UNITED STATES
COMMODITY FUTURES TRADING COMMISSION
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CFTC Market Participants Division, Division of Market Oversight, and the Division of Clearing and Risk Respond to Frequently Asked Questions Concerning Registrant and Registered Entity Activities Relating to Crypto Assets and Blockchain Technologies

The Market Participants Division ("**MPD**"), the Division of Market Oversight ("**DMO**"), and the Division of Clearing and Risk ("**DCR**," and, together with MPD and DMO, the "**Divisions**") of the Commodity Futures Trading Commission ("**CFTC**," or "**Commission**") have prepared the following responses to frequently asked questions ("**FAQs**") concerning registrant and registered entity activities relating to crypto assets[1] and blockchain technologies under the Commodity Exchange Act ("**CEA**").[2]

In December 2025, the Divisions issued CFTC Staff Letter 25-39 and MPD issued CFTC Staff Letter 25-40 (later reissued with limited revisions as CFTC Staff Letter 26-05) to provide guidance and a no-action position, respectively, in connection with the use of certain crypto assets as collateral in the derivatives markets. Following the publication of these staff letters, the Divisions received questions seeking clarification on certain aspects of the letters. In turn, the Divisions are providing these responses in an effort to provide further clarity to market participants with respect to those staff letters, as well as other related topics, as needed.[3] Accordingly, the Divisions may

[1] As used herein, the term "crypto asset" means any digital representation of value that is recorded on a cryptographically-secured distributed ledger. The term "distributed ledger" generally refers to databases that maintain information across a network of computers in a decentralized or distributed manner. These networks commonly use cryptographic protocols to ensure data integrity and consensus mechanisms to ensure data congruity. Blockchains are one type of distributed ledger, and they are often used to issue and transfer ownership of crypto assets. Further, for purposes of this release, "onchain" refers to transactions or data that are processed and recorded directly on a blockchain network or similar system and "offchain" refers to transactions or data that are processed and recorded outside of a blockchain network or similar system. *See Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets*, 91 Fed. Reg. 13716, 13716 n. 1 (Mar. 23, 2026).

[2] These FAQs represent only the views of the Divisions and are not intended to, do not, and may not be relied upon to create any rights, substantive or procedural, enforceable by law by any party in any matter. These FAQs do not provide any no-action position with respect to a recommendation by any Division that the Commission initiate an enforcement action for failure to comply with the Act or Commission regulations. Further, these FAQs are not intended to, do not, and may not be relied upon to create any new binding rules or regulations, or to amend existing rules or regulations. These FAQs do not necessarily represent the views of the Commission or of any other division or office of the Commission.

[3] The initial FAQs were intended to provide additional guidance consistent with the Commission regulations and CFTC Staff Letter 25-39 (RE: Tokenized Collateral Guidance), available at: https://www.cftc.gov/csl/25-39/download, and CFTC Staff Letter 26-05 (RE: Staff No-Action Position Regarding Digital Assets Accepted as Margin Collateral), available at: https://www.cftc.gov/csl/26-05/download. Note that CFTC Staff Letter 26-05 is the successor to CFTC Staff Letter 25-40. In developing these FAQs, the Divisions were informed by the Securities and Exchange Commission's Division of Trading and Markets: Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology ("**SEC FAQs**"). The SEC FAQs are available at:

update or add new questions and answers. To the extent there are updates, the questions added after publication of the last version will be marked with "UPDATED" or "NEW."[4]

Margin Collateral

Q1: May an FCM apply a customer's non-security crypto assets, including payment stablecoins, deposited as margin in futures, foreign futures, or cleared swaps accounts to secure the customer's debit/deficit account balance?

Yes, an FCM relying on CFTC Staff Letter 26-05 may apply the value of a customer's non-security crypto assets, after applicable haircuts, deposited to margin futures, foreign futures, or cleared swaps accounts to secure the customer's debit or deficit account balance. CFTC Staff Letter 26-05 states that MPD would not recommend that the Commission initiate an enforcement action if an FCM takes into account the value, after application of haircuts, of certain crypto assets, including payment stablecoins,[5] held as customer margin when determining whether and to what extent a customer's futures, foreign futures, or cleared swaps account was undermargined. Consistent with Commission Regulation 1.17(c)(5)(viii)(C)[6] and CFTC Staff Letter 26-05, MPD clarifies that non-security crypto assets may also secure customer debit or deficit account balances.

For FCMs relying on MPD's no-action position, the valuation and haircuts that are to be applied to the non-security crypto assets are detailed in CFTC Staff Letter 26-05.

Q2: May an FCM deposit its own payment stablecoins into segregated customer accounts as residual interest?

As stated in CFTC Staff Letter 26-05, MPD would not recommend that the Commission initiate an enforcement action against an FCM that deposits proprietary payment stablecoins as residual

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https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-questions-relating-crypto-asset-activities-distributed-ledger-technology.

[4] On September 24, 2026, the Divisions added Q12, to address investment of customer funds in tokenized forms of otherwise permitted investments under Commission Regulation 1.25, as well as Q13, Q14, and Q15, to address questions concerning Commission Regulation 1.31, Commission Regulation 45.2, and the use of blockchain (or distributed ledger) technologies to satisfy recordkeeping obligations thereunder. *See* 17 CFR 1.31; 17 CFR 45.2. The Divisions note that these regulations were also identified in responses to the Commission's Request for Information that was issued on June 16, 2026, in connection with Executive Order 14405. *See* comment letters from dYdX Trading Inc. dba dYdX Labs; the Blockchain Association; and the Solana Policy Institute.

[5] The term "payment stablecoin" is defined for purposes of this FAQ to mean: (i) prior to the effective date of the Guiding and Establishing National Innovation in U.S. Stablecoins Act of 2025, 12 U.S.C. 5901 ("**GENIUS Act**"), a USD-denominated stablecoin that is issued by a state-regulated money transmitter, state-regulated trust company, or a national trust bank; maintains reserve assets limited to direct or indirect investments in cash, U.S. treasury securities or overnight U.S. Treasury repurchase agreements; and publishes monthly attestations regarding the composition of the reserve assets and whether the fair value of the assets held in reserve is equal to the amount of stablecoins in circulation; and (ii) following the effective date of the GENIUS Act, a stablecoin that meets the requirements contained in the GENIUS Act's definition of "payment stablecoin" and is issued by a "permitted payment stablecoin issuer" or a "foreign payment stablecoin issuer" that complies with the GENIUS Act's requirements applicable to such issuers.

[6] Commission Regulation 1.17(c)(5)(viii)(C) provides that if an FCM treats the receivable resulting from a customer's debit or deficit account balance as a non-current asset for capital purposes, the FCM may exclude the debit or deficit

interest in customer segregated accounts for futures, foreign futures, and cleared swaps transactions. The FCM shall impose a capital charge on the payment stablecoins deposited into customer segregated accounts as required under Commission Regulation 1.17(c)(5).[7] MPD would not object if the FCM imposed a capital charge of at least 2% of the market value of their payment stablecoins.

MPD notes that the response to this question is consistent with the U.S. Securities and Exchange Commission's ("**SEC**") approach to the haircut applicable to a broker-dealer's proprietary positions in payment stablecoins.[8]

Q3: May an FCM deposit its own crypto assets, other than payment stablecoins, in segregated customer accounts as residual interest?

No. An FCM relying on the no-action position in CFTC Staff Letter 26-05 may not deposit proprietary crypto assets (*e.g.*, bitcoin, ether, or other crypto assets), other than payment stablecoins, in customer segregated accounts as residual interest. Under the terms of CFTC Staff Letter 26-05, only proprietary payment stablecoins may be deposited as residual interest in customer segregated accounts.

Q4: May an FCM invest customer funds in payment stablecoins?

No. CFTC Staff Letter 26-05 has no effect on the list of permitted investments of customer funds in Commission Regulation 1.25.[9] An FCM may only deposit payment stablecoins in segregated customer accounts if the payment stablecoins represent the FCM's residual interest in the accounts.

Q5: May a swap dealer exchange crypto assets as initial or variation margin for uncleared swaps entered into with a swap dealer or a financial end user? **(UPDATED 9/24/2026)**

No. CFTC Staff Letter 26-05 has no effect on the list of eligible margin collateral for uncleared swaps enumerated in Commission Regulation 23.156.[10] Crypto assets, including payment stablecoins, are not included in the list of eligible margin collateral.

Consistent with the staff guidance provided in CFTC Staff Letter 25-39, a swap dealer may exchange a tokenized form of an eligible collateral asset provided the asset satisfies applicable regulatory requirements and grants the holder with legal and economic rights that are the same or functionally equivalent to the rights that come with the asset in its traditional form.[11]

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balance from the undermargined capital charge calculated under Commission Regulation 1.17(c)(5)(viii). *See* 17 CFR 1.17(c)(5)(viii)(C).

[7] *See* 17 CFR 1.17(c)(5).

[8] *See* SEC FAQs, Q5 (stating that SEC staff "will not object if a broker-dealer treats a proprietary position in payment stablecoins as having a 'ready market' under Rule 15c3-1, and takes a haircut of 2% of the market value of the greater of the long or short proprietary position in payment stablecoin in calculating its net capital.").

[9] *See* 17 CFR 1.25.

[10] *See* 17 CFR 23.156.

[11] *See* CFTC Staff Letter 25-39.

In turn, the Divisions would not object, for instance, to the use and acceptance of tokenized money market fund shares as initial or variation margin for uncleared swaps provided the underlying fund satisfies the requirements of Commission Regulation 23.156(a)(1)(ix), the tokenized shares grant the holder legal and economic rights that are the same or functionally equivalent to the rights received by holders of the shares in its traditional form, and all other regulatory requirements applicable with respect to uncleared swap transactions are met. The Divisions note, in this context, that the Commission's recent amendment[12] to Commission Regulation 23.156(a)(1)(ix)[13] eliminated the asset transfer restriction[14] and thus expanded the scope of the shares of money market and similar funds that may be accepted as margin collateral.

Q6: What capital charge should an FCM take on proprietary non-security crypto assets, including payment stablecoins, in computing its regulatory capital?

Consistent with the SEC FAQs, MPD would not object if an FCM applies a minimum 20% capital charge specified in Commission Regulation 1.17(c)(5)(ii) for inventory positions in bitcoin and ether and a 2% capital charge for payment stablecoins.[15]

In the spirit of inter-agency harmonization, the Divisions believe that it is important to align the haircut treatment applicable to proprietary positions in bitcoin, ether, and payment stablecoins, with the haircut framework reflected in the SEC FAQs addressing the same proprietary positions held by securities broker-dealers.[16]

Q7: May a DCO accept crypto assets, including payment stablecoins, as initial margin for cleared transactions?

Yes, a DCO may accept crypto assets, including payment stablecoins, as initial margin for cleared transactions provided that such margin collateral meets the requirements of Commission

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[12] On July 17, 2026, the Commission adopted amendments to its margin requirements for uncleared swaps applicable to swap dealers and major swap participants that are not subject to the margin rules of a prudential regulator, which became effective on August 17, 2026 (available at: https://www.govinfo.gov/content/pkg/FR-2026-07-17/pdf/2026-14509.pdf). These amendments were informed by the CFTC's Global Markets Advisory Committee's May 2020 report discussing the eligible margin collateral list for uncleared swaps (available at: https://www.cftc.gov/media/3886/GMAC_051920MarginSubcommitteeReport/download), which recommended that the Commission consider eliminating the asset transfer restriction in paragraph (C) of Commission Regulation 23.156(a)(1)(ix), noting that "[t]he ability to use redeemable securities in a pooled investment fund, more typically referred to as a money market fund, as eligible collateral in the U.S. has been severely restricted by [this] condition."

[13] 17 CFR 23.156(a)(1)(ix).

[14] The asset transfer restriction previously disqualified securities issued by certain pooled investment funds (money market and similar funds) from being used as eligible initial margin collateral for uncleared swaps if asset managers transferred fund assets through securities lending, securities borrowing, repurchase agreements, reverse repurchase agreements, and similar arrangements.

[15] *See* SEC FAQs, Q4 (stating that SEC staff "will not object if a broker-dealer treats a proprietary position in bitcoin or ether as being readily marketable for purposes of determining whether the 20% haircut applicable to commodities under Appendix B of Rule 15c3-1 applies.").

[16] *See generally* CFTC, SEC, *SEC and CFTC Announce Historic Memorandum of Understanding Between Agencies*, Release No. 9192-26 (Mar. 11, 2026), available at https://www.cftc.gov/PressRoom/PressReleases/9192-26.

Regulation 39.13(g)(10), which provides that a DCO must limit the assets it accepts as initial margin to those that have minimal credit, market, and liquidity risks.[17]

Q8: What haircut should a DCO apply to a crypto asset, including payment stablecoins, deposited as initial margin for cleared transactions?

Pursuant to Commission Regulation 39.13(g)(12), a DCO is responsible for setting haircuts on assets it accepts as initial margin. A DCO is required to apply haircuts to assets deposited as initial margin, including crypto assets and payment stablecoins, that provide appropriate reductions in value to reflect credit, market, and liquidity risks, taking into consideration stressed market conditions. A DCO is required to evaluate the appropriateness of the haircuts on at least a monthly basis.[18]

Q9: Is an FCM required to take any action prior to relying on CFTC Staff Letter 26-05?

Yes. CFTC Staff Letter 26-05 states that prior to relying on the no-action position therein, the FCM must file a notice with MPD, which includes the date on which it will commence accepting crypto assets from customers as margin collateral. This notice must be filed via the WinJammer electronic filing system.

Q10: What conditions are imposed on FCMs that accept crypto assets as margin collateral under CFTC Staff Letter 26-05?

FCMs that rely on CFTC Staff Letter 26-05 are subject to several conditions, including three that apply during the initial period of reliance on the letter. First, for a period of three months commencing on the date the FCM first accepts crypto assets from customers, the FCM may accept only crypto assets in the form of payment stablecoins, bitcoin, or ether as margin collateral from customers and may deposit only proprietary payment stablecoins as residual interest in futures, foreign futures, and cleared swaps customer accounts.

Second, during the initial three-month period the FCM must provide prompt written notice, via the WinJammer electronic filing system, of any significant[19] operation or system issue, disruption, or failure, including any cybersecurity incident, that affects the use of crypto assets as customer margin collateral.

Third, for three months starting with the calendar month following the month in which the FCM files its notice, the FCM must file, via the WinJammer electronic filing system, as of the close of business each week a report of the total amount of crypto assets held in each of the futures, foreign futures, and cleared swaps accounts. The report shall list each crypto asset type separately, including payment stablecoins, for each of the three customer account classes.

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[17] *See* 17 CFR 39.13(g)(10).

[18] *See* 17 CFR 39.13(g)(12).

[19] For this purpose, a matter is "significant" if it involves a significant financial amount, significant number of customers, or indicates a control weakness with the potential to affect a significant amount or significant number of customers.

Q11: What happens after expiration of the three-month period from the commencement of the FCM's reliance on the no-action position in CFTC Staff Letter 26-05?

After expiration of the three-month period from the commencement of the FCM's reliance on the no-action position in CFTC Staff Letter 26-05, the conditions limiting acceptable crypto asset margin collateral to payment stablecoin, bitcoin, and ether, as well as the condition requiring the filing of a notice of significant operation or system issue, disruption, or failure, will no longer apply. Therefore, an FCM may accept other crypto assets as margin collateral provided the FCM meets conditions (1) through (3) of CFTC Staff Letter 26-05 as applicable. The margin value and applicable haircuts for purposes of determining whether and to what extent a customer's account is undermargined or in debit or deficit would continue to follow the process outlined in CFTC Staff Letter 26-05.

An FCM's weekly reporting requirements begin with the calendar month following the month in which the FCM files its notice of intent to rely on CFTC Staff Letter 26-05, and they would terminate at the end of the third calendar month (at which point the FCM is no longer required to file a weekly report).

Q12: May an FCM or DCO invest customer funds in tokenized forms of otherwise permitted investments under Commission Regulation 1.25? **(NEW 9/24/2026)**

Yes, so long as the FCM or DCO can demonstrate the following, as required under Commission Regulation 1.25 and CFTC Staff Letter 25-39: (i) the underlying asset itself is a permitted investment under Commission Regulation 1.25(a); (ii) the tokenized form of the asset grants the holder legal and economic rights that are the same or functionally equivalent to the rights received by holders of the asset in its traditional form; (iii) investments in the tokenized asset satisfy all applicable terms and conditions of Commission Regulation 1.25, including requirements related to liquidity, concentration limits, time-to-maturity, and restrictions on instrument features; and (iv) the tokenized assets are held with an acceptable depository.[20]

With respect to investments made in tokenized forms of eligible government money market funds that are acceptable under Commission Regulation 1.25, the Divisions would also expect the FCM or DCO to obtain a written acknowledgment letter from the entity responsible for the custody of the funds, in accordance with Commission Regulation 1.26(b).[21]

[20] The Divisions would expect that all customer money, property, or securities, including investments of customer funds in a tokenized form of a permitted instrument, be held with an acceptable permitted depository listed under Commission Regulation 1.20(b), or with respect to government money market funds, with a custodian acceptable under Commission Regulation 1.26(b). *See* 17 CFR 1.25.

[21] *See* 17 CFR 1.26(b).

Recordkeeping

Q13: May a records entity[22] utilize blockchain (or distributed ledger) technologies to satisfy its recordkeeping obligations under Commission Regulation 1.31? **(NEW 9/24/2026)**

Yes. The Commission has made clear that Commission Regulation 1.31 is technology neutral.[23] As a result, the Divisions would not object if a records entity utilized blockchain (or distributed ledger) technologies to create and maintain onchain records and satisfy its recordkeeping obligations under Commission Regulation 1.31, provided that the records entity can fully satisfy the requirements prescribed thereunder.[24] For example, Commission Regulation 1.31 provides that each records entity maintaining electronic regulatory records (*i.e.*, regulatory records not exclusively created and maintained on paper, such as onchain records) shall establish appropriate systems and controls that ensure the authenticity and reliability of those electronic regulatory records.[25]

The Divisions note that this principle applies generally with respect to any Commission regulation that imposes substantive recordkeeping requirements and incorporates Commission Regulation 1.31's requirements by reference.[26] A records entity should also consider its risk management framework and any potential implications to its existing policies and procedures to ensure that the recordkeeping system on which it relies enables compliance with applicable recordkeeping requirements that incorporate Commission Regulation 1.31 by reference.[27]

Q14: May SEFs, DCMs, DCOs, swap dealers, major swap participants, and non-swap dealer/major swap participant/DCO counterparties utilize blockchain (or distributed ledger) technologies to satisfy their recordkeeping under Commission Regulation 45.2? **(NEW 9/24/2026)**

Yes, and similar to Commission Regulation 1.31, Commission Regulation 45.2 is technology neutral.

As a result, the Divisions would not object if a SEF, DCM, DCO, swap dealer, major swap participant, or non-swap dealer/major swap participant/DCO counterparty utilized blockchain (or distributed ledger) technologies to create and maintain onchain records and satisfy its

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[22] *See* 17 CFR 1.31(a) (defining "records entity" to mean "any person required by the [CEA] or Commission regulations in [Chapter I of Title 17] to keep regulatory records.").

[23] *See Recordkeeping,* 82 Fed. Reg. 24,479 (May 30, 2017) (stating that the amendments to Commission Regulation 1.31 being adopted intend to (i) modernize and make technology neutral the form and manner in which regulatory records must be kept, as well as rationalize the rule text for ease of understanding for those persons required to keep records pursuant to the Commodity Exchange Act and regulations promulgated thereunder; and (ii) provide records entities with greater flexibility regarding the retention and production of all regulatory records), available at: https://www.federalregister.gov/documents/2017/05/30/2017-11014/recordkeeping.

[24] *See*, *e.g.*, 17 CFR 1.31(c)(2).

[25] *See* 17 CFR 1.31(c).

[26] *See*, *e.g.*, 17 CFR 23.203(b)(1) and 39.20(b)(1).

[27] For example, an FCM should consider whether utilizing blockchain (or distributed ledger) technologies requires the FCM to make any necessary changes under its risk management program under Commission Regulation 1.11.

recordkeeping requirements related to swap data under Commission Regulation 45.2, provided that it can fully satisfy the requirements prescribed thereunder.[28]

Consistent with the Divisions views expressed above concerning Commission Regulation 1.31, the Divisions note that this principle applies generally with respect to any Commission regulation that imposes substantive recordkeeping requirements and incorporates Commission Regulation 45.2's requirements by reference.[29] An entity for which this is the case should therefore similarly consider its risk management framework and any potential implications to its existing policies and procedures to ensure that the recordkeeping system on which it relies enables compliance with applicable recordkeeping requirements that incorporate Commission Regulation 45.2 by reference.[30]

Q15: Are records entities under Commission Regulations 1.31, or SEFs, DCMs, DCOs, swap dealers, major swap participants, and non-swap dealer/major swap participant/DCO counterparties, under Commission Regulation 45.2, that utilize blockchain (or distributed ledger) technologies for recordkeeping purposes required to maintain an offchain version(s) of records? **(NEW 9/24/2026)**

The Divisions would not object solely on the grounds of an entity described above electing not to maintain offchain version(s) of records.

The Divisions note, however, that if an entity utilizes a public and permissionless blockchain network (as opposed to a private and/or permissioned blockchain network)[31] for recordkeeping purposes, it should establish systems and controls that enable it to retain and produce such records under any circumstances, including in the event of an emergency or other disruption to the network (or its associated block explorer).[32] For example, an entity should consider implementing systems and controls that would enable it to, among other things, produce and make available for inspection by the Commission the relevant records, even if a public and permissionless blockchain network (or its associated block explorer) was not accessible whether due to a network outage or otherwise.

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[28] *See* 17 CFR 45.2.

[29] *See*, *e.g.*, 17 CFR 23.203(b)(3), 39.20(b)(2), and 37.1001.

[30] For example, a SEF, DCM, DCO, swap dealer, major swap participant or a non-swap dealer/major swap participant, DCO reporting counterparty should consider whether utilizing blockchain (or distributed ledger) technologies requires it to make any necessary changes to its swap data recordkeeping and reporting procedures to ensure it remains able to fully comply with the requirements imposed under Part 43, 45, and 46 related to swap data recordkeeping and reporting.

[31] Market participants are welcome to engage with Commission staff on questions regarding whether a blockchain network constitutes a "public and permissionless" blockchain network.

[32] Commission Regulation 1.31(c)(2)(ii) (stating that records entities shall establish "[s]ystems that ensure [it] is able to produce electronic regulatory records in accordance with this section, and ensure the ability of such regulatory records in the events of an emergency or other disruption of the records entity's electronic record retention system"). *See* 17 CFR 1.31(c)(2)(ii).