Securities Regulation Daily Wrap Up, CFTC NEWS AND SPEECHES—CFTC 'severely curtails' operations during broad U.S. government shutdown, (Oct 1, 2025)

By Lene Powell, J.D.



The CFTC will radically scale down operations during the federal government shutdown.

As part of an October 1 suspension of many federal government operations, the CFTC will "severely curtail its operations" and "expects that the vast majority of the agency's operations will cease." The CFTC will be reduced to approximately 49 of 543 employees.

The CFTC's shutdown plans include:

- *CFTC Plan for Lapse in Appropriations*, issued in a September 30, 2025 press release. The plan identifies excepted positions and activities.
- *Order of the Commodity Futures Trading Commission Relating to the Continuation, Shutdown, and Resumption of Certain Commission Operations in the Event of a Lapse in Appropriations*, issued September 30, 2025. The order provides for the continuation, shutdown, and resumption of certain operations, including detailed information as to continued and suspended activities.
- CFTC Staff Letter No. 25-36 (*Re: Certain Contract Markets*), issued in a September 30, 2025 press release. The Market Participants Division (MPD), Division of Market Oversight (DMO), and Division of Clearing and Risk (DCR) issued a letter to advise FCMs, IBs, DCMs, DCOs, and RFAs to "be prepared for all foreseeable conditions that may result from facilitating the trading and clearing of sports-related event contracts for customers, market participants, and clearing members."

Federal government shutdown. Appropriations lapsed for many federal government functions when the FY2025 appropriations expired, and Congress failed to enact new appropriations.

The Office of Management and Budget directed federal agencies to "execute their plans for an orderly shutdown" as of 11:59 pm, September 30.

Employee furloughs. The CFTC Plan for Lapse in Appropriations details the impact of the Anti-Deficiency Act on CFTC employees:

- The CFTC has approximately 543 employees on board as of October 1.
- Acting Chairman Caroline Pham is a PAS appointee (Presidential appointees with Senate confirmation), a category that is generally exempt from furlough.
- 31 employees are excepted because their work conforms to excepted functions.
- 18 employees in the Whistleblower Office (WBO), Office of Customer Education and Outreach (OCEO), and Division of Administration (DA) are exempt from furlough because they are funded by resources other than

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annual appropriations.

Enforcement. Most enforcement functions will cease. The Division of Enforcement will have four employees and will oversee approximately 100 active cases that address an imminent threat to the protection of property.

The Division will halt most other activities, including review and investigation of victim complaints, initiating actions against wrongdoers and protecting any victim assets that may be at risk in such situations.

DMO, DCR, and MPD. The operations of DMO, DCR, and MPD will cease except for a minimal level of excepted employees needed for the oversight and surveillance of the derivatives markets.

The divisions will not produce the reports they produce during normal operations such as the Commitments of Traders Report, weekly swaps report, and Cotton On-Call Report.

The divisions will continue to review, process, and take necessary or appropriate action for filings that relate to the Commission's obligation to protect the safety of human life or property. Actions that will continue are listed on p. 6-8 of the Order.

Filings review that will be suspended are listed on p. 3-6 of the Order. For matters currently pending, deadlines will be tolled until the Commission resumes full operations, with time remaining beginning the first business day following resumption of operations. Any time limit for matters arising during shutdown will begin to run on the first day following resumption of operations.

Sports event contracts. Staff issued a special advisory telling FCMs, IBs, DCMs, DCOs, and RFAs to be prepared for “all foreseeable conditions” relating to the trading and clearing of sports-related event contracts.

Staff reminded registrants of certain responsibilities in light of state regulatory actions, including enforcement actions, and pending and potential litigation involving the legality of sports-related event contracts listed on DCMs. Staff cautioned that these should be accounted for with appropriate contingency planning, disclosures, and risk management policies and procedures.

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