6351-01-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

RIN 3038-AF75

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

AGENCY: Commodity Futures Trading Commission.

ACTION: Request for comment.

SUMMARY: The Commodity Futures Trading Commission (Commission or CFTC) is requesting public comment on two distinct but related matters arising from recent developments in energy derivatives markets. The first is the extension of standard futures contracts to 24/7 trading, without any change to the contracts' fixed expiration, delivery, or settlement terms. The second is the listing of perpetual contracts that reference physically delivered or storable energy commodities, such as crude oil. The Commission seeks comment on the implications of each matter for the reliability and manipulation-resistance of reference prices, market surveillance and operational readiness, the federal speculative position-limits regime, margin, clearing, and settlement, customer protection, and effects on the underlying physical markets and the commercial participants that rely on them.

DATES: Comments must be received on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

ADDRESSES: You may submit comments, specifically referencing "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" and RIN 3038-AF75, by any of the following methods:

- **Regulations.gov:** Go to *https://www.regulations.gov* and press the "Search" button, then proceed as follows:

1. Under Refine Documents Results – check the box to "Only show documents open for comment";

2. Under Agency – select "See More" and check the box for "Commodity Futures Trading Commission," then press the Apply button;

3. Identify this proposal in the list of CFTC documents open for comment, press the "Comment" button to open the submission form, and follow the instructions on the form.

Alternatively, if you are viewing this proposal on *www.federalregister.gov*, click the "Submit A Public Comment" button at the top of the page to open the comment form. Follow the instructions on the form to submit your comment to Regulations.gov.

- **Mail:** Send to – Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

- **Hand Delivery/Courier:** Address to – CFTC Comment Submission, Attn: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

Please submit your comments using only one of these methods. To avoid possible delays with mail or in-person deliveries, submissions through Regulations.gov are encouraged.

All comments must be submitted in English or, if not, accompanied by an English translation. Do not include in your comment text or attachments any personal identifying

information or business information that you do not want published online. Comments (regardless of submission method) will be published without review for, and without removal of, any personal identifying information or information your business may consider confidential.

If you wish to submit confidential information for the Commission's consideration, please contact the CFTC personnel listed in this Notice under FOR FURTHER INFORMATION CONTACT before making any submission. Please also carefully review the Commission's procedures in 17 CFR 145.9 for requesting confidential treatment under the Freedom of Information Act (FOIA) of information submitted to the Commission.

The CFTC reserves the right, but shall have no obligation, to review, pre-screen, filter, or redact all or any part of your comment submission. The CFTC also reserves the right, without further notification, to refuse to publish or to remove from public view all or any part of your submission to the extent it contains content inappropriate for publication in a comment file, such as – without limitation – obscene language, threats of violence, solicitations for commercial sales or illegal activity, or obvious spam. If a submission that is refused for or withdrawn from publication because of inappropriate content also contains comments on the merits of this proposal, such submission will be retained in the record for the matter and will be considered as required under the Administrative Procedure Act and other applicable laws and may be accessible under the FOIA.

FOR FURTHER INFORMATION CONTACT: Stephen Andrews, Deputy General Counsel for Regulation, 202-308-7563, rulemaking@ctftc.gov, Office of the General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1151 21st Street, NW, Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

I. Introduction and Background

The CFTC requests comment on two distinct but related matters arising from recent developments in the trading of energy derivatives. The first concerns the extension of standard futures contracts to 24/7 trading. The second concerns perpetual contracts, which have no fixed expiration and rely on a periodic funding rate mechanism that is designed to maintain relative price parity with the underlying asset's spot price, when such contracts reference physically delivered or storable energy commodities such as crude oil.

This request builds on the Commission's prior solicitations concerning the trading and clearing of perpetual-style derivatives and the trading and clearing of derivatives on a 24/7 basis. The Commission is aware that registered entities have announced the extension of trading in certain energy futures to a continuous basis.

A. *Extension of Trading Hours*

A standard futures contract—one with a fixed expiration and, in many cases, physical delivery—may be listed for trading on a 24/7 basis without any change to its expiration, delivery, or settlement terms. The Commission previously sought comment on 24/7 trading and seeks further comment on the issue.[1] 24/7 trading of standard futures contracts raises questions concerning the liquidity, reliability, and susceptibility to manipulation of prices formed during overnight, weekend, and holiday periods; the impact that prices formed during extended weekend or holiday trading hours may have on benchmark prices that affect commercial agreements, ETFs, and other derivatives; the surveillance and operational arrangements necessary to monitor trading at all hours; and the settlement and payment arrangements available when traditional payment

[1] Press Release, *CFTC Staff Seek Public Comment on 24/7 Trading* (Apr. 21, 2025), https://www.cftc.gov/PressRoom/PressReleases/9068-25.

systems do not operate. The Commission seeks comment on these questions and on whether, and under what conditions, 24/7 trading of standard futures contracts is consistent with the Act and the Core Principles applicable to designated contract markets.

B. *Perpetual Contracts and the Commission's Recent Actions*

Perpetual contracts are derivative contracts that have no fixed expiration date and rely on a periodic funding rate mechanism that is designed to maintain relative price parity with the underlying asset's spot price. On May 29, 2026, the Commission issued an order permitting a DCM to list, as a futures contract, a perpetual contract referencing the spot price of bitcoin (the "Order") and contemporaneously issued the Policy Statement Concerning the Listing of Perpetual Contracts, 91 FR 33160 (June 3, 2026) (the "Policy Statement"). The Order's analysis was expressly limited to that contract and to similarly structured perpetual contracts referencing digital commodities with deep, active, and continuous spot-market trading, and rested in substantial part on characteristics of the bitcoin spot market—its continuous, broadly distributed, transaction-based trading and the resulting continuous observability of a reference price. The Policy Statement stated that perpetual contracts referencing asset classes not contemplated by the Order—including, among others, agricultural and energy products—would be evaluated on their own terms, with each asset class raising distinct considerations meriting independent analysis.

C. *Applicable Legal Framework*

The core principles applicable to DCMs govern which contracts a DCM may list. Core Principle 3 provides that a DCM shall list for trading only contracts that are not readily susceptible to manipulation.[2] The guidance in Appendix C to part 38 elaborates on that standard: for a cash-settled contract, it addresses whether the settlement price is reliable, acceptable, publicly available,

[2] 7 U.S.C. 7(d)(3).

and disseminated on a timely basis, and is computed from a cash market that is sufficiently liquid and not itself readily susceptible to manipulation; for a physically-delivered contract, it addresses the adequacy of deliverable supply and the contract's susceptibility to squeezes, corners, and congestion.[3]

Core Principle 4 requires a DCM to monitor trading in its contracts and in the underlying commodity and its derivatives, and to maintain the capacity to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process.[4] Core Principle 5 addresses position limitations or accountability for contracts subject to such requirements;[5] the federal speculative position limits in part 150, adopted under section 4a of the Act,[6] apply to enumerated core referenced futures contracts, including NYMEX West Texas Intermediate crude oil.

II. Request for Comment

The Commission invites comments on all aspects of the continuous trading and perpetuals in the energy markets. Commenters are encouraged to support their responses with data, empirical analysis, transaction-or market-level statistics, and supporting documents rather than with conclusory assertions; comments supported by verifiable data would be useful in the Commission's analysis. Where a commenter believes a consideration identified below can be addressed, the Commission requests a specific description of how, including any contract terms or safeguards necessary to do so; where a commenter believes a consideration cannot be addressed, the Commission requests the factual basis for that view. The numbering used below is for ease of reference only; commenters need not address every question.

[3] 17 CFR part 38, App'x C.
[4] 7 U.S.C. 7(d)(4).
[5] 7 U.S.C. 7(d)(5).
[6] 7 U.S.C. 6a.

Part 1 – 24/7 Trading of Standard Futures

A. Extension of 24/7 Trading to Standard Futures

1. Does extending the trading hours of a standard futures contract to a 24/7 basis, without otherwise altering its fixed expiration or settlement, materially change the availability or reliability of the prices it forms during overnight, weekend, and holiday periods? What data supports the response?
2. What volume, open-interest, and participant-composition data characterize the overnight and weekend sessions of standard energy futures contracts, and how does price behavior in those sessions compare to core-hours trading? Is liquidity in those sessions sufficient that a price derived from them is reliable and not readily susceptible to manipulation? What data or empirical evidence is there that sufficient natural liquidity exists during weekend trading periods to support orderly markets and efficient price formation?
3. The cash market for crude oil and other energy commodities is generally assessed during defined windows, rather than traded 24/7. Where a standard futures contract trades 24/7, but the underlying physical market does not, what are the reliability and manipulation implications of a futures price observed during periods in which no contemporaneous physical trading occurs, and to what extent could such off-hours prices be characterized as not fully or accurately representing dynamics in the physical underlying?
4. What is the expected impact that weekend price formation will have on leveraged market participants, including the potential for additional variation margin obligations, collateral demands, forced liquidations, and liquidity pressures arising from price movement occurring outside the traditional trading week?

5. How would institutional investors need to adapt to manage weekend price formation when existing risk management, governance, compliance and oversight frameworks may assume that significant weekend events result in opening price gaps rather than continuous benchmark price movements capable of triggering contractual, regulatory, investment, or risk management provisions? What would be the expected cost of this adaptation, if any?
6. How should a DCM be prepared to address potential disruptions or malicious trading during weekend and holiday trading? What requirements should be imposed on their weekend and holiday control infrastructure? Are there any expected gaps or differences in coverage or staffing on weekdays compared to weekends?

B. Off-Hours Settlement and Payment Infrastructure

Contracts that trade 24/7 do so at times when traditional fiat payment systems, including Fedwire and CHIPS, do not operate. The following questions concern settlement and payment-infrastructure considerations specific to 24/7 trading.

7. In a case where margin is called during these periods, how could a designated contract market or derivatives clearing organization ensure robust margin call and settlement processes arising during overnight, weekend, and holiday periods when traditional payment systems such as Fedwire and CHIPS do not operate? How do these arrangements differ from those used for an existing futures contract whose obligations are met during banking hours?
8. What real-time or tokenized payment infrastructure, if any, would be integrated into the clearing process to satisfy required margin payments when traditional payment systems are unavailable? What legal, operational, and credit considerations arise from reliance on such infrastructure, including any stablecoin or other tokenized settlement asset?

9. What procedures would be available to clearing members and other participants that do not hold digital or tokenized assets to meet a margin obligation arising when traditional payment systems are unavailable, and how would those participants be treated relative to participants able to transfer value 24/7?
10. Should a contract traded 24/7 require an additional initial-margin buffer in advance of weekend or extended-holiday closures to account for the unavailability of traditional payment systems, and if so, what models, historical-volatility measures, or other methods would determine its size?
11. What forms of collateral could be eligible to satisfy margin obligations arising when traditional payment systems are unavailable—for example, cash, U.S. Treasury securities, tokenized Treasury securities, or stablecoins—and what haircuts would apply to each, including during periods of elevated volatility?
12. If a participant's funds cannot be transferred when traditional payments systems are unavailable, what temporary liquidity arrangements, if any, would a derivatives clearing organization need to maintain, and on what terms and against what collateral? How would the clearing organization manage the resulting credit and liquidity exposure?
13. Should margin levels be adjusted during weekend or holiday periods in response to changes in volatility or to events affecting the underlying market, and if so, how should the circumstances warranting an adjustment be defined and implemented given the unavailability of traditional payment systems?

C. Effects of 24/7 Pricing on Related Markets, Contracts, and Benchmarks

14. Do energy markets exhibit significant positive or negative correlations with other asset classes, such that price movements during extended trading hours could transmit shocks across markets, amplify volatility, or contribute to broader market dislocations?
15. Would prices established during weekends or extended trading hours trigger contractual provisions within over-the-counter derivatives markets, including barrier options, structured products, collateral agreements, and other contingent exposures, in a manner that could create unintended economic outcomes, disputes, liquidity demands, or risk transfers?
16. How do prices established during extended trading hours affect physical commercial contracts in the real economy where futures prices are incorporated through averaging mechanisms, settlement formulas, index references, escalation clauses, or other pricing provisions, embedded within supply, procurement, transportation, and financing agreements?
17. How are prices established during extended trading hours incorporated into official closing prices, settlement prices, benchmark calculations, and major market indices, and what impact could this have on the valuation of investment portfolios, index products, ETFs, mutual funds, pensions, and other financial instruments that rely upon those benchmarks?
18. How would investment managers, asset managers, pension funds, insurance companies, and other fiduciaries incorporate changing valuations based on extended hours trading in their portfolio management, investor reporting, performance measurements, and governance frameworks, particularly where investment mandates, performance fees, risk limits, redemption provisions, financing arrangements, or other contractual covenants depend upon periodic valuation determinations?

19. Have there been any stress tests conducted to evaluate whether concentrated one-sided retail or broader investor interest and participation during weekend trading, particularly driven by new geopolitical or significant news, could distort price formation, amplify volatility, or create artificial price levels that influence broader financial markets when traditional markets open? If so, what were the results of these tests?
20. Is it a concern that price formation in a smaller contract that trades 24/7 may influence the larger benchmark contract that trades during traditional hours, especially during those periods when the larger contract is unable to participate in the price-setting process?
21. Given that many of the contracts being proposed for 24/7 trading seem to be designed to cater to the needs of retail traders, while the benchmark contracts were designed for commercial users, what safeguards should a DCM have in place to protect the interests of commercial users in the benchmark contracts?
22. What recalibration of market safeguards, risk controls, and liquidity protections should a DCM implement during weekend trading to ensure that price formation remains representative of genuine supply and demand, and to prevent thin liquidity conditions from resulting in disproportionate or runaway price movements that could subsequently influence benchmark markets when traditional hours resume?
23. Are there any impact assessments, evaluations, studies, or tests that have been conducted to evaluate the extent to which prices formed during weekend trading could be transmitted to physical contracts, OTC derivatives, financing agreements, index calculations, valuation processes, and other commercial arrangements that rely upon the benchmark prices? If so, what did these studies conclude?

24. How will weekend price formation impact listed and cleared options markets, including the treatment of time value, theta decay, implied volatility, margin, and options pricing models that have historically assumed limited or no weekend price discovery?
25. What will be the impact of weekend price formation on OTC options and other contingent transactions that contain barrier levels, binary outcomes, knock-in/knock-out provisions, digital payoffs, trigger events, or other price-dependent contractual terms that have historically been referenced to weekday market activity?
26. What is the expected effect of weekend price formation on the valuation of cleared and uncleared swaps, including variation margin, initial margin, collateral requirements, and related risk management processes that have historically operated around a five-day price formation cycle?
27. Is there a concern about who will bear the economic cost associated with any increase in options value resulting from the extension of price formation into weekends? Specifically, if weekend trading increases the option value by creating additional periods during which prices can move and contractual triggers can be activated, which market participants are expected to bear that additional cost and how is that cost distributed among option buyers, option writers, market makers, clearing members, and end users?
28. How might prices established during weekend trading be used or construed as triggering termination events, early termination rights, additional collateral requirements, valuation disputes, market disruption provisions, default thresholds, or other contractual remedies under OTC derivatives, financing arrangements, and related agreements that reference benchmark prices?

29. Have there been any evaluations of the potential impact that weekend price formation may have on leveraged, inverse, and other futures-linked ETFs whose investment objectives, portfolio construction, hedging activities, and daily reset mechanisms were designed around a traditional trading week?

30. Have there been any evaluations of the potential impact that weekend price formation may have on options referencing ETFs, including leveraged and inverse ETFs, particularly where the underlying benchmark may continue to establish prices during the weekend while the ETF and its listed options markets remain closed?

Part 2 – Perpetual Energy Contracts

D. Use Cases, Commercial Demand, and Threshold Considerations

31. To what extent would the availability of a 24/7 traded energy future's price bear on a designated contract market's ability to self-certify a perpetual contract under 17 CFR 40.2 as consistent with Core Principle 3? Should the Commission's manipulation-susceptibility analysis depend on the actual liquidity present during 24/7 trading, including overnight and weekend sessions, rather than solely on the nominal availability of a continuous trading price?

32. For which physically delivered or stored energy commodities, if any, would a perpetual contract serve identifiable hedging or risk-management needs not already met by existing standard futures, option, or swaps? Please distinguish, in your response, needs associated with commercial or hedging demand from speculative demand. In responding, please identify which attribute of a perpetual contract—its 24/7 (including overnight and weekend) trading, its absence of a fixed expiration, its funding-rate convergence mechanism, or some combination—drives any identified need, and whether that need could instead be met by a standard futures contract listed for 24/7 or extended trading hours. Do commercial market

participants—for example, producers, refiners, merchants, transporters, and end-users—anticipate using a perpetual contract to hedge cash-market exposure?

33. What data currently exists regarding the actual users of perpetual contracts in existing non-digital-asset markets; does this data provide useful context for potential use in Commission-regulated markets, such as the proportion of volume attributable to hedging versus speculative activity?

34. Are there energy commodities for which a perpetual contract would be particularly well-suited or particularly ill-suited, and what characteristics of the underlying commodity and of the perpetual structure—separate from the contract's trading schedule—are the source of that distinction?

E. Effects on the Underlying and Related Markets, Commercial Hedgers, and the Public Interest.

35. To what extent, if at all, could trading volume in a perpetual energy contract—including during overnight and weekend periods—affect price formation in the standard futures contract it references, including front-month price discovery? What data would demonstrate the presence, absence, or magnitude of any such effect, and how would it be distinguished from ordinary cross-market price relationships?

36. Commercial participants such as producers, refiners, and end-users rely on standard futures contracts to hedge cash-market exposure. To what extent, if at all, could listing a perpetual contract affect the volatility, margin requirements, or reliability of those standard futures contracts for hedging purposes? What safeguards, if any, would be appropriate to address any adverse effect on commercial hedgers, and what are their costs and benefits?

37. How should the Commission measure or assess the potential effects—whether beneficial or adverse—of a perpetual contract referencing crude oil or another physically delivered energy commodity on the underlying physical market, on commercial hedgers, and on the broader economy, including any effects on the prices of refined products or other goods? What data, methodologies, or analytical frameworks would support such an assessment?

F. Reference Price and Continuous Observability

38. Appendix C to part 38 provides that a cash-settled contract is not readily susceptible to manipulation only where the settlement price is reliable, acceptable, publicly available, and timely, and is computed from a cash market that is sufficiently liquid and not itself readily susceptible to manipulation. Is there a cash price series for crude oil, or for specific grades, that satisfies those factors and that could serve as a reference price observable at every funding interval? Please describe the series, its computation methodology and governance, and the venues and transaction volumes from which it is derived. If no such cash price series is available at every funding interval, does the perpetual structure nonetheless require one; alternatively, if a non-spot reference (the futures price, an assessed physical price, or a composite index) is used instead, what are the reliability and manipulation-resistance implications?
39. To what extent is price discovery for crude oil and other energy commodities located in the futures market rather than in a continuously traded physical cash market (and how much does this differ across energy products)? What are the reliability and manipulation implications of a perpetual contract referencing (a) the DCM's own futures price, (b) the futures price at a third-party designated contract market; (c) an assessed or surveyed physical price, or (d) a composite

index, and what data may help quantify the liquidity and transaction frequency of each candidate source?

40. Are there reference-price methodologies outside of the digital-asset context which could provide 24/7, manipulation-resistant observability at every funding interval, including during overnight and weekend periods of reduced liquidity? If so, please describe the methodology (or set of methodologies) and provide data demonstrating that the reference price market is sufficiently liquid and transparent at those times.

41. What volume, transaction-frequency, and concentration data characterize the cash and/or futures markets that any reference price would draw upon, and what do those data indicate about the susceptibility to manipulation of the given price? Please distinguish (i) references drawn from markets the Commission does not directly surveil, such as assessed or surveyed physical prices, from (ii) references drawn from a CFTC-regulated futures price. For the latter, what additional cross-market manipulation concerns arise from the funding linkage itself—for example, use of positions in the perpetual to influence the referenced futures price, or the converse, at or around the funding-calculation interval?

G. Convergence, the Funding Mechanism, and Cost of Carry

42. A standard futures contract achieves convergence with the underlying through a fixed expiration. For a commodity whose term structure reflects storage costs and convenience yield, how does the absence of a fixed expiration affect convergence (if at all), and what role would the funding mechanism play? Funding-rate mechanisms developed in other markets were generally designed for assets without significant cost of carry. Can a funding-rate mechanism accurately reflect physical market dynamics such as storage costs, convenience yield, and seasonality? If so, please describe how the funding calculation would incorporate these factors.

43. What distortions, if any, could arise over extended holding periods due to the interaction of accumulated funding payments with the physical fundamentals of a storable energy commodity, including storage cycles, seasonal demand, and term structure (contango/backwardation)? In a case where there are predictable distortions, are there contract specifications that can mitigate these decisions?
44. Are there alternative convergence mechanisms, other than a funding rate, that could maintain price parity between a perpetual contract and a physical energy commodity's underlying value?

H. Physical Delivery, Storage Constraints, and Market Stress

45. Appendix C to part 38 addresses the adequacy of deliverable supply and susceptibility to squeeze and corners. What is the estimated deliverable supply for crude oil and other energy products at the relevant pricing point or points, how are they measured, and how do they compare to the position sizes a perpetual contract could accumulate? Please provide associated data, including any methodology used to estimate potential perpetual market activity.
46. What storage capacity and utilization data characterize the relevant pricing point or points (e.g. Cushing, Oklahoma for the WTI benchmark, or the Henry Hub), and how do storage constraints influence price formation and the susceptibility of a reference price to distortion?
47. On April 20, 2020, the expiring NYMEX West Texas Intermediate crude oil futures contract settled at a negative price amid constrained storage at the delivery point. What are the implications of such physical-market dislocations for the design and resilience of a perpetual contract referencing crude oil, including for its mark price, funding payments, and any automatic liquidation processes? Are there concerns about the performance of a perpetual contract's mechanics in highly unusual price shifts, like rapid falls to below zero? The standard futures contract that experienced this episode was eventually resolved through the expiration

and delivery process—the dislocation was confined to the expiring contract, while later-dated contracts traded at positive prices the same day. A perpetual has no such terminal event. Commenters are asked to address both possibilities: that a perpetual should faithfully track the underlying, so a negative reference is correctly reflected; or that it should be designed to remain resilient to such extremes—and for each, whether a mark-to-market and funding mechanism designed for positive-price assets can compute coherent values at or below zero, and how the absence of a convergence event to resolve the dislocation affects performance.

48. How would a perpetual contract behave differently than a standard futures contract during episodic supply shocks characteristic of energy markets, including geopolitical disruptions, supply decisions by major producers, severe weather, and infrastructure outages? In particular, how would the absence of a fixed expiration and the presence of 24/7 mark-to-market, funding, and liquidation mechanics affect that behavior relative to a standard contract? What risk of liquidation cascades during such events is supported by any available data on historical volatility and price jumps/gaps?

49. Given that a perpetual contract provides no delivery, does its design need to account for the storage, logistics, and deliverable-supply constraints that drive price formation in the underlying physical market; if so, under what circumstances and through what mechanism, given that a perpetual lacks both the delivery process and the fixed expiration through which a standard futures contract internalizes those constraints?

I. Susceptibility to Manipulation, Surveillance, and the Compliance Demonstration

50. Core Principle 3 requires a DCM to list only contracts not readily susceptible to manipulation. For a perpetual contract, the reference price must be reliable at every funding interval on a continuous basis rather than at a single settlement. What features would such a contract require

to satisfy Core Principle 3 on that continuous basis, and what data demonstrates that such reliability is (or is not) achievable for crude oil and other energy commodities?

51. How could the timing of a funding-interval calculation be protected against manipulation, particularly during overnight and weekend windows of reduced liquidity?

52. Core Principle 4 requires a DCM to monitor trading and the underlying market to prevent manipulation, price distortion, and disruption of the delivery or cash-settlement process. What surveillance capabilities—across the perpetual contract, related futures and options, and the underlying physical market, on a continuous basis—would be necessary to satisfy Core Principle 4 and are those capabilities currently feasible? What access to physical data or information-sharing arrangements would be required over and above those used for existing energy futures?

53. What would a DCM be required to demonstrate to establish that a perpetual contract on crude oil or another energy commodity is not readily susceptible to manipulation, consistent with Core Principle 3 and the guidelines in Appendix C to part 38? Based on currently available information and data, can such a demonstration be made, and if so, on what evidentiary basis?

J. Position Limits and Accountability

54. NYMEX West Texas Intermediate crude oil is a core referenced futures contract subject to federal speculative position limits under 17 CFR Part 150, with spot-month limits tied to estimated deliverable supply. How would a perpetual contract referencing such a commodity be integrated into the Part 150 framework, given that it has no delivery and no expiration (e.g. should the perpetual be considered economically equivalent to the referenced contract, inheriting the associated limits)? Commenters are invited to evaluate that approach and any

alternatives, including the threshold question whether such a perpetual is economically equivalent to the referenced contract.

55. The spot-month limit applies during a defined period approaching the referenced contract's expiration and is set as a percentage of estimated deliverable supply. A perpetual contract has no expiration, and therefore no spot month, and makes no delivery. How, if at all, can or should a spot-month limit be applied to a perpetual? Should a perpetual position be treated as continuously within the spot month, never within it, or mapped to the spot month of the referenced contract as it rolls—and what are the consequences of each for the limit's effectiveness?

56. Because a perpetual's mark and funding reference a price that converges to physical delivery only through the referenced contract, a large perpetual position may create an economic incentive to influence the referenced contract's price during its spot month without the perpetual itself participating in delivery. To what extent does an uncapped or differently capped perpetual position aggregate that incentive, and could it facilitate the spot-month manipulation that position limits are designed to prevent? What aggregation or limit design would address this, and is it achievable for a contract with no delivery and no expiration?

57. How would spot-month limits, the delivery-month step-down, and aggregation requirements apply to a contract without a defined delivery period? Should perpetual open interest be treated as spot-month-equivalent, made subject to a separate limit, or addressed through position accountability levels instead?

58. How would the bona fide hedging definition, which is framed around offsetting cash-market risk and the delivery process, apply to positions in a perpetual contract?

59. Would the introduction of a perpetual contract affect the integrity or administration of position limits in the related standard futures contract, and if so, how?

K. Clearing, Margin, and Default Management

60. What clearing, margining, and default-management considerations differ from, or arise in addition to, those applicable to an existing cleared futures contract on the same commodity for a perpetual contract referencing an energy commodity, particularly given continuous trading, the absence of expiration, and the potential for rapid price movement during physical-market stress?
61. Existing margin frameworks already respond to rapid price movement in volatile energy contracts; are there any additional protections or framework changes that should be incorporated to ensure adequate margin coverage for a perpetual. In what ways should initial and maintenance margin be calibrated differently for a leveraged, no-expiration contract on a volatile energy commodity, and or uniquely respond to changes in physical-market conditions? In particular, how should margin models account for funding-rate risk—the risk that continuously accruing funding obligations become large or volatile during stress—and for the ongoing nature of that obligation given the absence of expiration?
62. What automatic liquidations or risk-mitigation mechanisms, if any, would be appropriate, and how can they be designed to avoid amplifying price movements during periods of market stress?
63. What operational considerations do the calculation and settlement of funding payments on a continuous basis, including banking and settlement cycles and the treatment of funding obligations in a default?

L. Customer Protection, Leverage, and Access

64. What customer-protection considerations—including suitability, disclosure, and the risk of rapid loss—arise from offering a perpetual contract on a geopolitically sensitive physical commodity to retail participants?

65. Should access to perpetual contracts on energy commodities be limited to certain categories of participants, such as eligible contract participants, tiered by sophistication, or otherwise condition? What are the costs and benefits of any such limitation?

M. Cross-Asset Criteria, Line-Drawing, and Miscellaneous

66. What objective and generally applicable criteria should the Commission consider in determining whether a given underlying commodity can support a perpetual contract consistent with the Core Principles—for example, the existence of a continuous, transaction-based reference price meeting the standard in Appendix C to part 38; the degree of storage-, delivery-, or logistics-driven price formation compatibility with the position-limits regime; or demonstrable continuous manipulation-resistance? Are there additional or alternative criteria the Commission should consider?

67. When applying any such criteria, are there energy commodities that are clearly appropriate, clearly inappropriate, or genuinely uncertain candidates for a perpetual contract, and if so why?

Issued in Washington, DC, on June 22, 2026, by the Commission

Christopher Kirkpatrick,

Secretary of the Commission.