November 10, 2026

Via Electronic Submission

Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: Extended Trading Hours

Dear Mr. Kirkpatrick and Ms. Countryman:

MFA[1] submits these comments in response to the U.S. Securities and Exchange Commission's ("**SEC**") and the U.S. Commodity Futures Trading Commission's ("**CFTC**" or, together with the SEC, "**Commissions**") recent consideration of extended trading hours and the ongoing implementation of 23/5 trading in the U.S. equity markets.

MFA supports responsible efforts by the Commissions to promote market innovation and improve investor access. We also appreciate the substantial work by regulators, exchanges, clearing organizations, broker-dealers, and other infrastructure providers to support extended trading hours. Those efforts have moved from planning to implementation. These developments make it particularly important to distinguish between implementing and evaluating the emerging 23/5 framework and considering the substantially different implications of continuous 24/7 trading.

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[1] Managed Funds Association (MFA), based in Washington, D.C., New York City, Brussels, and London, represents the global alternative asset management industry. MFA's mission is to advance the ability of alternative asset managers to raise capital, invest it, and generate returns for their beneficiaries. MFA advocates on behalf of its membership and convenes stakeholders to address global regulatory, operational, and business issues. MFA has more than 180 fund manager members, including traditional hedge funds, private credit funds, and hybrid funds, that employ a diverse set of investment strategies. Member firms help pension plans, university endowments, charitable foundations, and other institutional investors diversify their investments, manage risk, and generate attractive returns throughout the economic cycle.

MFA previously submitted comments to CFTC staff regarding the challenges associated with 24/7 derivatives trading.[2] In that letter, we emphasized that market participants and regulators should carefully address operational, liquidity, surveillance, settlement, and resilience considerations before continuous trading becomes commonplace. Those concerns remain relevant today and extend beyond derivatives markets to the equity markets as regulators and industry participants evaluate potential paths toward broader overnight trading and eventually continuous 24/7 trading.

MFA members generally support the current transition toward 23/5 trading, provided that the supporting infrastructure, regulatory frameworks, and market practices continue to develop appropriately. This measured approach, which may depend on asset classes, will allow regulators and market participants to gain experience with extended overnight sessions while retaining a daily window for maintenance and other operational needs. Members have materially greater concerns, however, about a move to fully continuous 24/7 trading, particularly in the equity markets. Eliminating the remaining daily and weekend pauses would not be a modest extension of 23/5 trading. Instead, it would require a fundamental change to market structure, post-trade processes, operational practices, and regulatory oversight.

Accordingly, we support the measured implementation of 23/5 trading but recommend that the Commissions: (1) evaluate the operation of that framework before supporting further expansion; (2) assess the cumulative effects of proposals that could result in 24/7 trading; and (3) preserve market participants' ability to determine whether and when to participate in overnight sessions.

I. Executive Summary

MFA supports the measured transition toward 23/5 trading, but the Commissions should treat any further move to 24/7 trading as a separate and significantly more consequential policy decision. In particular:

- **23/5 trading is a reasonable next step.** The developing market-data, trade-reporting, clearing, volatility-control, surveillance, and operational framework is designed to support a phased expansion while preserving a defined maintenance window, but its performance has not yet been demonstrated under live, market-wide overnight conditions. The Commissions should allow that framework to operate and mature before considering continuous trading.
- **24/7 trading presents different and more significant risks.** Weekend and holiday trading would further compress maintenance and recovery periods and could permit risk to accumulate when banking, payment, collateral, and other supporting systems are unavailable or operating with reduced capacity.

[2] *See* Letter from Jennifer W. Han, Chief Legal Officer & Head of Global Regulatory Affairs, MFA, to Christopher J. Kirkpatrick, Secretary, CFTC (May 21, 2025) ("**CFTC 24/7 Comment Letter**"), available at: https://www.mfaalts.org/wp-content/uploads/2025/05/MFA-Letter-to-CFTC-Staff-re.-RFC-on-24-7-Trading-As-submitted-5.21.25-1.pdf.

- **Further expansion should depend on demonstrated liquidity and market quality.** Before supporting 24/7 trading, the Commissions should evaluate whether overnight sessions provide sufficiently broad and resilient liquidity, reliable price discovery, reasonable spreads and depth, and effective volatility protections across products and securities.

- **The full market ecosystem must be ready.** Trading venues cannot move to continuous operation in isolation. Clearing and settlement systems, funding and collateral arrangements, market data, corporate-action processing, regulatory surveillance, cybersecurity, staffing, and incident-response capabilities must function reliably throughout the extended period. Many institutional market participants already maintain global trading capabilities and can access overnight liquidity when necessary. Some of the most significant operational risks arise from dependencies on counterparties and other parts of the broader trading, clearing, financing, and operational ecosystem.

- **The Commissions should proceed incrementally and in coordination.** The agencies should monitor the 23/5 rollout, establish objective measures of performance, address identified gaps, and undertake a separate, data-driven evaluation before permitting a move to 24/7 trading.

- **Participation should remain voluntary**. The availability of an overnight trading session should not, standing alone, create a presumption that a broker-dealer must offer or route customer orders to that session, that an investment adviser must direct trading during that session, or that another market participant must maintain continuous trading operations. Any obligation to access an overnight session should continue to depend on the applicable legal standard and relevant circumstances, including client instructions, reasonably available liquidity, execution quality, trading costs, and operational readiness.

II. The Emerging 23/5 Framework Should Be Implemented and Evaluated Before Further Expansion

Recent industry efforts have appropriately focused on enabling broader 23/5 trading through upgrades to market data, trade reporting, clearing infrastructure, volatility controls, surveillance, and operational processes. In 2026, the SEC approved Nasdaq's proposal to trade NMS stocks 23 hours per day, five days per week, as market infrastructure providers continued preparing to support extended-hours equity trading and clearing.[3] The industry's transition to a 23-hour trading day is currently expected to occur on Sunday, December 6, 2026, pending Securities Information Processor ("**SIP**") readiness as well as any applicable SEC rule changes.[4]

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[3] *See* Order approving Nasdaq Proposed Rule Change to Extend the Exchange's Trading Hours to 23 Hours a Day, Five Days a Week, 91 Fed. Reg. 20222 (Apr. 15, 2026), available at: https://www.govinfo.gov/content/pkg/FR-2026-04-15/pdf/2026-07259.pdf.

[4] *See* Nasdaq, 23/5 Trading Information Hub, available at: https://www.nasdaq.com/23-5-trading (visited on Oct. 29, 2026).

Because the 23/5 framework has not yet operated across the market under live overnight conditions, regulators should treat its implementation as a real-world test of liquidity, market quality, operational resilience, surveillance, best execution, and investor protection.[5] Markets should demonstrate that 23/5 trading can operate safely and efficiently before regulators consider eliminating the remaining maintenance and operational windows.[6]

III. Liquidity and Market Quality Concerns Remain Significant

A central question is whether overnight sessions can support sufficiently broad and resilient liquidity for efficient price discovery and execution quality. Experience to date suggests that activity remains concentrated in a relatively small number of securities and may involve thinner liquidity, wider spreads, reduced depth, and increased volatility.[7] SEC staff data presented at the September 2026 roundtable reinforce this point: although overnight volume has grown significantly, it represented less than one percent of total NMS share and dollar volume in August 2026, and institutional participation remained limited.[8]

MFA members report that they can already access overnight liquidity when needed through existing venues, including Blue Ocean, and that relevant trading desks are staffed to support a more formal 23/5 model. Members generally expect limited use by U.S.-based portfolio managers, with potentially greater interest from portfolio managers in the Asia-Pacific region. Whether to transact during the new overnight window will ultimately depend on available liquidity, trading costs, and the nature and

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5 *See* Paul S. Atkins, Chairman, SEC, Remarks at the Roundtable on Preparations for 24-Hour Trading (Sep. 17, 2026) (explaining that "such a change to our markets must be done thoughtfully and carefully, paying special attention to balancing investor protections with market access" and requiring market infrastructure capable of operating around the clock), available at: https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-24-hour-trading-roundtable-091726.

6 *See* Jamie Selway, Director, SEC, Division of Trading and Markets, Remarks at the Roundtable on Preparations for 24-Hour Trading (Sep. 17, 2026) (describing the roundtable as intended to inform the Commission regarding preparedness for extended trading hours and characterizing extended-hours trading as a significant market-structure initiative requiring careful implementation), available at: https://www.sec.gov/newsroom/speeches-statements/selway-roundtable-preparations-24-hour-trading-091726.

7 *See* Hester M. Peirce, Commissioner, SEC, Remarks at the Roundtable on Preparations for 24-Hour Trading (Sep. 17, 2026) (noting concerns regarding "thinner order books overnight, wider spreads, and the resulting increased price volatility"), available at: https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-sec-roundtable-091726.

8 *See* Roundtable on Preparations for 24-Hour Trading, SEC (Sep. 17, 2026) (noting SEC staff data showing that overnight trading accounted for approximately 0.9% of total NMS share volume and 0.8% of total NMS dollar volume in August 2026 and that accounts classified as institutional represented approximately 7% of overnight share volume during the second quarter of 2026), available at: https://www.sec.gov/newsroom/meetings-events/roundtable-preparations-24-hour-trading.

severity of the market catalyst. Where activity remains limited, particularly in less-liquid instruments, small trades could have an outsized effect on prices, resulting in unreliable valuations, distorted market signals, and increased opportunities for manipulation.

Before moving toward 24/7 markets, regulators should develop objective metrics and benchmarks for evaluating liquidity, trading activity, execution quality, spreads, and market depth across extended trading sessions. Aggregate growth in overnight volume should not, by itself, be treated as evidence that liquidity is sufficiently broad or resilient to support further expansion. Regulators should not support further expansion where the data demonstrate that overnight activity remains materially concentrated, execution quality is inconsistent, or essential post-trade and funding functions cannot operate reliably throughout the proposed trading period.

IV. Clearing, Settlement, Funding, and Collateral Infrastructure Must Be Fully Prepared

As we emphasized in our prior CFTC submission, extending trading hours without corresponding capabilities for the movement of cash and collateral may create operational and risk-management challenges.[9] Market participants rely upon well-established daily processes for settlement, valuation, margining, collateral transfers, and funding. Continuous trading could create situations in which trading activity and risk exposures accumulate while critical banking, payment, and collateral systems remain unavailable.

These concerns are particularly acute for a potential 24/7 market. The availability of trade execution, matching, or clearing during extended hours should not be treated as evidence that the market has end-to-end settlement, payment, funding, and collateral-movement capability during those same hours. Even where a clearing agency operates on an extended schedule, market participants may remain dependent on payment systems, custodian banks, securities lenders, agent banks, and collateral-management providers whose hours and staffing models are more limited. Regulators should evaluate the entire chain through which cash, securities, margin, and collateral must move, including during periods of market stress, and should ensure that questions regarding weekend settlement, default management, liquidity arrangements, and interoperability among market infrastructure providers are resolved comprehensively before supporting continuous trading. Similar considerations apply to stock-borrow loading and securities-financing support, both within investment managers and at banks, which will need to adapt as trading hours extend.

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9 *See* CFTC 24/7 Comment Letter, *supra* note 2; *see also* Mark T. Uyeda, Commissioner, SEC, Remarks at the Roundtable on Preparations for 24-Hour Trading (Sep. 17, 2026) (identifying questions regarding how clearing, collateral, payment, settlement, and default-management systems should operate in overnight markets as important considerations in assessing readiness for extended trading hours), available at: https://www.sec.gov/newsroom/speeches-statements/uyeda-remarks-sec-roundtable-091726.

V. Operational Resilience and Cybersecurity Considerations Require Continued Evaluation

Although technological capabilities have advanced substantially, resilience also requires the ability to maintain, monitor, test, and recover systems in an orderly manner. Continuous trading therefore would further compress maintenance and recovery windows and require regulators and market participants to reassess staffing, supervision, escalation procedures, vendor dependencies, cybersecurity protocols, and incident-response frameworks, and to validate those capabilities in practice before moving to 24/7 trading.[10] Regulators and market infrastructure providers also will need clear and consistent definitions of terms such as "trading day," "session," "close," and "official settlement," because those concepts affect allocations, regulatory reporting, settlement, error-trade windows, and other time-sensitive processes.[11]

Members generally identify some of the most significant operational risks as residing with counterparties and service providers rather than with the trading decision itself. Particular concerns include the ability of less fully staffed bank desks to resolve trade breaks, release stuck orders, process exceptions, and provide timely escalation and stock-borrow support during overnight periods. More broadly, many traditional investors remain wary of the additional operational burden that extended hours may impose. Operational resilience therefore depends on the readiness of the full market ecosystem, not merely the ability of an individual trading firm to keep its systems online.

VI. Surveillance, Compliance, and Investor Protection Frameworks Must Continue to Evolve

MFA supports ongoing efforts by regulators and self-regulatory organizations to adapt surveillance programs and compliance frameworks to extended trading sessions. However, further work remains necessary. Continuous trading would require effective surveillance and supervisory capabilities across all hours, including weekends and holidays.[12] Regulators should ensure that oversight frameworks remain capable of

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10 *See* Peirce, *supra* note *7* (noting concerns regarding compressing "overnight batch processing cycles" and "critical IT maintenance" into a single remaining hour each night), available at: https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-sec-roundtable-091726.

11 *See* Futures Industry Association, 24/7 Markets in Exchange-Traded Derivatives: Identifying the Issues and Risks at 8–9 (Mar. 2026) (discussing the need for clear and consistent definitions of "trading day," "session," "close," and "official settlement," and the implications for allocations, reporting, settlement, and error-trade procedures), available at: https://www.fia.org/sites/default/files/2026-03/FIA%20highlights%20challenges%2C%20opportunities%20of%2024-7%20trading%20and%20clearing.pdf.

12 *See id.* (questioning how firms can ensure appropriate supervision and surveillance of trading and risk during overnight hours); *see also* Roundtable on Preparations for 24-Hour Trading, Panel One (identifying overnight surveillance and investor-protection practices among key implementation considerations), available at: https://www.sec.gov/newsroom/meetings-events/roundtable-preparations-24-hour-trading.

identifying and addressing manipulation, disruptive trading practices, cyber threats, and operational incidents regardless of when they occur.

In the equity markets specifically, the SEC and FINRA should assess whether provisions and practices that distinguish between regular and extended trading hours remain appropriately calibrated as overnight trading becomes more significant. Among other matters, regulators should consider the operation of best execution and disclosure obligations, short-sale requirements, trade-reporting rules, market-access controls, volatility protections, clearly erroneous execution rules, and customer order-handling practices during overnight sessions. A substantial expansion in trading hours should not result in material gaps between the protections available during regular trading hours and those available overnight. The SEC also should evaluate whether the initial static overnight price bands and associated halt procedures remain effective when material news causes a security's fair value to move substantially during an overnight session.[13]

Extended hours also compress the period during which issuers, exchanges, broker-dealers, and investors can process material disclosures and corporate actions before trading resumes. The SEC should monitor whether overnight-halt and corporate-action standards operate consistently across venues and provide adequate time for information to be disseminated and incorporated into prices. Particular attention should be given to earnings releases, merger announcements, dividends, stock splits, symbol changes, and other events that may require trading halts, reference-price adjustments, or cancellation or repricing of resting orders.

VII. Regulators Should Proceed Incrementally and Based on Demonstrated Market Need

MFA recognizes that extended trading hours may benefit investors operating across time zones. The regulatory objective, however, should not be to maximize trading hours, but to ensure that markets continue to promote liquidity, efficient price discovery, operational resilience, investor protection, and financial stability.

Any assessment should be product- and market-specific and should distinguish among asset classes and instruments. Experience in derivatives markets with nearly continuous weekday trading does not necessarily demonstrate that individual equities or less-liquid products are ready for continuous trading. The Commissions should allow the emerging 23/5 framework to operate long enough to produce meaningful evidence of market quality and operational performance. The agencies also should evaluate the readiness of the full trading and post-trade ecosystem, including differences among executing brokers, prime brokers, securities lenders, banks, and other service providers.

Before supporting any market-wide move to 24/7 trading, the relevant Commission should publish a data-based assessment of the 23/5 experience, identify unresolved regulatory and infrastructure issues, and provide an opportunity for public comment. Such a significant structural change should not emerge solely through a series

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[13] *See* Roundtable on Preparations for 24-Hour Trading, *supra* note 8 (discussing the operation of overnight price bands and potential price-discovery concerns when material news causes a security's value to move significantly).

of individual venue filings considered in isolation. Before approving proposals that collectively would produce continuous trading, the relevant Commission should assess their cumulative effects on market quality, clearing and settlement, funding and collateral, surveillance, and operational resilience and provide an appropriate opportunity for public comment.

VIII. Conclusion

MFA appreciates the efforts of the Commissions and market participants to extend trading opportunities and modernize U.S. financial markets. We support the measured transition toward broader 23/5 trading, but we urge the Commissions to treat any move to 24/7 trading as a separate policy decision that should proceed only after experience demonstrates that the necessary liquidity, infrastructure, controls, and investor protections are in place.

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MFA appreciates the opportunity to provide these comments. We would welcome the opportunity to discuss with the Commissions and their staffs the issues raised in this letter and to support continued coordination as extended trading hours are implemented. If you have any questions regarding these comments, or if we can provide further information, please do not hesitate to contact Matthew Daigler (mdaigler@mfaalts.org) or the undersigned (jhan@mfaalts.org).

Sincerely,

/s/ Jennifer W. Han

Jennifer W. Han
Chief Legal Officer & Head of Global Regulatory Affairs
MFA

cc: The Hon. Paul S. Atkins, Chairman, SEC
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