

9th July, 2026

VIA ELECTRONIC SUBMISSION

Commodity Futures Trading Commission

Re: Request for Information: Identifying Regulations To Facilitate Innovation and Competition to Financial Products and Services for Fintech Firms

The Global Association of Central Counterparties (“CCP Global”) is the international association for central counterparties (“CCPs”), representing 45 members who operate over 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region. CCP Global appreciates the opportunity to respond to the Commodity Futures Trading Commission’s (“CFTC”) Request for Information: Identifying Regulations To Facilitate Innovation and Competition to Financial Products and Services for Fintech Firms¹ (the “RFI”).

CCP Global welcomes the CFTC’s efforts to promote innovation, competition, and regulatory efficiency. Innovation has an important role to play in enhancing the resilience, efficiency, and competitiveness of financial markets, and we support initiatives to ensure that the regulatory framework remains fit for purpose, while continuing to prioritize the stability of the broader financial system. To that end, CCP Global appreciates the Commodity Exchange Act’s (“CEA”) focus on **responsible** innovation **that serves the public interests**—the CEA makes clear that innovation must promote risk management, market integrity, the avoidance of systemic risk, and customer protections.² The CFTC’s actions must be grounded in its statutory obligations under the CEA.

Any regulatory actions as a result of this RFI or otherwise must be guided by the fundamental principle of “same activity, same risk, same regulatory outcome.” Where fintech firms perform the same economic functions or provide services that are equivalent to those provided by traditional market participants or traditional financial market infrastructures, including functions such as novation, multilateral netting, margining, and the mutualization of default risk, regardless of whether those functions are performed through a distributed ledger, smart contract, or other tool, they should be subject to the same regulatory requirements and supervisory expectations, which will ensure that public interests are continued to be prioritized. This is particularly critical in the clearing context: an entity that performs the core functions of a Derivatives Clearing Organization (“DCO”) should be

¹ Commodity Futures Trading Commission, Request for Information: Identifying Regulations To Facilitate Innovation and Competition to Financial Products and Services for Fintech Firms: [Link](#).

² 7 USC § 5 (emphasis **added**).

required to register as a DCO and required to comply **in full** with the Commission's core principles applicable under the CEA, irrespective of the label, decentralized or otherwise, applied to the activity.

The CFTC has a long and successful history of embracing a principles-based regulatory framework that provides for regulations that are technology-agnostic. This must continue to remain the case. The technology used to deliver a financial service should not, in itself, determine the applicable regulatory framework. Not applying the same regulatory framework to fintech firms based solely on the use of innovative technologies would risk creating inconsistencies, competitive distortions, and opportunities for regulatory arbitrage that could ultimately undermine financial stability and harm customers. It could also undermine the coherent and robust regulatory framework that has been developed internationally and implemented by the CFTC.

Accordingly, we do not support approaches that would scope fintech firms outside the CFTC's registration or regulatory regime where they carry out activities that are functionally equivalent to those performed by regulated entities. Fintech firms should not be exempted from requirements applicable to traditional entities where they perform the same economic role or provide the same or substantially similar services. In particular, the use of a developing underlying technology, such as smart contracts or distributed ledgers, is **not** itself a basis for exemption or exception from the Commission's applicable registration, designation, and authorization requirements. The Commission's registration categories, including the requirements applicable to DCOs under Part 39, are activity-based and risk-based, not technology-based. For example, any entity that performs novation, settlement finality, margining, or collateral management functions that is economically equivalent to those performed by a registered DCO should not fall outside the applicable regulatory perimeter merely because those functions are executed through a developing infrastructure rather than through traditional infrastructure. The requirements under which regulated entities currently operate rightfully prioritize risk management and customer protection objectives, while also allowing these entities to innovate responsibly.

Applying the CFTC's existing regulatory framework consistently across market participants promotes a coherent policy framework, a level playing field, transparency, and consistency, while maintaining high standards of market integrity, resilience, and efficiency. This is particularly important in the clearing ecosystem, where a comprehensive and well-established body of regulation already exists and should continue to apply uniformly, irrespective of the technological solutions employed.

These considerations apply with particular force to decentralized finance ("DeFi") arrangements involving derivatives contracts. A protocol, platform, or decentralized derivatives venue that performs clearing functions, for example, through automated margining, algorithmic novation, or the operation of an on-chain default waterfall or other mutualized loss-absorbing resource, falls squarely within the principle of "same activity, same risk, same regulatory outcome." The 'absence' of a traditional corporate 'central' counterparty, or the automation of these functions through developing infrastructure, does not diminish the risk to be managed. Applying the CEA's regulatory framework consistently to all clearing arrangements is important not only to ensure a level playing field, but to preserve the core public interest benefits that a robust and consistently regulated clearing

infrastructure delivers, including the benefits of facing a creditworthy counterparty that is well-regulated and well-capitalized, multilateral netting, transparent and consistently applied margin requirements, and the maintenance of mutualized default resources governed by tested default management procedures. Regulatory outcomes that allow DeFi clearing arrangements to operate without these protections would risk undermining these benefits, contrary to the public interests the CEA is intended to serve.

We therefore encourage the CFTC to pursue innovation and regulatory simplification in a manner that preserves consistent, risk-based regulation that prioritizes supporting the stability of the broader financial system and avoids creating differentiated regulatory outcomes based solely on technology.

ABOUT CCP GLOBAL

CCP Global is the international association for central counterparties (“CCPs”), representing 45 members who operate over 60 individual CCPs across the Americas, EMEA, and the Asia-Pacific region.

CCP Global promotes effective, practical, and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents. CCP Global leads and assesses global regulatory and industry initiatives that concern CCPs to form consensus views, while also actively engaging with regulatory agencies and industry constituents through consultation responses, forum discussions, and position papers.

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