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July 13, 2026

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

Re: Request for Information: Identifying Regulations To Facilitate Innovation and Competition to Financial Products and Services for Fintech Firms (Release Number 9254-26; RIN 3038–ZA24)

Dear Mr. Kirkpatrick,

Cboe Global Markets ("Cboe") respectfully submits this comment letter in response to the Commodity Futures Trading Commission's ("CFTC's" or "Commission's") Request for Information ("RFI") regarding the identification of regulations that may facilitate innovation and competition in financial products and services for fintech firms, issued pursuant to Executive Order 14405, "Integrating Financial Technology Innovation Into Regulatory Frameworks" ("E.O. 14405").

Cboe strongly supports the goals articulated in E.O. 14405. Innovation, expanded access to financial products and services, and the creation of broad economic opportunity for all Americans are important policy objectives. Cboe shares the Administration's commitment to fostering an environment in which new technologies and business models can flourish.

Cboe agrees, as E.O. 14405 recognizes, that regulation can, at times, create barriers to entry that are unduly burdensome. Where that is true, reform is warranted. Removing unnecessary barriers to entry and fostering genuine innovation are vital to the continued competitiveness of U.S. derivatives markets. It is equally true, however, that the regulatory framework serves a deeper and enduring purpose: preserving market integrity, protecting investors and counterparties, ensuring systemic stability, providing legal certainty, and maintaining public confidence in U.S. financial markets. These qualities have facilitated the growth of U.S. markets and made them the envy of the world; they must not be set aside.

True innovation is the kind that advances market efficiency, broadens access, and creates genuine economic value. It does not compromise the integrity of the market. It does not seek to circumvent risk management requirements, capital adequacy standards, or customer protection rules that have stood the test of time and exist for sound and well-documented reasons. Innovation of this character deserves the Commission's support and, where necessary, regulatory accommodation.

By contrast, regulatory arbitrage disguised as innovation seeks competitive advantage not through superior products or services, but through the avoidance of obligations that apply to established market participants. Cboe urges the Commission to be highly attentive to this distinction as it reviews the RFI responses. It is essential that the Commission carefully distinguish between regulatory requirements that are genuinely and unduly impeding progress from those that should be modernized or those that are serving a greater public good and should be maintained, extended to new entrants, and applied on a functionally equivalent basis.

Disintermediation is a prime illustration of this dynamic. Proposals framed as "disintermediation" or "decentralization" are frequently presented as transformative innovations that will reduce costs and democratize market access. In many cases, however, the underlying concept is not new. The idea or process has existed for decades, and the new entrant's primary purpose is simply to insert itself into an existing process under a different label and with fewer regulatory obligations, including those that protect market participants and systemic integrity. The Commission should scrutinize such proposals rigorously, particularly where the proposed structure may facilitate the creation of closed ecosystems or involves the assumption of risks (e.g., counterparty credit risk, settlement risk, operational risk) that have historically been subject to comprehensive regulatory oversight.

Equally important is the principle that all market participants performing equivalent functions should be subject to equivalent regulatory requirements. This does not mean all existing regulatory requirements must be automatically ported to all new and evolving technology, but it does mean the Commission must carefully calibrate regulatory requirements to maintain investor protections and the integrity of the market. A level playing field is not about protecting incumbents. It is about ensuring that the competitive landscape reflects genuine differences in products, services, and efficiencies. The Commission's review should be guided by the question not merely of whether a rule impedes a fintech firm, but first whether the requirements remain consistent with the purposes the rule was designed to serve.

Cboe recognizes that it may be perceived by some as an incumbent market participant with an interest in maintaining the status quo. We welcome that scrutiny because we truly believe that robust regulatory standards ultimately benefit all market participants – established exchanges and new entrants alike – by preserving the integrity and trustworthiness of the markets in which we operate.

We acknowledge that the line between genuine innovation and regulatory arbitrage can be difficult to discern. Business models are complex, and the effects of regulatory change are not always predictable. This is precisely why a level playing field is so important. By applying consistent functional standards – holding all entities performing the same economic functions to equivalent regulatory requirements – the Commission can encourage genuine competition and innovation while ensuring that the benefits of regulatory protection are not arbitrarily denied to participants in established markets.

Our goal is sustainable, well-governed progress that enhances rather than undermines the integrity, stability, and fairness of existing markets. Reforms that introduce systemic risk, reduce transparency, or undermine customer protections are not, in Cboe's view, innovations that the Commission should encourage.

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Cboe supports the Administration's commitment to fostering financial innovation and expanding access to financial products and services. We believe the Commission, consistent with its statutory mandate under the CEA, is well-positioned to identify and address regulatory requirements that unduly impede genuine innovation.

We urge the Commission to approach this review with equal attentiveness to the distinction between genuine innovation and regulatory arbitrage; to the importance of functional equivalence and a level playing field by ensuring any regulatory reforms designed to accommodate fintech are equally applied to traditional markets; and to the foundational purposes of the regulatory framework it administers. The goal should not be to merely reduce regulatory burden on new entrants, but to ensure that U.S. derivatives markets remain resilient, liquid, fair, financially secure, and trusted by all participants.

We also note that a number of regulatory proposals and requests for comment have been published in recent weeks that may be relevant to the questions raised in this RFI. Cboe intends to respond to each of those proposals as appropriate and respectfully requests that the Commission consider those forthcoming comments as part of the overall record it is compiling pursuant to E.O. 14405 and this RFI.

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We thank the Commission for the opportunity to comment and look forward to continued engagement on these important matters.

Sincerely,

s/Patrick Sexton

Patrick Sexton
EVP, General Counsel, and Corporate Secretary
Cboe Global Markets, Inc.