity, risk management, collateral processing, and operational resilience. These challenges differ across categories of futures contracts and extend beyond those faced in digital asset markets. 24/7 trading should therefore not be introduced to traditional futures markets through self-certification. The original policy intent of the self-certification framework under the Commodity Futures Modernization Act of 2000 was to promote rapid innovation and global competitiveness by streamlining approval of new products and optimizing trading rules, not to authorize the fundamental market structure changes that would be introduced by 24/7 trading in traditional futures.[8] Instead, the CFTC should approach any consideration of the 24/7 trading of traditional futures on a contract category specific basis via a formal rulemaking with a public comment period.

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Thank you very much for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Professor Hal S. Scott (hscott@capmktsreg.org) or its Executive Director, John Gulliver (jgulliver@capmktsreg.org) at your convenience.

Respectfully submitted,

John L. Thornton	Hal S. Scott	R. Glenn Hubbard
CO-CHAIR	PRESIDENT	CO-CHAIR

[7] COINBASE DERIVATIVES LLC, *How 24/7 Trading Works at Coinbase Derivatives*, https://www.coinbase.com/en-sg/learn/futures/24-7-trading (last visited Dec. 30, 2025); *see also* Coinbase Self-Certification.

[8] *See, e.g.*, HOUSE REPORT 106-711, *Commodity Future Modernization Act of 2000*, https://www.congress.gov/committee-report/106th-congress/house-report/711/2.