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Cryptocurrency Watch: CFTC Debuts Pilot Program Allowing Use of Cryptocurrencies as Collateral in Derivatives Markets

On December 8, 2025, Caroline Pham, the Acting Chair of the Commodity Futures Trading Commission (the "CFTC"), the U.S. commodities regulator, announced a pilot program to allow the use of certain Cryptocurrencies as collateral in futures markets.

The pilot program will allow the use of Bitcoin (BTC), Ether (Ethereum - ETC) and the dollar-pegged stablecoin USDC to be used as tokenized collateral in U.S. commodities markets. The move follows last week's CFTC announcement allowing the trading of spot Cryptocurrencies on CFTC-registered U.S. commodities exchanges. The CFTC simultaneously published guidance on tokenized collateral and withdrew requirements made obsolete by this year's passage of the GENIUS Act (see our Cryptocurrency Watch advisories, [**The GENIUS Act: First U.S. Cryptocurrency Stablecoin Regulation Act Becomes Law \(July 2025\)**](#))

and

[**SEC Charts Comprehensive Cryptocurrency/Digital Asset Regulation Course \(November 2025\)**](#).

The CFTC Pilot Program attempts to establish guardrails for use of tokenized collateral to protect customer assets with enhanced CFTC monitoring and reporting. The program is intended not only to implement the commodities portion of the GENIUS Act, but to make

the U.S. regulated markets competitive with offshore trading for Crypto on a 24/7 basis.

The CFTC's newly issued **Guidance for Tokenized Collateral** stresses a technology-neutral regulatory approach and the analysis of tokenized assets on an individual basis, in accordance with the CFTC's existing regulatory structure. Guidance topics include what tokenized assets are eligible, including tokenized real world assets, U.S. Treasuries and money market funds; segregation, custody and control of tokenized collateral; valuation and haircuts; and legal enforceability. The CFTC Guidance for Tokenized Collateral can be found [Here](#).

The CFTC also issued a no-action letter setting forth a position as to certain requirements imposed on Futures Commission Merchants, or FCMs, that accept digital assets that will not be classified as securities under the GENIUS Act, including Payment Stablecoins (a GENIUS Act defined Cryptocurrency category; see GENIUS Act advisory linked above), as customer margin collateral or hold certain proprietary payment stablecoins in segregated customer accounts. The intended effect of the CFTC no-action position is to provide regulatory clarity to market participants on the segregation and capital requirements applicable to FCMs that accept these digital assets as margin collateral, while at the same time requiring FCMs to maintain robust risk management. Per the no-action letter, during the first three months of reliance on the no-action letter, FCMs may only accept Bitcoin, Ether and USDC as tokenized margin collateral and must provide weekly reporting of digital assets held in customer accounts as margin collateral. A copy of the CFTC no-action letter regarding FCMs can be found [Here](#).

You can find other Cryptocurrency/Digital Assets resources on our website at [**Kurtin PLLC Information Technologies, Blockchain & Internet**](#). We at Kurtin PLLC have now led over a dozen Cryptocurrency/Stablecoin and other digital token offerings and capital raises with an aggregate value of hundreds of millions of dollars, often in connection with fund formation and often cross-border, with non-U.S. sponsors ranging from the UAE to Canada and Mexico accessing the U.S. capital markets and Blockchain infrastructure. We have reported extensively on the rapidly changing legal, regulatory and finance environment in the U.S. If you are considering launching a Cryptocurrency/Stablecoin offering, whether in connection with fund formation or not, we will be happy to speak to you about it.

Owen D. Kurtin

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