Press Release

Perpetual Futures: A Primer

ALLIE WATSON | NOVEMBER 13, 2026

Since perpetual futures contracts were first approved for listing in the United States by the Commodity Futures Trading Commission (CFTC) earlier this year, the controversy over these financial instruments has only grown. In a new primer, Policy Fellow Oren Swagel examines how perpetual futures work and the controversies surrounding their regulation and sale in the United States.

Key points:

- Perpetual futures contracts, or "perps," are financial derivatives with no expiration date that allow traders to hedge financial risk or speculate on an underlying asset's future price; unlike traditional futures contracts, perps use periodic payments between buyers and sellers to keep contract prices aligned with the underlying asset's market price.
- The CFTC has recently approved the sale of perpetual futures contracts tied to certain cryptocurrencies and equities, classifying the former as futures contracts and the latter as security futures contracts; these classifications subject these contracts to the existing regulation governing futures and security futures.
- Critics argue that the CFTC has misclassified these perps as futures and security futures rather than swaps and security-based swaps, respectively, allowing the companies offering these perps to unfairly benefit from less burdensome regulation and exposing retail investors to financial products with unusual and serious risks.

Read the analysis.