Quantum Update 68

May 2026

US CFTC & SEC Regulatory Updates

US CFTC Issues No-Action Letter Streamlining Swap Data Reporting for Fully Collateralised Event Contracts

On 13 May 2026, the US CFTC's Division of Market Oversight and Division of Clearing and Risk issued **CFTC Letter No. 26-14**, a no-action letter addressing swap data reporting and recordkeeping for fully collateralised event contracts on designated contract markets and derivatives clearing organisations. The letter consolidates eighteen previously issued no-action letters dating back to 2017.

Beneficiaries & Covered Contracts

Beneficiaries include Kalshi, Polymarket US, Crypto.com Derivatives North America, Bitnomial, Gemini, FMX, ForecastEx, CME and Railbird, among others. The relief applies exclusively to 'Covered Contracts' — those based on the outcome of an underlying occurrence, listed on a designated contract market, and traded as fully collateralised positions.

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Three Concerns Prompting Consolidation

The Divisions identified three concerns prompting the consolidated approach: the burden of supplementary requests on rulebook changes; the risk of inconsistent positions for similarly situated firms; and the prospect of duplicative reporting under regulation 16.02 and Part 45. The position remains effective until the CFTC adopts a final rule on event contract reporting.

(Source: **https://www.cftc.gov/csl/26-14/download**)

US SEC Grants Effectiveness to BOX Exchange Rule Change Raising Bitcoin ETF Options Limits

On 19 May 2026, the US SEC published a notice regarding a **proposed rule change by BOX Exchange LLC** amending IM-3120-2 under Rule 3120 to increase position and exercise limits for options on the iShares Bitcoin Trust ETF (IBIT) from 250,000 contracts to 1,000,000 contracts on the same side of the market. The filing followed a comparable approval obtained by Nasdaq ISE, LLC.

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Liquidity Analysis

The exchange's liquidity analysis indicated that a 1,000,000-contract limit would represent approximately 7.474 per cent of the IBIT float, comparable to or below existing limits for GLD, SLV and BITO options. On a whole-of-market basis, full exercise would represent roughly 0.278 per cent of all Bitcoin outstanding.

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Operative Delay Waived

The SEC waived the standard 30-day operative delay, finding the proposal raised no novel legal or regulatory issues. The exchange argued that restrictive limits hampered listed options markets in competing with over-the-counter venues, while reporting requirements remained unchanged.

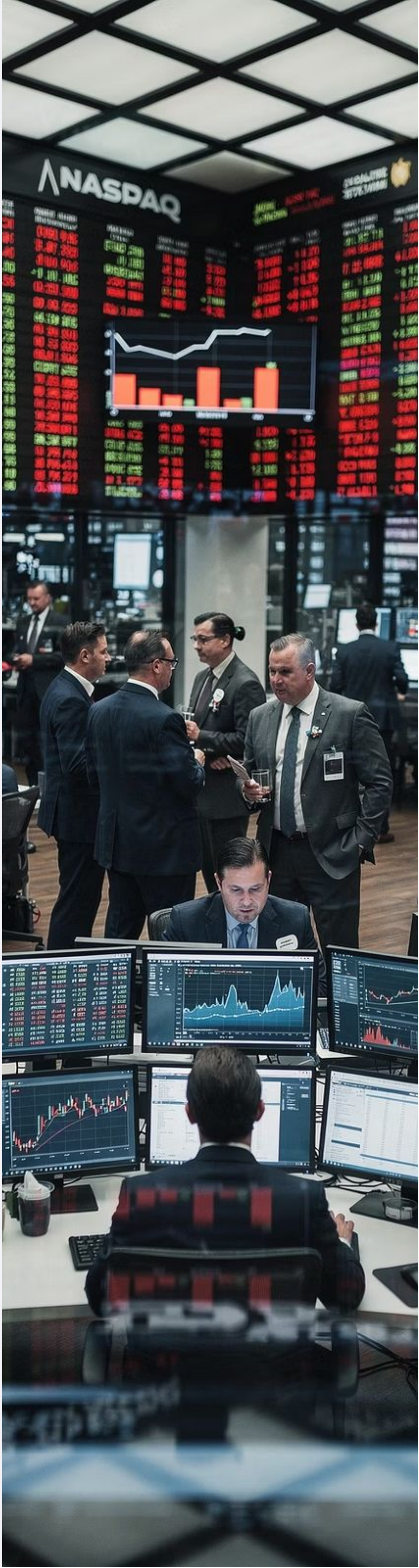
(Source: **https://www.sec.gov/files/rules/sro/box/2026/34-105520.pdf**)

US SEC Chairman Atkins Issues Statement on Novel Exchange-Traded Funds

On 20 May 2026, SEC Chairman Paul S. Atkins issued a public statement addressing the **regulatory treatment of novel exchange-traded funds**, including event contract ETFs, noting the tripling of ETF assets since 2019 and the willingness of fund sponsors to delay the effectiveness of certain novel products while the Commission considers their implications.

The Chairman instructed staff to seek public input on how the Commission should respond to recent market developments. Crypto asset managers, ETF sponsors, exchanges and structured product issuers may consider closely monitoring forthcoming consultations, particularly where products involve derivatives exposure, token-linked strategies, event-based settlement mechanics or hybrid instruments.

(Source: **https://www.sec.gov/newsroom/speeches-statements/atkins-statement-novel-exchange-traded-funds-052026**)



US SEC and NFA Sign Memorandum of Understanding to Strengthen Cross-Market Regulatory Coordination

On 21 May 2026, the US SEC and the National Futures Association executed a **Memorandum of Understanding** establishing a framework for cooperation and information sharing in areas of common regulatory interest across securities and derivatives markets. The MOU was signed by SEC Chairman Paul S. Atkins and NFA President and CEO Thomas W. Sexton.

Scope & Confidentiality

The arrangement covers examination planning, risk assessment, emerging risks and financial market conditions, and addresses the confidentiality and safeguarding of non-public information. It expressly does not create legally binding obligations or enforceable rights against either party.

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Relevance for Dual-Regime Operators

The development carries direct relevance for crypto-native broker-dealers, swap dealers, security-based swap participants and digital asset derivatives operators navigating dual-regime oversight, with each party retaining autonomy over its own examination determinations.

(Source: **https://www.sec.gov/files/sec-nfa-2026.pdf**)

US CFTC Opens Door to Regulated Bitcoin Perpetual Contracts

On 29 May 2026, the US CFTC announced a **regulatory pathway permitting the listing of a true Bitcoin perpetual contract** on a CFTC-registered exchange — the first time crypto perpetual derivatives will be capable of operating within the United States' regulated commodities framework. Chairman Michael S. Selig described the move in an accompanying opinion piece as a step toward integrating a large segment of the global crypto derivatives market into the U.S. regulatory system.

How Perpetual Contracts Work

Perpetual contracts provide continuous market exposure without a fixed expiration date, using periodic funding-rate payments to maintain alignment with spot prices. The absence of a clear domestic framework had driven such activity to offshore platforms.

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CFTC's Supervisory Intent

The CFTC's position is intended to bring activity within a supervised environment while maintaining oversight of leverage, risk management, market integrity and participant protections, with the prospect of expanded institutional access, onshore liquidity and increased competition among U.S. exchanges.

(Source: **https://www.cftc.gov/PressRoom/SpeechesTestimony/seligstatement052926**)