Derive Labs Corporation
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August 24, 2026

VIA ELECTRONIC SUBMISSION

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

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
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; File No. S7-2026-21)

Dear Mr. Kirkpatrick and Ms. Countryman:

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

Derive[2] operates an on-chain derivatives platform that currently provides non-United States ("***U.S.***") market participants access to options and perpetual contracts referencing certain digital assets. Derive is working toward bringing a regulated version of its platform to U.S. participants, including by seeking designation as a designated contract market ("***DCM***") and registration as a derivatives clearing organization ("***DCO***"). Derive plans to build its U.S.-regulated platform to support, over time, perpetual contracts and related options products referencing digital assets as well as traditional asset classes, including physical commodities and equities.

[1] Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance (RIN 3038-AF71; File No. S7-2026-21), 91 FR 37873 (June 24, 2026), *available at* https://www.govinfo.gov/content/pkg/FR-2026-06-24/pdf/2026-12743.pdf.

[2] Derive, About Derive, *available at* https://www.derive.xyz/about (last visited Aug. 24, 2026).

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Derive applauds the Commissions for the significant steps taken to date to facilitate innovation in U.S.-regulated derivatives markets and encourages the Commissions to continue that work.

Perpetual contracts represent an important opportunity to do so. They have become one of the most actively traded derivatives products globally while, until recently, remaining largely unavailable through U.S.-regulated markets. That did not prevent these markets from developing. Instead, the liquidity, technology, and expertise developed offshore.

The Commissions should continue working to bring this activity into U.S.-regulated markets. Doing so can strengthen regulatory oversight and customer protections while giving U.S. market participants access to products already widely used globally. It can also encourage firms developing new trading, clearing, and risk-management technologies to invest in U.S.-regulated infrastructure rather than build exclusively for non-U.S. markets.

To achieve that objective, market participants need **a practical, modern regulatory framework that provides clear and durable rules while accommodating continued product and technological development**. Firms making substantial investments in U.S. trading and clearing infrastructure need sufficient certainty about how new products will be treated and a regulatory pathway that can evolve as markets develop.[3]

That regulatory framework should provide greater clarity regarding the treatment of perpetual contracts and related options products across asset classes. Derive applauds the CFTC's efforts to bring perpetual contracts referencing digital assets to U.S.-regulated markets, but the framework should not be limited to digital assets. It should also provide a workable path for perpetual contracts, and options on those contracts, referencing physical commodities, including energy, metals, and agricultural commodities, as well as equity indices, individual equities, and other underlying interests. In particular, the Commissions should establish clear principles for determining the regulatory treatment of these products, including where a product may implicate the jurisdiction of both agencies. These markets are already developing globally, and regulatory uncertainty should not unnecessarily result in their continued development outside the U.S. regulatory framework.

[3] The Commissions adopted the principal joint rules further defining "swap" and "security-based swap" in 2012, before the development at scale of DeFi platforms, on-chain derivatives trading, and perpetual contracts. *See* Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping; Final Rule, 77 FR 48208 (Aug. 13, 2012), *available at* https://www.govinfo.gov/content/pkg/FR-2012-08-13/pdf/2012-18003.pdf.

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The framework should also be technology neutral. The regulatory characterization of a product should turn on its economic characteristics and the applicable statutory and regulatory standards, not on whether the product is supported by traditional or on-chain infrastructure. This principle is particularly important as new trading models and automated systems continue to develop.

Finally, Derive strongly supports the Commissions' focus on coordination and alternative compliance. Where both agencies have an interest in a product, overlapping jurisdiction should not result in duplicative regulation addressing substantially the same risks. Requiring firms to build separate trading, clearing, compliance, or operational structures to satisfy overlapping requirements increases cost and complexity and can make a U.S. offering commercially impractical.

The Commissions should instead seek coordinated pathways that, where appropriate, permit compliance with one agency's requirements to satisfy substantially equivalent requirements of the other, supplemented as necessary by requirements directed to risks specific to a particular product or underlying asset. That approach can preserve appropriate investor and market protections without imposing unnecessary regulatory duplication.

Derive is prepared to make the significant investment necessary to bring its innovative technology and products into the U.S. regulatory perimeter. We respectfully encourage the Commissions to continue their efforts to establish clear, durable, and coordinated rules that give innovative derivatives products a practical path to U.S.-regulated markets.

If you have any further questions, please do not hesitate to contact me at nick@derivelabs.xyz.

Regards,

Nicholas Forster

Nicholas Forster
Director, Derive Labs Corporation