

Key Takeaways From CFTC Acting Chairman Caroline Pham's FIA Boca 50 Keynote

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On March 11, 2025 at the 50th Annual International Futures Industry (“FIA”) Conference, Commodity Futures Trading Commission (“CFTC”) Acting Chairman Caroline Pham delivered a ground-breaking keynote covering administrative matters, enforcement priorities and regulatory clarity in the wake of President Trump’s Executive Orders and the CFTC’s plans for modernizing market surveillance. There are several key takeaways:

1. Administrative Priorities

At the outset, Acting Chairman C. Pham stated that she and her staff undertook an exercise of identifying each open matter before the CFTC and actioned each of these matters to dismiss, complete, or identify as requiring further work. In a matter of six weeks the staff of the CFTC was able to “complete or address” 20% of these matters and “dispositioned” 30% of open investigations. For example, on March 13, 2025, the CFTC withdrew a much-criticized “guidance” on swap execution facilities issued on September 29, 2021, and it is expected that many additional CFTC controversial actions will be either undone, significantly revised, or the long-awaited relief will be granted.

Next, to modernize surveillance over the markets, the market surveillance function will be moved back to the Division of Market Oversight (“DMO”) from the Division of Enforcement (“DOE”) and the CFTC will procure new modern surveillance systems. Demonstrating Pham’s belief that futures commission merchants (“FCMs”) not only serve a vital intermediary function, but are at the core of the futures and swaps clearing mandate, the oversight over FCMs will also be moved back to the Division of Clearing that oversees derivatives clearing organizations (“DCOs”).

2. Focus on Lawful Enforcement

Most of Acting Chairman’s address focused on the CFTC’s enforcement matters describing as the first step towards enforcement clarity the CFTC’s self-reporting advisory issued on February 25, 2025 on enforcement mitigation credit. In tandem with this advisory the CFTC will soon issue another advisory addressing how the CFTC’s operating divisions will be referring material non-compliance and material violation matters to DOE. This is to address whether and under what circumstances the CFTC’s operating divisions that conduct routine examinations and surveillance of market participants can refer non-compliance to DOE.

C. Pham has acknowledged that the self-reporting February 25, 2025 advisory did not address how the initial amount of civil monetary penalties will be established. To expedite the settlement of outstanding enforcement matters that do not involve market abuse and fraud (e.g., recordkeeping and reporting violations), during 30 days market participants are encouraged to come forward to DOE with a reasonable settlement offer and outline what remediation measure have been taken. This “compliance and remediation initiative” is a new approach to enforcement that is intended to free up the CFTC’s resources to focus on fraudsters and scammers – i.e., a pivot toward customer protection.

3. Regulatory Clarity

C. Pham pledged to prioritize [Executive Order 14219](#) and implement changes conducive to regulatory clarity, namely enforcing clear, simple rules with common standards. The CFTC plans to achieve this with public engagement through roundtables, gathering input on various regulated products, substituted compliance for non-U.S. swap dealers, registration definitions and requirements, and potential structural reforms to derivatives market oversight. The conversations would revisit unresolved 2017 public comments on simplifying swap rules and cross-border treatment.

Finally, C. Pham stated that the CFTC will continue focusing on regulatory matters relating to digital assets and will commence a pilot program on the use of tokenized non-cash collateral. The CFTC will further address the development of event contracts markets by holding a public round table in March/early April; however, C. Pham did not

state whether the CFTC's 2024 proposed rulemaking on event contracts will be withdrawn or amended, but requested public comments on how the CFTC should regulate event contracts.

What This Means for Market Participants

There may be a correlating increase in CFTC enforcement activity targeting fraud and market abuse and technological advances in their market screening surveillance. Market participants currently under investigation or enforcement review may benefit from self-reporting or participating in the 30-day remediation initiative to potentially mitigate penalties. Further, with the CFTC's prioritization of regulatory clarity, market participants should prepare for potential shifts in oversight frameworks and compliance requirements that could reshape market operations. Lastly, with the enhanced focus on digital assets, event contracts regulation as well as all other open matters, the CFTC welcomes public input via comments or by participation at the roundtables.