



U.S. Securities and Exchange Commission

[Home](#) / [Newsroom](#) / [Speeches and Statements](#) / Joint Statement from the Chairman of the SEC and Acting Chairman of the CFTC

STATEMENT

Joint Statement from the Chairman of the SEC and Acting Chairman of the CFTC

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Commission, and Acting Chairman Caroline D. Pham, U.S.
Commodity Futures Trading Commission**

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As the markets for securities and non-securities increasingly converge, we are excited to embark on a new beginning for coordination between U.S. market regulators. The work of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) has never been more intertwined — and the wave of innovation before us never more dependent on the depth of our cooperation. Harmonization between U.S. market regulators is essential to the viability of a broad range of innovative products. Today, we build on our divisions' joint statement on facilitating trading of certain spot crypto asset products and highlight the innovations that greater harmonization of SEC and CFTC regulatory frameworks can unleash.

The securities and commodity derivatives regulatory regimes have differing statutorily prescribed jurisdictions, but fostering innovation in both new markets and new products demands that U.S. regulators be flexible and agile. The SEC

and CFTC must coordinate to ensure there is not a regulatory “no man’s land” due to inaction by one or both agencies. Failure to coordinate, and the resulting regulatory uncertainty, have chilled productive economic activity even when the products would otherwise be allowable under federal law. That chapter belongs to history.

It is a new day at the SEC and the CFTC, and today we reaffirm the need to ensure regulation does not stand in the way of progress. By working in lockstep, our two agencies can harness our nation’s unique regulatory structure into a source of strength for market participants, investors, and all Americans.

Tuesday’s joint staff statement on spot crypto asset products is only a first step. To the extent possible and appropriate in the public interest under existing statutes, our respective agencies should consider harmonizing product and venue definitions; streamlining reporting and data standards; aligning capital and margin frameworks; and standing up coordinated innovation exemptions using each agency’s existing exemptive authority. Working together, the agencies can consider how to craft a reliable playbook for innovators and investors, advancing U.S. competitiveness and market integrity, consistent with our statutory mandates. We look to a future where the meeting of our statutes is not a point of friction, but a source of clarity.

Next Steps – Bringing Novel and Innovative Products Back to America

Today, we are announcing a joint SEC-CFTC roundtable on regulatory harmonization, which will be held on September 29, 2025. As detailed by the [President’s Working Group on Digital Asset Markets Report](https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf) (<https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>), on Strengthening American Leadership in Digital Financial Technology, we are committed to using our existing authorities to establish fit-for-purpose regulations for innovative products and trading platforms. The United States has long been the home of financial innovation, but recently, novel products have been driven overseas by fragmented oversight and legal uncertainty. The SEC and the CFTC should encourage the reversal of this trend by harmonizing their approaches to product offerings, enabling increased market choice, and

protecting investors through clear, predictable, and pro-innovation regulatory frameworks. We present the priorities below as potential areas of coordination to be discussed at the joint roundtable.

24/7 Markets

For on-chain finance to scale, the SEC and the CFTC should collaborate to consider the possibility of further expanding trading hours, where appropriate. Factors that may be relevant to this consideration include operational feasibility and liquidity consistent with investor and customer protections. Certain markets, including foreign exchange, gold, and crypto assets, already trade continuously. Further expanding trading hours could better align U.S. markets with the evolving reality of a global, always-on economy. Expanding trading hours may be more viable in some asset classes than others, so there may not be a one-size-fits-all approach for all products.

Event Contracts

Prediction markets, while they have existed around the world for decades, are undergoing rapid growth with growing demand from both market operators and the public. We should work together to provide clarity for innovators that want to list event contracts on prediction markets responsibly, including those based on securities. The SEC and CFTC should examine opportunities to collaborate to consider where event contracts may be made available to U.S. market participants regardless of where the jurisdictional lines fall.

Perpetual Contracts

Perpetual contracts, or derivatives without a defined expiry date, are common in offshore crypto markets. Jurisdictional and definitional constraints have limited their use in the United States. The agencies could consider concurrent steps to onshore perpetual contracts that meet investor and customer-protection standards, potentially allowing these products to trade across SEC- and CFTC-regulated platforms. This endeavor would capture economic activity now flowing

exclusively to foreign platforms and bring U.S. traders access to products with transparent leverage limits and robust risk management.

Portfolio Margining

A coordinated SEC-CFTC framework for portfolio margining could potentially reduce capital inefficiencies by recognizing offsetting positions across product classes. Today, unharmonized requirements and structural inefficiencies often force market participants to post collateral separately at SEC-registered and CFTC-registered entities, even when their positions hedge each other in real economic terms. By considering harmonizing margin requirements, the agencies could allow broker-dealers, futures commission merchants, and clearing members to more efficiently net exposures. This would reduce the cost of carrying hedged positions, free up balance sheet capacity, and lower barriers for institutional and retail participation in cross-market strategies.

The two agencies should consider taking action to allow clearinghouses to offer portfolio-based margin across their respective product lines that retains resiliency without triggering duplicative registration or conflicting compliance burdens. By reducing capital lock-up while maintaining robust risk controls, the agencies could catalyze liquidity, tighten spreads, and encourage innovation in market structure. This kind of collaborative red tape cutting could meaningfully strengthen market resiliency and better align U.S. markets to compete internationally.

Innovation Exemptions and Decentralized Finance

Today's decentralized finance (DeFi) protocols enable direct peer-to-peer trading without the need for intermediaries. We reaffirm that both agencies are prepared to consider "innovation exemptions" to create safe harbors or exemptions that allow market participants to engage in peer-to-peer trading of spot, leveraged, margined, or other transactions in spot crypto assets, including derivatives such as perpetual contracts, over DeFi protocols. These safe harbors and exemptions would allow market participants to build commercially viable models while the agencies advance longer-term rulemaking.

The right to self-custody one's assets is a core American value. While market participants have paths under current law to trade spot crypto on federally regulated venues, the path remains open for peer-to-peer spot crypto trading as well. We encourage market participants to meet with our respective staffs as entrepreneurs onshore trading activity and innovate.

Conclusion

Today, we are ready to usher in a new era of innovation by recalibrating our posture toward regulatory cooperation. By harmonizing our regulatory frameworks, leveraging exemptive authorities, and collaborating on innovative products and trading platforms, the two agencies could unlock new opportunities for market participants, foster innovation, and solidify the United States as the global leader in crypto and blockchain technology.

Building on the PWG Report's recommendations (<https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-E014178.pdf>), we can work to create a regulatory environment that allows American businesses to flourish, innovate, and lead in global markets. Working together, we can ensure that the next chapter of financial innovation is written right here in America, and that the United States remains the premier place in the world to start a business, develop breakthrough technologies, and participate in capital markets.

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