



COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 37 and 38

RIN 3038-AF29

Requirements for Designated Contract Markets and Swap Execution Facilities Regarding Governance and the Mitigation of Conflicts of Interest Impacting Market Regulation Functions; Withdrawal of Proposed Regulatory Action

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of withdrawal of proposed rules.

SUMMARY: The Commodity Futures Trading Commission (“Commission” or “CFTC”) is formally withdrawing a notice of proposed rulemaking published on March 19, 2024, titled “Requirements for Designated Contract Markets and Swap Execution Facilities Regarding Governance and the Mitigation of Conflicts of Interest Impacting Market Regulation Functions.”

DATES: The Commission is withdrawing the proposed rules published at 89 FR 19646 (March 19, 2024) as of September 15, 2025.

FOR FURTHER INFORMATION CONTACT: Rahul Varma, Acting Director, (202) 418–5353, rvarma@cftc.gov, Division of Market Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

Background

On March 19, 2024, the Commission published a notice of proposed rulemaking in the Federal Register proposing new rules and amendments to its existing regulations for designated contract markets (“DCMs”) and swap execution facilities (“SEFs”) that would establish governance and fitness requirements with respect to market regulation functions, as well as related conflict of interest standards.¹ The proposed new rules and amendments included

¹ Requirements for Designated Contract Markets and Swap Execution Facilities Regarding Governance and the Mitigation of Conflicts of Interest

minimum fitness standards; requirements for identifying, managing, and resolving conflicts of interest; and structural governance requirements with respect to SEF and DCM governing bodies. On April 25, 2024, the Commission published a release in the Federal Register which extended the comment period for the proposal to May 13, 2024.²

Withdrawal of Proposed Rules

The Commission is withdrawing the proposal to reconsider how the proposed rules would work given recent changes to the industry and evolving market structures. Many SEFs and DCMs are part of larger corporate organizations that have already implemented governance standards and requirements for conflicts of interest that would also apply to market regulation functions. Thus, the Commission no longer intends to issue final rules with respect to the proposal. If the Commission decides to pursue future regulatory action in this area, it will do so by publishing new proposed rules or other issuance consistent with the requirements of the Administrative Procedure Act, as applicable.

Executive Order 12866

The Office of Management and Budget has determined that this action is not a significant regulatory action as defined in Executive Order 12866, as amended, and therefore it was not subject to Executive Order 12866 review.

Issued in Washington, DC, on September 16, 2025, by the Commission.

Robert Sidman,

Deputy Secretary of the Commission.

NOTE: The following appendix will not appear in the Code of Federal Regulations.

Appendix to Withdrawal of Commission Guidance – Commission Voting Summary

On this matter, Acting Chairman Pham voted in the affirmative. No Commissioner voted in the negative.

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Impacting Market Regulation Functions, 89 FR 19646 (Mar. 19, 2024).
² 89 FR 31669 (May 13, 2024).