

May 21, 2025

Submitted Electronically

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Re: Request for Comment on the Trading and Clearing of “Perpetual” Style Derivatives
[Release No. 9069-25]

Dear Mr. Smith, Mr. Haynes and Mr. Varma,

The International Swaps and Derivatives Association, Inc. (“ISDA”)¹ appreciates the opportunity to submit comments on the *Request for Comment on the Trading and Clearing of “Perpetual” Style Derivatives* (“**Request for Comment**”) published by the Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) on April 21, 2025.² ISDA’s experience with perpetuals derivatives contracts primarily coincides with our work on digital asset derivatives. We would like to take this opportunity to discuss ISDA’s work in this space.

As a global trade association representing participants in the derivatives markets, ISDA’s mission is to foster safe and efficient derivatives markets that support economic growth and resilience. This

¹ **About ISDA:** Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).

² https://www.cftc.gov/media/12041/Perpetuals_RFC042125/download

includes the development of legal and regulatory standards for both traditional and emerging product structures, including those within the digital asset ecosystem.

ISDA recognizes the increasing interest in innovative structures like perpetual derivatives, particularly in the context of digital asset markets. Perpetual derivatives present unique design and risk management characteristics that merit careful consideration as part of a comprehensive regulatory framework. ISDA supports the CFTC’s proactive approach in seeking public input to better understand the market structure, use cases, and potential regulatory implications of these products. ISDA would like to highlight our broader initiatives relevant to this area:

- **Digital Asset Legal Frameworks:** ISDA has published the ISDA Digital Asset Derivatives Definitions³ to support trading of OTC non-deliverable forwards and options referencing Bitcoin and Ether. These provide a robust contractual framework to facilitate trading in novel products while mitigating legal uncertainty and counterparty risk.
- **Bankruptcy Risk Management Standards:** ISDA has examined bankruptcy risk management practices in digital asset markets, with a focus on close-out netting, custody and collateral considerations that may apply to derivatives digital assets.⁴⁵
- **Policy and Regulatory Engagement:** ISDA continues to engage with global regulators on the evolving regulatory landscape for digital assets and related derivatives products. This includes addressing issues of classification, custody, clearing, and systemic risk, many of which are pertinent to the discussion around perpetual derivatives.
- **Technology and Infrastructure:** Through our work on smart contracts⁶ and digital ledger technologies,⁷ ISDA is exploring ways in which automation and new forms of market infrastructure can support the safe execution and clearing of digitally native or perpetual instruments.

³ <https://www.isda.org/book/isda-digital-asset-derivatives-definitions/>

⁴ <https://www.isda.org/a/mIxE/Navigating-Bankruptcy-in-Digital-Asset-Markets-Netting-and-Collateral-Enforceability.pdf>

⁵ <https://www.isda.org/a/CrLgE/Navigating-Bankruptcy-in-Digital-Asset-Markets-Digital-Asset-Intermediaries-and-Customer-Asset-Protection.pdf>

⁶ <https://www.isda.org/2020/11/03/legal-guidelines-for-smart-derivatives-contracts-cds/>

⁷ <https://www.isda.org/2020/10/21/private-international-law-aspects-of-derivatives-contracts-involving-dlt/>

Our members are strongly committed to maintaining the safety and efficiency of the U.S. derivatives markets and look forward to further engagement with the Commission on these important issues.

Please do not hesitate to contact me or Nicolette Cone, Associate General Counsel, (202) 569-5782 should you have any questions.



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