

## CLIENT ALERT

# CFTC Chairman Michael Selig Unveils the Agency's Comprehensive Regulatory Agenda at FIA Conference

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On March 9, 2026, CFTC Chairman Michael Selig delivered a landmark address at the FIA Global Cleared Markets Conference titled "The Next Era of American Markets Leadership."<sup>1</sup> The speech outlined Chairman Selig's comprehensive agenda for the CFTC, emphasizing principles-based regulation, harmonization with the SEC, support for digital asset innovation, and the responsible development of prediction markets. This client alert summarizes the key aspects of Chairman Selig's remarks and their implications for market participants.

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<sup>1</sup> Michael S. Selig, Chairman, Commodity Futures Trading Comm'n, *The Next Era of American Markets Leadership* (Mar. 9, 2026), available [here](#).

## Regulatory Philosophy

Chairman Selig’s FIA address reflects the broader regulatory philosophy he has articulated since taking office as the Chairman of the CFTC in December 2025.<sup>2</sup> At the January 29, 2026, Joint Event on Harmonization held by the CFTC and SEC,<sup>3</sup> Chairman Selig emphasized that the U.S.’s financial regulators must modernize and harmonize their approach to regulation in order to future-proof markets. At the event, both Chairman Selig and SEC Chairman Paul Atkins pledged to calibrate regulatory intervention to the “minimum effective dose” necessary. This principles-based approach prioritizes regulatory clarity and cross-agency coordination to support responsible innovation while maintaining robust protections against fraud, manipulation and abuse. Chairman Selig has emphasized his commitment to providing clear regulations that support the responsible development of markets, including in areas such as digital assets and prediction markets.

In addition, Chairman Selig emphasized that the CFTC will refrain from setting policy through enforcement actions. He directed the CFTC Division of Enforcement to focus on its core purpose of policing fraud, abuse, and manipulation rather than setting policy through enforcement, and reducing the amount of no-action relief or other piecemeal guidance that can easily change with the political winds.

## Traditional Commodity Markets Initiatives

Chairman Selig announced several initiatives aimed at reducing regulatory burdens for traditional market participants. Among the most notable:

- *Agricultural Advisory Committee.* Chairman Selig directed CFTC staff to revive the Agricultural Advisory Committee.
- *Capital, Margin and Reporting Rules.* CFTC staff will consider whether capital, margin and reporting rules should be amended where the rules currently exceed what is necessary for risk management.
  - *Basel III Relief.* The Commission will support prudential regulators to reduce burdens caused by the Basel III and Global Systemically Important Bank framework, with an aim to help facilitate easier access to clearing for market participants.
  - *Cross-Margining Enhancements.* The Commission will consider enhancing cross-margining to allow agriculture and energy participants to more efficiently manage margins across their futures and options positions.

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<sup>2</sup> Press Release, Willkie Alum Michael Selig Confirmed as 16th CFTC Chairman (Dec. 19, 2025), available [here](#).

<sup>3</sup> For a more detailed discussion of Chairman Selig’s remarks at the CFTC-SEC Joint Event on Harmonization, see Comstock et al., *SEC and CFTC Chairmen Pledge to Harmonize U.S. Crypto Regulation* (Feb. 2026), available [here](#).

- *Commitment of Traders Reporting.* The Commission is exploring publishing the Commitment of Traders report more frequently.

### Digital Assets and Project Crypto

Chairman Selig announced several concrete workstreams for the CFTC under Project Crypto. Among the most notable include:

- *Crypto Asset Taxonomy.* In coordination with the SEC, the CFTC will advance a clear crypto taxonomy to help market participants understand their products' jurisdiction under the CFTC, SEC, both, or neither.
- *Non-Custodial Software.* Chairman Selig directed CFTC staff to provide guidance concerning the application of CFTC intermediary registration requirements to developers of non-custodial software systems.
- *Retail Commodity Transactions.* The CFTC staff are considering new rules that would clarify "when leveraged, margined, or financed retail commodity transactions in crypto may be offered off-exchange under an 'actual delivery' exception."
- *Perpetual Derivatives.* Chairman Selig directed staff to consider how to clarify the classification of "true" crypto-perpetuals.

### Swap Dealer and Market Structure Reforms

- *De Minimis Threshold.* Through a pilot program, the Commission is considering removing "Energy Commodity End-User Swaps" from the swap dealer de minimis threshold calculation, with a potential extension to agricultural and critical minerals swaps. In addition, the Commission will consider whether any other types of swaps should be excluded from the threshold.
- *Substituted Compliance.* To reduce regulatory burdens on registrants operating in multiple jurisdictions, the Commission is considering issuing comparability determinations that would allow swap dealers subject to European Union or United Kingdom capital and financial reporting requirements to satisfy corresponding CFTC obligations.
- *Direct Access Markets.* Chairman Selig asked staff to undertake a rulemaking addressing the model of derivatives clearing organizations ("DCOs") and designated contract markets ("DCMs") that allow retail participants direct market access without futures commission merchant ("FCM") intermediation.
- *Binary Options and Event-Style Swaps.* The Commission is drafting a rulemaking to address how certain swaps traded similarly to futures are reported.

- *SEF Trade Execution Requirements.* The CFTC will review whether and how the trade execution requirement applies to package transactions and what trading functionality swap execution facilities (“SEFs”) must provide for “permitted transactions” not subject to the trade execution mandate.
- *QEP Exemption Reinstatement.* Chairman Selig directed staff to work on a rulemaking to reinstate the Qualified Eligible Person (“QEP”) exemption that existed before 2012. The prior QEP exemption permitted managers of private funds that operated “commodity pools” to be exempt from registering as commodity pool operators, provided that the pools consisted solely of QEP investors.
- *Form PF Revisions.* In coordination with the SEC, the CFTC is preparing a proposal to revise Form PF to streamline data reporting and eliminate redundancies.

## Prediction Markets

Chairman Selig reaffirmed the CFTC’s role as the primary regulator of prediction markets, commonly known as “event contracts.” His remarks were consistent with the agency’s recent enforcement advisory highlighting disciplinary cases brought by KalshiEX.<sup>4</sup> Among the most notable include:

- *Event Contract Guidance.* Chairman Selig directed staff to draft guidance addressing how event contracts may be listed and traded.
- *Advanced Notice of Proposed Rulemaking.* The Commission will prepare an advanced notice of proposed rulemaking to solicit industry feedback on important issues affecting prediction markets.
- *Jurisdictional Defense.* Chairman Selig characterized state lawsuits challenging CFTC jurisdiction over prediction markets as unlikely to succeed and noted that the agency’s authority over a broad definition of “commodity” has been historically upheld in federal courts.<sup>5</sup> These views are consistent with the CFTC’s recent amicus brief filed in the Ninth Circuit in support of Crypto.com’s appeal against the State of Nevada.<sup>6</sup>

## Climate Policy

Chairman Selig announced that the CFTC is formally disavowing the Market Risk Advisory Committee’s 2020 Climate Risk report, which contained recommendations regarding climate-related risks to the financial system.

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<sup>4</sup> Press Release No. 9185-26, *CFTC Enforcement Division Issues Prediction Markets Advisory* (Feb. 25, 2026), available [here](#). For more information on the enforcement advisory, see Giancarlo et al., *CFTC Issues Prediction Markets Enforcement Advisory: Agency Highlights Disciplinary Cases Brought by KalshiEx* (Mar. 2026), available [here](#).

<sup>5</sup> For more information on Kalshi’s event contracts litigation, see Larsen et al., *Betting on Uncertainty in the Regulation of Event Contracts* (Nov. 2025), available [here](#).

<sup>6</sup> Brief for CFTC as Amicus Curiae Supporting Appellant, *N. Am. Derivatives Exch., Inc. v. State of Nevada*, No. 25-7187 (9th Cir. Feb. 17, 2026).

**Key Takeaways**

Chairman Selig’s FIA remarks represent the most comprehensive articulation of his regulatory agenda since taking office. Market participants should expect an active rulemaking calendar in the coming months across traditional commodity markets, digital assets, swap dealer regulation, and prediction markets. The emphasis on principles-based regulation, interagency harmonization with the SEC, and regulatory relief for end-users signals a departure from the prior administration’s approach and a return to the policies of the administrations of CFTC Chairmen Giancarlo and Tarbert. It aligns with Chairman Selig’s stated commitment to “future proof our markets for the innovations of tomorrow.”

Market participants should monitor forthcoming guidance on non-custodial software registration, event contract listing standards, and the various rulemakings Chairman Selig has directed staff to prepare.

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If you have any questions regarding this alert, please contact one of the authors, any member of our event contracts team listed below, or the Willkie attorney with whom you regularly work.

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**Willkie has an international, cross-disciplinary team of attorneys advising companies and their principals on a broad array of issues involving event contracts. We would be pleased to assist on your matters.**

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