***Submitted Electronically***

August 12, 2026

Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

**Re: Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance; RIN 3038-AF71; RIN 3235-AN79; Release Nos. 33-11424 and 34-105735; File No. S7-2026-21**

Dear Mr. Kirkpatrick and Ms. Countryman:

FalconX Bravo, Inc. ("***FalconX Bravo***") appreciates the opportunity to comment on the Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance issued by the Commodity Futures Trading Commission ("***CFTC***") and Securities and Exchange Commission ("***SEC***," and together with the CFTC, the "***Commissions***") (the "***Joint Request***").[1]

As the first CFTC-registered swap dealer focused on digital assets and digital asset market participants, FalconX Bravo's views reflect both our company's experience operating in global digital asset markets and our commitment to efficient and effective U.S. markets. That perspective is particularly relevant as the Commissions consider how to clarify jurisdictional lines, reduce unnecessary divergence between parallel Title VII frameworks, and support responsible innovation through compliant, onshore pathways.

FalconX Bravo supports the Commissions' efforts to provide greater clarity regarding products and activities that implicate both SEC and CFTC regulatory interests. FalconX Bravo also supports the Commissions' broader efforts to harmonize their regulatory frameworks to the extent possible and practicable.[2]

---

[1] Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance, Release Nos. 33-11424, 34-105735, File No. S7-2026-21, 91 Fed. Reg. 37873 (June 24, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-24/pdf/2026-12743.pdf.

[2] *See*, *e.g.*, *id.*; Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37878 (June 24, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-24/pdf/2026-12742.pdf; and Joint Request for Comment on Further Implementation of Portfolio Margining and Cross-Margining of Securities and

This letter addresses three areas in which greater coordination would promote regulatory certainty and more efficient oversight:

(i) the classification of cash-settled perpetual contracts referencing a single security or narrow-based security index ("***NBSI***")[3];

(ii) targeted harmonization of the SEC's and CFTC's cross-border frameworks by eliminating "arranged, negotiated, or executed" ("***ANE***") activity[4] in the United States as an independent basis for applying SEC security-based swap ("***SBS***")[5] requirements to transactions between non-U.S. persons; and

(iii) alternative compliance, including a targeted revision to the alternative compliance mechanism ("***ACM***") set out in SEC Rule 18a-10 that would preserve a meaningful pathway for CFTC-registered swap dealers whose SBS dealing activity is material, but smaller than their swap dealing activity.

## I. FalconX Bravo Believes that the Market Would Benefit From Greater Clarity on the Classification of "Perpetual" Contracts by the SEC

FalconX Bravo respectfully recommends that the Commissions adopt a clear and administrable classification rule based on whether a product is listed as a "security futures product"[6] under the regulated security-futures framework.

For purposes of this section, "***Perpetual Securities Contracts***" means cash-settled perpetual contracts referencing a single security or NBSI, together with any put, call, straddle, option, or privilege on such contract

Perpetual contracts allow market participants to maintain continuing exposure without repeatedly closing, rolling, or reestablishing positions as traditional futures contracts approach expiration. They may therefore reduce roll-related costs and operational burdens, avoid discontinuities in exposure, and provide a durable instrument for hedging continuing risks. Given these benefits, market participants have expressed a desire to transact in Perpetual Securities Contracts and FalconX believes that clear guidance on the regulatory classification of these products as SBS would benefit market participants that transact in these products.

Specifically, FalconX Bravo respectfully proposes that the Commissions, through joint interpretation, rulemaking, or other coordinated action, clarify that:

---

Derivatives, 91 Fed. Reg. 39579-80 (June 30, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-30/pdf/2026-13182.pdf.

[3] The term "narrow-based security index" is defined in § 1a(35) of the Commodity Exchange Act, 7 U.S.C. § 1a, *et seq*, as amended (the "***CEA***").

[4] *See, e.g.*, 17 C.F.R. § 240.3a71-3(b)(1)(iii)(C).

[5] 15 U.S.C. § 78c(a)(68) (defining security-based swap).

[6] The term "security futures product" is defined in § 1a(45) of the CEA as a "security future or any put, call, straddle, option, or privilege on any security future."

- A Perpetual Securities Contract that is not listed as a security futures product under the regulated security-futures framework—including a contract entered into bilaterally, or otherwise traded over-the-counter, or on an eligible venue or platform authorized to offer a Perpetual Securities Contract as an SBS—should be treated as an SBS.
- A Perpetual Securities Contract that is listed as a security futures product on a market authorized under the joint SEC-CFTC security-futures framework,[7] in accordance with the applicable security-futures product-listing and regulatory requirements, should be treated as a security futures product.
- A comparable contract offered through a non-U.S. venue should be treated as an SBS.
- A comparable contract offered through a decentralized finance ("***DeFi***") protocol should be treated as an SBS.

A. Why Listing Under the Security-Futures Framework Provides a Clear Classification Line

Listing under the security-futures framework provides a clear, objective, and readily verifiable basis for determining whether a Perpetual Securities Contract is regulated as a security futures product or as an SBS. A product listed under that framework is subject to the joint SEC-CFTC requirements applicable to security futures products, including requirements addressing, among other matters, the eligibility of the underlying security or index, product terms, trading, clearing, margin, position limits, susceptibility to manipulation, audit trails, coordinated surveillance, and trading halts.

All Perpetual Securities Contracts offered outside that framework would instead be subject to the SBS regulatory framework, including applicable dealer-registration, business-conduct, reporting, margin, and other requirements. A listing-based classification rule would therefore provide regulatory certainty while preserving both Commissions' oversight interests.

B. Why the Framework Works for Perpetual Securities Contracts and Related Options

Recent CFTC actions provide a useful foundation for this approach. While the CFTC generally classifies perpetual contracts as swaps, in May 2026, the CFTC approved for listing as a futures contract a cash-settled perpetual contract referencing the spot price of bitcoin.[8] The analysis reflected in the order was limited to bitcoin and other digital commodities with deep, active, and continuous spot markets.[9] The CFTC's accompanying Policy Statement separately recognized

[7] Markets authorized to list security futures products are (i) any CFTC-designated contract market ("***DCM***") notice registered with the SEC as a securities exchange, and (ii) any SEC-registered national securities exchange ("***NSE***"), national securities association, or alternative trading system, in each case, notice designated as a contract market by the CFTC. *See* 15 U.S.C. § 78f(g); 7 U.S.C. § 7b-1.

[8] CFTC, Order Approving KalshiEX LLC BTCPERP Futures Contract (May 29, 2026), *available at* https://www.cftc.gov/filings/documents/2026/orgdcmkexbtxperporder26601.pdf.

[9] *Id.* at 8.

that perpetual contracts referencing equity securities or NBSIs raise distinct considerations and would benefit from review by both the CFTC and SEC.[10]

FalconX Bravo agrees that coordinated review of security-referencing perpetual contracts and related options is warranted. Through that review, the Commissions could establish the product-listing and regulatory requirements that a proposed exchange-listed Perpetual Securities Contract must satisfy. Those requirements could address the product's terms and operation, reference-price and other price-alignment methodologies, clearing and margin arrangements, relationship to the underlying securities market, and applicable market-integrity protections. Once a Perpetual Contract has been listed as a security futures product in accordance with that framework, its regulatory treatment will be clear and predictable. Until that time, the Commission could provide certainty to the market by stating that all Perpetual Securities Contracts not listed as a security futures product are SBSs.

C. Why FalconX Bravo Recommends that Products Outside the Security Futures Framework Remain in the SBS Framework

Treating comparable products offered outside the regulated security-futures framework as SBSs promotes a coherent and consistent regulatory framework. This approach would preserve a regulated pathway for bilateral, over-the-counter, and platform-traded products that provide exposure to a single security or NBSI. It also would avoid regulatory gaps and prevent the unintended implication that a security-referencing perpetual contract or related option is impermissible solely because it is not listed as a security futures product.

FalconX Bravo respectfully recommends that the Commissions adopt this classification framework.

## II. The SEC Could Eliminate ANE as a Cross-Border Trigger for Transactions Between Non-U.S. Persons

As the Commissions consider broader opportunities to harmonize their swap and SBS frameworks, FalconX Bravo respectfully recommends that, consistent with the approach taken by the CFTC, the SEC eliminate ANE as an independent cross-border trigger throughout its SBS framework, including for purposes of the security-based swap dealer ("***SBSD***") *de minimis* calculation,[11] the application of certain SBSD customer-protection and business-conduct requirements,[12] and Regulation SBSR's[13] regulatory reporting and public-dissemination requirements.[14]

---

[10] CFTC, Policy Statement Concerning the Listing of Perpetual Contracts, 91 Fed. Reg. 33160, 33161 n.5 (June 3, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-03/pdf/2026-11020.pdf.

[11] *See* 17 C.F.R. § 240.3a71-3(b)(1)(iii)(C).

[12] *See* 17 C.F.R. §§ 240.3a71-3(a)(8)(i)(B), 240.3a71-3(c).

[13] Regulation SBSR (Regulatory Reporting and Public Dissemination of Security-Based Swap Information), 17 C.F.R. §§ 242.900 through 242.909.

[14] *See* 17 C.F.R. §§ 242.908(a)(1)(v), 242.908(b)(5).

In connection with its 2020 cross-border rulemaking,[15] the CFTC ceased treating the location of personnel who arrange, negotiate, or execute a transaction as a relevant factor for purposes of the registration thresholds and requirements addressed by CFTC Rule 23.23.[16] At the same time, CFTC staff withdrew Staff Advisory 13-69 in its entirety and provided no-action relief with respect to specified remaining transaction-level requirements not addressed by the final rule.[17] In order to further harmonize SBS frameworks among the Commissions, we suggest that the SEC consider adopting the same underlying principle by removing ANE as an independent cross-border trigger throughout its SBS framework.

The CFTC concluded that the location of personnel involved in a transaction, standing alone, does not provide a meaningful basis for determining whether SEC requirements should apply to a transaction between non-U.S. persons. Personnel may participate in a transaction from the United States because of time-zone coverage, product expertise, client relationships, or a firm's global allocation of trading functions. That participation does not change the identity or location of the counterparties, the entity to which the transaction is booked, the location at which the transaction's financial risk is held, or the regulatory regime otherwise applicable to the transaction.

An ANE-based framework also distorts decisions about where firms locate personnel and trading functions. A firm may avoid using U.S.-located personnel in connection with a transaction between non-U.S. persons because doing so would alter the transaction's treatment under the SEC's rules. Moving those personnel or functions outside the United States eliminates the ANE trigger without changing the transaction's counterparties, economics, booking entity, or financial risk. The rule therefore may shift jobs and economic activity offshore without producing a corresponding regulatory benefit.

The divergence between the SEC's and CFTC's approaches also creates inconsistent treatment of transactions between non-U.S. persons where the only U.S. connection is the location of personnel who arranged, negotiated, or executed the trade. A swap transaction may fall outside the CFTC's cross-border requirements, while a comparable SBS transaction becomes subject to SEC requirements solely because U.S.-located personnel participated in the transaction. That difference complicates the ability of firms to provide integrated swap and SBS services and offer mixed swaps, creates avoidable operational burdens, and may produce different regulatory outcomes for transactions between non-U.S. persons where the only U.S. connection is the location of personnel who arranged, negotiated, or executed the trade. Recent recommendations

---

[15] *See* Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants, 85 Fed. Reg. 56924 (Sept. 14, 2020), *available at* https://www.govinfo.gov/content/pkg/FR-2020-09-14/pdf/2020-16489.pdf.

[16] *See* 17 C.F.R. § 23.23.

[17] *See* CFTC Staff Letter No. 20-21, Withdrawal of Staff Advisory and No-Action Relief: Transaction-Level Requirements for Non-U.S. Swap Dealers (July 23, 2020), *available at* https://www.cftc.gov/csl/20-21/download. *See also* CFTC Letter No. 25-14 (May 21, 2025), *available at* https://www.cftc.gov/csl/25-14/download (providing guidance on determinants of U.S. person status under the CFTC's cross-border framework); CFTC Letter No. 25-42 (Dec. 9, 2025), *available at* https://www.cftc.gov/csl/25-42/download (taking no-action positions regarding the "U.S. person" and "guarantee" definitions in CFTC Regulations 23.23(a) and 23.160(a) and the CFTC's 2013 Interpretive Guidance and Policy Statement Regarding Compliance With Certain Swap Regulations, 78 FR 45292).

from ISDA and SIFMA similarly have called for the SEC to eliminate ANE as a basis for applying dealer-registration, external business-conduct, and trade-reporting requirements to transactions between non-U.S. persons.[18]

The conditional exception in SEC Rule 3a71-3(d) does not resolve the underlying problem. That exception applies only if the transaction is conducted through a prescribed affiliated and SEC-registered entity structure and the parties relying on the exception satisfy extensive conditions relating to business conduct, books and records, information access, foreign-jurisdiction status, notices, and transaction limits.[19] The exception may mitigate ANE-based *de minimis* counting in certain circumstances, but it retains personnel location as the governing jurisdictional trigger and does not eliminate ANE from the SEC's broader cross-border framework, including its customer-protection and Regulation SBSR requirements.

Eliminating ANE would not affect the application of SEC requirements based on a U.S. person counterparty, rights of recourse against a U.S. affiliate, execution or clearing through specified U.S. market infrastructure, or any other independent U.S. nexus recognized under the SEC's rules. Nor would the recommendation limit any otherwise applicable antifraud, antimanipulation, anti-evasion, examination, or enforcement authority. The SEC therefore could continue to regulate transactions and conduct, presenting a meaningful U.S. nexus without treating the location of personnel as an independent jurisdictional basis.

FalconX Bravo accordingly recommends that the SEC harmonize its approach with that of the CFTC by removing ANE as an independent cross-border trigger throughout its SBS framework. Specifically, FalconX Bravo recommends that the SEC:

- deletes Rule 3a71-3(b)(1)(iii)(C), so that an SBS transaction between two non-U.S. persons is not counted toward the SBSD *de minimis* threshold solely because of ANE activity;
- removes ANE activity from the definition of a foreign SBSD's "U.S. business" in Rule 3a71-3(a)(8)(i)(B), so that the customer-protection requirements addressed by Rule 3a71-3(c) are not applied solely on that basis;
- deletes the ANE provisions in Regulation SBSR Rules 908(a)(1)(v) and 908(b)(5),[20] so that ANE activity alone does not trigger regulatory reporting, public dissemination, or related reporting obligations;
- makes conforming amendments to Rule 3a71-3(d) and any other rules, guidance, notices, or exceptions that rely on the location of personnel who arrange, negotiate, or execute a transaction as an independent basis for applying SEC SBS requirements; and

[18] *See* Letter from the International Swaps and Derivatives Association, Inc. and the Securities Industry and Financial Markets Association to the SEC and CFTC regarding CFTC-SEC Harmonization at 4-6 (May 19, 2026), *available at* https://www.sec.gov/files/isda-sifma-letter-cftc-sec-harmonization-letter-051926.pdf.

[19] *See* 17 C.F.R. § 240.3a71-3(d).

[20] 17 C.F.R. § 242.908.

- adopts a rule to define US Person that is substantially similar, in relevant part, to CFTC Rule 23.23.

This approach would better align the SEC and CFTC frameworks, reducing unnecessary cross-border inconsistency, and allow U.S.-located personnel to support global derivatives activity without changing the regulatory treatment of a transaction solely because of their physical location.

## III. FalconX Bravo Recommends that Rule 18a-10 Be Revised to Preserve a Meaningful Alternative Compliance Pathway

Question 12 asks whether compliance with one Commission's framework could appropriately satisfy substantially similar requirements of the other Commission where economically related or functionally similar product classes implicate both agencies' regulatory interests.[21]

SEC Rule 18a-10[22] embodies that approach. Rule 18a-10 permits an SBSD that is currently registered as a CFTC swap dealer (and not registered as a broker-dealer), subject to specified conditions, to comply with certain CFTC capital, margin, segregation, recordkeeping, and reporting requirements in lieu of corresponding SEC requirements. The rule preserves SEC registration, oversight, examination, and enforcement authority; requires specified disclosures to counterparties; provides the SEC access to books and records; and establishes consequences if the firm ceases to satisfy the applicable conditions. It therefore provides a sound model for reducing duplicative requirements without displacing the SEC's regulatory interest in SBS activity.

FalconX Bravo believes, however, that one quantitative eligibility condition is unnecessarily restrictive. Rule 18a-10(a)(5) currently requires the aggregate gross notional amount ("***AGNA***") of an eligible firm's outstanding SBS positions at the end of each quarter not to exceed the lesser of the applicable fixed-dollar amount—currently $50 billion—or 10 percent of the combined AGNA of its outstanding SBS and swap positions.[23] The 10 percent condition effectively requires approximately nine dollars of outstanding swaps for each dollar of outstanding SBS. It can therefore render the alternative compliance pathway unavailable even where the firm's swap activity remains larger than its SBS activity, its outstanding SBS positions remain below the $50 billion cap, and every other condition of Rule 18a-10 is satisfied.

For example, a firm with $20 billion of outstanding SBS positions and $30 billion of outstanding swap positions would have SBS positions equal to 40 percent of its combined AGNA. Its swap business would remain larger than its SBS business, and its outstanding SBS positions would remain well below the $50 billion fixed-dollar cap, but the firm would fail the current 10 percent condition. Requiring the firm to establish and maintain separate SEC capital, margin, segregation, recordkeeping, and reporting systems in those circumstances would create substantial duplication without necessarily producing a corresponding supervisory benefit.

---

[21] Joint Request, *supra* note 1, at 37876 (Question 12).

[22] 17 C.F.R. § 240.18a-10.

[23] 17 C.F.R. §§ 240.18a-10(a)(5), (f)(1).

The 10 percent condition reflects a policy calibration, not a statutory boundary. In adopting Rule 18a-10, the SEC treated the fixed-dollar cap as an independent constraint on the absolute size of a firm's SBS positions and the percentage test as a means of ensuring that swaps remain the firm's predominant derivatives business.[24] Experience under the rule warrants reconsideration of whether a nine-to-one ratio is necessary to meet the regulatory aims. SEC staff's March 2026 analysis identified only two SBSDs relying on Rule 18a-10.[25] This finding supports examining whether the percentage condition has made the mechanism too narrow to serve as a meaningful alternative compliance pathway.

A workable Rule 18a-10 pathway is particularly important for firms serving digital asset market participants, which often operate in continuously traded global markets, depend on efficient collateral movement, and seek access to products implicating both the CFTC and SEC derivatives frameworks. Those market participants need regulated intermediaries capable of supporting that activity through compliant U.S. pathways. If Rule 18a-10 is too narrow to be usable, a CFTC-registered swap dealer that becomes an SBSD may be required to establish duplicative capital, margin, segregation, recordkeeping, reporting, and related compliance systems notwithstanding comprehensive CFTC regulation and full SEC registration and oversight of its SBS activity. Those costs may discourage onshore participation, reduce customer choice, and impair the competitiveness of U.S. markets without producing a commensurate improvement in regulatory outcomes.

FalconX Bravo respectfully recommends that the SEC, in consultation with the CFTC, amend Rule 18a-10(a)(5) to replace the 10 percent condition with a 49 percent condition. An otherwise eligible SBSD would then be permitted to rely on the rule if the AGNA of its outstanding SBS positions at the end of the most recently ended quarter does not exceed the lesser of: (i) the applicable fixed-dollar amount, currently $50 billion; or (ii) 49 percent of the combined AGNA of its outstanding SBS and swap positions. The amendment would preserve the rule's core premise by requiring the firm's outstanding swap AGNA to remain greater than its outstanding SBS AGNA, while the existing fixed-dollar cap would continue to impose an independent absolute constraint on the size of the firm's SBS positions.

All other elements and conditions of Rule 18a-10 could remain unchanged, including the firm's SEC registration and oversight, applicable notice and disclosure obligations, SEC access to information and records, and the requirements that apply if the firm ceases to satisfy the conditions. The firm also would remain subject to all applicable SEC requirements not covered by Rule 18a-10. The proposed amendment would therefore broaden the practical availability of alternative compliance without converting the rule into a general exemption from the SBSD framework.

---

[24] *See* Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital and Segregation Requirements for Broker-Dealers, 84 Fed. Reg. 43872, 43944 (Aug. 22, 2019), *available at* https://www.govinfo.gov/content/pkg/FR-2019-08-22/pdf/2019-13609.pdf.

[25] *See* Randis Brown et al., SEC Division of Economic and Risk Analysis, The Financial Conditions of Security-Based Swap Dealers, at 3 n.21 (Mar. 2026), *available at* https://www.sec.gov/files/dera-fin-cond-sbs-dlr-2603.pdf.

## IV. FalconX Bravo Recommends that the Commissions Consider Broadening and Operationalizing Mechanisms for Alternative Compliance

In addition to revising Rule 18a-10, FalconX Bravo recommends that the Commissions consider establishing broader principles and practical approaches for alternative compliance. The Joint Request asks how the Commissions should determine whether requirements are " substantially similar," what coordinated approaches could facilitate alternative compliance, and how surveillance, examination, enforcement, information sharing, and market-integrity considerations should be addressed.[26] FalconX Bravo respectfully recommends an objectives-and-outcomes approach supported by coordinated filings, examinations, information access, and reporting frameworks.

### A. FalconX Bravo Recommendds That "Substantially Similar" Requirements Be Assessed by Regulatory Objectives and Supervisory Outcomes

The Commissions could determine whether requirements are "substantially similar" principally by reference to their regulatory objectives and supervisory outcomes, rather than by requiring textual or procedural identity. As reflected in Rule 18a-10, capital, margin, segregation, recordkeeping, reporting, and other regulatory regimes may differ in form while addressing the same underlying prudential, counterparty-protection, transparency, or market-integrity risks.

Relevant considerations could include whether the alternative framework:

- addresses substantially the same regulatory risks and objectives;
- subjects the registrant to comprehensive supervision and enforceable compliance obligations;
- provides the other Commission with timely access to the information necessary to fulfill its statutory and supervisory responsibilities; and
- permits any material differences or gaps to be addressed through targeted conditions rather than duplicative compliance with an entire second framework.

The Rule 18a-10 ACM illustrates this objectives-and-outcomes approach because it permits compliance with specified CFTC requirements while preserving the SEC's information-access, examination, and enforcement interests. The Commissions could apply the same analysis when considering other alternative compliance arrangements.

### B. The Commissions Could Coordinate Filings, Notices, and Examinations

Question 13 asks whether the Commissions should consider joint or coordinated notice registration, tailored rules, deemed filings, reporting, or other approaches to facilitate alternative compliance.[27] FalconX Bravo supports a coordinated-filing model under which a filing, notice, certification, or report submitted to one Commission may be deemed to satisfy a substantially

[26] Joint Request, *supra* note 1, at 37876-77 (Questions 12-15).

[27] *Id.* at 37876-77 (Question 13).

similar obligation of the other Commission, provided that the non-receiving Commission has timely electronic access to the information and may require supplemental information where necessary.

The Commissions also could coordinate examinations of firms and market infrastructure subject to overlapping oversight. Coordination could include common examination modules; aligned examination schedules; coordinated document requests; shared access to productions; designation, where appropriate, of a coordinating examination team for overlapping requirements; and coordinated remediation where both agencies are reviewing the same systems or control environment. These measures would reduce duplicative demands on compliance, legal, technology, and operations personnel without limiting either Commission's authority to examine matters within its jurisdiction.

### C. FalconX Bravo Recommends That The Commissions Establish a Durable Harmonized Reporting Framework

The SEC's 2019 Regulation SBSR compliance statement[28] provides an example of targeted harmonization. Through that statement, the SEC has provided temporary relief, through November 5, 2029, from specified Regulation SBSR and SBS data repository requirements in circumstances involving compliance with aspects of the CFTC reporting framework.

The Commissions also recently requested comment on harmonizing, modernizing, and streamlining swap and SBS data-reporting requirements.[29] FalconX Bravo recommends that the Commissions use that process to establish a durable, rule-based reporting framework before the current statement expires. Where common transaction data, technical standards, validation controls, and data-repository infrastructure can satisfy both agencies' regulatory objectives, the Commissions could preserve that alignment on a permanent basis while retaining timely access to complete and accurate data.

A durable framework would provide greater certainty than continued reliance on temporary relief and would avoid systems changes and other costs that could arise if market participants were required to maintain separate reporting architectures for substantially similar information. It also would improve data consistency and make it easier for the Commissions to compare activity across the swap and SBS markets.

### D. Alternative Compliance Could Preserve Surveillance, Examination, and Enforcement Authority

Questions 14 and 15 ask how surveillance, examination, enforcement, information sharing, manipulation, material nonpublic information, and cross-market oversight should be addressed

---

[28] *See* Cross-Border Application of Certain Security-Based Swap Requirements, 85 Fed. Reg. 6270, 6346 (Feb. 4, 2020), *available at* https://www.govinfo.gov/content/pkg/FR-2020-02-04/pdf/2019-27760.pdf, as extended by Regulation SBSR (Reporting and Dissemination of Security-Based Swap Information) and Security-Based Swap Data Repository Rules; Extension, 90 Fed. Reg. 17225 (Apr. 24, 2025), *available at* https://www.govinfo.gov/content/pkg/FR-2025-04-24/pdf/2025-06920.pdf.

[29] *See* Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877 (June 24, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-24/pdf/2026-12742.pdf.

under an alternative compliance approach.[30] Alternative compliance could allocate duplicative compliance obligations more efficiently without diminishing either Commission's access to information or authority over activity within its jurisdiction.

The Commissions could establish mechanisms for reciprocal or shared access to relevant transaction, position, order, pricing, and reference data; coordinated referral and escalation protocols; and joint or sequenced examinations where conduct implicates both swap and SBS markets. The Commissions could also coordinate cross-market surveillance involving the underlying security, related options, security futures, swaps, and SBS, including around corporate events, pricing windows, and trading halts.

Reliance on specified CFTC requirements under an alternative compliance framework would not limit the SEC's authority over SBS activity, and reliance on specified SEC requirements would not limit the CFTC's authority over swap activity. Nor should any alternative compliance framework limit either Commission's antifraud, antimanipulation, anti-evasion, examination, or enforcement authority. The objective is not to reduce regulatory oversight, but to achieve the same regulatory outcomes through a more coordinated and efficient allocation of compliance responsibilities.

FalconX Bravo accordingly recommends that the Commissions assess substantial similarity by reference to regulatory objectives and supervisory outcomes and implement practical mechanisms for coordinated filings, notices, examinations, information access, surveillance, and reporting. Together with a meaningful Rule 18a-10 pathway, these measures would reduce unnecessary duplication while preserving each Commission's ability to fulfill its statutory mandate.

## V. Conclusion

For the reasons discussed above, FalconX Bravo respectfully recommends that the Commissions:

(i) adopt a clear and administrable classification rule under which a qualifying perpetual contract referencing a single security or NBSI that is listed for trading on a market authorized under the regulated security-futures framework is treated as a security futures product, while a comparable product offered outside that framework is treated as an SBS;

(ii) eliminate ANE as an independent cross-border trigger throughout the SEC's SBS framework, consistent with the CFTC's approach;

(iii) amend the ACM set forth in SEC Rule 18a-10 SEC to replace the current 10 percent condition with a 49 percent condition, while preserving the rule's fixed-dollar cap and all remaining conditions and protections; and

(iv) broaden and operationalize alternative compliance through an objectives-and-outcomes approach to substantial similarity and practical mechanisms

[30] Joint Request, *supra* note 1, at 37877 (Questions 14 and 15).

for coordinated filings, notices, examinations, information access, surveillance, and regulatory reporting.

FalconX Bravo appreciates the Commissions' efforts to solicit public input on these important issues. FalconX Bravo looks forward to continued dialogue with the Commissions and their staffs and stands ready to provide any additional information or clarification that may be helpful. Please direct any questions regarding this submission to Alexandra Guest, Chief Executive Officer for FalconX Bravo, at alex.guest@falconx.io, or Rich Paolini, Associate General Counsel, at richard.paolini@falconx.io.

Respectfully submitted,

*Alex Guest*

Alexandra Guest
Chief Executive Officer, FalconX Bravo, Inc.

cc:

Paul S. Atkins, Chairman, Securities and Exchange Commission
Ugonna Eze, Deputy Chief of Staff, Office of Chairman Atkins
Taylor Asher, Senior Policy Advisor to Chairman Atkins
Jamie Selway, Director, Division of Trading and Markets, Securities and Exchange Commission
Carol McGee, Associate Director, Office of Derivatives Policy and Trading Practices, Division of Trading and Markets, Securities and Exchange Commission

Michael S. Selig, Chairman, Commodity Futures Trading Commission
Alex Titus, Chief Advisor to the Chairman, Commodity Futures Trading Commission
Cal Mitchell, Senior Advisor, Commodity Futures Trading Commission
DJ Hennes, Director, Market Participants Division and Acting Director, Division of Market Oversight, Commodity Futures Trading Commission