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Opening the Door to “Perps”

The CFTC Approves U.S.-Listed Perpetual Futures

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In late May 2026, the Commodity Futures Trading Commission (“CFTC”) approved the listing of the first perpetual futures contract on a CFTC-regulated exchange, a cash-settled perpetual derivative referencing the spot price of Bitcoin, marking a significant milestone in the evolution of U.S. digital asset markets. The approval brings to the United States additional options to trade a product that has long dominated offshore crypto derivatives trading and signals that perpetual contracts can, under appropriate circumstances, be structured to comply with the Commodity Exchange Act (“CEA”).

This development may accelerate the migration of crypto derivatives activity from offshore venues to regulated U.S. markets and could provide institutional investors, intermediaries, and exchanges with new opportunities to participate in one of the world’s most actively traded derivatives products within a CFTC regulated framework.

Key Takeaways

- The CFTC approved the first perpetual futures contract for listing on a U.S.-regulated exchange.
- Perpetual futures have historically been available primarily through offshore crypto trading platforms.
- The approval confirms that perpetual contracts may fit within the existing CEA framework when appropriately structured.
- The CFTC emphasized that future perpetual products will be evaluated on a case-by-case basis.
- Exchanges, futures commission merchants (“FCMs”), and institutional market participants should assess the operational, compliance, and risk-management implications of these products.

From Offshore Staple to Regulated Product

Perpetual futures, commonly referred to as “perps,” differ from traditional futures contracts in that they do not expire. Instead, positions can be held indefinitely, with periodic “funding rate” payments used to keep contract prices aligned with the underlying spot market. This structure has made perpetuals the dominant vehicle for leveraged exposure and directional trading in global digital asset markets. According to industry estimates, perpetual futures account for a substantial majority of crypto derivatives trading volume worldwide. Until now, however, U.S. market participants have had limited access to these products through regulated domestic markets and often relied on offshore venues operating outside the U.S. regulatory framework. In 2025, a designated contract market (“DCM”) registered with the CFTC filed self-certifications for two similar products intended to replicate the economics of traditional perps. No objection was raised by the CFTC, and the contracts became effective for trading in July of 2025.

The CFTC’s approval of a Bitcoin-linked perpetual contract represents a notable shift by the regulator. By approving a Bitcoin-linked perp for listing on a designated contract market, the agency has sent a stronger signal that perpetual contracts can be compatible with existing derivatives regulations when accompanied by appropriate safeguards, surveillance mechanisms, and risk controls.

Why the Approval Matters

The significance of the CFTC’s approval extends beyond a single product. For years, the absence of a clear regulatory pathway for perpetual futures contributed to the concentration of trading activity on offshore platforms. At the same time, institutional demand for regulated digital asset products has continued to grow, particularly as traditional financial institutions have expanded their participation in digital asset markets. Against that backdrop, the CFTC’s action reflects a broader effort to bring crypto-related activity within established regulatory structures rather than allowing substantial market activity to remain outside U.S. oversight and provides a foundation for broader U.S. perpetual futures products covering different asset classes. The approval suggests that the agency is prepared to apply existing statutory frameworks to emerging products rather than waiting for comprehensive new legislation or rulemaking.

A More Deliberate Approval Process

Notably, the approval was issued under the CFTC's formal product approval process rather than the self-certification process that exchanges commonly use for new futures products, and that was relied upon for the previous digital asset products self-certified by a DCM in 2025. Unlike self-certification, which permits an exchange to certify that a product complies with applicable legal requirements, the approval process requires affirmative review and approval by the CFTC before listing. The use of this process suggests a heightened level of regulatory engagement. For market participants considering additional perpetual offerings, the approval may serve as an important roadmap regarding acceptable contract design, funding mechanisms, surveillance practices, and risk-management controls.

Building a Framework Around Continuous Trading

Alongside the approval, the CFTC issued a policy statement clarifying that perpetual derivatives will be evaluated on a case-by-case basis. The CFTC emphasized that product design, surveillance mechanisms, liquidity, and the characteristics of the underlying reference asset will all inform whether a particular contract is consistent with the CEA. The agency also acknowledged the unique operational realities of digital asset markets, including continuous, 24-hour trading. Traditional derivatives infrastructure was developed around defined trading sessions and periodic settlement cycles. Perpetual contracts, by contrast, operate through continuous trading and ongoing funding adjustments. The CFTC's guidance suggests an openness to adapting existing regulatory frameworks to accommodate these market characteristics while preserving core principles of market integrity, customer protection, and risk management.

Drawing Liquidity Back Onshore

An important implication of the CFTC's action is its potential effect on market structure. For years, regulatory uncertainty contributed to the migration of substantial crypto derivatives trading activity to offshore platforms. By creating a pathway for regulated perpetual products, the CFTC appears to be encouraging the return of that activity to U.S.-regulated markets where it can be subject to CFTC oversight, surveillance, margin requirements, and customer protection rules.

The availability of regulated perpetual contracts may also encourage broader participation by institutions that have been unwilling or unable to access offshore trading venues because of legal, compliance, governance, or counterparty-risk concerns. Greater institutional participation could, in turn, contribute to improved liquidity and price discovery within U.S. regulated markets.

Implications for Exchanges, FCMs, and Market Participants

The approval is likely to have immediate strategic and operational implications across the derivatives ecosystem. For exchanges, the decision creates a clear incentive to explore additional perpetual products tied to digital assets and potentially other reference assets. Exchanges seeking to launch similar products will need to evaluate contract structure, funding methodologies, surveillance systems, and market integrity controls.

For FCMs and other intermediaries, perpetual contracts raise novel operational questions regarding customer onboarding, disclosures, margin methodologies, custody arrangements, and risk monitoring. Firms will need to evaluate whether existing systems are capable of supporting products that trade continuously and incorporate funding-rate mechanics that differ materially from traditional futures contracts.

Institutional participants may likewise begin evaluating whether regulated perpetual contracts can be incorporated into trading, hedging, liquidity-provision, and treasury-management strategies. However, the unique features of perpetuals, including funding-rate exposure, leverage considerations, and continuous trading, will require careful risk assessment and compliance review.

Open Questions

Despite the significance of the approval, important questions remain.

Among them:

- Will the CFTC approve perpetual contracts tied to additional digital assets?
- Could perpetual structures eventually be used for non-crypto commodities or financial assets?
- How will the CFTC evaluate more complex funding mechanisms or reference indices?

- Will the CFTC pursue formal rulemaking specific to perpetual contracts?
- How will potential jurisdictional questions be resolved where underlying assets may also implicate SEC jurisdiction?

The answers to these questions will help determine the ultimate scope of the U.S. perpetual futures market.

Looking Ahead

The CFTC's approval of the first U.S.-listed perpetual futures contract represents a meaningful development in the evolution of digital asset derivatives regulation. Although the agency has not adopted a comprehensive regulatory framework specific to perpetual contracts, its actions establish a clear signal that these products can be accommodated within the existing statutory framework when appropriately designed and supervised.

Market participants considering the use, listing, clearing, or facilitation of perpetual futures should closely monitor further developments and evaluate the implications for product design, compliance obligations, margin practices, customer protections, and competitive positioning. As additional perpetual products are proposed, further guidance and potentially formal rulemaking may shape the contours of this emerging market.

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