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The Honourable Paul S. Atkins Chairman
Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

WFE Position on Preparations for 24-Hour Trading

Dear Chair Atkins,

The WFE (World Federation of Exchanges) welcomes the Commission's roundtable on preparations for 24-Hour trading. This is a topic to which we have devoted significant attention over the years. The following comments are based on the most recent of that work.

Market infrastructures have a strong record of adapting to changes in trading behaviour while preserving the core qualities that make public markets trusted: transparency, fairness, resilience and orderly price formation. Exchanges and CCPs have repeatedly shown that they can modernise market structure in a measured and responsible way, balancing innovation with investor protection and market integrity. That experience should give confidence that the industry is well placed to support any further evolution in trading hours, provided changes are implemented in a co-ordinated and appropriately sequenced manner.

The plan to extend US equity trading hours should be considered within its historical context. The evolution of exchange trading has consistently moved toward greater accessibility. Early exchanges operated without formal hours, and since the introduction of continuous trading in the 19th century, trading hours have tended to expand. There has also never been a single global standard for trading hours. Markets around the world have long operated on different schedules, with most offering between seven and eight hours of continuous trading.

At the same time, US investors already access overnight trading via alternative trading systems. Furthermore, many derivatives markets operate 23/5 and have done so for decades. Finally, crypto-trading platforms demonstrate that 24/7 trading is technically achievable, though we remain concerned about lower liquidity, higher volatility, and increased risk of market manipulation during off-peak hours for these markets.

We would expect to see peaks and troughs of liquidity throughout the trading day. We also expect the closing auction to continue to be the peak of trading volume in most circumstances. We also hope to see an increase in on-exchange trading, which we know is a concern in many jurisdictions in the world including the US.

Operationally, running markets with minimal downtime presents challenges, but these are manageable if properly planned. Current plans incorporate a daily one-hour closure and weekend downtime, creating windows for maintenance, while global "follow the sun" support models are already well established across financial market infrastructure to ensure systems remain up. Exchanges and CCPs already operate unusually resilient technology that can be and will be applied to the overnight session.

Exchanges, post-trade processes and the consolidated tape can help address any potential differences between trading sessions as hours are extended. Initiatives such as DTCC's move towards a 24/5 model and the extension of SIP hours are therefore important, as they help ensure that clearing, settlement and market-data infrastructure evolve in step with the longer trading day.

We do not believe a 24/7 or even a 23/5 model is necessary or appropriate for every market globally, but given the depth and liquidity of US markets, extending hours could enhance access for domestic and global investors, particularly those in Asian time zones.

Implementing extended trading and clearing requires co-ordination across all participants in the financial ecosystem. Nevertheless, a 23/5 extension for US equities is technologically feasible and aligned with observable demand. For these reasons, we believe that extending trading hours is a proportionate and constructive evolution in US market structure.

As mentioned above, we have also published further analysis on extended trading hours over the past two years, which may be of interest:

- Policy and Market Impacts of Extended Trading
- Extending Exchange Trading Hours
- Response to CFTC Request for Comment on Trading and Clearing Derivatives on a 24/7 Basis

We look forward to hearing the insights from your session and stand ready to offer any assistance we can.

Yours Sincerely,

Nandini Sukumar