Policy and Market Impacts of Extended Trading
September 2025

Executive Summary

This paper examines the shift towards extended trading, particularly in equity markets, and the implications for exchanges, market participants and policymakers. It begins by defining extended trading as the ability to trade nearly 24/7, typically across 22 or 23 hours a day, five days a week. The paper traces the evolution of trading hours, highlighting how electronic trading has enabled longer sessions. It then considers the motivations for adoption, including growing demand from both retail and institutional investors to access well-regulated markets domestically and internationally, similarly to what already happens in some derivatives markets.

The main focus of the paper is the practical challenges that exchanges, clearinghouses, market participants and regulators must address. In particular, it examines:

- Market Considerations
  - Extended trading may affect liquidity and price formation, however, experiences in other markets suggest there will continue to be peaks and troughs around ordinary business hours.
  - Liquidity may be thinner overnight so bid-ask spreads may be wider. Brokers should be required to disclose this to retail investors.
  - Market operators should consider imposing and calibrating market controls such as circuit breakers, kill switches, and pre-trade controls for the extended trading session, with appropriate oversight and escalation protocols.
  - Markets will still likely require a daily closing or reference price for benchmarks, settlements, and corporate actions. Solutions include a "virtual close" or short scheduled closures.
  - Extended trading could grow on-exchange volumes for the benefit of the wider market through improved price discovery, better allocation of capital.
- Operational and Technological Considerations
  - Brokerage firms, exchanges and clearinghouses will need to adapt infrastructure to support high availability and near-zero downtime.
  - Human oversight will be required. Possible models include follow-the-sun staffing, shift rotations, and regional hubs to handle incidents, surveillance, and escalations.
  - Extended trading complicates trade dates, regulatory filings, and corporate actions. Potential solutions include administrative cut-offs, designated "virtual closes," or maintaining short closure windows.
- Post-Trade Considerations
  - Extended trading increases complexity for clearing, margining, and settlement.
  - Market participants must adapt systems to handle 24/7 data feeds and post trade processing, strengthen supervisory frameworks to cover round-the clock activity, and manage risks associated with low-liquidity periods.
  - Real-time margin recalculation and funding access outside normal banking hours are required.
  - Solutions may include prefunded margin buffers, arrangements with foreign banks, or extended payment system hours (e.g., the US Fed considering 22x7x365 Fedwire or Brazil's instant payment system, PIX).

The paper concludes that successful implementation of the above requires a coordinated effort across the entire financial ecosystem. One day, we may see "true" 24/7 markets which would require more extensive changes to systems, staffing models, governance frameworks, and coordination mechanisms across the entire financial ecosystem (similar to the move to T+1). This evolution is both technologically feasible and increasingly aligned with the demands of certain market segments. Extended trading may not be desirable, beneficial, or inevitable in all markets. Finally, discussions should be focused on how to achieve such a model in a manner that protects investors, strengthens market integrity, and enhances global competitiveness.

Introduction

Many exchanges around the world are considering extensions to their trading hours, particularly in equity markets. While it may not be the case across all market participants, certain segments are increasingly seeking around-the-clock access to both traditional and digital assets. Whether it be retail investors accustomed to on-demand services, institutional traders managing risk across global time zones, or a growing appetite for continuous hedging, the discussion around extended trading hours is ubiquitous and the subject of recent regulatory scrutiny in the US.[1] Central counterparty (CCP) clearing houses are also engaged in this discussion, given the downstream implications for risk management, settlement timing, and collateral processes.

The subject of this paper is extended trading which refers to the ability to buy and sell financial instruments – such as equities, derivatives, bonds, currencies, or digital assets – nearly 24 hours per day. The terms around-the-clock trading, 24/7 trading, and extended trading hours are often used to describe this market trend. However, for reasons that will become clearer throughout this paper, the current evolution is far more likely to result in a 22/5 or 23/5 trading week than a 24/7 one. Of course, a 22/5 or 23/5 trading week may indeed feel like 24/7 or round-the-clock trading so we make no objection about its use as shorthand to describe the shift. For clarity, throughout this paper we use extended trading to refer to trading sessions operating on a 22/5 or 23/5 basis, and 24/7 trading to mean markets that operate without interruption.

The transition from current operating hours (particularly to a true 24/7 trading and clearing environment) presents a variety of considerations. These include not only matters of market functioning and scope of products, but also operational resilience, legal, risk management, staffing, and ecosystem-wide readiness concerns. None of these considerations prevent extended trading and they can all be overcome, managed or eliminated and a key focus of this paper will be on identifying how. To paraphrase Tal Cohen, Nasdaq's President of Market Services and Financial Technology divisions: the question is not whether we can build a market that operates extended trading, but how we do so in a way that strengthens investor confidence in capital markets today.[2]

It also worth considering the risk of ***not*** facilitating extended trading, particularly as it relates to financial products, whereby participants may engage in activities in unregulated and less-transparent venues, as trading does not necessarily stop when exchanges close. Market participants may also choose to trade products that are not centrally cleared, and thus regulatory frameworks should evolve to support innovation in a manner consistent with the principles of transparency, integrity, efficiency and systemic stability.

The WFE welcomes ongoing dialogue on the implications, opportunities, and challenges of enabling both extended trading and clearing. In this paper, we first consider the history of trading hours and identify the move towards 24/7 as a natural evolution. We move on to examine the rationale behind the recently proposed adoption of extended trading by some exchanges. We then identify the challenges that arise from extending trading hours, paying particular attention to clearing and settlement before highlighting considerations for market stakeholders.

This paper does not take a normative view in favour of extended trading. Instead, we explore why diverse approaches can and will exist in the future. Trading hours should remain the responsibility of market infrastructures. Those venues best understand the needs and demands of investors, issuers and market participants and will adjust to their needs.

[1] CFTC Staff Seek Public Comment on 24/7 Trading, 21 April 2025, https://www.cftc.gov/PressRoom/PressReleases/9068-25

[2] https://www.linkedin.com/pulse/markets-never-sleep-should-trading-tal-cohen-v84be/?trackingId=pUZC5mDXRbqr1YAQK4YeZQ%3D%3D

History

The evolution of market hours has been fundamentally shaped by technological advancements, particularly the rise of electronic trading. This laid the groundwork for extending trading sessions beyond traditional business hours. This first began in the 1980s, when derivatives exchanges started offering after-hours trading to provide market access following the close of regular sessions. They were closely followed by the equity exchanges in the 1990s. By the late 1990s and early 2000s, pre-market trading was also introduced, allowing investors to respond to overnight developments and global market movements. The primary reasons for extended trading hours were to accommodate institutional investors and to allow them to respond to market-moving news released outside of regular trading hours.

Year	Trading Session	Open	Close	Note	Lengthen/Shorten
1792-1871	Call Trading Sessions			No continuous trading	
1871-1887	Introduction of Continuous Trading	10:00	14:00-16:00	Trading hours vary	Lengthen
1887-1952	Standardized Six-Day Trading	10:00	15:00	10:00-12:00 on Saturdays	Lengthen
1952-1968	Eliminate Saturday Trading	10:00	15:00	No more Saturday session	Shorten
Jun-Dec 1968	Wednesday Closures	10:00	15:00	Paperwork crisis and closure on Wednesdays for six months	Shorten
Jan-Jul 1969	Shorter Trading Days	10:00	14:00	Wednesday trading resumed, but hours were shortened	Shorten
Jul-Sept 1969	Extension	10:00	14:30	Trading hours were extended by 30 minutes	Lengthen
1969-1970	Extension	10:00	15:00	Trading hours were extended by 30 minutes	Lengthen
1970-1974	Extension	10:00	15:30	Trading hours were extended by 30 minutes	Lengthen
1974-1985	4 pm Closing	10:00	16:00	Trading hours were extended by 30 minutes	Lengthen
1985-present	Modern Trading Hours	9:30	16:00	Trading hours were extended by 30 minutes	Lengthen
Proposed	NYSE Arca 22/5	1:30	23:30	NYSE Arca's proposed 22/5 extended trading hours	Lengthen

Evolution of trading hours on the New York Stock Exchange (NYSE)

As capital markets became more globally interconnected, exchanges across different regions extended their trading hours to attract international capital flows. CME's Globex extended trading derivatives platform opened in the early 1990s to attract European traders, particularly linked to London's dominance for the trading of foreign exchange. Globex now trades Sunday 6:00 PM to Friday 5:00 PM Eastern Standard Time (EST), with a daily maintenance period from 5:00 PM to 6:00 PM EST. In other words, it trades 23/5.

Derivatives were the first to move to extended trading for a number of reasons. Some derivatives markets serve global participants who need round-the-clock access to hedge macroeconomic and geopolitical risks during the trading week. Unlike equities, certain types of derivatives can tend to concentrate liquidity in a few benchmark contracts and are less reliant on company-specific news, making them well-suited to extended trading. In contrast, equities trading is directly impacted by corporate actions linked to individual shareholder entitlements, making them more operationally complex to manage on a 24/7 basis.

Similarly, the foreign exchange (forex) market operates on a 24/5 basis, with trading available from 22:00 UTC on Sunday (when Sydney markets open) until 22:00 UTC on Friday (when New York markets close). This continuous cycle is made possible by the staggered and often overlapping operating hours of forex centres in North America, Europe, Asia, and Australia. However, not all currencies are traded around the clock—some emerging market currencies still experience limited trading hours.

Crypto-asset markets began in the late 2000s.These markets were structured from the outset to operate without fixed hours. By the early 2010s, as dedicated crypto trading platforms such as Mt. Gox, Bitstamp, and later FTX, Coinbase and Binance began to gain traction, trading activity had effectively become 24/7 – at least in the more liquid assets like Bitcoin.

In the United States, several Alternative Trading Systems (ATSs) also now operate overnight, reflecting increased demand for round-the-clock market access. Building on these developments, major US equities exchanges have recently announced plans to move toward 24/7 trading. In parallel, the Depository Trust & Clearing Corporation (DTCC) has announced that it will transition to a 24/5 clearing model in Q2 2026[3], further aligning post-trade infrastructure with extended trading hours.

Motivations for Extending Trading Hours in Equities Markets

Our members identify three key reasons driving the push towards extended trading in equities markets:

- Local retail demand – retail investors in the exchange's jurisdiction increasingly seek the flexibility to trade outside traditional hours. This mirrors the accessibility they experience in other digital services, not just crypto-assets.
- Overseas retail investors — retail investors operating in different time zones to the exchange are demanding access that aligns with their local hours. In particular, APAC retail investors are interested in being more active on US markets.
- Overseas institutional investors – to a lesser extent, overseas institutional investors also seek extended access to manage global portfolios and respond swiftly to events across markets. They also see opportunities to provide liquidity overnight.

The increasing demand for extended trading hours from both local and international investors is particularly significant in today's globally connected market landscape. As accessibility to various markets improves, investors are naturally drawn to venues that offer greater flexibility and responsiveness, including in unregulated environments. Therefore, extending trading hours is also a reflection of a broader, natural evolution of market infrastructures seeking to promote innovation and adaptability to remain aligned with the direction in which other peers and the global financial ecosystem is moving.

Extended trading could also increase equities market accessibility for these customers to well-regulated markets. Longer trading hours mean that investors can access the market at their convenience. This can lead to greater inclusivity and enhanced participation in financial markets. In particular, retail investors with daytime obligations like work or childcare can trade outside traditional hours which helps to achieve societal goals around financial inclusion.

One other view (that is too often forgotten but should be considered) is the view of issuers. Some of our members tell us that issuers in their jurisdiction are excited about the prospect of extended trading; whereas others say there are concerns about reputational risk should there be an issue in overnight trading.

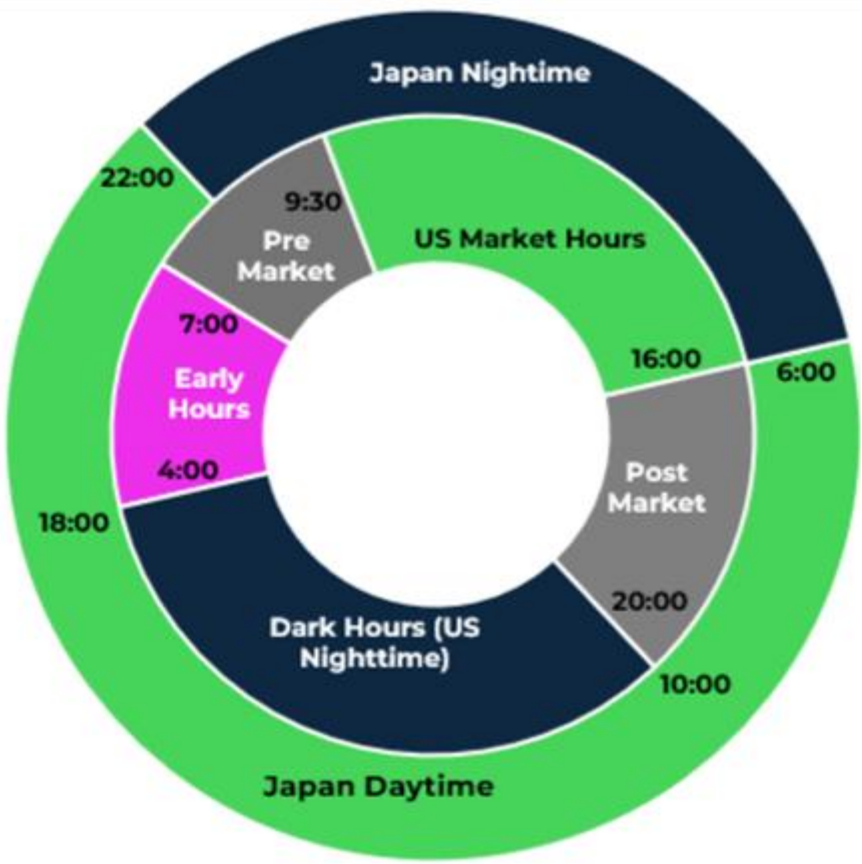
What Extended Trading May Look Like

Current market practice across many WFE members has a combination of some or all the following trading sessions:

- Early Hours
- Pre-open/pre-market
- Ordinary market hours/normal trading hours
- Close and closing auction
- Post-market

To get to extended trading, many markets would only need to add an additional overnight session. Others may extend hours slightly to overlap with strategic global partners or not extend them at all. For example, CBOE's EDGX® Equities exchange is currently open from 4:00 am until 8:00 pm EST, so a solution could be to open an overnight session during the "dark hours" in this chart below. This is in fact the current practice of several ATSs, including Blue Ocean, Interactive Brokers, and Moon – they are open 8:00 pm EST until 4:00 am the next day.

[3] https://www.dtcc.com/news/2025/march/18/dtccs-nscc-to-increase-clearing-hours-to-support-extended-trading



CBOE's EDGX hours compared to Japanese Day and Night.[4]

Operational and Regulatory Considerations

Market operations need to be recalibrated for extended trading, so there are numerous operational and regulatory considerations for us as an industry to address. This section focuses on how these challenges can be overcome, eliminated, or managed.

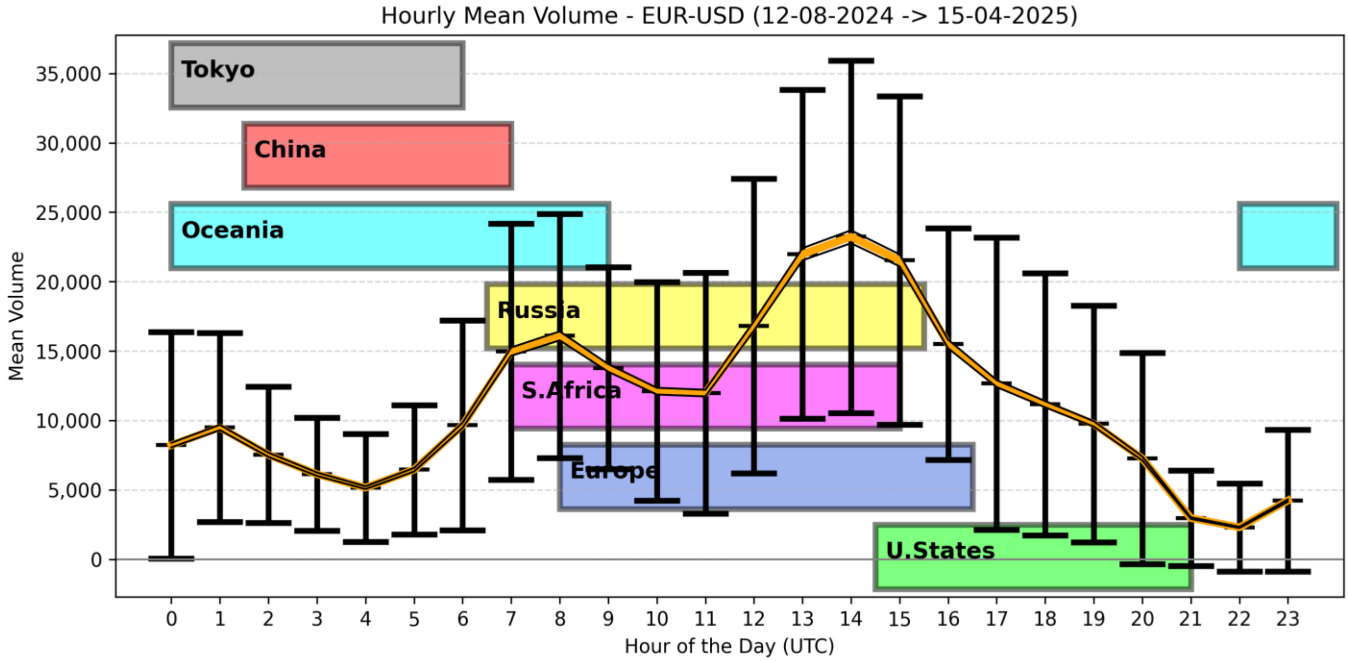
Market Considerations

The first consideration should be the effect of extending trading hours on **liquidity and price formation**. Immediate reaction to news and events could also support more accurate and timely price formation which may also enhance liquidity, as prices are updated more often, and traders emerge to take advantage of these moves.

When examining the forex and crypto markets, we can see that volumes are not stable throughout the day. In the EUR/USD market, we see a small peak at the open in Asia, before a slowdown until a larger peak at the open in Europe. Then we see an albeit smaller slowdown, until the largest peak of the day when Europe closes and the US opens, after which we see another slowdown.

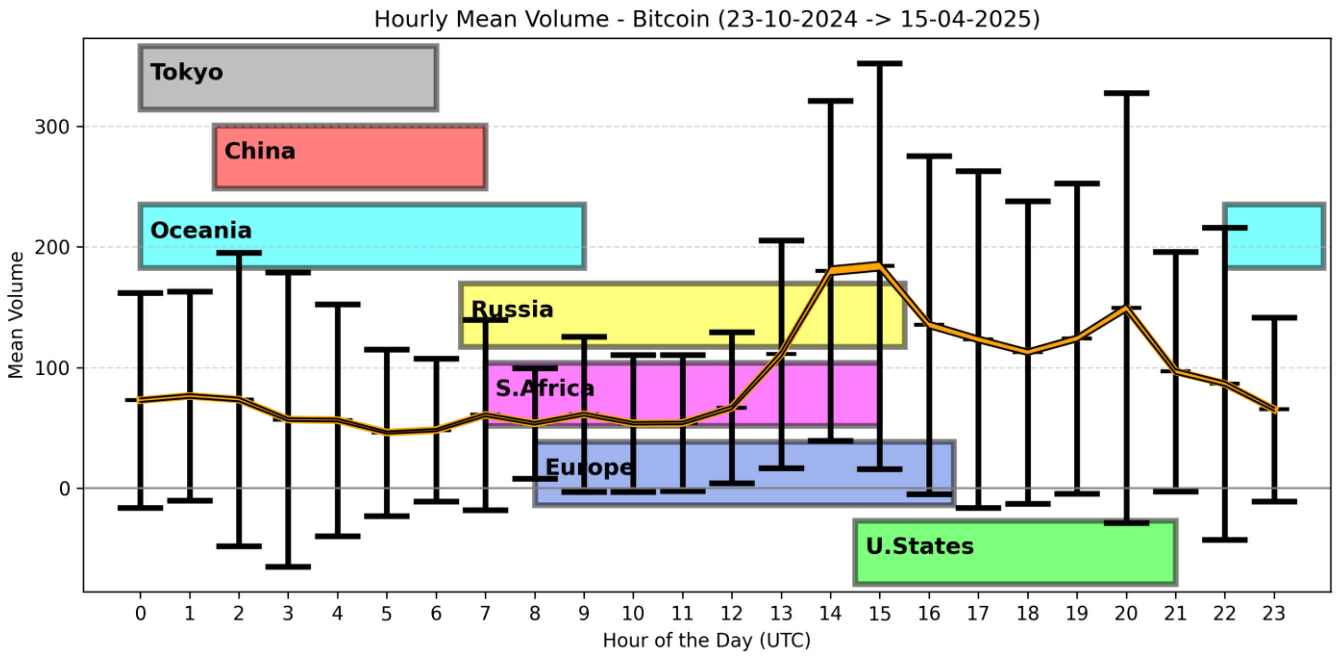
[4] https://www.cboe.com/insights/posts/what-does-it-take-to-offer-around-the-clock-equities-trading/

EUR/USD Trade Volumes



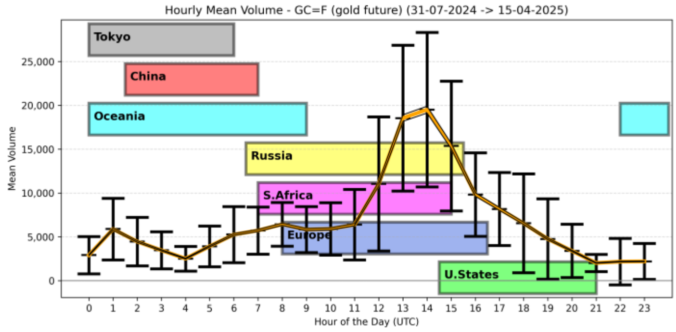
The pattern in Bitcoin is more muted, with steady trading volumes throughout the day, but the biggest spike remains the European close/US open with another spike at US closing time.

BTC Trade Volumes

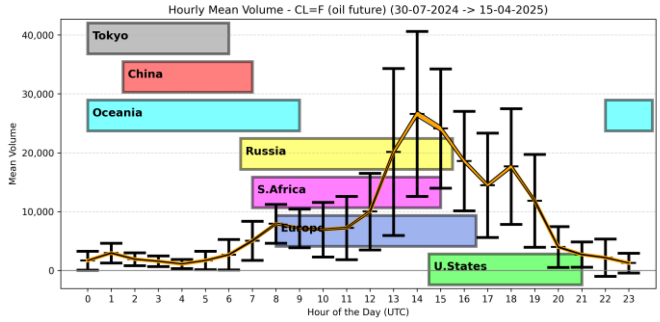


Gold futures and oil futures look much the same as Bitcoin in their trend lines, although the volumes are much larger.

Gold Futures



Oil Futures



While none of these products are the same as equities, we can take some lessons from the way they trade. Volumes are not at the same-level throughout the day, and we would expect this to be the same. We see peaks and troughs in trading throughout the day, with most of the trading being done in small windows. We expect this pattern to be repeated when applied to equities markets. We expect most equities trading to take place during normal market hours, just like it is now. This is because we expect institutional traders, who trade the largest volumes, to continue to be most active during ordinary business hours due, in part, to cultural and legal norms regarding working days.

We also expect the closing auction to continue to be the peak of trading volume in equities. This is because the closing price on an equity is a crucial reference point for benchmarking indexes, valuing funds, and closing out orders. In most exchanges around the world, the closing auction is often the most liquid and efficient pricing mechanism of the day - partly due to this concentration of activity.

This means that, while participation may increase overall in equities markets, lower participation will be expected overnight. Lower participation at these times may lead to wider spreads, price slippage, and volatility. This is because bid-ask spreads reflect the cost and risk taken on by liquidity providers on the exchange, and the fact that during periods of lower participation, there is less competition among them and higher risk of loss, so they can quote wider spreads to cover this. Slippage (when a trade executes at a worse price than expected) will increase if the order book depth is thin, as even small trades can move the price more significantly. In addition, overnight volatility may increase - purely because there may be a smaller number of active trades that result in a larger price impact.

A wider bid-ask spread does not necessarily imply there is an inappropriate level of risk being posed to investors trading overnight. It merely reflects the economic reality that liquidity may be reduced when there are only a few active market participants. Retail investors may face slightly wider spreads when trading overnight, reflecting the convenience of extended access. Exchanges could try to enhance overnight liquidity for example, by introducing liquidity provider programs.

Another consideration is the anticipated participation of wholesalers, single-dealer platforms and systematic internalisers. Some of these operators are planning to operate during extended hours soon. It remains to be seen, but their entry is likely to draw liquidity away from exchanges and alternative trading systems. This could stabilise spreads but could fragment the possibly already thin liquidity, further widening spreads and worsening the overall market quality during these periods.

The Securities Information Processor (SIP)

In the United States, the SEC mandates that all registered exchanges send their quote and trade data to the SIP. The SIP is the infrastructure that operates the Consolidated Tape in the U.S. The Consolidated Tape collects and disseminates real-time data on securities trading across various exchanges. SIPs are responsible for processing, consolidating, and distributing this data through various feeds. This adds a further complication to the process in the United States that may not exist elsewhere. The SEC requires that exchanges report trades and quotes to the SIPs in real-time and therefore exchanges can only operate while the SIPs are operating. The SIPs are not currently open during Dark Hours: 8 p.m. - 4 a.m. ET but this is a known issue that WFE members are engaging with, specific to US markets.

These challenges can be managed and addressed in several ways. Firstly, regulators will need to consider how brokers meet their best execution requirements overnight. Brokers should be required to make simple, clear disclosures to retail investors regarding the considerations for engaging in overnight trading, clearly outlining the risks and how it differs from trading during regular hours.It is particularly important for brokers to clearly communicate these differences for retail investors, who may be less familiar with the nuances of trading outside ordinary trading hours than institutional investors.

Secondly, exchanges will have to have measures in place to deal with potential volatility, such as circuit breakers. Circuit breakers and similar tools will need to be on as long as the market is open and calibrated appropriately to market conditions. Most exchanges already deploy real-time risk controls (e.g. circuit breakers, kill switches) outside standard hours. Firms also need to design their staffing models monitoring to suit overnight hours.

Exchanges, CCPs, and supervisors will also have to maintain the robust market surveillance that they currently undertake in an extended trading environment. This will be required to ensure that market manipulation cannot occur overnight (because such markets may have thinner depth and thus, are potentially more easily moved and less resistant to abnormal price activity). This is not a new concern, as such entities already guard against this. Nor is this likely to be a source of significantly increased cost or overnight staffing, as market surveillance tools are automated and often used to analyse events after they have occurred.

Pre-trade controls can also be used and may be more prevalent should exchanges deem that necessary, while CCPs also play a crucial role, with tools like pre-funded margin requirements providing a powerful safeguard against counterparty credit risk regardless of when trades are executed. One must reiterate that extended trading is an ecosystem-wide consideration however, and market participants will thus need to assess whether their own risk and margin frameworks remain appropriately responsive in real time during these hours.

There will also need to be designated senior oversight for regulators, exchanges, and market participants, which could include escalation protocols and playbooks for critical market decisions. In the event of a black swan event, market outage, or severe market downturn, regulators and exchanges will need to react to these circumstances.

Markets would also likely need to continue to designate a closing price each business day. It is unlikely that markets could function properly without a “close” price or similar reference point to concentrate trading. This is because a designated close or reference point serves essential functional, regulatory, and operational roles, namely: benchmarking and valuation for indexes and funds, completion of certain order types (e.g. market-on-close), clearing and settlement reconciliation, and a timestamp or cut-off for regulatory filings and corporate actions.

In an extended trading environment, exchanges may define a "virtual" close or administrative cut-off, or simply close for an hour or two to facilitate these processes. For example, Phil Mackintosh, Chief Economist at Nasdaq, looked specifically at this issue of a closing time for 24-hour equity markets, and suggested that the ideal time would be in the evening in the US – after the traditional close, but before Asian markets open.[5]

Finally, the extension of trading hours by regulated equities exchanges is likely to have a positive impact on **on-exchange trading volumes**, particularly by reclaiming order flow that currently resides in ATSs and internalised order flows. ATSs that operate during overnight hours capture trading demand that exchanges do not currently serve. Similarly, certain retail brokers offer 24/7 trading access through internalised order flow arrangements, where trades occur off-exchange and often lack transparency. While these mechanisms provide convenience, they do not contribute meaningfully to price discovery or the public quote and they could negatively impact price formation for all investors, including those who remain in lit markets.

By offering extended or extended trading, equities exchanges can reabsorb this activity into the lit market, thereby:

- Enhancing transparency through visible, competitive order books
- Strengthening price formation, particularly during periods of heightened news flow or event-driven trading
- Improving market integrity, as exchange-based trading is subject to continuous surveillance, best execution requirements, and regulatory oversight

These improvements have broader benefits. Greater robust price discovery supports better functioning of the capital markets, as accurate and timely prices are fundamental to valuing securities, allocating capital efficiently, and maintaining investor confidence. For issuers, transparent and accessible markets underpin the credibility of public markets as a venue for capital raising.

While many exchanges are actively exploring extended trading in response to evolving market demand, others may choose not to pursue this model, at least for now, because they assess that their market structure, participant base, or liquidity profile does not currently support it. This is not a reflection of the relative quality or ambition of different markets, but rather an acknowledgement that **different trading models can be equally effective** when well-calibrated to the needs of their ecosystem. What matters most is that each approach maintains market integrity, supports fair access, and serves the core purpose of enabling transparent price formation and efficient capital allocation.

Operational and Technological Considerations

Extended trading also presents challenges with regards to operational and technological considerations. Currently, most exchanges use market closures for load and stress testing, as well as maintenance and updates, to avoid disruptions to trading. Operating systems on an extended basis introduces significant operational demands, and therefore, cost. Systems must be engineered for high availability, with limited-to-no downtime for upgrades or maintenance. While some WFE members prefer models just short of 24 hours (e.g. 23-hour cycles with brief maintenance windows), others support mirrored or redundant systems capable of active failover, as found in other critical industries like cloud computing or air traffic control. Real-time monitoring, automated alerts, and robust incident response plans become even more critical, with greater emphasis placed on zero-downtime deployment practices, including hot-swapping and live rollback capabilities.

Infrastructures operating in a 24/7 environment must embrace fault-tolerant architectures that allow for uninterrupted service. Redundancy, live patching, and continuous integration practices are vital to avoid unscheduled

[5] https://www.nasdaq.com/articles/closing-time-24-hour-equity-markets

outages. System safeguard protocols should include real-time monitoring, frequent disaster recovery tests, and continuous vulnerability scanning adapted to minimise disruption in a live environment.

Running an extended hours market requires not only technological readiness but also organisational transformation. Exchanges, CCPs and market participants must ensure they have the appropriate staffing models, whether through regional hubs, time zone rotation, or on-call escalation frameworks, to support client service operations, as well as to detect and resolve incidents promptly. While some flexibility (e.g. on-call technical staff) may be acceptable, core functions could be required to be permanently staffed in line with the risk profile of extended hours.

Some in the industry already implement "follow-the-sun" staffing models and escalation frameworks where tasks or projects are passed between different teams located in various time zones, or through escalation protocols, shift rotations, and regional hubs, to ensure that human oversight is seamlessly integrated into real-time surveillance. These allow global teams to conduct continuous market surveillance across jurisdictions, monitor systems, and manage issues in real-time, with coverage tailored to peak hours and risk concentration. These systems are scalable to longer sessions or continuous markets. Surveillance is also complimented by real-time risk controls, including circuit breakers and kill switches, which are fully operable outside traditional hours.

Trade dates (the official date on which a transaction is executed) also need to be considered. They anchor a range of downstream processes (such as settlement) and are important for regulatory reporting and corporate actions. Making use of UTC or having a globally (or locally) agreed market day, can mitigate the concerns here. In other words, a defined trade day that might *start* and *end* at a time other than 00:00.

Moreover, corporate actions and company announcements need to be managed. Market stoppage hours support orderly disclosure of material information without price impact. This practice is intended to support market fairness, orderly trading, and investor protection. Corporate actions – such as dividends, stock splits, rights issues and mergers – also rely on cut-off times (e.g. the record date and ex-date) that determine entitlements. These must also align with settlement cycles, because if trading is extended while settlement processes still operate in batch or time-limited windows, then discrepancies may arise between when a trade is executed and when entitlements are recorded. Both corporate actions and disclosures can be managed by designating administrative cut-offs, setting times for filings, or announcing material news in an hour where the market is closed. For example, if US markets operate 22/5, closing at 6pm (EST) and re-opening at 8pm (EST), then the two hours where the market is closed could be used to make announcements.

Post-Trade Considerations

In traditional clearing environments, risk assessments are often aligned with business-day pricing cycles. Extended trading hours require constant price formation and real-time margin recalibration. This raises questions around closing price determinations, particularly during low-liquidity hours, and the funding requirements outside normal banking hours. While the nature of market, liquidity, and counterparty risk remains broadly consistent, extended models necessitate round-the-clock surveillance and staffing, as well as considerations for funding during hours in which funds cannot be moved.

One area of particular focus is that of margin and liquidity support during periods when banking and payment systems are offline. Under normal conditions, CCPs issue intraday margin calls to cover mark-to-market losses and may also require members to meet increases in initial margin. These mechanisms depend on timely access to liquidity and functioning settlement infrastructure, but in an extended trading environment, such access may be restricted. Switching to a 24/7 clearing model would reduce the required collateral and increase operational efficiency. However, a thorough cost-benefit analysis is essential. The shift to extended clearing hours is only economically viable if the efficiency gains outweigh the additional operational and financial costs.

Some WFE members have sought to mitigate this challenge by creating arrangements with foreign banking institutions to facilitate out-of-hours margin movement, or by requiring prefunded margin buffers. However, these rules reflect product-specific risk profiles. A more scalable holistic approach might involve revisiting collateral eligibility, exploring weekend settlement mechanisms, and engaging with payment systems providers to extend operating hours where feasible. In one such example, the US Federal Reserve is considering an expansion of the operating hours of the Fedwire Funds Service to 22 hours per day, 7 days per week, every day of the year (22x7x365) by 2027 at the earliest.[6] Likewise the European Central Bank is consulting on the possible extension of T2 operating hours towards (i) a 24-hour operational day, (ii) a 6 or 7-day operational week, or (iii) a 365-day operational year

Market Implementation

The successful implementation of extended trading and clearing requires a coordinated effort across the entire financial ecosystem. A transition to a extended trading market infrastructure cannot be achieved by trading venues and CCPs alone. It requires coordinated reform across custodians, settlement agents, banking networks, brokers, investors and regulatory frameworks.

While exchanges and CCPs can build the necessary technological resilience, broader structural innovations are needed to ensure system-wide support in order for extended trading and clearing to look and feel like it does today. This includes expanding the capacity of custodians, settlement banks, payment systems, and collateral agents to operate during extended hours. In particular, the ability to settle trades and meet margin calls on a continuous basis may be facilitated by payment systems being open and collateral being transferrable outside of banking hours. Without a coordinated approach which also considers these adjacent services, transitions to extended trading would face operational challenges. It is also important to highlight that brokers play a crucial role in ensuring a consistent user experience throughout all available trading hours. Accordingly, transitions aligned with the readiness of supporting infrastructure may be the most prudent path forward for stakeholders to consider.

Finally, market diversity is healthy, so regulators should not be concerned that trading models may diverge globally. In time, should the extended trading model prove to be particularly successful, they may once again converge. The important part is that we let the markets decide which model is successful and do not prescribe measures.

Will We Ever Get to True 24/7?

Some of our members which implement or are seeking to implement 22/5 or similar believe that this is a stepping stone towards true 24/7 markets. This phased approach allows them to progressively test and strengthen the operational, technological, and supervisory frameworks required for continuous trading, while managing risk and adapting to market behaviour incrementally. It provides a controlled environment to observe liquidity dynamics, participant engagement, and infrastructure resilience across extended hours – offering valuable insights before fully committing to around-the-clock operations. It also allows market participants to more fully consider the practical implications of continuous trading.

A full shift to 24/7, whereby it is akin to regular trading today, would require more extensive changes to systems, staffing models, governance frameworks, and coordination mechanisms across the entire financial ecosystem. The move from current non-extended systems to 22/5 or similar is more of a technical shift, but the move to full 24/7 trading represents a system-wide transformation. The demand and potential benefits for true 24/7 must be carefully weighed against cost of fundamentally changing the ecosystem, especially given that a 22/5 or 23/5 model could

[6] https://www.federalregister.gov/documents/2024/05/09/2024-10117/expansion-of-fedwire-funds-service-and-national-settlement-service-operating-hours?utm_

already achieve much of what is being sought. So, whilst we think this is a possibility at one point in the future, we do not believe it is likely in the near or medium term.

Conclusion

As exchanges explore the shift towards extended or extended trading, it is clear that this evolution is both operationally feasible and increasingly aligned with the demands of certain market segments. The move towards models such as 22/5 or 23/5 represents a pragmatic and measured step that can be accomplished safely with due care and consideration to the challenges set out above.

Extended trading enables exchanges and their ecosystems to assess operational capacity, investor behaviour, and operational resilience within extended hours. This provides a structured pathway for managing risk, refining governance, and ensuring that markets remain fair, transparent, and orderly at all times. Nevertheless, the transition to true 24/7 trading should not be viewed as an inevitability. True 24/7 brings with it material implications for post-trade processes, supervisory oversight, system resilience, and the broader financial ecosystem, all of which must be considered carefully. These challenges are not insurmountable, but they do require deliberate planning, cross-sector engagement, and regulatory scrutiny.

Extended trading is not appropriate or desirable in all contexts. Different models can coexist, and that flexibility, innovation, and market diversity should be supported. Furthermore, policymakers should be mindful of the potential costs of regulatory inertia, particularly if market activity shifts to unregulated venues or jurisdictions. Ensuring the integrity and attractiveness of public markets requires adapting regulatory frameworks in ways that are consistent with long-standing principles of market fairness, transparency, and systemic stability.

Ultimately, the conversation around 24/7 trading is not about whether markets can remain open at all hours – it is about how to achieve such a model in a manner that protects investors, strengthens market integrity, and enhances global competitiveness. With careful calibration, collaboration across the financial ecosystem, and the right safeguards in place, continuous trading can be introduced in a way that supports the next generation of capital markets.

Background

Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents the providers of over 250 pieces of market infrastructure, including standalone CCPs that are not part of exchange groups. Of our members, 36% are in Asia Pacific, 43% in EMEA and 21% in the Americas. The WFE's 87 member CCPs and clearing services collectively ensure that risk takers post some $1.3 trillion (equivalent) of resources to back their positions, in the form of initial margin and default fund requirements. The exchanges covered by WFE data are home to over 55,000 listed companies, and the market capitalization of these entities is over $111tr; around $124tr in trading annually passes through WFE members (at end-2023).

The WFE is the definitive source for exchange-traded statistics and publishes over 350 market data indicators. Its free statistics database stretches back more than 40 years and provides information and insight into developments on global exchanges. The WFE works with standard-setters, policy makers, regulators and government organisations around the world to support and promote the development of fair, transparent, stable and efficient markets. The WFE shares regulatory authorities' goals of ensuring the safety and soundness of the global financial system.

With extensive experience of developing and enforcing high standards of conduct, the WFE and its members support an orderly, secure, fair and transparent environment for investors; for companies that raise capital; and for all who deal with financial risk. We seek outcomes that maximise the common good, consumer confidence and economic growth. And we engage with policy makers and regulators in an open, collaborative way, reflecting the central, public role that exchanges and CCPs play in a globally integrated financial system.

Website: www.world-exchanges.org
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If you have any further questions, or wish to follow-up on our contribution, the WFE remains at your disposal. Please contact:

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