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CFTC Staff Releases Request for Comment on the Use of Artificial Intelligence in CFTC-Regulated Markets

January 25, 2024

Washington, D.C. — The Commodity Futures Trading Commission’s Divisions of Market Oversight, Clearing and Risk, Market Participants, and Data and the Office of Technology Innovation today issued a request for comment (RFC) to better inform them on the current and potential uses and risks of artificial intelligence (AI) in the derivatives markets the CFTC regulates.

“The RFC complements the directives the Biden Administration established for the safe, secure and trustworthy development of artificial intelligence, and embodies good government. It prioritizes promoting responsible innovation and ensuring we understand current and potential AI use cases and the associated potential risks to our jurisdictional markets and the larger financial system. This allows us to better align our supervisory oversight and evaluate the need for future regulation, guidance, or other Commission action,” said Chairman Rostin Behnam. “This RFC will further support the CFTC as we strategically identify the highest priorities and return-on-investment projects with AI use cases internally to optimize our data-driven approach to policy, surveillance, and enforcement.”

This request seeks comment on the definition of AI and its applications, including its use in trading, risk management, compliance, cybersecurity, recordkeeping, data processing and analytics, and customer interactions. The request also seeks comment on the risks of AI, including risks related to market manipulation and fraud, governance, explainability, data quality, concentration, bias, privacy and confidentiality and customer protection. Staff will consider the responses to this request in analyzing possible future actions by the CFTC, such as new or amended guidance, interpretations, policy statements, or regulations.

Comments will be accepted until April 24, 2024. Comments may be submitted electronically through the CFTC Comments online process

(<https://comments.cftc.gov/PublicComments/ReleasesWithComments.aspx>).

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