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Christopher J. Kirkpatrick, Secretary Commodity Futures Trading Commission Three Lafayette Centre, 1155 21st Street, NW Washington, DC 20581 May 21, 2025

RE: Request for Comment of 24-Hour/7-Day Trading for CFTC-Regulated Contracts

Mr. Kirkpatrick:

Founded in 1991, NIBA is the trade association for registered derivatives professionals. NIBA provides its members with education and the advocacy essential to operating a successful business in the futures and options industry. Membership includes Introducing Brokers, Commodity Trading Advisors, Futures Commission Merchants and other firms and individuals who support the industry. This comment letter is submitted in behalf of our Introducing Broker (IB) Members only.

NIBA appreciates the opportunity to respond to the Commission’s request for comment on continuous trading for CFTC-regulated contracts. We wish to note at the outset that there will undoubtably be comment letters which support continuous trading as an inevitable step in our industry’s evolution and discuss the need to align U.S. regulated markets with global trends in order for the U.S. to remain a world leader in financial innovation. Ultimately those assertions may prove to be true. But at this date, the vast majority of NIBA’s IB membership have seen no demand for 24/7 trading from current or potential customers.

NIBA Member Introducing Brokers serve all types of customers across all markets domestically and non-domestically. NIBA IB Members are concerned that 24/7 trading will create additional costs and risks without any corresponding improvements to price discovery. Additional costs and risks include:

* Increased risks of customer defaults and unmet margin calls: Because banks are closed on weekends, there is currently no ability to post additional margin on a 24/7 basis. Over the weekend, margin calls could age to three or even four days which could result in cascading calls across central counterparty clearing houses.
* Increased costs to support maintenance, testing and surveillance: Firms currently use the time markets are closed to perform system maintenance, upgrade networks and run and analyze surveillance reports. Continuous trading will need to be supported by real-time monitoring and detection systems to ensure system resilience and emergency protocols are in place to protect market integrity.
* Increased personnel cost and demands on humans: Humans – read brokers here – need breaks too. At a minimum, continuous trading will require firms to increase staffing levels to adequately service customers and perform necessary operational and surveillance functions.
* Increased cybersecurity risk: Significant investment in both technology and staffing could impose substantial operational and financial burdens on all industry registrants.

It is unclear to NIBA’s Introducing Brokers Members that the increased costs and risks of 24/7 trading will provide material benefits. Currently, volume in off-peak hours is materially lower than regular trading hours. If low liquidity and volume were to continue in the 24/7 environment, price discovery could actually destabilize or be significantly diminished. Price discovery – the process crucial for ensuring that prices are reflective of current markets conditions and the basis on which traders make informed decisions about their use of the markets – is essential for an effective marketplace.

NIBA IB Members are also concerned about a firms’ ability to support the increased technology and operational costs. The potential for increased revenue under a continuous trading model is unclear, but increased costs are obvious.

In this regard, NIBA wishes to express the concern that the increased costs and questionable benefits of continuous trading are more likely to disadvantage smaller market participants, including many NIBA members and their customers. Without the capital and technological resources necessary to monitor market activity around-the-clock and respond to rapid liquidity shifts or price swings, smaller entities will be more exposed to risks which could result in lower levels of participation. If the increased costs are not accompanied by a corresponding increase in revenue, smaller entities will not be able to compete against larger ones. NIBA Member IB customers include farmers, ranchers and other small to medium producers who rely on their IB to bring them into the marketplace. Those customers could be subject to unfair market access or locked out all together.

NIBA’s recommendations if continuous trading is approved by the Commission:

* An initial pilot program(s) limited to specific markets or products.
* A phased rollout and/or expansion of 24/5 trading currently allowed in some markets.
* Improved technology and operational systems capable of supporting 24/7 trading.
* Stronger risk control and updated margin and collateral strategies.

Thank you for the opportunity to submit these comments. NIBA is happy to contribute to the discussion of this topic, and will provide further comments or assistance to the Commission as needed.

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