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Via the comments.cftc.gov

May 21, 2025

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

Re: Request for Comment on Trading and Clearing Derivatives on a 24/7 Basis (Release No. 9068-25)

Dear Mr. Kirkpatrick:

Tradeweb Markets Inc. (“**Tradeweb**”) appreciates this opportunity to provide the staff (“**Staff**”) of the Commodity Futures Trading Commission (the “**Commission**”) with comments in response to the Commission’s request for comment regarding trading and clearing on a 24/7 basis in Commission-regulated derivatives markets (the “**RFC**”). The RFC specifically seeks public comment to aid the Commission with understanding potential issues related to (1) a designated contract market (“**DCM**”) or swap execution facility (“**SEF**”) electing to provide trading services on a 24/7 basis; (2) the 24/7 clearing of such products by a derivatives clearing organization (“**DCO**”) and (3) a futures commission merchant (“**FCM**”) extending 24/7 trading and clearing services to its customers.

Tradeweb is a leading global operator of electronic marketplaces for rates, credit, equities and money markets. Founded in 1996, Tradeweb provides access to markets, data and analytics, electronic trading, straight-through-processing and reporting for more than 40 products to clients in the institutional, wholesale and retail markets. Advanced technologies developed by Tradeweb enhance price discovery, order execution and trade workflows while allowing for greater scale and helping to reduce risks in client trading operations. Tradeweb operates two registered SEFs: DW SEF LLC (“**DW SEF**”) and TW SEF LLC (“**TW SEF**”) and, together with DW SEF, the “**Tradeweb SEFs**”). Since 2013, the Tradeweb SEFs have supported more than \$580 trillion in trading volume across a wide variety of swaps products.¹

¹ See Tradeweb SEFs, available at <https://www.tradeweb.com/our-markets/market-regulation/sef/>.

Tradeweb has long been a market innovation leader. In light of rapidly changing technology and the evolving needs of our customers, we have introduced new workflows and trade execution methods, as well as a variety of new data analytics and regulatory tools.² Furthermore, given the experience we have gained in operating the Tradeweb SEFs for over 10 years, we are well-positioned to collaborate with the Staff, the Commission and other market participant in considering the matters raised in the RFC.

We agree with the Staff's observation that technological advancements and market demand have prompted certain market infrastructure providers to offer 24/7 trading or clearing services and that the transition to such a model across different markets may enhance market access and innovation. However, we also agree with the Staff's further observation that this transition raises important questions regarding system resilience, market integrity and the ability of various market participants to fulfill core regulatory obligations. In this regard, we are pleased to provide the Staff with some general observations in response to the RFC.

- 1. The Staff and market participants should carefully consider the derivatives markets in which 24/7 trading and clearing would be appropriate.³*

Consistent with current practice, the Commission should not mandate specific trading hours for particular markets. Rather, the Commission should facilitate 24/7 trading and clearing where there is market demand, product-market fit and appropriate market infrastructure and safeguards in place to support such services. An important aspect of product-market fit concerns the operational and trading conventions of the underlying cash market, given that derivatives settle based on those markets. Today, the operating hours and trading conventions across commodities, securities, and digital asset markets in the United States vary widely. Equity securities markets, for example, typically have a standard 6.5 hour core trading session, supplemented by extended hours trading sessions that are subject to different operational restrictions (*e.g.*, available order types) and market conditions (*e.g.*, with respect liquidity, volatility, spreads and pricing information).⁴ Spot FX markets typically operate on a 24/5

² See, *e.g.*, Tradeweb and Coremont Collaborate to Advance Fixed Income Execution Workflows (Feb. 13, 2025, available at <https://www.tradeweb.com/newsroom/media-center/news-releases/tradeweb-and-coremont-collaborate-to-advance-fixed-income-execution-workflows/>); Tradeweb Launches Enhanced RFQ Functionality for Credit Markets (June 13, 2024), available at <https://www.tradeweb.com/newsroom/media-center/news-releases/tradeweb-launches-enhanced-rfq-functionality-for-credit-markets/>; Tradeweb integrates margin Optimisation Analytics for Interest Rate Derivatives Trading (Oct. 2, 2019), available at <https://www.tradeweb.com/newsroom/media-center/news-releases/tradeweb-integrates-margin-optimisation-analytics-for-interest-rate-derivatives-trading/>; Tradeweb Launches Electronic Multi-Asset Package Trading on its Interest Rate Swaps Platform (Sept. 18, 2019), available at <https://www.tradeweb.com/newsroom/media-center/news-releases/tradeweb-launches-electronic-multi-asset-package-trading-on-its-interest-rate-swaps-platform/>.

³ This section is responsive to Staff Question 7.

⁴ See, *e.g.*, Nasdaq Trading Schedule, available at <https://www.nasdaq.com/market-activity/stock-market-holiday-schedule>. There have been recent efforts to extend equities trading hours to be closer to 24/7, continuous trading. See, *e.g.*, In the Matter of the Application of 24X National Exchange LLC for Registration as a National Securities Exchange; Findings, Opinion, and Order of the Commission (Dec. 6, 2024), available at <https://www.federalregister.gov/documents/2024/12/06/2024-28551/in-the-matter-of-the-application-of-24x-national-exchange-llc-for-registration-as-a-national>; NYSE, The New York Stock

schedule.⁵ By contrast, spot digital asset markets, from their inception, have operated continuously on a 24/7 basis.

It is perhaps unsurprising, then, that 24/7 derivatives trading in the United States also began with digital asset derivatives.⁶ Facilitating 24/7 digital asset derivatives trading first makes sense, given the underlying cash market has in place operational and trading conventions (e.g., 24/7 trading hours) that help to ensure access to liquidity and accurate pricing information on a continuous basis. In that same vein, conditions may not yet be ripe to extend all the way to 24/7 trading in other derivatives markets based on the characteristics of other underlying spot markets. Certain derivatives markets, such as listed derivatives exchanges, operate today on a 23/6 schedule, with a daily one-hour trading halt, Saturday closure and varying holiday hours.⁷ TW SEF currently offers trading on a 23/5 basis, while DW SEF is open 15/5. The Staff should continue to work closely with market participants to consider whether and when other derivatives markets could support 24/7 trading and clearing based on, among other things, an analysis of the underlying cash markets, as well as market demand and operational readiness of the entities required to support such activities.

2. *Wider adoption of 24/7 trading and clearing in derivatives markets will require continued close collaboration between the Staff, Commission registrants and other market participants.*

To the extent the product-market fit noted above exists with respect to any particular asset class, Tradeweb, as a sophisticated and well-seasoned market operator, stands ready to work with all relevant parties to facilitate 24/7 trading activity where it is appropriate to do so. Through our operation of the Tradeweb SEFs, we have more than a decade's worth of operational experience and technical expertise to facilitate such activity in a manner that meets the Commission's understandably high expectations for market operators. In this regard, we do not expect that 24/7 trading will require significant changes to the Commission's SEF

Exchange Plans to Extend Weekday Trading on its NYSE Arca Equities Exchange to 22 Hours a Day (Oct. 25, 2024), available at <https://ir.theice.com/press/news-details/2024/The-New-York-Stock-Exchange-Plans-to-Extend-Weekday-Trading-on-its-NYSE-Arca-Equities-Exchange-to-22-Hours-a-Day/default.aspx>.

⁵ See, e.g., Cboe FX Spot Operating Procedures at 13, available at <https://cdn.cboe.com/resources/fx/operation.pdf>.

⁶ See Coinbase, *24/7 futures trading has arrived* (May 9, 2025), available at <https://www.coinbase.com/blog/24-7-futures-trading-has-arrived> (announcing 24/7 trading in Bitcoin and Ethereum futures). Note, however, that Coinbase's 24/7 markets will include a one-hour trading break on Friday afternoons and a quarterly extended maintenance window. See Coinbase, *Derivatives Market Hours & 24x7*, available at <https://docs.cdp.coinbase.com/derivatives/docs/market-hours>.

⁷ See, e.g., CME Group, *Trade S&P 500 and Nasdaq-100 futures around the clock*, available at <https://www.cmegroup.com/markets/equities/sp-500-and-nasdaq-100-futures.html>; Crude Oil Futures – Contract Specs, available at <https://www.cmegroup.com/markets/energy/crude-oil/light-sweet-crude.contractSpecs.html>.

regulations, given the generally principles-based nature of those regulations.⁸ Rather, a SEF should be able to demonstrate, through rule enforcement reviews and otherwise, that it can facilitate such trading activity in compliance with its regulatory obligations.

Consistent with regulatory requirements, a DCM or SEF should ensure that it has appropriate operational resources and capacity in place before supporting 24/7 trading.⁹ For example, a DCM or SEF should ensure that it has staff available during all trading hours.¹⁰ Likewise, a DCM or SEF should confirm that its service providers have sufficient operational capabilities and staffing to support the platform's 24/7 trading initiatives. We expect that most, if not all, DCMs and SEFs today use third parties to support critical functions, and, consistent with regulatory requirements, have policies and procedures in place to manage the risks associated with such usage.¹¹ Those policies and procedures, and associated third-party service provider relationships, should be reviewed in light of 24/7 trading. Any DCM or SEF looking to offer 24/7 trading should also review their self-regulatory practices to ensure compliance with applicable regulations in connection with 24/7 trading.¹²

In addition, a single firm's actions will not be sufficient to ensure successful 24/7 derivatives trading and clearing; neither Tradeweb nor any other firm could support such activities without input and buy-in from a range of other market participants. In this regard, the Commission should ensure that all relevant parties across the trading and clearing ecosystem are involved in such efforts. The Staff should encourage ongoing participation and input from, in addition to other interested parties at the Commission, other registrants and market participants, including: (1) FCMs (that connect customers to trading platforms); (2) DCOs (that must be able to support clearing on a 24/7 basis); (3) DCMs and SEFs (that provide the trading and/or platforms); (4) swap data repositories ("**SDRs**") (to support 24/7 real-time reporting); (5) dealers and other liquidity providers (to provide regular quotations at reasonable depth and bid-ask spread); and (6) other infrastructure providers (*e.g.*, firms that facilitate pre-trade credit check and post-trade affirmation services). We expect there could be coordination issues that stymie progress without input and support from all relevant parties.

⁸ See generally 17 C.F.R. Part 37; see also 17 C.F.R. § 23.100(b) (noting that a SEF "shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles").

⁹ See, *e.g.*, 17 C.F.R. § 37.1300(a) ("The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility.").

¹⁰ We expect that many such firms already have appropriate staff located in offices across the world, given existing operations. Tradeweb, for example, has offices across North America, Europe, Asia, Australia and the Middle East. See Tradeweb Locations, available at <https://www.tradeweb.com/who-we-are/locations/>.

¹¹ See, *e.g.*, 17 C.F.R. § 37.1400(1) (requiring a SEF to "[e]stablish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures").

¹² See, *e.g.*, 17 CFR § 37.203 (requiring a SEF to "establish and enforce trading, trade processing, and participation rules that will deter abuses and [] have the capacity to detect, investigate, and enforce those rules").

Mr. Christopher J. Kirkpatrick

May 21, 2025

Page 5

We are encouraged, in this regard, by the Commission's historic, collaborative approach to the implementation of complex new initiatives in the derivatives markets. The approval of the first SEF platforms in 2013—and efforts that preceded and followed that launch—is a case in point. As noted, Tradeweb registered the two Tradeweb SEFs in 2013, but the beginning of SEF trading could not have been successful without coordination with DCOs, SDRs, trading firms, infrastructure providers, the Staff and others. The continued success and growth of SEF trading is a testament to the benefits of ongoing collaboration. We applaud the Staff for issuing the RFC and look forward to contributing to collaborate with the Staff and other market participants as these initiatives advance.

Once again, we appreciate the opportunity to share our views on this important issue and would be pleased to discuss in further detail as and when appropriate. If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Elisabeth Kirby, *Head of U.S. Market Structure*