



Financial Markets and Funds *Quick Take* | Issue 42

September 2025

Katten's Financial Markets and Funds Quick Take is a monthly newsletter highlighting key noteworthy developments potentially affecting financial markets and funds.

To read more issues of Katten's Financial Markets and Funds Quick Take, please [click here](#).

Carl Kennedy Highlights High Stakes in Sports Prediction Market Battles

Partner and Financial Markets and Regulation Co-Chair Carl Kennedy spoke with *Politico* regarding financial firms increasingly looking to sports prediction markets as the next frontier for trading. Sports events contracts have sparked the ire of state gaming authorities and other gaming and tribal organizations, who argue that these products are sports betting. [Read Carl's comments](#).

Place Your Bets: US District Courts are Split on Whether the Commodity Exchange Act Preempts State Gaming Laws with Respect to Sports Event Contracts

By Carl Kennedy, Daniel Davis, Alexander Kim, Robert Bourret

Derivatives exchange and prediction market KalshiEX LLC (Kalshi) was handed a litigation setback in defending its sports event contract offerings in federal court against claims brought by the State of Maryland. The District Court for the District of Maryland denied Kalshi's motion for a preliminary injunction, allowing Maryland gaming regulators to pursue civil and criminal enforcement against Kalshi for offering sports event contracts without obtaining a Maryland gaming license. Kalshi has filed a motion for staying the unfavorable ruling while Kalshi pursues an appeal in the Fourth Circuit.

[Read about the motions filed](#).

Key Developments From the SEC's Project Crypto

By Carl Kennedy, Michael Didiuk

The Katten Financial Markets and Funds team is dedicated to keeping you informed about the latest legal and regulatory changes related to the Securities and Exchange Commission's (SEC) Project Crypto. To read all of the Project Crypto-related information, visit Katten's [Quick Reads](#) center for [Key Developments From the SEC's Project Crypto](#). For a brief summary and links to news, client advisories, bylined articles, and more from the Katten team, view Katten's [Key Developments From the SEC's Project Crypto: Additional Katten Thought Leadership](#) post. For a brief summary and links to the latest announcements coming from the SEC and related regulatory bodies, view Katten's [Key Developments From the SEC's Project Crypto: Regulatory Updates](#) post.

CFTC-SEC Joint Statement Signals Accelerated Path to US Spot Crypto Trading

By Michael Didiuk, Daniel Davis, Alexander Kim

The (Commodity Futures Trading Commission) CFTC-SEC Joint Staff Statement on "Project Crypto—Crypto Sprint" (Joint Statement) lands in the middle of an already-active policy cycle. In July, the President's Working Group on Digital Asset Markets delivered its White House Report, urging both market regulators to "use existing authorities to immediately enable the trading of digital assets at the federal level." [Read about the joint statement.](#)

Key Developments and Industry Insights From Katten's Crypto in Focus Webinar (Part 1)

Katten and CRC-Oyster teamed up to launch a three-part webinar series on "Crypto in Focus: Regulation, Risk and the Road Ahead." Part 1, "Digital Assets Regulatory Updates," brought together Katten Partners Daniel Davis, Co-Chair of Financial Markets and Regulation, Susan Light, Co-Chair of Broker-Dealer Regulation, with CRC-Oyster Managing Directors Jeff Gearhart and Dan Garrett, to discuss the changing legislative, regulatory and market environment for digital assets and cryptocurrencies in the United States. The session focused on significant new laws, regulatory initiatives and the practical implications for market participants, retail investors and service providers. [View the Digital Assets Regulatory Updates webinar.](#)

State Attorney General Renews Focus on Cryptocurrency and the Financial Industry

By Michael Diver, Lindsey Smith, Mitchell Caminer

State attorneys general are [increasingly active](#) in regulating the cryptocurrency industry, stepping in with enforcement actions that reflect divergent state priorities. A recent press release issued by the Florida Attorney General concerning its investigation of Robinhood highlights the evolving landscape and the need for financial industry participants to prepare for a patchwork of state-level investigations and enforcement actions. [Read about the takeaways from enforcement actions.](#)

Derivatives 2025 – Global Overview

By Carl Kennedy, Daniel Davis, Stephen Morris, Matthew Kluchenek, Alexander Kim, Nicholas Gervasi

Published by *Chambers and Partners*, this practice guide explores how derivatives are an integral part of the global financial landscape, with transaction volumes growing dramatically over the years. These powerful, capital-efficient financial instruments, whose value is derived from the value of underlying assets such as stocks, bonds, commodities, currencies, interest rates and market indexes, play a crucial role in risk management and speculative opportunities worldwide. [Read Katten's Global Derivatives Overview.](#)

Setting the Record Straight: CFTC Staff Reaffirm the Commission's FBOT Framework, Providing Clarity to Non-US Exchanges

By Carl Kennedy, Daniel Davis, Christopher Collins, Carolyn Jackson, Nathaniel Lalone

Amid "recent confusion and disruption regarding whether non-US exchanges should register [with the CFTC] as a designated contract market (DCM) or [foreign board of trade (FBOT)] due to recent enforcement actions...", staff from the CFTC's Division of Market Oversight (DMO) issued an advisory letter on August 28 to provide clarity to non-US exchanges seeking to provide direct market access to members or participants physically located in the United States. [Read about Letter 25-27.](#)

SEC Releases Spring 2025 Regulatory Agenda: A Re-Set for Investment Management and Heavy Emphasis on Crypto Assets

By Carl Kennedy, Michael Didiuk, Adam Bolter, Daniel Davis, Richard Marshall, Christian Hennion, David Dickstein, Wayne Aaron, Susan Light

The SEC recently released its [Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions](#). While the Agenda appears undersized at 23 items compared to the 30 items that populated former Chairman Gary Gensler's Fall 2024 list, it nonetheless signals several potentially consequential rulemakings — and an equally important shift in regulatory philosophy — under newly installed Chairman Paul S. Atkins. [Read about the Chairman's Statement](#).

James Brady Comments on SEC and 24-Hour Equity Trading Prospects

Financial Markets and Funds Partner James Brady was quoted in *Risk.net* discussing the SEC's approach to the potential shift toward 24-hour on-exchange equity trading by 2027. James highlighted that while the industry is closely watching the possibility of round-the-clock trading, significant technical and operational hurdles remain. [Read James's comments](#).

Just Over Two Weeks to Complete EDGAR Next Enrollment

By Adam Bolter, Christian Hennion, David Dickstein, Eli Krasnow, Nicholas Gervasi, Robert Bourret

In 2024, the SEC adopted "EDGAR Next," which involved amendments intended to provide an easier method of accessing and managing accounts on the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, which is used to make various filings with the SEC. All entities that make filings via EDGAR (e.g., Form D for Rule 506 securities offerings and Form 13F filings) are required to transition to EDGAR Next (for more information, please see the [SEC's guide to EDGAR Next enrollment](#)). [Read about EDGAR Next](#).

EU/UK

FCA Findings Following UK Review of Algorithmic Trading Controls

By Neil Robson, Sara Portillo

The UK Financial Conduct Authority (FCA) has recently published the findings of its latest multi-firm review, assessing ten proprietary trading firms' (PTFs) compliance with MiFID requirements on algorithmic trading control as set out in Commission Delegated Regulation (EU) 2017/589 (RTS 6).

[Read about the FCA's findings.](#)

ESAs Publish Guide on Oversight of Critical ICT Third-Party Service Providers under DORA

By Nathaniel Lalone, Ciara McBrien

The European Supervisory Authorities (ESAs) recently published a comprehensive guide (Guide) on the oversight of critical information and communications technology (ICT) third-party service providers (CTPPs) under the EU Digital Operational Resilience Act (DORA). This Guide marks another step in the implementation of DORA, which aims to strengthen the digital operational resilience of the EU financial sector. [Read about the ESA's guide.](#)

Recent Developments to UK EMIR Reporting Requirements

By Carolyn Jackson, Ciara McBrien

The regulatory landscape for derivatives reporting in the United Kingdom continues to evolve, with the Bank of England (BoE) and the FCA actively refining the UK European Market Infrastructure Regulation (UK EMIR) framework. [Read about the developments in UK EMIR reporting.](#)

ICYMI

Here's a look back at recent client advisories from Katten.

- ["UK National Security and Investment Act Update: Streamlining Security, Supporting Investment,"](#) September 11, 2025
 - ["Bank of England Consults on Regulatory Framework for CCPs,"](#) August 15, 2025
-

Partners [Wendy Cohen](#) ([vCard](#)), [Stephen Morris](#) ([vCard](#)) and [Jonah Roth](#) ([vCard](#)) serve as co-editors of Katten Financial Markets and Funds Quick Take.

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Carl E. Kennedy
+1.212.940.8544
carl.kennedy@katten.com



Daniel J. Davis
+1.202.625.3644
daniel.davis@katten.com



Alexander C. Kim
+1.212.940.6535
alexander.kim@katten.com



Robert Bourret
+1.312.902.5568
robert.bourret@katten.com



Michael S. Didiuk
+1.212.940.6677
michael.didiuk@katten.com



Susan Light
+1.212.940.8599
susan.light@katten.com



Michael J. Diver
+1.312.902.5671
michael.diver@katten.com



Lindsey L. Smith
+1.704.344.3178
lindsey.smith@katten.com



Mitchell Caminer
+1.312.902.5231
mitchell.caminer@katten.com



Stephen R. Morris
+1.212.940.6654
stephen.morris@katten.com



Matthew F. Kluchenek
+1.312.902.5500
matt.kluchenek@katten.com



Nicholas Gervasi
+1.212.940.8562
nicholas.gervasi@katten.com



Christopher Collins

+44 (0) 20 7776 7662

christopher.collins@katten.co.uk



Carolyn H. Jackson

+44 (0) 20 7776 7625

carolyn.jackson@katten.co.uk



Nathaniel Lalone

+44 (0) 20 7776 7629

nathaniel.lalone@katten.co.uk



Richard D. Marshall

+1.212.940.8765

richard.marshall@katten.com



Christian B. Hennion

+1.312.902.5521

christian.hennion@katten.com



David Y. Dickstein

+1.212.940.8506

david.dickstein@katten.com



Wayne M. Aaron

+1.212.940.6441

wayne.aaron@katten.com



Adam Bolter

+1.312.902.5204

adam.bolter@katten.com



James M. Brady

+1.312.902.5362

james.brady@katten.com



Eli Krasnow

+1.212.940.6438

eli.krasnow@katten.com



Neil Robson

+44 (0) 20 7776 7666

neil.robson@katten.co.uk



Sara Portillo

+44 (0) 20 7770 5244

sara.portillo@katten.co.uk



Ciara McBrien

+44 (0) 20 7770 5231

ciara.mcbrien@katten.co.uk



Cathleen A. Booth

+1.312.902.5336

cathleen.booth@katten.com



Christopher T. Shannon

+1.312.902.5322

chris.shannon@katten.com



Lance A. Zinman

+1.312.902.5212

lance.zinman@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2025 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.