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COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 15, 16, and 17

RIN 3038-AF73

Data Reporting Requirements for Certain Event Contracts

AGENCY: Commodity Futures Trading Commission.

ACTION: Final Rule.

SUMMARY: The Commodity Futures Trading Commission ("Commission" or "CFTC") is finalizing revisions to the Commission's regulations that set forth an alternate framework for reporting of data for certain fully collateralized event contracts (the "Final Rule"). These revisions require certain reporting markets, futures commission merchants, clearing members, and foreign brokers to report certain event contracts pursuant to the regulations in parts 15 through 18 rather than the reporting regulations contained in certain sections of parts 38, 39, 43 and 45.

DATES: The Final Rule is effective [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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I. Background

A. Introduction

Under the Commodity Exchange Act ("CEA")[1] and Commission regulations, different data reporting requirements apply to swaps and futures transactions. With respect to swap transactions, reporting parties must submit certain swap data and swap transaction and pricing data to swap data repositories ("SDRs"),[2] which in turn publicly disseminate swap transaction and pricing data.[3] With respect to futures transactions, certain futures data is reported directly to the Commission and also is publicly disseminated.[4]

This Final Rule addresses the data reporting requirements for certain fully collateralized event contracts with a binary payout structure or a variable payout structure.[5] Many contracts structured in this manner are covered by the CEA's "swap" definition.[6] Event contracts may fall under one or more subsections of the "swap"

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[1] 7 U.S.C. 1 *et seq.*

[2] CEA section 2(a)(13)(G), 7 U.S.C. 2(a)(13)(G) (requiring that "[e]ach swap (whether cleared or uncleared) shall be reported to a registered swap data repository."). Depending on whether the swap is executed on or pursuant to the rules of a swap execution facility ("SEF") or designated contract market ("DCM") or is an off-facility swap, the SEF, DCM, swap dealer ("SD"), major swap participant ("MSP"), or a designated reporting counterparty reports swap transaction and pricing data to an SDR as soon as technologically practicable after execution of the swap. Also, reporting counterparties, SDs, MSPs, and derivatives clearing organizations ("DCOs") report swap continuation, valuation, and collateral data to an SDR. *See* 17 CFR 43.3; 17 CFR 45.4; 7 U.S.C. 2(a)(13)(G).

[3] *See* CEA section 2(a)(13)(D), 7 U.S.C. 2(a)(13)(D). Section 2(a)(13)(B) of the CEA, 7 U.S.C. 2(a)(13)(B), authorizes the Commission to make swap transaction data available to the public in order to enhance price discovery. Typically, under the Commission's real-time swap reporting rules, SDRs perform this dissemination function. *See* 17 CFR 43.4.

[4] *See* 17 CFR 16.01(e); 17 CFR 16.02.

[5] A contract with a binary payout structure results, at settlement, in the payment of an absolute amount to the holder of one side of the event contract and no payment to the counterparty, whereas a contract with a variable payout structure can result in a payout to both counterparties based on the final settlement price.

[6] Event contracts might be structured as other instruments such as futures contracts, which are excluded from the statutory definition of "swap." CEA section 1a(47)(B), 7 U.S.C. 1a(47)(B) (providing "exclusions" from the definition of "swap" under the CEA, including futures, options on futures, securities such as options on securities and indexes of securities, security-based swaps, and debt securities). *See also* CEA section 2(a)(1)(A) and (H), 7 U.S.C. 2(a)(1)(A) and (H).

definition set forth in section 1a(47) of the CEA.[7] For example, CEA section 1a(47)(A)(i) defines the term "swap" to include "any agreement, contract, or transaction . . . that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of 1 or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind."[8] Section 1a(47)(A)(ii) defines the term "swap" to include "any agreement, contract, or transaction . . . that provides for any purchase, sale, payment, or delivery (other than a dividend on an equity security) that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence."[9] Section 1a(47)(A)(iv) defines the term "swap" to include "an agreement, contract, or transaction that is, or in the future becomes, commonly known to the trade as a swap."[10] Depending on their underlying events, certain event contracts may be security-based swaps or other instruments subject to the jurisdiction of

[7] 7 U.S.C. 1a(47).

[8] 7 U.S.C. 1a(47)(A)(i). CEA section 1a(36), 7 U.S.C. 1a(36), defines "option" to include "an agreement, contract, or transaction that is of the character of, or is commonly known to the trade as, an 'option', 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty'."

[9] 7 U.S.C. 1a(47)(A)(ii). *See In re Blockratize, inc. d/b/a Polymarket.com*, CFTC Dkt. No. 22-09, at 2 (Jan. 3, 2022) (certain "event contracts, each of which is composed of a pair of binary options, constitute swaps"); *Commodity Futures Trading Comm'n v. Trade Exch. Network Ltd.*, 117 F. Supp. 3d 29, 36 (D.D.C. 2015) (holding binary option event contracts allowing "customers to make predictions on the occurrence of events by either buying or selling shares" were "options"). An event contract could be a swap under both CEA section 1a(47)(A)(i) and (ii).

[10] 7 U.S.C. 1a(47)(A)(iv).

the Securities and Exchange Commission ("SEC"), but this Final Rule is applicable to only those event contracts solely within the CFTC's jurisdiction.[11]

B. Current Reporting Regimes for Swaps and Futures

The CEA grants the Commission the authority "to make and promulgate such rules and regulations as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of [the CEA]."[12] The CEA provides, in part, that it is the purpose of the CEA to ensure the financial integrity of transactions subject to the CEA, to avoid systemic risk, to protect market participants from fraudulent or other abusive sales practices and misuses of customer assets, and to promote responsible innovation and fair competition.[13] The CEA also grants the Commission plenary authority over commodity options.[14] And section 8a(5) of the CEA obligates DCMs to comply with the Core Principles and any requirements

[11] *See* 7 U.S.C. 1a(47)(B) (providing "exclusions" from the definition of "swap" under the CEA, including for securities such as security based-swaps, certain options, and debt securities); *see also, e.g.*, 15 U.S.C. 78c(a)(68)(A) (defining "security-based swap" under the Securities Exchange Act of 1934).

[12] *See* CEA section 8a(5), 7 U.S.C. 12a(5).

[13] *See* CEA section 3(b), 7 U.S.C. 5(b).

[14] *See* CEA section 4c(b), 7 U.S.C. 6c(b) (stating that "[n]o person shall offer to enter into, enter into or confirm the execution of, any transaction involving any commodity regulated under this Act which is of the character of, or is commonly known to the trade as, an "option", "privilege", "indemnity", "bid", "offer", "put", "call", "advance guaranty", or "decline guaranty", contrary to any rule, regulation, or order of the Commission prohibiting any such transaction or allowing any such transaction under such terms and conditions as the Commission shall prescribe. Any such order, rule, or regulation may be made only after notice and opportunity for hearing, and the Commission may set different terms and conditions for different markets."). To the extent that event contracts are structured as commodity options, this is additional plenary rulemaking authority Congress has given the Commission to regulate commodity option transactions, including the authority to require less stringent swap reporting for swaps that are commodity options. *See, e.g.*, Final rule and interim final rule, Commodity Options, 77 FR 25320, 25327 (Apr. 27, 2012) (exempting certain trade options from part 45 reporting based on CEA section 4c(b) authority).

that the Commission may impose by rule or regulation pursuant to section 8a(5) of the CEA.[15]

The Commission promulgated parts 43, 45, and 49 of the Commission's regulations pursuant to its authority to require the reporting of swap data and swap transaction and pricing data to SDRs, and to require that SDRs, in turn, provide swap data to the Commission and disseminate swap transaction and pricing data to the public.[16] Part 43 generally concerns reporting and real-time public dissemination of swap transaction and pricing data. Part 45 concerns reporting of more detailed swap data that is made available only to the Commission, which includes counterparty-identifying information, life-cycle-event data, and valuation, margin, and collateral data.[17]

The Commission has long overseen the reporting regime set out in parts 15 through 18, which generally covers futures and options transactions and positions.[18] Whereas swap data is sent to SDRs, which in turn process and provide swap data to the

[15] *See* CEA section 5(d), 7 U.S.C. 7(d). CEA section 2(e) also requires that any person other than an eligible contract participant ("ECP") may not enter into a swap unless the swap is entered into on, or subject to the rules of, a DCM. 7 U.S.C. 2(e).

[16] *See* 17 CFR part 43; 17 CFR part 45; 17 CFR part 49, implementing CEA sections 2(a)(13)(D) and (G), 7 U.S.C. 2(a)(13)(D) and (G). Section 2(a)(13)(G) of the CEA, 7 U.S.C. 2(a)(13)(G), requires that "[e]ach swap (whether cleared or uncleared) shall be reported to a registered swap data repository." Section 2(a)(13)(B) of the CEA, 7 U.S.C. 2(a)(13)(B), authorizes the Commission to make swap transaction data available to the public in order to enhance price discovery. Typically, under the Commission's real-time swap reporting rules, SDRs perform this dissemination function. *See* 17 CFR 43.4.

[17] *See, e.g.*, 17 CFR 45.4. Part 49 of the Commission's regulations, 17 CFR part 49, set forth the regulations pertaining to SDRs. Section 49.15, 17 CFR 49.15, addresses the real-time public reporting by SDRs.

[18] *See* 17 CFR parts 15-18. Such reporting is generally required for "futures by commodity or and by future, and, for options, by underlying futures contract (for options on futures contracts) or by underlying commodity (for other commodity options)." *See* 17 CFR 16.00(a); *see also* 17 CFR 17.00(a)(1) (requiring position reporting for "each futures position . . . and each put and call options position . . .").

Commission and the public, futures data generally is sent directly to the Commission,[19] while certain price, volume, and other transaction information is separately published by DCMs.[20] The categories of data reports required to be submitted vary for swaps and futures. For swaps, reporting parties predominantly submit transaction and pricing data reports,[21] whereas for futures, the Commission receives both transaction data reports[22] and position reports.[23] The method for public dissemination of data also varies. For swaps, SDRs disseminate data in real-time,[24] whereas for futures, DCMs disseminate market data, which reflects daily open interest and trading volume, directly to the public in addition to reporting to the Commission.[25]

C. Staff No-Action Letters Issued for Fully Collateralized Event Contracts

Prior to 2010, event contracts with a binary payout structure were reported to the Commission as options under the futures and options reporting regime.[26] In 2011, the Commission subsequently promulgated regulations implementing the Dodd-Frank Wall

[19] *See, e.g.*, 17 CFR 16.02 (requiring daily "trade and supporting data reports" consisting of "transaction-level trade data and related order information for each futures or options contract"); 17 CFR 17.00(a) (requiring daily reporting of "each futures position, separately for each reporting market and for each future, and each put and call options position separately for each reporting market . . .").

[20] *See, e.g.*, 17 CFR 16.01(e) (requiring publication of daily volume, price, and other information by DCMs and SEFs); 17 CFR 38.500 (DCM Core Principle 9 requires DCMs to "provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade").

[21] *See* 17 CFR 43.3.

[22] *See* 17 CFR 16.02.

[23] *See* 17 CFR 17.00.

[24] *See* 17 CFR 43.4.

[25] *See, e.g.*, 17 CFR 16.01(d) and (e).

[26] *See, e.g.*, Final Rule, Market and Large Trader Reporting, 71 FR 37809 (July 3, 2006) (establishing reporting levels for binary option event contracts listed on HedgeStreet).

Street Reform and Consumer Protection Act ("Dodd-Frank Act")[27] and creating the swaps reporting regime.[28] Subsequently, certain reporting markets[29] and DCOs (together, "Registered Entities") requested that the Division of Market Oversight ("DMO") and the Division of Clearing and Risk ("DCR") (hereinafter the "Divisions") issue a staff no-action position with respect to the swap reporting requirements applicable to certain fully collateralized event contracts with a binary payout structure or variable payout structure.

The requesters asked to report the fully collateralized event contracts under a version of the futures and options reporting regime instead of the swaps reporting regime set forth in Commission regulations 38.8(b), 38.10, 38.951 (to the extent that regulation 38.951 requires compliance with part 45 of the Commission's regulations), 39.20(b)(2), and parts 43 and 45 of the Commission's regulations (collectively, the "Relevant Regulations"). In making the requests, the requesters indicated that contracts for which they requested relief are swaps, but share most of the characteristics of exchange-traded futures or options thereon (i.e., fungibility, offset, exchange traded with standardized terms on a single marketplace) and lack the indicia of traditional swaps (i.e., bilateral, traded over-the-counter, and customized). Additionally, requesters generally argued that because the relevant contracts must be fully collateralized, potential market participant exposures associated with trading the contracts were expected to be lower than those associated with traditional swaps and swap market participants. Such contracts, the

[27] Public Law 111–203, 124 Stat. 1376 (2010).

[28] *See* 17 CFR part 49.

[29] A "reporting market" is a "designated contract market or a registered entity under section 1a(40) of the [CEA]." 17 CFR 15.00(q).

requesters argued, have no bearing on systemic risk or potential transmission of risk or contagion to systemically important financial institutions. For that reason, the requesters noted that the policy goals of parts 43 and 45 have little applicability to the relevant contracts.[30]

The Divisions have published 17 staff no-action letters to date (the "Staff Event Contract Reporting No-Action Letters" or "Staff No-Action Letters").[31] The Divisions took the no-action position set out in the Staff Event Contract Reporting No-Action Letters based on the requesters complying with the following conditions: (1) the covered contracts must be fully collateralized positions, as defined by § 39.2;[32] (2) the covered contracts must be cleared; (3) the DCM will publish on its website the following time and

[30] *See, e.g.*, CFTC Letter No. 17-31 (June 30, 2017), *https://www.cftc.gov/csl/17-31/download*; CFTC Letter No. 25-44 (Dec. 11, 2025*), https://www.cftc.gov/csl/25-44/download*. Certain DCMs have represented that it would be impractical and uneconomic to report small-notional-size swaps to an SDR. *See, e.g.*, CFTC Letter No. 25-44 (Dec. 11, 2025).

[31] *See* CFTC Letter No. 17-31 (June 30, 2017), *https://www.cftc.gov/csl/17-31/download*; CFTC Letter No. 17-32 (June 30, 2017*), https://www.cftc.gov/csl/17-32/download*; CFTC Letter No. 21-11 (Apr. 22, 2021), *https://www.cftc.gov/csl/21-11/download*; CFTC Letter No. 24-09 (July 12, 2024), *https://www.cftc.gov/csl/24-09/download*; CFTC Letter No. 24-12 (Sept. 3, 2024), *https://www.cftc.gov/csl/24-12/download*; CFTC Letter No. 24-15 (Oct. 4, 2024), *https://www.cftc.gov/csl/24-15/download*; CFTC Letter No. 25-02 (Jan. 31, 2025), *https://www.cftc.gov/csl/25-02/download*; CFTC Letter No. 25-23 (Jul. 22, 2025), *https://www.cftc.gov/csl/25-23/download*; CFTC Letter No. 25-26 (Aug. 7, 2025), *https://www.cftc.gov/csl/25-26/download*; CFTC Letter No. 25-28 (Sept. 3, 2025), *https://www.cftc.gov/csl/25-28/download*; CFTC Letter No. 25-35 (Sept. 30, 2025), *https://www.cftc.gov/csl/25-35/download*; CFTC Letter No. 25-44 (Dec. 11, 2025), *https://www.cftc.gov/csl/25-44/download*; CFTC Letter No. 25-45 (Dec. 11, 2025), *https://www.cftc.gov/csl/25-45/download*; CFTC Letter No. 25-47 (Dec. 11, 2025), *https://www.cftc.gov/csl/25-47/download*; CFTC Letter No. 25-48 (Dec. 11, 2025), *https://www.cftc.gov/csl/25-48/download*; and CFTC Letter No. 26-12 (May 1, 2026); *https://www.cftc.gov/csl/26-12/download*. *See also* CFTC Letter No. 26-14 (May 13, 2026), available at *https://www.cftc.gov/csl/26-14/download* (providing a no-action position that allows for more streamlined grants of staff no-action positions effective until a final rule is adopted by the Commission addressing this matter).

[32] Commission regulations define "fully collateralized position" as "a contract cleared by a derivatives clearing organization that requires the derivatives clearing organization to hold, at all times, funds in the form of the required payment sufficient to cover the maximum possible loss that a party or counterparty could incur upon liquidation or expiration of the contract." 17 CFR 39.2.

sales data for all covered contract transactions promptly after execution thereof: trade timestamp, contract, quantity, and price (in USD); (4) the DCM will provide the Commission with all transactional information described in Commission regulation 16.02;[33] (5) the requesters will otherwise comply with all reporting and recordkeeping requirements of the CEA and Commission regulations applicable to them in their capacities as a DCM and a DCO, other than the Relevant Regulations, including, but not limited to, the applicable requirements of parts 38 and 39 of the Commission's regulations (the "Required Records"); and (6) the requesters will keep the Required Records open to inspection upon request by any representative of the Commission, the United States Department of Justice, or the SEC, or by any representative of a prudential regulator as authorized by the Commission. Furthermore, copies of all such records must also be provided, at the expense of requesters, to any representative of the Commission upon request. The requesters must also provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the Commission, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only. Given these conditions, the contracts subject to the no-action positions are limited to contracts that look and trade similarly to the historical HedgeStreet Contracts addressed in the Commission's 2006 Market and Large Trader Reporting rulemaking.[34]

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[33] Section 16.02 requires reporting markets to "provide trade and supporting data reports to the Commission on a daily basis," which include, among other things, "transaction-level trade data and related order information for each futures or options contract." 17 CFR 16.02.

[34] Final Rule, Market and Large Trader Reporting, 71 FR at 37809. HedgeStreet was the first DCM dedicated to trading event contracts. HedgeStreet listed event contracts on corporate mergers, weather events, and economic indicators. Effective June 21, 2009, HedgeStreet changed its name to North American Derivatives Exchange, Inc. ("NADEX"). Before the promulgation of the Dodd-Frank Act in 2010, HedgeStreet contracts were reported under the futures and options reporting regime.

More recently, the Commission has received an increasing number of applications for DCM designation from entities with a stated interest in offering event contracts for trading.[35] The Commission's experience is that entities seeking DCM designation and seeking to list event contracts are likely to seek a staff no-action letter similar to the Staff Event Contract Reporting No-Action Letters. The Commission anticipates receiving additional similar requests in the future.

II. Summary of the Final Rules

On July 1, 2026, the Commission proposed to amend part 16 of the Commission's regulations to set forth an alternative reporting regime for a specific category of event contracts, based on the futures and options reporting regime, and eliminating the need for Registered Entities to seek a staff no-action letter in the manner set forth in the Staff Event Contract Reporting No-Action Letters (the "Proposal").[36] The Proposal sought to codify into regulation certain aspects of the Staff Event Contract Reporting No-Action Letters issued by the Divisions.[37]

The Final Rule adds new § 16.03, titled "Covered Event Contracts," to part 16, concerning "Reports by Contract Markets and Swap Execution Facilities." The Final Rule explicitly provides for reporting pursuant to § 16.00, § 16.01, part 17, and part 18

[35] As of September 1, 2026, Commission staff are reviewing several pending applications for DCM designation from entities with a stated interest in operating prediction markets. Commission staff have received multiple additional inquiries from other entities indicating an interest in applying for DCM registration in order to operate prediction markets. From 2006 through 2020, DCMs listed for trading an average of approximately five event contracts per year. In 2021, this number increased to 131, and the number of newly listed event contracts per year remained at a similar level until 2025, when DCMs certified approximately 1,600 event contracts for listing for trading.

[36] Notice of proposed rulemaking, Data Reporting Requirements for Certain Event Contracts, 91 FR 40102 (July 1, 2026).

[37] The Commission expects the Divisions to withdraw the vast majority of the Staff Event Contract Reporting No-Action Letters upon the compliance date of the Final Rule, as this Final Rule supersedes those no-action letters and renders them moot.

that was not specifically identified in the Staff Event Contract Reporting No-Action Letters, but is nevertheless currently required for futures and options.[38] The Final Rule also amends part 15, concerning "General Provisions" applicable to "Reports," to add sections addressing data reporting requirements applicable to certain event contracts.

In particular, § 16.03 provides for (1) a definition of the group of event contracts to which the alternative reporting regime applies ("Covered Event Contracts"),[39] (2) the reporting and recordkeeping requirements—the Relevant Regulations—that, although generally applicable to swaps, shall not apply to Covered Event Contracts, (3) the reporting and recordkeeping requirements that do apply to Covered Event Contracts, (4) the reporting thresholds for position reporting for Covered Event Contracts, (5) the public data dissemination requirements for DCMs listing Covered Event Contracts for trade, (6) a requirement that DCMs listing Covered Event Contracts for trade obtain certain customer-identifying data, and (7) a requirement that DCMs and DCOs comply with recordkeeping requirements applicable to futures and options.

The comment period for the Proposal closed on July 31, 2026. The Commission received 28 substantive comment letters from various interested parties, including investor advocacy groups, trade associations, an asset management firm, and individual members of the public.[40] As more fully discussed below, the majority of commenters

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[38] Section 16.01 applies to swaps in addition to futures and options. *See* 17 CFR 16.01.

[39] The proposed "Covered Event Contract" definition is not intended to and should not be construed to define "event contract" for any other purpose apart from the reporting, recordkeeping, and public dissemination requirements addressed herein.

[40] The following entities and individuals submitted comment letters: (1) Better Markets, Inc. ("Better Markets"); (2) Brubaker Public Relations ("Brubaker") (three separate letters, herein "Brubaker Letter I," "Brubaker Letter II," and "Brubaker Letter III"); (3) B3 S.A. – Brasil, Bolsa, Balcao ("B3 S.A."); (4) Mick Bransfield and Pratik Chougule ("Bransfield/Chougule"); (5) CME Group Inc. ("CME"); (6) the Coalition for Prediction Markets; (7) Coinbase Derivatives, LLC ("Coinbase"); (8) Data Boiler Technologies, LLC

expressed general support for exempting Covered Event Contracts from the swap reporting regime set out in Parts 43 and 45 of the Commission's regulations. Most commenters supported instead applying some version of the futures and options reporting regime set out in Parts 15 through 18 of the Commission's regulations. A minority of commenters recommended the Commission establish an alternative reporting regime for Covered Event Contracts. Some commenters supported and some commenters opposed other aspects of the Proposal, including § 16.03(g)'s requirements that DCMs obtain trader-identifying information and § 16.03(f)'s requirement that DCMs disseminate transaction data in real-time. Certain commenters also suggested various alternatives to different aspects of the Proposal. Finally, certain commenters argued for a longer compliance period. The Commission has considered this public feedback, and, as discussed below, the Commission is adopting the amendments set forth in the Proposal, with certain clarifying modifications.

As noted in the Proposal, continuing to address no-action requests concerning swap reporting for event contracts serially and *ad hoc* raises several concerns. First, the Staff Event Contract Reporting No-Action Letters are not Commission actions carrying the force of law; they are staff actions providing a no-action position that beneficiaries of the letters may rely on. Second, reliance on the *ad hoc* no-action letter process is an inefficient approach to a recurrent issue that is best addressed through rulemaking. A

("Data Boiler"); (9) De Silva Law Offices, LLC ("De Silva"); (10) DraftKings Inc. ("DraftKings"); (11) Futures Industry Association ("FIA"); (12) Joshua Hamlet ("Hamlet Letter"); (13) Intercontinental Exchange, Inc. ("ICE"); (14) Kalshi Inc. ("Kalshi"); (15) KOR Reporting Inc. ("KOR"); (16) Zeyuan Li (Amy Li) ("Li"); (17) MSR Decode; (18) Novig; (19) PredictRails; (20) Robinhood Derivatives, LLC ("Robinhood"); (21) Rothera Exchange and Clearing ("Rothera"); (22) Jon Russell ("Russell"); (23) Steven Shaw ("Shaw"); (24) Sporttrade, Inc. ("Sporttrade"); (25) Stellar Quanta Labs, LLC ("Stellar Quanta Labs"); (26) Talos Trading LLC ("Talos"); (27) David Tsai ("Tsai"); and (28) Jonathan Van Dusen ("Van Dusen").

regulatory regime that specifically addresses Covered Event Contracts reporting provides a uniform and consistent approach while ensuring the Commission obtains the necessary information to address the CEA's objectives of reducing systemic risk, increasing transparency, and promoting market integrity. Third, continuing to address Covered Event Contracts reporting through no-action letters may create uncertainty and unnecessary burdens on potential registrants during the application process. Reliance on Staff Event Contract Reporting No-Action Letters without a codified reporting and recordkeeping regime for event contracts is a tenuous basis to devote resources and may cause reporting parties to proceed cautiously in launching new products, thereby inhibiting innovation.[41] Fourth, the Commission benefits when data for similar contracts are reported in a standardized and consistent manner, as this allows aggregation of data for similar contracts in a single database for purposes of market monitoring, analysis, or surveillance.

The Commission has found the reporting regime applicable to futures and options is better-suited for reporting transaction data for the event contracts reported pursuant to the Staff Event Contract Reporting No-Action Letters. Although event contracts generally meet the "swap" definition, the Covered Event Contracts have characteristics in common with futures and options on futures, including highly-standardized terms, exchange-trading protocols, and fungibility.[42]

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[41] A no-action letter is based on the specific facts and circumstances addressed by the letter and only the beneficiary of the no-action letter may rely on it. *See* § 140.99(a)(2), 17 CFR 140.99(a)(2). Also, simply requesting a no-action letter from staff pursuant to § 140.99 results in some additional burden. *See, e.g.*, Final rule, Requests for Exemptive, No-Action and Interpretive Letters, 63 FR 68175, 68180 (Dec. 10, 1998) (estimating paperwork burden associated with § 140.99).

[42] *See supra* notes 5-6 and accompanying text.

The Final Rule nevertheless requires Registered Entities to provide the Commission and the public with essential data based on the futures and options reporting regime, similar to the conditions set forth in the Staff Event Contract Reporting No-Action Letters. Section 16.03(b) applies the futures and options reporting requirements of §§ 16.00, 16.01, and 16.02 to DCMs listing the Covered Event Contracts.[43] The market and transaction data reported pursuant to these provisions will provide the Commission with information similar to the information required to be reported by Part 45. This data will enable the Commission to monitor Covered Event Contracts markets to ensure their financial integrity and that market participants are protected from fraudulent or other abusive sales practices.

The Final Rule further requires Registered Entities to publish on their website time and sales data, specifically trade timestamp, contract ticker symbol, trade quantity, and price (in USD) for all Covered Event Contract transactions as soon as technologically practicable after execution thereof. Requiring Registered Entities to publicly disseminate this information on their website will allow market participants and the public to analyze Covered Event Contract transaction and pricing data, ensuring equal access to the information similar to the goals of the real-time swap disclosure requirements.[44] It will also harmonize the timeframe to make the reports public with the current standard generally applicable to dissemination of swap data. Accordingly, the Commission

[43] *See* proposed § 16.03(b), applying the provisions of 17 CFR 16.00, 16.01 and 16.02.

[44] *See* Notice of proposed rulemaking, Real-Time Public Reporting of Swap Transaction Data, 75 FR 76140, 76148 (Dec. 7, 2010).

believes that requiring the publication of the Covered Event Contracts information advances the purposes of the Dodd-Frank Act of price discovery and transparency.[45]

The Commission believes that codifying the use of the futures and options reporting framework for the Covered Event Contracts provides for a more cost-effective method to address the concerns raised by these requests while still providing the Commission access to detailed transaction data for these instruments, which as with swaps reporting it can compile and aggregate, allowing it greater monitoring ability at a micro and macro level. As noted in the Proposal, requiring reporting of Covered Event Contracts under the futures and options regulatory regime allows the Commission to obtain the necessary information to ensure the CEA's regulatory oversight goals are met while at the same time simplifying reporting for market participants and rationalizing costs to market participants.

A. § 16.03(a): Covered Event Contracts

1. Proposal

In order to implement the alternate reporting framework set out in the Proposal, the Commission proposed to add a new § 16.03, titled "Covered Event Contracts," to the Commission's regulations. Section 16.03(a) defined "Covered Event Contracts" for purposes of § 16.03, along with certain other provisions in Parts 15 and 17 referencing Covered Event Contracts, and specified that DCMs need not report Covered Event Contracts pursuant to Parts 43 and 45 of the Commission's regulations. As noted in the

[45] *See* Final Rule, Real-Time Public Reporting of Swap Transaction Data, 77 FR 1182, 1186 note 30 and accompanying text (Jan. 9, 2012) (noting that CEA section 2(a)(13)(B) provides that the purpose of section 727 of the Dodd-Frank Act is "to authorize the Commission to make swap transaction and pricing data available to the public in such form and at such times as the Commission determines appropriate to enhance price discovery.").

Proposal, section 16.03(a) is not intended to and should not be construed to define "event contract" for any other purpose. The section is intended only to set forth parameters for determining the applicable data reporting requirements for Covered Event Contracts and apply them to the types of event contracts that are subject to the Staff Event Contract Reporting No-Action Letters. Covered Event Contracts that meet the four prongs in § 16.03(a) will be subject to the reporting regime contained in § 16.03.

The first prong requires the contract to meet the definition of swap set forth in section 1a(47)(A)(i) or (ii) of the Act. Requiring a contract to be a swap under these parts of the swap definition ensures that only those contracts that are subject to the Staff Event Contract Reporting No-Action Letters are subject to the reporting regime of § 16.03.[46]

Second, a contract must be listed for trade on a DCM and cleared through a DCO. This requirement is consistent with the Staff Event Contract Reporting No-Action Letters, which require the covered contracts to trade on a DCM and, therefore, be cleared through a DCO. Central clearing mitigates both systemic risk and risk to individual

[46] As described above, many event contracts may fall under one or more subsections of the "swap" definition set forth in section 1a(47) of the CEA. 7 U.S.C. 1a(47). The "Covered Event Contract" definition in the Final Rule incorporates prongs (i) and (ii) of the statutory swap definition. The intent of this provision is to ensure that swaps that are currently reported to SDRs (e.g., swaps under prong (iii) of the statutory definition) continue to be reported to SDRs. The Commission notes that the swap definition contains other prongs beyond prongs (i)-(iii). For example, the fourth prong defines "swap" to include "an agreement, contract, or transaction that is, or in the future becomes, commonly known to the trade as a swap. 7 U.S.C. 1a(47)(A)(iv). In this regard, an event contract may be a swap under prong (iv) of the "swap" definition. The Final Rule's "Covered Event Contract" definition focuses on prongs (i) and (ii), given the Commission's understanding that many event contracts—including those that were the subject of the Staff Event Contract Reporting No-Action Letters—are swaps under these prongs of the definition. An event contract that meets the "swap" definition under prong (iv) is still a swap, even if it is not a "Covered Event Contract" not subject to the reporting regime set forth in this Final Rule. The Commission may revisit the "Covered Event Contract" definition in the future. Additionally, the Commission notes that depending on their underlying events, certain event contracts may be options on securities or security-based swaps or other instruments subject to the jurisdiction of the SEC, and this Final Rule does not apply to such event contracts.

market participants.[47] This requirement also ensures that the key protections provided through the DCM and DCO Core Principles apply to Covered Event Contract transactions.[48]

Third, a contract must trade as a fully collateralized position, as defined in § 39.2 of the Commission's regulations.[49] This requirement is consistent with the Staff Event Contract Reporting No-Action Letters, which generally require the covered contracts to be fully collateralized. Congress intended that, among other things, the Dodd-Frank Act mitigate systemic risk in the global derivatives market, and in the requests for no-action positions, various DCMs argued that a no-action position with respect to SDR reporting requirements was consistent with the purposes of the Dodd-Frank Act because fully collateralized contracts do not implicate global systemic risk. [50]

Finally, a Covered Event Contract must have (1) a binary payout structure, meaning that the contract results, at settlement, in the payment of an absolute amount to the holder of one side of the contract and no payment to the counterparty; or (2) a variable payout structure, meaning that the contract results, at settlement, in payment to both counterparties to the contract based on the final settlement price, though only one

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[47] *See, e.g.*, Final Rule, Clearing Requirement Determination Under Section 2(h) of the CEA for Interest Rate Swaps To Account for the Transition From LIBOR and Other IBORs to Alternative Reference Rates, 87 FR 52182, 52206 (Aug. 24, 2022).

[48] *See* DCM Core Principle 11 ("Financial Integrity of Contracts"), CEA section 5(d)(11), 7 U.S.C. 7(d)(11); CEA section 2(h)(1), 7 U.S.C. 2(h)(1) (requiring all swaps that are required to be cleared be cleared by a Commission- registered DCO); 17 CFR 38.601(a). As a practical matter, Covered Event Contract markets typically include non-ECP participants, and non-ECP retail participants can only transact in swaps on a DCM. *See* CEA section 2(e), 7 U.S.C. 2(e).

[49] *See supra* note 32.

[50] *See* Final Rule, Derivatives Clearing Organization General Provisions and Core Principles, 85 FR 4800, 4803-04 (Jan. 27, 2020) (noting that full collateralization prevents a DCO from being exposed to credit risk stemming from the inability of a clearing member or customer of a clearing member to meet a margin call or a call for additional capital).

counterparty ultimately profits. The intent of this prong is to apply the Proposal's alternate data reporting regime to only those swaps that are structured in a manner similar to those covered by the Staff Event Contract Reporting No-Action Letters and to ensure that all other swaps—those that are currently reported pursuant to Part 43 and Part 45—continue to be reported to SDRs.

Proposed § 16.03(a) also enumerated the Relevant Regulations that do not apply to a Covered Event Contract. Specifically, reporting parties for a Covered Event Contract were not required to comply with §§ 38.8, 38.10, 38.951 (to the extent § 38.951 requires compliance with part 45 of the Commission's regulations), 39.20(b)(2), and part 43 and part 45 of the Commission's regulations, or the requirements of the relevant CEA provisions pursuant to which those regulations were promulgated. Proposed § 16.03(a) was consistent with the Relevant Regulations addressed in the Staff Event Contract Reporting No-Action Letters.

Section 16.02 of the Commission's regulations requires reporting of transaction data for Covered Event Contracts comparable to the transaction data that would be required to be reported pursuant to part 45. At the same time, the Commission understands that reporting Covered Event Contracts pursuant to the futures and options reporting regime would allow DCMs to avoid certain costs and operational burdens associated with connecting to and reporting to SDRs. Additionally, reporting transaction data pursuant to § 16.02 may allow DCMs to avoid certain data elements and reporting streams that, although necessary to capture the economics of many swaps, are less relevant to Covered Event Contracts. Specifically, because Covered Event Contracts are highly standardized, certain data elements required to be reported under part 45 are

unlikely to provide helpful information for Covered Event Contracts. For example, because all Covered Event Contracts are, by definition, cleared and fully collateralized, part 45 data elements applicable to uncleared swaps, such as Clearing Exceptions and Exemptions, or to continuation data reporting, such as Initial Margin Posted by the Reporting Counterparty, are unlikely to provide significant additional information. For Covered Event Contract markets, where all contracts are required to be cleared and initial margin is always the full collateral amount, such data elements would provide "static data" that would be repeated across every trade message. For the broader universe of swaps, however, clearing may or may not occur and such data varies from trade to trade.

Additionally, Covered Event Contracts have a simpler pricing and payout structure than those the Relevant Regulations were designed to capture. Furthermore, part 45 includes many fields that may be applicable to more traditional swaps, such as CDS index attachment point, Exchange rate, Exchange Rate Basis, Floating rate payment frequency period multiplier, Original swap USI, Clearing swap USI, Physical delivery location, and many others, but are not applicable to Covered Event Contracts. Requiring Registered Entities to report under the swaps reporting regime will require investment in reporting infrastructure that will not lead to the reporting of any useful information, particularly when a suitable alternative reporting regime is available. As noted in the Proposal, requiring the Registered Entities to comply with the Relevant Regulations for Covered Event Contracts will not be economically feasible. And the Commission can obtain the necessary information pursuant to the futures and options regime to conduct its regulatory oversight of the Covered Event Contracts. As discussed above, reporting the Covered Event Contracts, through part 16 and maintaining records pursuant to the

general recordkeeping requirements in § 1.31, will enable the Commission to monitor the Covered Event Contracts to ensure their financial integrity and that market participants are protected from fraudulent or other abusive sales practices. Public dissemination of the Covered Event Contract information on the Registered Entities' website will allow market participants and the public to analyze data generally comparable to swap transaction and pricing data disseminated by SDRs, ensuring equal access to the information consistent with the goals of the real-time swap disclosure requirements.

Subsequent sections of § 16.03, discussed below, specify the alternate reporting requirements for Covered Event Contracts. These requirements are intended to ensure that the Commission receives sufficient data to fulfill its market monitoring, analysis, and surveillance objectives, and to otherwise satisfy the relevant purposes of the CEA. In particular, the framework set out in this Final Rule will continue to ensure that swap transaction and pricing data is made available to the public in a manner that enhances price discovery and continues to improve reporting and transparency.[51]

2. Comments

The Commission received thirteen substantive comments addressing proposed § 16.03(a). Commenters generally addressed (a) whether exempting Covered Event Contracts from swap reporting requirements in Parts 43 and 45 and applying futures and options reporting requirements is appropriate, and (b) whether the definition "Covered Event Contract" in proposed § 16.03(a) is appropriate.

a. Codifying Exemption from Part 43 and 45 Reporting Requirements

[51] *See* 7 U.S.C. 2(a)(13)(B), *see also* Public Law 111–203, 124 Stat. 1376 (2010).

The majority of commenters supported exempting Covered Event Contracts from the swap reporting requirements in parts 43 and 45 of the Commission's regulations, consistent with the no-action position in the Staff Event Contract Reporting No-Action Letters.[52] Relatedly, virtually all commenters, including those that expressed objections to § 16.03(a) or proposed modifications to § 16.03(a), identified the shift from a regime governed by no-action letters to a regime governed by formal regulations as independently valuable, as codifying longstanding no-action positions in regulation provides certainty to market participants.[53] Commenters who supported exempting Covered Event Contracts from the swap reporting regime argued that the swap reporting regime (1) is not well-suited to capture the economic terms of event contracts, and (2) is unduly burdensome relative to its benefits with respect to Covered Event Contracts.

First, several commenters stated that fully collateralized listed contracts possess different economic characteristics than traditional over-the-counter swaps and therefore warrant a reporting framework tailored to those applicable characteristics.[54] The Coalition for Prediction Markets observed that a number of part 45 data elements are

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[52] *See* B3 S.A. Letter at 1 ("The proposal . . . appropriately contemplates that certain covered event contracts should be reported under the futures and options reporting framework rather than through [SDRs] under Parts 43 and 45. . . ."); Bransfield/Chougule Letter at 2-3; CME Letter at 2 ("We wholeheartedly agree with the Commission's rationale for the Proposal and appreciate that these types of actions by the Commission support responsible innovation that serves the public interest."); Coinbase Letter at 1; Coalition for Prediction Markets Letter at 2; DraftKings Letter at 1; ICE Letter at 1; Kalshi Letter at 2 ("Kalshi . . . suggests that the Commission adopt proposed § 16.03(a), together with its confirmation that Covered Event Contracts are not subject to §§ 38.8, 38.10, 38.951, 39.20(b)(2) [in part], Part 43, and Part 45."); Novig Letter at 2 ("Covered Event Contracts should not be routed through the reporting architecture in parts 43 and 45."); Robinhood Letter at 2; Rothera Letter at 2 ("Rothera generally supports the Commission's effort to codify the existing patchwork of Staff Event Contract Reporting No-Action Letters into a formal, uniform framework. . . ."); Sporttrade Letter at 2; Talos Letter at 2.

[53] *See, e.g.*, FIA Letter at 1 ("FIA . . . supports the agency addressing reporting of event contracts via final agency rulemaking, as opposed to no-action relief."); KOR Letter at 1 ("We welcome the Proposal's stated commitment to replacing open-ended no-action relief with durable, codified obligations.").

[54] *See, e.g.*, Coalition for Prediction Markets Letter at 2; Kalshi Letter at 1-2; Rothera Letter at 2; Sporttrade Letter at 2.

unlikely to apply to many Covered Event Contracts.[55] Similarly, KOR stated that the data elements required to be reported by parts 43 and 45 "were built around traditional swaps" and are both over- and under-inclusive with respect to event contracts.[56] Specifically, the part 43 and part 45 data elements include, on the one hand, "fields that have no relevance to a short-dated, binary-payoff contract," and, on the other hand, do not include "some fields that capture the core economics of an event contract."[57]

Second, certain commenters discussed operational burdens and costs associated with SDR reporting. The Coalition for Prediction Markets stated that SDR reporting under part 43 and part 45 imposes operational burdens without commensurate regulatory benefits.[58] Novig stated that SDR reporting would add reporting costs in the form of SDR fees that would, in Novig's view, yield no benefit.[59]

Although the majority of commenters supported exempting Covered Event Contracts from swap reporting requirements in parts 43 and 45 of the Commission's regulations, certain commenters opposed that exemption. Commenters who opposed exempting Covered Event Contracts from the swap reporting regime argued that (1) reporting swaps through the futures and options reporting framework may create

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[55] *See, e.g.*, Coalition for Prediction Markets Letter at 2 ("[T]he requirements in Part 45 of the Commission's regulations contain numerous data fields designed for bespoke bilateral swaps that have no application to a standardized, fully collateralized $1 binary contract.").

[56] KOR Letter at 3.

[57] *Id*. Relatedly, Kalshi suggested that if the Commission were to require some version of part 43 and part 45 reporting for Covered Event Contracts, the Commission should limit the reportable data elements "to those that are applicable to such contracts." Kalshi Letter at 3.

[58] Coalition for Prediction Markets Letter at 2 ("Requiring investment in swap data repository reporting infrastructure for [Covered Event Contracts] would impose real costs without generating any additional useful information. . . .").

[59] Novig Letter at 14.

operational issues for FCMs and (2) it is inconsistent to treat Covered Event Contracts as swaps for most purposes and as futures for data reporting purposes. Additionally, one commenter argued that the Commission may overestimate the SDR fees that might apply to Covered Event Contracts absent § 16.03(a).

First, FIA recommended the Commission "consider reporting [Covered Event Contracts] as swaps and identifying those portions of the current swaps reporting regime that may not fit appropriately for these products."[60] FIA expressed concern that FCMs and other market participants "may not have the capability to flag event contracts within systems for particular reporting treatment," and that implementing a "tailored version" of the current swap reporting regime would avoid these potential operational issues.[61]

Second, certain comments argued that it is inconsistent for the Commission to treat Covered Event Contracts as swaps for most purposes but not for purposes of transaction data reporting.[62]

Additionally, in discussing the alternative of SDR reporting for Covered Event Contracts, KOR, an SDR, explained that because event contracts have generally been reported pursuant to the Staff Event Contract Reporting No-Action Letters rather than through SDRs, SDRs have not in practice evaluated the SDR fees that would be applied to Covered Event Contracts.[63] KOR stated that any estimate of SDR fees that would be

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[60] FIA Letter at 2.

[61] *Id.* at 2.

[62] Better Markets Letter at 1 ("It is astounding for the CFTC to continually insist that all event contracts constitute swaps yet now propose a reporting regime that does not treat event contracts as swaps."); Brubaker Letter III at 2-3 ("If the Commission concludes that these products warrant a reporting framework materially different from the one generally applicable to derivatives, the Notice should explain why those same differences do not affect the Commission's broader characterization of these products or the level of regulatory oversight necessary to support exclusive federal jurisdiction.").

[63] KOR Letter at 5.

associated with reporting Covered Event Contracts to SDRs should reflect the fact that SDRs would "likely evaluate and price event contract reporting separately from general commodities."[64]

Finally, one commenter, Novig, supported exempting Covered Event Contracts from parts 43 and 45 reporting requirements, but did not support implementing a version of the futures and options reporting regime.[65] Rather, Novig recommended the Commission repropose a new, standalone reporting regime applicable to Covered Event Contracts.[66]

b. Definition of "Covered Event Contract"

Commenters generally supported § 16.03(a)'s definition of "Covered Event Contract."[67]

Certain commenters proposed several additions or alternatives to § 16.03(a)'s definition of Covered Event Contract, including (1) expanding the definition by removing the requirement that Covered Event Contracts be fully collateralized, (2) expanding the definition to include fully collateralized futures with binary payouts or variable payouts, (3) address off-facility event contracts and foreign boards of trade ("FBOTs"), and (4) address fully-collateralized swaps with binary payouts or variable payouts that are not otherwise considered "event contracts." Finally, certain commenters expressed other

[64] *Id*.

[65] *See, e.g.*, Novig Letter at 15-17.

[66] *Id.* at 15.

[67] *See, e.g.*, B3 S.A. Letter at 1 ("fully collateralized event contracts" "function economically and operationally more like exchange-traded futures or options, when compared to traditional OTC swaps").

concerns about the level of generality at which Covered Event Contracts should be defined.

First, certain commenters recommended the Commission eliminate altogether the requirement that Covered Event Contracts be fully collateralized.[68] Kalshi recommended the Commission remove the full collateralization requirement or, alternatively, provide a *de minimis* exception for margined contracts below a $125,000 notional reporting level.[69] Kalshi argues that margined contracts of *de minimis* notional size would not implicate the systemic risk concerns animating part 43 and part 45.[70] FIA suggests the Commission consider reporting for leveraged event contracts as well as fully collateralized contracts.[71] Similarly, CME recommended that, rather than limiting Covered Event Contracts to fully collateralized contracts, the Commission expand the definition to include what CME refers to as "fully margined" contracts.[72] Whereas for fully collateralized positions, the DCO must hold full collateral "at all times,"[73] for CME's fully margined contracts, its DCO does not necessarily collect collateral at the time of execution, but rather collects collateral during the next daily clearing cycle.[74] Commission staff granted CME's

[68] *See* Kalshi Letter at 2.

[69] *Id.*

[70] *Id.*

[71] FIA Letter at 2.

[72] CME Letter at 2.

[73] 17 CFR 39.2 (defining a fully collateralized position as "a contract cleared by a [DCO] that requires the [DCO] to hold, *at all times*, funds in the form of the required payment sufficient to cover the maximum possible loss that a party or counterparty could incur upon liquidation or expiration of the contract.") (emphasis added).

[74] CME Letter at 2.

request for a no-action position concerning swap reporting for such fully margined contracts.[75]

Second, certain commenters suggested the "Covered Event Contracts" definition be expanded to include futures in addition to swaps. The Coalition for Prediction Markets suggested the Commission revise § 16.03(a) to include fully collateralized *futures* contracts in addition to fully collateralized binary contracts, variable payout contracts, and similar contracts.[76] The Coalition for Prediction Markets believes that failing to do so will result in "regulatory gaps, for example in the treatment of futures event contracts for large trader reporting."[77] Similarly, Sporttrade advocated for a "principles-based framework focused on the structural characteristics that justify alternative reporting rather than on the particular subject matter of the underlying event."[78] Sporttrade states this could be accomplished by removing the requirement in § 16.03(a)(1) that a "Covered Event Contract" be a swap under section 1a(47)(A)(i) and/or (ii) of the Act.[79]

Third, KOR suggested the Commission address "the near-total absence of any discussion of off-facility event contracts."[80] B3 S.A. separately suggests the Commission

[75] *See* CFTC Letter No. 25-23 (Jul. 22, 2025), available at https://www.cftc.gov/csl/25-23/download.

[76] Coalition for Prediction Markets Letter at 2.

[77] *Id.*

[78] Sporttrade Letter at 3.

[79] *Id.* ("Specifically, the Commission should consider defining Covered Event Contracts as contracts that: are fully collateralized, are traded on a registered DCM, are cleared through a registered DCO, and otherwise satisfy the Commission's applicable requirements governing event contracts.").

[80] KOR Letter at 2.

expand the definition of "Covered Event Contract" to include contracts listed on FBOTs in addition to contracts listed on DCMs.[81]

Fourth, KOR commented that § 16.03(a) does not address "fully collateralized swap contracts referencing binary or bounded outcomes that are economically similar to event contracts but legally distinct," citing a subset of "binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes" addressed in CFTC Letter No. 26-01.[82]

Finally, certain commenters expressed concerns about the level of generality at which "Covered Event Contracts" should be defined. On the one hand, Data Boiler expressed concern that the "Covered Event Contracts" definition is potentially subject to "scope creep" "because it relies on abstract contract types rather than strict venue boundaries."[83] On the other hand, De Silva stated that "the definition of covered contracts should be drawn by function rather than by the current inventory of platforms, so that a contract economically identical to those the Proposal describes cannot be structured outside the definition, and so that the framework reaches new entrants without further staff relief."[84]

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[81] B3 S.A. Letter at 1.

[82] KOR Letter at 6; *see also* CFTC Letter No. 26-01 (Jan. 8, 2026), available at https://www.cftc.gov/csl/26-01/download (no-action position with respect to reporting "binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes").

[83] Data Boiler Letter at 2, 17. Data Boiler also express concern that the "Covered Event Contracts" definition "strictly limit[s] the regime to binary '*all-or-nothing*' contracts." *Id.* This concern appears misplaced as, in fact, § 16.03(a) expressly includes variable payout contracts. *See, e.g.*, Proposal, 91 FR at 40103, 40106.

[84] De Silva Letter at 8.

3. Final Rule

After considering the comments, the Commission has determined to finalize § 16.03(a) as proposed for the following reasons.

a. Codifying Exemption from Part 43 and 45 Reporting Requirements

The Commission has determined to codify in § 16.03(a) the exemption from the swap reporting requirements in part 43 and part 45 of the Commission's regulations applicable to Covered Event Contracts. As discussed in the Proposal, the Commission shares certain commenters' view that Covered Event Contracts share certain characteristics with futures and options contracts that render Covered Event Contracts susceptible to reporting through the framework set out in parts 15 through 18 of the Commission's regulations. The Commission also recognizes that the swap reporting regime may potentially impose operational burdens and costs on DCMs beyond those associated with reporting pursuant to the futures and options reporting regime. The Commission recognizes, as KOR suggests,[85] that in a but-for world where Covered Event Contracts were reported through SDRs, SDRs could potentially set lower fees for reporting such contracts than estimated by the Commission. However, it is uncertain whether that would occur. And, at the same time, the Commission agrees with KOR that the data elements in the swap reporting regime are both under- and over-inclusive of the data elements necessary to reflect the material economic terms of event contracts.[86] The

[85] KOR Letter at 5.

[86] *Id.* at 3 ("The Commission's current Technical Specifications contain no dedicated field for the event or outcome definition, the specific condition whose occurrence determines whether and how the contract settles.").

Commission and Commission staff have received trade data for event contracts through the futures and options reporting framework since 2017 and reporting parties have processes in place for providing the required information to the Commission. Given that the futures and options-based reporting framework set forth in the Proposal is suitable for representing the material economic terms of Covered Event Contracts, at this time, the Commission believes it is preferable to codify a version of the futures and options reporting regime set forth in the Staff Event Contract Reporting No-Action Letters.

The Commission does not find the comments in opposition to § 16.03(a)'s exemption of Covered Event Contracts from the swap reporting requirements in part 43 and part 45 convincing. The Commission does not believe FIA's suggestion that the Commission apply a modified version of the swap reporting regime to Covered Event Contracts would be superior to the futures and options reporting regime. First, as discussed above, part 45 is not designed to allow data elements necessary to capture relevant terms of Covered Event Contracts, and therefore creating a separate swap reporting regime applicable to Covered Event Contracts would likely entail establishing additional data elements to achieve comparability with reporting required pursuant to § 16.02.[87] Second, the Commission believes that wholesale discarding of the reporting regime applied through the Staff Event Contract Reporting No-Action Letters would impose unnecessary costs on DCMs that operate pursuant to those letters and potentially impair the quality of the Commission's data. Third, to rely on the swap reporting regime would be contrary to the large majority of the comments received. Fourth, although one commenter indicated FCMs "may not have the capability" to identify Covered Event

[87] *See, e.g.*, *id.*

Contracts in their systems,[88] that commenter did not confirm that such an issue existed or that such operational difficulties would prove insurmountable. One FCM that intermediates trading in Covered Event Contracts and submitted a comment did not raise any such concerns.[89]

Additionally, the Commission does not believe it is inconsistent to treat Covered Event Contracts as swaps for most purposes but to subject them to the transaction data reporting standards of futures and options.[90] The CEA provides the Commission broad latitude to determine the form of reporting for a particular contract,[91] and the Commission routinely requires different data be reported for different contracts, based on differences in the economic terms of those contracts or as otherwise necessary to fulfill the Commission's regulatory mandates, including systemic risk mitigation, market monitoring, and market abuse prevention.[92] For example, for purposes of SDR reporting, numerous data elements apply only if certain conditions are met.[93] With respect to

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[88] FIA only states that FCMs "may not have the capability" to identify Covered Event Contracts in their systems. FIA Letter at 2.

[89] *See generally* Robinhood Letter.

[90] Better Markets Letter at 1; Brubaker Letter III at 5-6.

[91] *See* Final Rule, Real-Time Public Reporting of Swap Transaction Data, 77 FR 1182, 1186 n.30 (Jan. 9, 2012); 7 U.S.C. 2(a)(13)(B) ("The purpose of this section is to authorize the Commission to make swap transaction and pricing data available to the public in such form and at such times as the Commission determines appropriate to enhance price discovery."); 7 U.S.C. 6g(d) ("Reports shall be made from the records maintained at such times and at such places and in such form as the Commission may prescribe by rule, order, or regulation in order to protect the public interest and the interest of persons trading in commodity futures.").

[92] *See* Final rule, Swap Data Recordkeeping and Reporting Requirements, 77 FR 2136, 2138 (Jan. 13, 2012) (describing "fundamental goal" of part 45 reporting as providing the Commission with data necessary "for fulfilment . . . of various regulatory mandates, including systemic risk mitigation, market monitoring, and market abuse prevention").

[93] For example, various swap reporting data elements necessary to reflect economic terms of options and swaptions are only required to be reported for options and swaptions products. *See, e.g.*, CFTC Division of Data, CFTC Technical Specification version 3.3 (Dec. 13, 2023), available at https://www.cftc.gov/media/9921/Part43_45TechnicalSpecification12132023CLEAN/download (Option

Covered Event Contracts, the Commission believes data reporting as described in the Proposal supports the Commission's market monitoring and surveillance functions, among other functions, and provides transparency to the public generally comparable to that available for swaps. As noted by commenters, for Covered Event Contracts, transaction data reported pursuant to § 16.02 is in some respects more comprehensive than transaction data reported pursuant to part 45 of the Commission's regulations.[94]

Finally, the Commission declines to pursue Novig's recommendation that the Commission repropose a standalone reporting regime specific to Covered Event Contracts.[95] The Commission and DCMs have years of experience with the reporting scheme set forth in the Staff Event Contract Reporting No-Action Letters, and the Commission believes that the clarifications and adjustments in the Proposal, including right-sizing reporting levels and reportable trading volume levels and requiring DCMs to obtain trader-identifying information,[96] will enhance the usefulness of that reporting scheme. Additionally, implementing a standalone reporting scheme would impose unnecessary costs on DCMs, which would need to configure reporting to new technical specifications, as well as on the Commission, which would need to develop new systems to ingest and process data for new files.

b. Definition of "Covered Event Contract"

premium amount (#109), Option premium currency (#110), Option premium payment date (#111), First exercise date (#112) are "conditional" data elements).

[94] *See, e.g.*, KOR Letter at 3 (describing potential shortcomings of Part 45 data for capturing economics of Covered Event Contracts).

[95] Novig Letter at 15.

[96] *See generally* Proposal, 91 FR 40102.

The Commission has determined to codify the definition of "Covered Event Contract" in § 16.03(a) as proposed. As discussed in the Proposal, the definition of Covered Event Contract is intended to define "Covered Event Contracts" solely for reporting purposes, and is intended to capture the types of contracts for which the Divisions have granted the Staff Event Contract Reporting No-Action Letters.[97] The Commission notes that many of the comments concerning the "Covered Event Contract" definition concern potential future developments in DCMs' event contract offerings. The Commission will continue to consider such issues as they arise.

First, with respect to comments recommending the Commission eliminate the full collateralization requirement for Covered Event Contracts, the Commission notes that reporting pursuant to the Staff Event Contract Reporting No-Action Letters today is in nearly all instances conditioned on full collateralization of the relevant contracts.[98] Retaining that condition in § 16.03(a) ensures the alternate reporting regime for Covered Event Contracts covers products similar to those subject to the Staff Event Contract Reporting No-Action Letters.[99] Kalshi recommended the Commission eliminate the full collateralization requirement from the Covered Event Contracts definition because "[a] margined event contract traded on a DCM would have the same defining characteristics" as fully collateralized contracts and observed that "futures typically are margined."[100] Kalshi also implies that removing the full collateralization requirement would "obviate

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[97] *Id.* at 40106.

[98] *See, e.g.*, CFTC Letter No. 26-14 (May 13, 2026), available at https://www.cftc.gov/csl/26-14/download.

[99] *See* Proposal, 91 FR at 40106 (purpose of § 16.03(a) is to define "Covered Event Contracts" to include "the types of event contracts that are subject to the Staff Event Contract Reporting No-Action Letters").

[100] Kalshi Letter at 2.

serial no-action relief."[101] With respect to the specter of "serial no-action relief" concerning reporting leveraged event contracts, DCMs do not generally list binary event contracts that trade on margin today, and accordingly staff have not issued any such no-action letter to date. Expanding the alternative reporting regime applicable to Covered Event Contracts to include margined contracts would implicate reporting of collateral and margin data that was not part of the Proposal and would require further consideration.[102] The Commission understands margined event contracts are under discussion. If and when a DCM lists margined event contracts, the Commission will consider how to address reporting requirements, including Kalshi's alternative recommendation that "margined event contracts below a *de minimis* notional size" be subject to an alternative reporting regime to the swap reporting regime.[103]

With respect to CME's suggestion that the Commission expand the definition of Covered Event Contracts to include "fully margined" contracts, the Commission declines to do so at this time. The Commission's rules recognize that fully collateralized positions "do not pose the full range of risks that [part 39 regulations] are meant to address" and therefore certain part 39 requirements do not apply to such positions.[104] Contracts that are "fully margined" but not "fully collateralized" may present different risks. As CME explains, under a premium-style margining system, the DCO collects margin at some

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[101] *Id.*

[102] Because Part 39 only requires DCOs to report daily initial and variation margin data for positions "other than fully collateralized positions," DCMs listing fully collateralized contracts today have not been required to report such data. 17 CFR 39.19(c).

[103] Kalshi Letter at 2. FIA also alluded to further discussion of reporting for "leveraged" event contracts. FIA Letter at 2.

[104] Final rule, Derivatives Clearing Organization General Provisions and Core Principles, 85 FR 4800, 4803-05 (Jan. 27, 2020).

point after execution as part of an "at least daily clearing cycle…."[105] As CME notes, "fully margined" contracts are not "fully collateralized." Because the Commission did not propose to address "fully margined" contracts in this rulemaking, the Commission will need to consider the unique issues raised by "fully margined" contracts, with regard to reporting and other areas, in the future.[106]

Second, with respect to certain commenters' suggestion that the "Covered Event Contracts" definition be expanded to include futures in addition to swaps, the Commission believes such a modification may be undesirable. In general, an event contract structured as a future is already subject to the futures and options reporting regime in parts 15 through 18 of the Commission's regulations, and therefore § 16.03(a)'s exemption from certain swap reporting requirements would be unnecessary. The Coalition for Prediction Markets expresses concern that event contracts structured as futures would be subject to a reporting level of 25 contracts rather than the reporting level of 125,000 applicable to Covered Event Contracts.[107] Sporttrade appears more generally concerned that DCMs may in the future list some contracts they consider to be "event contracts" but that would not meet the technical definition of "Covered Event Contracts" because the contracts do not meet the criteria in CEA section 1a(47)(A)(i) or (ii).[108] The Coalition for Prediction Markets does not propose any alternative definition that would

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[105] CME Letter at 2.

[106] As CME states in its comment letter, Commission staff issued a Staff Event Contract Reporting No-Action Letter to CME conditioned on CME applying its premium-style margining to certain binary options. *See id.* at 2; CFTC Letter No. 25-23 (July 22, 2025), available at https://www.cftc.gov/csl/25-23/download. The Commission is not directing staff to withdraw that letter at this time.

[107] Coalition for Prediction Markets Letter at 3 (alluding to "the treatment of futures event contracts for large trader reporting").

[108] Sporttrade Letter at 3 (Covered Event Contracts should be defined as fully collateralized, DCM-listed contracts that "otherwise satisfy the Commission's applicable requirements governing event contracts").

extend to event contracts structured as futures, or specify particular event contracts structured as futures today that would benefit from modified reporting thresholds.[109] Given that the contracts addressed in the Staff Event Contract Reporting No-Action Letters and the Proposal, as well as the large majority of event contracts listed by DCMs to date, meet the "swap" definition, the Commission believes that any discussion of reporting thresholds applicable to futures contracts is likely better addressed in the context of specific contracts or categories of contracts.

Third, with respect to KOR's concern that the Proposal did not address off-facility event contracts, the Proposal and this Final Rule are not intended to specify reporting requirements applicable to event contracts other than event contracts traded on DCMs. Off-facility swaps should be reported in compliance with the Commission's rules as they exist. Similarly, the Staff Event Contract Reporting No-Action Letters do not address reporting for FBOTs listing event contracts, and the Commission declines, at this time, to extend the alternative reporting regime to FBOTs absent further consideration.

Fourth, with respect to KOR's comment that § 16.03(a) does not address "binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes,"[110] the Commission believes § 16.03(a) is sufficiently clear. KOR correctly observes that in CFTC Letter No. 26-01, Commission staff provided a swap reporting no-action position for certain fully collateralized contracts with binary payouts or bounded

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[109] The Commission expects that a binary option contract that settles based on the price or settlement of an underlying futures contract is generally a futures contract. *See* 7 U.S.C. 1(a)(47)(B)(i) (the term "swap" does not include an option on a contract of sale of a commodity for future delivery). The reporting level applicable to such binary option should be the same reporting level applicable to the underlying futures contract.

[110] KOR Letter at 6; *see also* CFTC Letter No. 26-01 (Jan. 8, 2026), available at https://www.cftc.gov/csl/26-01/download (no-action position with respect to reporting "binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes").

payouts, but did not label those contracts "event contracts."[111] The CEA does not specifically define "event contract." Contracts referred to as "event contracts" can fall under the CEA section 1a(47)'s definition of "swap."[112] Whether binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes are Covered Event Contracts depends on whether they meet the definition in § 16.03(a), and not necessarily whether such contracts are colloquially known as "event contracts." Accordingly, the Commission expects that some contracts that are not expressly marketed as "event contracts" may nevertheless be subject to the reporting requirements in § 16.03.[113]

Finally, as noted above, certain commenters expressed concerns about the level of generality at which "Covered Event Contracts" should be defined. The Commission generally shares Data Boiler's concern about "scope creep,"[114] and has accordingly defined Covered Event Contract in a limited manner—the § 16.03(a) definition is limited to a subset of swaps, as defined in the CEA, that are listed on a DCM and are fully collateralized. In particular, the Commission wishes to limit the contracts subject to the alternative reporting regime for Covered Event Contracts to contracts similar to those addressed in the Staff Event Contract Reporting No-Action Letters, and to avoid shifting reporting for swaps that are currently reported to SDRs into the reporting regime for

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[111] *See generally* CFTC Letter No. 26-01 (Jan. 8, 2026), available at https://www.cftc.gov/csl/26-01/download.

[112] 7 U.S.C. 1a(47).

[113] KOR also speculates that "fully collateralized swap contracts referencing binary or bounded outcomes" are "swaps under the CEA" and "not covered by [CEA section 5c(c)(5)(C)]." KOR Letter at 6. This comment is outside the scope of the Proposal, which did not refer to CEA section 5c(c)(5)(C).

[114] Data Boiler Letter at 2, 17.

Covered Event Contracts. The § 16.03(a) definition is intended to codify the Staff Event Contract Reporting No-Action Letters and not to capture other swaps. Among other reasons, the Commission does not intend to establish conditions that shift reporting for swaps that have now been long-reported to SDRs to an alternative regime. The Commission believes such a result would be harmful to the SDR reporting regime and to public transparency for swaps. At the same time, the Commission is conscious of De Silva's concern that any Covered Event Contracts definition should reach new contracts that share similar characteristics to the contracts that are subject to the Staff Event Contract Reporting No-Action Letters.[115] The Commission believes § 16.03(a) is broad enough to accomplish this, for the reasons discussed above.

B. § 16.03(b)(2) and § 16.03(b)(3): Market Data and Transaction Data Reporting Requirements for DCMs

1. Proposal

The Commission proposed to require DCMs to report Covered Event Contracts in a manner largely consistent with the futures and options reporting regime for exclusively self-cleared contracts, rather than the SDR reporting regime applicable to swaps. Specifically, § 16.03(b) requires DCMs to submit to the Commission daily market data required to be reported pursuant to § 16.01[116] and daily transaction and supplemental data required to be reported pursuant to § 16.02.

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[115] De Silva Letter at 8.

[116] Section 16.01 requires daily reporting and public dissemination of market data for both (a) swaps and (b) futures and options. *See* 17 CFR 16.01. As such, § 16.01 was required with respect to contracts subject to the Staff Event Contract Reporting No-Action Letters and the parties who received the Staff No-Action Letters have submitted such data to the Commission. Commission staff have developed separate data transmission standards and guidebooks detailing those standards for swaps and for futures and options. For purposes of proposed § 16.03(b)(2), DCMs should report § 16.01 data pursuant to the data transmission

With respect to market data reported pursuant to § 16.01, Commission regulations require all DCMs to report daily information concerning trading volume, open contracts, prices, and critical dates. Because § 16.01 applies to all DCM-listed contracts regardless of whether those contracts are swaps or futures, it is not specified as a condition in the Staff Event Contract Reporting No-Action Letters.[117] The Proposal makes explicit that daily reporting pursuant to § 16.01 is required for Covered Event Contracts.[118] The Proposal also specifies that § 16.01 reports must include certain settlement information, including whether the event that is the subject of each Covered Event Contract occurred and, if so, the time and date the event occurred, and the source used to determine whether the event occurred.[119] Such information is a necessary component of the settlement price reported by DCMs pursuant to § 16.01(b)(2)(ii).[120] With respect to § 16.02, the Proposal required that DCMs provide trade and supporting data reports to the Commission. These reports were specifically included as one of the conditions of the Staff Event Contract Reporting No-Action Letters and the Commission is continuing to require these reports of transaction-level trade data and related order information for the Covered Event Contracts. As it noted when adopting the § 16.02 final rules, the Commission uses

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standard applicable to futures and options. This will facilitate linking data reported pursuant to § 16.01 with data reported pursuant to § 16.02 and part 17.

[117] Section 16.00 was also not specifically included in the Staff Event Contract Reporting No-Action Letters, but it is generally applicable to DCMs. Section 16.00 is addressed in section II.C. below as part of the discussion of large trader reporting.

[118] Section 16.02 was specifically included as one of the conditions of the Staff Event Contract Reporting No-Action Letters.

[119] An updated version of the Settlement File Guidebook is being issued contemporaneously with this Final Rule.

[120] 17 CFR 16.01(b)(2)(ii). The Commission currently receives such settlement information from DCMs listing contracts that will meet the Final Rule's definition of Covered Event Contracts in a separate "settlement file."

market, transaction, and large trader reporting collectively to effectuate its surveillance programs.[121]

As discussed in the Proposal, while the submission process differs from the swap data reporting requirements under part 45, the reporting of Covered Event Contracts pursuant to §§ 16.01 and 16.02 will yield granular market and transaction data that is particularly well-suited for these contracts. Drawing on the Commission's experience with futures and options reporting for Covered Event Contracts over the past nine years, the Commission is confident that this approach will achieve objectives analogous to those established under the swaps reporting regime. Reporting pursuant to part 16 will be sufficient to support the CEA's objectives of increasing transparency and promoting market integrity.[122] This data will enable the Commission to monitor Covered Event Contract markets to ensure their financial integrity and that market participants are protected from fraudulent or other abusive sales practices. Therefore, the Commission believes that receiving §§ 16.01 and 16.02 data in lieu of part 45 swap data will not diminish the quality or granularity of data needed to carry out the Commission's market and financial surveillance programs. Additionally, given § 16.02 data was required as part of the Staff Event Contract Reporting No-Action Letters, the Commission believes that the costs of including this data reporting requirement in the Proposal will be minimal.

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[121] *See* Final Rule, Significant Price Discovery Contracts on Exempt Commercial Markets, 74 FR 12178, 12179 (Mar. 23, 2009).

[122] *Cf., e.g.*, *id.* (describing use of § 16.01 and § 16.02 data to effectuate the Commission's market and financial surveillance programs, including to detect and prevent market manipulation and to measure the financial and systemic risks that large contract positions may pose).

2. Comments

The Commission received six comments concerning §§ 16.03(b)(2) and (b)(3). Commenters generally supported §§ 16.03(b)(2) and (b)(3). With respect to § 16.03(b)(2), commenters supported the specific requirement that settlement data be recorded for inclusion in market data reports.[123] With respect to § 16.03(b)(3), no commenter objected to DCMs continuing to submit trade and supporting data reports pursuant to § 16.02.

Certain commenters suggested modifications to § 16.03(b)(2)'s requirement that certain settlement data be recorded and included in reporting.

Sporttrade recommended the Commission require public dissemination of settlement timestamp and settlement source for each Covered Event Contract.[124] Sporttrade believes that providing settlement timestamp and settlement source would "further enhance confidence in the integrity and transparency of regulated event contract markets."[125]

PredictRails believes it is unclear whether settlement data "recorded" pursuant to § 16.03(b)(2) must necessarily be "reported" to the Commission under § 16.01(d), and suggests that the Commission revise § 16.03(b)(2) to specify that the DCM should "record and submit the settlement information to the Commission pursuant to § 16.01(d)."[126]

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[123] *See* Stellar Quanta Labs Letter at 2 ("We support this requirement. Event contracts differ from conventional futures and options in a way that makes it necessary."); Sporttrade Letter at 3-4; Talos Letter at 4-5.

[124] Sporttrade Letter at 4.

[125] *Id.*

[126] PredictRails Letter at 2.

Talos recommended the Commission require reporting of separate timestamps for "event time, source-publication time, and DCM-resolution time because those timestamps answer different surveillance questions."[127] Talos also recommended "dispute status," "correction history," "manual-intervention flag," and other data elements be included in a settlement file reported and published pursuant to § 16.03(b)(2).

Stellar Quanta Labs recommended the Commission permit, but not require, reporting firms to submit settlement data with an "integrity attestation" to "bind the source material relied upon to the reported determination time in a form that any party may verify without access to, or reliance upon, the reporting entity's system."[128]

3. Final Rule

After considering the comments, the Commission has determined to finalize §§ 16.03(b)(2) and (b)(3) largely as proposed.

With respect to PredictRails' suggestion the Commission modify regulatory text in § 16.03(b)(2) to clarify that regulation requires reporting, in addition to "recording," the Commission has determined to make a modification. Sections 16.01(d) and 16.01(e) currently provide for the form, manner and the time of filing reports and publication of § 16.01 information. For avoidance of doubt, the Commission will modify § 16.03(b)(2) to provide that a DCM "shall additionally record, report pursuant to section 16.01(d), and publish pursuant to section 16.01(e), information related to the settlement of the contract." The Commission believes this clarification also addresses Sporttrade's

[127] Talos Letter at 5.

[128] Stellar Quanta Labs Letter at 4-6.

comment suggesting the Commission require DCMs to publish settlement timestamp and settlement source.

With respect to Talos's suggestion the Commission require additional data elements to be included in settlement information required under § 16.03(b)(2), the Commission declines to specify additional data elements at this time. The Commission recognizes there may be potential benefits to including additional information concerning settlement in structured data, and will continue to consider whether such information is best obtained through § 16.03(b)(2) requirements or other mechanisms. DCMs may elect to publish additional settlement information on their websites beyond what is required to be recorded and reported to the Commission by § 16.03(b)(2).

The Commission believes Stellar Quanta Labs' comment regarding potential integrity attestations with respect to settlement data is outside the scope of the Proposal. The Commission agrees with Stellar Quanta Labs that settlement information should be accurate and verifiable in data. Although requiring settlement timestamp and settlement source to be included in settlement data may address this concern, the Commission is not adopting an integrity attestation at this time as this was not part of the Staff Event Contract Reporting No-Action Letters and would potentially entail additional burdens not taken into consideration in the Proposal. To the extent DCMs find it desirable to include a settlement integrity attestation consistent with Stellar Quanta Labs' comment letter, the Commission does not expect § 16.03(b)(2) to inhibit any DCM from doing so.

Regardless of whether an integrity attestation is required, reports to the Commission must be accurate and complete.[129]

C. § 16.03(b)(1), § 16.03(c), § 17.00(j), and § 17.01(f): Large Trader Reporting Requirements for DCMs, Futures Commission Merchants, Clearing Members, and Foreign Brokers

1. Proposal

The Commission's large trader reporting scheme requires reporting of information by DCMs, futures commission merchants ("FCMs"), clearing members, and foreign brokers with respect to positions in open contracts in futures and options, including the size of daily positions of "special accounts"[130] that exceed certain reporting levels,[131] information identifying the owners and controllers of special accounts,[132] information identifying the owners and controllers of volume threshold accounts reported on Form 102,[133] information concerning omnibus accounts reported on Form 71,[134] and information necessary to identify the traders of such accounts reported on Form 40.[135]

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[129] *See, e.g.*, *In re ICE Futures U.S., Inc.*, CFTC Dkt No. 15-17, at 6 (Mar. 16, 2015) ("Inherent in [§§ 16.00, 16.01, and 16.02] is the fundamental notion that all reports and data provided to the Commission must be accurate and complete.").

[130] 17 CFR 15.00(r) (defining "special account" as any commodity futures or option account in which there is a "reportable position"). *See also* § 15.01, 17 CFR 15.01 (setting forth persons required to report).

[131] *See generally* 17 CFR 17.00.

[132] *See generally* 17 CFR 17.01(a).

[133] *See generally* 17 CFR 17.01(b).

[134] *See generally* 17 CFR 17.01(c).

[135] *See generally* 17 CFR part 18.

Position data reporting has historically served as a cornerstone of the Commission's market surveillance program.[136]

For futures and options,[137] Commission staff uses such data to, among other things, assess individual traders' activities and potential market power, enforce speculative position limits, monitor for disruptions to market integrity, and calculate statistics that the Commission publishes to enhance market transparency.[138] Obtaining ownership and control information pursuant to § 17.01 for accounts with large positions is particularly important for identifying customers of omnibus accounts or natural person owners of legal entity accounts, as the transaction-level data the Commission receives pursuant to § 16.02 may not always contain such information.[139]

The Staff Event Contract Reporting No-Action Letters do not address part 17 reporting requirements for either daily position data or ownership and control information. However, Commission regulations generally require such reports for

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[136] *See, e.g.*, Final Rule, Extension of Large-Trader Reporting Requirements to Newly Regulated Commodities, 40 FR 23994, 23994-95 (June 4, 1975) ("The large-trader reporting system is an important part of the Commission's regulatory program. It serves as a basic tool for market surveillance in the detection and prevention of market congestion, price manipulation, and distortion."); *see also generally* William E. McDonnell, Jr. & Susan K. Freund, "The CFTC's Large Trader Reporting System: History and Development," 38 Bus. Law. 917, 917 (1983) ("Since 1922, the CFTC and its predecessors have been fashioning the basic tool of market surveillance, the large trader reporting system.").

[137] The Commission maintains separate regulations for obtaining similar types of position data for swaps. *See, e.g.*, 17 CFR 49.12(e).

[138] *See* Final Rule, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71, 78 FR 69178, 69181 (Nov. 18, 2013). Obtaining ownership and control information for special accounts through part 17 reporting can enable the Commission to link special accounts across DCMs and to aggregate special accounts by trader, among other purposes.

[139] *See, e.g.*, *id*. ("Form 71 is designed to permit [omnibus originators] to report the required [identifying information] directly to the Commission without requiring such firms to disclose information regarding customers to potential competitors.").

options traded on DCMs.[140] In the Proposal, the Commission made explicit that part 17 position reporting is required for Covered Event Contracts. Specifically, § 16.03(c) identifies part 17 as applicable to the relevant reporting party.

For futures and options, large trader position data reporting is conducted by either the DCM or the intermediary, depending on whether a given contract is "exclusively self-cleared."[141] In the case of exclusively self-cleared contracts, DCMs will be required to submit position data reports required to be reported pursuant to § 17.00[142] and ownership and control information required to be reported pursuant to § 17.01.[143] Because part 17 provides for DCMs reporting of exclusively self-cleared contracts, DCMs will not be required to submit clearing member reports pursuant to § 16.00(c),[144] as such reporting will be redundant. For contracts that are not exclusively self-cleared, the intermediaries—FCMs, clearing members, and foreign brokers—will be required to

[140] Section 17.00(a) applies to "put and call options" traded on DCMs. 17 CFR 17.00(a). The definition of "Reportable position" explicitly contemplates that a special account will consist of "long or short put or call commodity options that have identical expirations and exercise into the same commodity, on any one reporting market." 17 CFR 15.00(p)(1(ii). Section 16.00 requires DCMs to provide clearing member reports. 17 CFR 16.00.

[141] 17 CFR 15.00(h) ("*Exclusively self-cleared contract* means a cleared contract for which no persons, other than a reporting market and its clearing organization, are permitted to accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trade.").

[142] *See* 17 CFR 17.00(i) ("Unless determined otherwise by the Commission, reporting markets that list exclusively self-cleared contracts shall meet the requirements of paragraphs (a) through (h) of this section, as they apply to trading in such contracts by all clearing members, on behalf of all clearing members.").

[143] *See* 17 CFR 17.01(d) ("Unless determined otherwise by the Commission, reporting markets that list exclusively self-cleared contracts shall meet the requirements of paragraphs (a) and (b) of this section, as they apply to trading in such contracts by all clearing members, on behalf of all clearing members.").

[144] *See* 17 CFR 16.00(c) ("Unless determined otherwise by the Commission, paragraph (a) of this section shall not apply to transactions involving exclusively self-cleared contracts.").

report position data and ownership and control information under part 17,[145] and DCMs will be required to submit clearing member reports pursuant to § 16.00.[146]

Currently, some DCMs listing Covered Event Contracts permit participation of intermediaries, and some do not. For DCMs that do not permit intermediaries to participate, the Commission expects the DCM to provide part 17 reporting, consistent with the original design of the rule establishing the definition of "exclusively self-cleared contracts."[147] For DCMs that rely on clearing intermediation, the Commission expects the "exclusively self-cleared contracts" definition will not apply, and that therefore clearing members—whether FCMs, foreign brokers, or direct clearing members—will provide part 17 reporting as required.

The Commission recognizes that some DCMs listing Covered Event Contracts for trade may permit both intermediated and non-intermediated retail participants in the same contract market. In this mixed intermediation scenario, contracts will not qualify as "exclusively self-cleared" because some persons "other than a reporting market and its clearing organization, are permitted to accept . . . money, securities, or property . . . to margin, guarantee, or secure any trade."[148] But requiring direct clearing members who are also retail traders to report in this context will conflict with the Commission's

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[145] *See generally* 17 CFR 17.00, 17.01.

[146] *See generally* 17 CFR 16.00.

[147] The 2006 rulemaking establishing the definition of "exclusively self-cleared contracts" and the alternate reporting structure was issued to address reporting by HedgeStreet, Inc., a DCM that, at the time, listed "small sized and fully collateralized European style binary options on various commodities in a market structure that permits no intermediary to handle the orders or funds of traders." Final Rule, Market and Large Trader Reporting, 71 FR at 37812.

[148] 17 CFR 15.00(h); *see also* 71 FR at 37813 n.53 ("The reporting framework for exclusively self-cleared contracts is narrowly tailored to be contract specific. In other words, a reporting market may list both exclusively self-cleared and other contracts. The alternative reporting approach, however, will only apply to exclusively self-cleared contracts.").

expressed intention in promulgating the "exclusively self-cleared contract" definition. Specifically, the regulations concerning exclusively self-cleared contracts are designed to place large trader reporting obligations on sophisticated firms and not on retail traders.[149] Sections 16.00(c), 17.00(i), and 17.01(d), apply "[un]less determined otherwise by the Commission."[150] In order to ensure that retail traders are not burdened with daily large trader reporting obligations in this scenario, the Proposal adds provisions to § 17.00 and § 17.01 specifying that, for Covered Event Contracts, DCMs will provide large trader reporting and ownership and control reporting for special accounts carried by clearing members trading in their own name and not on behalf of any customer.

The Commission also notes the format for submitting large trader position reports required under § 17.00 is subject to change due to rule amendments published in 2024.[151] The compliance date for those amendments was June 3, 2026.[152] However, DMO has published a no-action letter stating that DMO will not recommend an enforcement action against any DCM, FCM, clearing member, or foreign broker for failure to comply with those rule amendments until certain conditions are met, in order to facilitate time for testing and implementation.[153] It is expected that this no-action position will expire on

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[149] *See id.* (stating that "[w]ith respect to exclusively self-cleared contracts, traders in general may not have the requisite resources or regulatory experience to comply with Part 17" and therefore, "[i]n order to not place any daily reporting burden on traders, the Commission is . . . adopting final rules that place reporting markets in the regulatory position of market participants that trade in exclusively self-cleared contracts").

[150] 17 CFR 16.00(c), 17.00(i), 17.01(d).

[151] *See* Final Rule, Large Trader Reporting Requirements, 89 FR 47439 (June 3, 2024).

[152] *See id.* at 47439.

[153] CFTC Letter No. 26-02 (Jan. 27, 2026), available at *https://www.cftc.gov/csl/26-02/download*. Specifically, CFTC Letter No. 26-02 states that DMO "will not recommend the Commission initiate an enforcement action against an FCM, clearing member, foreign broker, or DCM for failure to comply with the Final Rule until eighteen months after Commission staff has (1) publicly announced the commencement of calls with market participants regarding implementation; (2) announced the availability of the CFTC

July 26, 2027,[154] at which point market participants will comply with the revised part 17 reporting requirements. Because the 2024 rulemaking modernized the data reporting format and submission standard, and to the extent reporting parties require more time for testing and implementation, the Commission proposed that the implementation date for § 16.03(b)(1) and § 16.03(c) be the later of either (a) sixty days[155] following publication of a final rule stemming from this notice in the *Federal Register* or (b) July 26, 2027.

2. Comments

The Commission received six[156] substantive comment letters addressing the Proposal to make explicit that part 17 reporting requirements are required for Covered Event Contracts.[157] The Commission received five[158] substantive comments concerning the allocation of reporting responsibilities between clearing members, FCMs, and DCMs

Portal for testing for a period; and (3) published a revised Part 17 Guidebook," on the condition that market participants continue to submit part 17 reporting pursuant to the regulations in effect on June 2, 2024. *Id.* at 2.

[154] Press Release, CFTC Staff Issues No-Action Letter, Announces Implementation Updates to 2024 Large Trader Reporting Rule, CFTC Release No. 9174-26 (Jan. 27, 2026), available at https://www.cftc.gov/PressRoom/PressReleases/9174-26.

[155] *Cf.* PredictRails Letter at 5 (identifying scrivener's error in preamble to the Proposal).

[156] *See* CME Letter at 3-4; Data Boiler Letter at 20; De Silva Letter at 4-5; Novig Letter at 6-8; Rothera Letter at 6-7; Brubaker Letter II at 2.

[157] The Commission requested comments on all aspects of the proposed changes to parts 16 and 17, including proposed §§ 16.03(b)(1), 16.03(c), 17.00(j), and 17.01(f). The Commission also requested specific comment on two questions: on "(5) Whether adopting proposed § 17.00(j) and § 17.01(f) to require DCMs to provide part 17 reporting for direct clearing members, and intermediaries to provide part 17 reporting for their customers would create operational challenges for DCMs or intermediaries participating in those contract markets where there exists both direct and intermediated clearing.

(6) Whether proposed § 17.00(j) and § 17.01(f) are sufficiently narrow to capture only retail traders and not institutional or other traders that may be better equipped to submit routine large trader reporting on their own behalf.") *Data Reporting Requirements for Certain Event* Contracts, 91 FR 40102, 40109 (July 1, 2026).

[158] *See* Coalition for Prediction Markets Letter at 4: Rothera Letter at 5-6; Russell Letter at 3; Data Boiler Letter at 19.

set out in § 17.00(j) and § 17.01(f).[159] The Commission received one[160] comment letter more generally supporting large trader reporting.

First, commenters who addressed the general appropriateness of the large trader reporting regime for Covered Event Contracts generally supported that application.[161] Certain commenters opposed the application of large trader reporting to event contracts as proposed.[162] Commenters who opposed the proposed large trader reporting scheme generally objected to the proposed reporting levels and reportable trading volume levels rather than the inclusion of Covered Event Contracts in the part 17 framework. As such, those comments are addressed in Sections II.D through II.F below. Separately, Novig recommended the Commission withdraw the Proposal in its entirety and repropose regulations that would provide a standalone reporting regime for Covered Event Contracts rather than apply a version of the reporting regime applicable to futures and options.[163] Among other things, Novig argued the Commission should not finalize a

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[159] Coalition for Prediction Markets Letter at 4: Rothera Letter at 5-6; Russell Letter at 3; De Silva Letter at 4; Data Boiler Letter at 19.

[160] Rothera Letter at 6-7.

[161] *See* CME Letter at 3-4 (stating "[w]e share the Commission's view that trader-level identifying information can provide tremendous value to market surveillance programs. We also agree that OCR, along with large trader and volumetric reporting, are critical components of these programs—OCR in particular allows the Commission to harmonize data and identify participants across all markets."); Brubaker Letter II at 2 ("[T]he Commission is right to extend large-trader-style reporting to Covered Event Contracts"); Robinhood Letter at 2 (supporting proposed changes to large trader reporting thresholds); Rothera Letter at 6-7.

[162] *See* Novig Letter at 16 (stating "[t]he reproposal should take the opposite approach. It should withdraw Covered Event Contracts from §§ 16.00, 16.01, and 16.02 and part 17 altogether and adopt a single, self-contained event contract reporting rule, designed from a fresh assessment of what the Commission actually needs for these markets."); CME Letter at 4 (stating that "[t]o achieve the Commission's surveillance objectives without imposing disproportionate and unnecessary operational burdens on intermediated markets, the CFTC should leverage its existing Part 17 OCR framework rather than creating a fragmented Part 16 regime."); Data Boiler Letter at 19 (stating that "[b]ifurcating Large Trader Reporting responsibilities between DCMs (for direct members) and FCMs (for intermediated clients) fundamentally fragments the Commission's surveillance data pools.").

[163] *See generally* Novig Letter.

routine Part 17 reporting regime based on the Proposal, but rather, in a reproposed rule, and should "distinguish between information that can already by generated from § 16.02 and information that is genuinely unavailable."[164] Novig also suggested that, because the Commission calculated position data for certain event contracts for purposes of the Proposal based on § 16.02 data, large trader position reporting is unnecessary for Covered Event contracts.[165]

Second, commenters who addressed the allocation of large trader reporting obligations between DCMs and FCMs set out in § 17.00(j) and § 17.01(f) generally supported those rules.[166] One commenter, Data Boiler, expressed the concern that bifurcating the large trader reporting obligation between DCMs and FCMs under § 17.00(j) and § 17.01(f) would "fundamentally fragment[] the Commission's surveillance data pools" because "[i]f a large participant utilizes both access methodologies simultaneously, neither the exchange nor the intermediary can compile a cohesive Form 102 identity mapping."[167] Additionally, Data Boiler expressed concern that § 17.00(j) and § 17.01(f) would provide "sophisticated institutional hedge funds and high-frequency market makers operating as Direct Clearing Members . . . an unearned compliance subsidy" by allocating costs for reporting their positions to the DCM.[168]

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[164] *Id.* at 8.

[165] *Id.* at 6-7.

[166] Coalition for Prediction Markets Letter at 4 (stating § 17.00(j) and § 17.01(f) "carefully calibrate obligations in mixed-intermediation markets"); Rothera Letter at 5-6; Russell Letter at 3. De Silva urged the Commission to "state precisely how each obligation in parts 15 through 18 attaches" in non-intermediated and mixed-intermediated DCMs, De Silva Letter at 4, which § 17.00(j) and § 17.01(f) address.

[167] Data Boiler Letter at 19.

[168] *Id*. at 19.

Third, in addition to comments specifically concerning the Proposal, one commenter recommended, more generally, that the Commission codify staff no-action positions concerning Part 17.[169]

3. Final Rule

After considering the comments, the Commission has determined to finalize §§ 16.03(b)(1), 16.03(c), 17.00(j), and § 17.01(f) as proposed.

First, for the reasons discussed in the Proposal,[170] the Commission believes that the large trader reporting regime is generally appropriate for Covered Event Contracts. With respect to Novig's recommendation that the Commission repropose standalone reporting rules applicable to Covered Event Contracts, as discussed above in Section II.A.3, the Commission believes that codifying a version of the reporting scheme currently in effect is preferable to implementing an alternative reporting scheme.[171] With respect to Novig's suggestion that large trader position reporting may be unnecessary because the Commission can calculate positions using § 16.02 data,[172] in the Commission's experience, calculating daily positions at the special account level based on reported transaction data may be operationally challenging.[173] For example, absent real-time access to account-identifying information,[174] it is unlikely the Commission

[169] *See* Rothera Letter at 6-7.

[170] Proposal, 91 FR at 40108-09.

[171] *See supra* Section II.A.3.

[172] Novig Letter at 6-7.

[173] *See, e.g.*, Final Rule, Large Trader Reporting for Physical Commodity Swaps, 76 FR 43851, 43858 (July 22, 2011) (observing in 2011 that "it may be a considerable time before SDRs are able to reliably convert transaction data into positional data").

[174] Today, the Commission typically receives customer account information pursuant to § 16.02 on a quarterly basis.

could reliably calculate positions at the special account level on the T+1 timeline provided in § 17.00. And, the account-identifying information provided pursuant to part 17 is more detailed, particularly with respect to omnibus accounts, than the account-identifying information that DCMs will be required to maintain pursuant to § 16.03(g).[175]

With respect to Data Boiler's suggestion that bifurcating reporting obligations between DCMs and FCMs creates blind spots and grants a compliance subsidy to sophisticated hedge funds, the Commission disagrees. Data Boiler appears to suggest that if a particular market participant maintained a direct access account and an intermediated account, it would not be possible for the intermediary or exchange to link those accounts—or, as Data Boiler puts it, to "compile a cohesive Form 102 identity mapping."[176] To the extent this is a concern, it is not specific to mixed intermediation markets. Customers in intermediated markets may maintain accounts with different FCMs. More generally, Form 102A reporting facilitates the Commission linking related special accounts based on common ownership or control.[177] The Commission does not believe receiving Form 102A from DCMs for direct access customers will result in a "blind spot" in ownership and control reporting. With respect to Data Boiler's concern that bifurcating reporting obligations between DCMs and FCMs grants a "compliance

[175] For example, whereas § 16.03(g) requires DCMs to collect the name, address, contact information, occupation information, and employer information, Form 102A, Form 40, and Form 71 require a gamut of other information, including sub-account information for omnibus accounts, 17 CFR part 17 App'x B (Form 71), trading purpose, 17 CFR part 18 App'x A (Form 40), and other information.

[176] Data Boiler Letter at 19.

[177] *See, e.g.*, Advanced notice of proposed rulemaking and request for public comment, Account Ownership and Control Report, 74 FR 31642, 31643 (July 2, 2009) (the Commission intended ownership and control reporting to "reveal[] links between apparently unrelated trading accounts").

subsidy" to large firms, given that the rules at issue apply equally to large firms and retail traders, they do not result in any "compliance subsidy" based on the size of a firm.

As discussed in the Proposal, the Commission believes that DCMs are better suited to report large trader reporting than retail participants. DCMs have infrastructure and experience with routine regulatory reporting, whereas retail participants generally do not.

D. § 16.03(d): Reports By Traders

1. Proposal

Proposed § 16.03(d) specifically requires traders, upon receiving a special call from the Commission, to file reports pursuant to part 18 for Covered Event Contracts.[178] Such reporting is consistent with the reporting structure applicable to futures and options contracts. Section 18.04 requires, after a special call of the Commission, each trader holding or controlling a reportable position file with the Commission a "Statement of Reporting Trader" on Form 40, at such time and place as directed in the call.[179] Form 40 information supports the Commission's ability to perform effective surveillance by providing the Commission with more detailed data concerning large traders, including such traders' relationships with other entities and relationships with other persons that influence or exercise control over their trading. Additionally, Form 40 provides the Commission with information about the business activities of the reporting trader. Form 40 also enables the Commission to compare the trading goals that a reporting trader reports with its subsequent market activity.

[178] Part 18 was not specifically included in the Staff Event Contract Reporting No-Action Letters, but it was still required to be followed under the Staff Event Contract Reporting No-Action Letters.

[179] 17 CFR 18.04.

2. Comments

The Commission received one substantive comment, from Data Boiler, addressing § 16.03(d).[180] Data Boiler recognized the Commission's efforts to mitigate certain administrative burdens by raising the reporting thresholds, but believes completing a Form 40 in general poses "substantial burden" on retail traders.[181]

3. Final Rule

After considering the comment, the Commission has determined to finalize § 16.03(d) as proposed.

As discussed in the Proposal, the Commission anticipates the increase in reporting thresholds, discussed in Sections II.E and II.F, will result in a relatively small number of traders with large positions or large volumes of trade being potentially required to submit a Form 40.[182] There is no reason to believe that Form 40 poses burdens specific to retail traders, as opposed to general burdens to traders required to submit such form.[183]

E. § 16.03(e): Reporting Levels

1. Proposal

As discussed above, the Commission's large trader reporting scheme requires reporting of information by DCMs, FCMs, clearing members and foreign brokers with

[180] Data Boiler Letter at 19-20.

[181] *Id.* at 20 ("Average Retail Traders lack the legal counsel and compliance tech-stacks required to navigate Form 40's complex corporate-control and hedging disclosures. If a retail trader inadvertently misreports their control structure or algorithmic ties on a mandatory Form 40, they face severe statutory penalties under Part 18.").

[182] Proposal, 91 FR at 40110.

[183] It is unclear in what circumstances a retail trader would "misreport their control structure or algorithmic ties" on Form 40. Data Boiler Letter at 20.

respect to positions in open contracts in futures and options, including the size of daily positions of special accounts.[184] Whether large trader position reporting requirements apply to a particular account depends on whether that account equals or exceeds the relevant reporting level set out in § 15.03 of the Commission's regulations.[185] Section 15.03(b) enumerates specific reporting levels applicable to specific contracts and applies a default reporting level of 25 contracts to all other contracts.[186]

With respect to liquid contracts, the Commission typically calibrates § 15.03 reporting levels with the goal of ensuring that the aggregate of positions reported to the Commission represents approximately 70 to 90 percent of the open interest in any given contract.[187] The Commission also analyzes factors such as the terms and conditions of a contract, its trading volume, its level of open interest, its typical open position size, and the Commission's regulatory experience with similar contracts prior to revising or codifying new contract reporting levels in § 15.03(b).[188]

Absent the Final Rule, the reporting level applicable to event contracts would generally be the default 25-contract reporting level applicable to "Other Commodities."[189] The Commission proposed a different reporting level for Covered Event Contracts based on proposed contracts that pay a maximum of $1. Changes to §

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[184] *See supra* notes 136-142 and accompanying text.

[185] *See* 17 CFR 15.00, 15.03. The firms that carry accounts that become reportable are required to identify those accounts on Form 102 and report positions in the accounts to the Commission. *See* 17 CFR 17.00, 17.01.

[186] 17 CFR 15.03(b).

[187] *See* 71 FR at 37810 n.12; Final Rule, Reporting Levels and Recordkeeping, 69 FR 76392, 76393 (Dec. 21, 2004).

[188] *See id.*

[189] 17 CFR 15.03.

15.03(b) add a reporting level of 125,000 contracts for "Event Contracts (1 USD)" (or the equivalent notional value with a contract size other than 1 USD), as further explained below.[190] As the Commission has previously noted, "[s]ince the default contract reporting level is strict and set at 25, its application to some newly listed contracts is (on occasion) inefficient from a regulatory surveillance perspective."[191] In proposing to establish a separate reporting level applicable to Covered Event Contracts, the Commission was mindful of the burden associated with reporting requirements and reviews them with an eye to streamlining that burden to the extent compatible with its responsibilities for rigorous surveillance applicable to the commodity options markets.[192]

Given the variety of currently-listed contracts that may be covered by § 16.03(a), the Commission believes it is impractical to establish a common reporting level intended to capture 70 to 90 percent of open interest on any given business day. Moreover, given the significant retail participation in trading of event contracts, including the Covered Event Contracts and the relatively low contract size of such contracts, a reporting level set to capture 70 to 90 percent of open interest on any given business day could capture retail traders that will not typically be considered large traders.[193] This could impose an undue reporting burden on DCMs listing Covered Event Contracts and on retail traders

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[190] The Commission also proposed to remove the "Hedge Street Products" reporting level, as no DCM currently does business under that name.

[191] *See* 71 FR at 37810.

[192] 69 FR at 76393.

[193] *See also* Final rules, Reporting Levels and Recordkeeping, 69 FR at 76394 ("Because of the relatively low notional value of [HedgeStreet's European-style commodity options that paid a fixed $10.00 when in the money upon expiration], the reporting levels otherwise applicable to such contracts, including the default reporting level of 25 contracts, may place an undue reporting burden on HedgeStreet and its members without substantially facilitating the Commission's objective of, and responsibility for, meaningful market surveillance.").

participating in such trading. To avoid imposing such a burden, the Commission proposed a flat reporting level of 125,000 contracts with an equivalent contract size of $1.[194]

Based on the Commission's experience and analysis of transaction data, a reporting level representing an end-of-day position with a $125,000 notional value will exclude the vast majority of retail traders from large trader reporting for most markets and will generally capture a relatively small number of significant traders in more liquid markets, such as market makers and institutional traders.[195] The 125,000 reporting level could result in a 97 to 99 percent reduction in the number of potentially reportable special accounts.[196] Based on the Commission's analysis of certain event contract markets, the Commission expects such a reporting level will still result in DCMs reporting the most liquid event contracts. For less liquid event contract markets, the Commission will expect to receive no large trader reporting.

The Commission believes that a reporting level of 125,000 contracts is appropriate for Covered Event Contracts (1 USD), as that level will enable the Commission to receive daily position information and detailed trader-identifying

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[194] For Covered Event Contracts with contract sizes other than 1 USD, the applicable reporting level will be based on the notional value equivalent to 125,000 USD. For example, for a contract with 100 USD contract size, a reporting level of 1,250 contracts will apply. Establishing a notional-equivalent reporting level will allow DCMs to list contracts in contract sizes other than 1 USD without necessitating separate rulemakings to establish appropriate reporting levels based on different contract sizes.

[195] The Commission has regulatory experience setting reporting levels for retail-focused, small-notional-value European-style options with a binary payout structure. In 2004, the Commission set a reporting level of 125,000 contracts for Hedge Street Products, which consisted of contracts that paid a maximum of $10. 69 FR at 76394. A comparable reporting level for Event Contracts (1 USD) will be 1,250,000 contracts. Based on current volumes of trade for event contracts that may be covered by proposed § 16.03(a), the Commission believes that setting a reporting level at the equivalent of $1.25 million will, for many contract markets, obviate all position reporting.

[196] *See infra* section IV.6 (Cost-Benefits Considerations) for further discussion of the impact of reporting levels.

information for the largest participants in Covered Event Contract markets. At the same time, that level will ensure that retail participants with relatively low notional value positions are not swept into a reporting system typically used to analyze positions of significant institutional traders and subjected to burdens to which they are not well-suited, as well as to overwhelm the Commission with less useful data.

2. Comments

The Commission received nine[197] substantive comment letters addressing the Proposal to add a reporting level of 125,000 contracts for Covered Event Contracts. Section IV.A within the Cost-Benefit Consideration below also addresses comments concerning the daily position information and detailed trader identifying information for the largest participants in these markets.

Seven commenters supported the Proposal.[198] In particular, Kalshi favored a uniform reporting level of 125,000 for all categories of Covered Event Contracts because the alternative "would require continuous rule revisions to respond to rapidly proliferating contract types."[199] Robinhood highlighted that the existing reporting thresholds were not designed for prediction markets and without the proposed reporting level, retail participants would be swept into a legal framework built for institutional

[197]Coalition for Prediction Markets Letter at 3; Coinbase Letter at 2; Data Boiler Letter at 20; Kalshi Letter at 3-5; Novig Letter at 6-8; PredictRails Letter at 4; Robinhood Letter at 2-4; Rothera Letter at 2, 5; and Talos Letter at 4-6.

[198] Coinbase Letter at 3; Kalshi Letter at 4-5; Robinhood Letter at 2-3; Talos Trading Letter at 5-6; Coalition for Prediction Markets Letter at 3; PredictRails Letter at 4; Rothera Letter at 2, 5.

[199] Kalshi Letter at 4.

futures markets.[200] Similarly, Rothera supported the proposed reporting level because it "excludes retail traders while capturing genuinely large positions."[201]

No commenters opposed the Proposal to establish a reporting level of 125,000 contracts for Covered Event Contracts. Novig explicitly declined to recommend any alternative reporting level and did not weigh in substantively on the appropriateness of the reporting level,[202] but did argue that the 125,000-contract reporting level was not based on "reasoned analysis" because the Commission discussed the 125,000-contract reporting level applicable to HedgeStreet Contracts, which at one point had a contract size of $10.[203]

Separately, several commenters sought clarification regarding aggregation across related contracts.[204] Most of these commenters recommended positions be measured, for purposes of § 15.00(p) and § 15.03, on a per-contract basis rather than a per-commodity basis. Rothera argued that aggregation across Covered Event Contracts would be inconsistent with the Commission's decision to create a retail-sensitive design.[205] The Coalition for Prediction Markets suggested that reporting thresholds "should apply on a

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[200] Robinhood Letter at 2-3 (stating that retail participants are not "well suited' to the associated burdens of reporting and who generate data of limited use for surveillance given the $1 notional vale of the contracts.").

[201] Rothera Letter at 2.

[202] Novig Letter at 6 ("Novig does not offer this as an argument for a different [reporting level].").

[203] *Id.*

[204] Section 15.00(p) requires a reportable position be measure based on the quantity of contracts that "have identical expirations and exercise into the same commodity" rather than on a more granular contract-by-contract level. 17 CFR 15.00(p)(ii).

[205] Robinhood Letter at 3-4 (explaining that "aggregation across related contracts ('cross-contract aggregation') should not be applied to large trader reporting thresholds . . . because [Covered Event Contracts] payouts turn on the occurrence of a specified event rather than on a limited physical supply, the number of contracts that can be created is effectively unbounded, and no participant can corner an event contract market").

per-contract basis, without aggregating positions or trading volume across related contracts."[206] Kalshi supported the uniform reporting level of 125,000 for "all categories of Covered Event Contracts rather than event contract category-specific reporting thresholds, which would require continuous rule revisions" but requested the Commission "to make clear that different underlying events are different 'commodities' for purposes of the definition of 'reportable position' in § 15.00(p) and the reportable position thresholds set forth in § 15.03, rather than treating the nearly boundless variety of events that may underlie an event contract as a single 'Event Contract' commodity and aggregating positions across multiple different event contracts for purposes of the 125,000 reportable position threshold."[207] On the other hand, Talos Trading highlighted that a trader may be able to "build a large economic exposure across a ladder, range, or outcome set without crossing a reporting threshold in any single contract," and recommended the Commission implement a "reporting-aggregation group identifier [that] would allow those positions to be tested together consistently."[208] Talos suggests the Commission consider recalibrating the reporting levels "within 12 to 18 months after implementation."[209]

3. Final Rule

After considering the comment, the Commission has determined to finalize the reporting levels in § 16.03(e) as proposed.[210]

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[206] Coalition for Prediction Markets Letter at 3.

[207] Kalshi Letter at 4-5.

[208] Talos Letter at 4.

[209] *Id.* at 5.

[210] Additional discussion of the reporting level is contained in the Cost Benefit Consideration analysis in Section IV.A.

The Commission agrees with Kalshi, Robinhood, and Rothera that the 125,000-contract reporting level in § 15.03 for Covered Event Contracts[211] is appropriate to achieve the Commission's objective of only capturing the largest positions. As explained in the Proposal, the 125,000-contract reporting level was based on the Commission's experience, analysis of transaction data, and the Commission's view about the appropriate allocation of reporting burdens.[212] The Commission noted that given the significant retail participation in trading of event contracts, including the Covered Event Contracts and the relatively low contract size of such contracts, a reporting level set to capture 70 to 90 percent of open interest on any given business day could capture retail traders that would not typically be considered large traders.

For purposes of clarification, the Final Rule does not apply aggregation by commodity for Covered Event Contracts for purposes of measuring whether an open contract position exceeds the § 15.03 reporting level for Covered Event Contracts. The Commission agrees with the majority of commenters that implementing an aggregation requirement would introduce significant operational complexity given the variety of events that may underlie Covered Event Contracts.[213] For this reason, the Commission calibrated the proposed 125,000 reporting level based on analysis of contracts defined at

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[211] As proposed, for contracts with contract size other than 1 USD, the applicable reporting level is the notional value equivalent to 125,000 USD.

[212] *See* Proposal, 91 FR at 40109-10, 40119-22. This analysis—not, as one commenter suggests, the 20-year-old reporting level for HedgeStreet Contracts—was the basis for the proposed 125,000-contract reporting level. *See* Novig Letter at 6.

[213] *See, e.g.*, Kalshi Letter at 4 ("Kalshi asks the Commission to make clear that different underlying events are different 'commodities' for purposes of the definition of 'reportable position' in § 15.00(p) and the reportable position thresholds set forth in § 15.03, rather than treating the nearly boundless variety of events that may underlie an event contract as a single 'Event Contract' commodity and aggregating positions across multiple different event contracts for purposes of the 125,000 reportable position threshold.").

the most granular level—the contract level—rather than based on the underlying commodity.[214] With respect to Talos's suggestion that the Commission recalibrate the reporting level in "12 to 18 months,"[215] the Commission monitors the effectiveness of its regulations and periodically updates reporting levels as appropriate through the notice and comment rulemaking process.[216]

Additionally, commenters requested consistency between the units used in both reporting levels and reportable trading volume levels.[217] The Commission notes that the units within § 15.03(b) and § 15.04(b) serve different purposes. As explained in the Proposal, the purpose of volume-based reporting, as opposed to the position-based reporting, is to identify trading accounts based on their daily trading volume, rather than daily open interest.

F. § 16.03(e): Reportable Trading Volume Level

1. Proposal

Section 17.01(b) of the Commission's regulations requires ownership and control reporting for accounts for which trading volume exceeds a reportable trading volume level.[218] Specifically, § 15.04 sets out a broadly applicable reportable trading volume

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[214] *See* Proposal, 91 FR at 40120 (analyzing impact of 125,000-contract reporting level at the contract-level). Separately, PredictRails suggested the Commission revise "Event Contract (1 USD)" to "Covered Event Contract (1 USD)" in § 16.03(e) for alignment with § 15.03(b). PredictRails Letter at 5. The Commission has implemented this suggestion in this Final Rule.

[215] Talos Letter at 5.

[216] *See, e.g.*, Proposed rules, Reporting Levels and Recordkeeping, 69 FR 26333, 26334 (May 12, 2004) ("The Commission periodically reviews information concerning trading volume, open interest, and the number and position sizes of individual traders relative to the reporting levels for each market to determine if coverage of pen interest is adequate for effective market surveillance.").

[217] PredictRails Letter at 4 (observing the § 15.03 reporting level has different units than the § 15.04(b) reportable trading volume level).

[218] 17 CFR 17.01(b).

level of 50 contracts,[219] during a single trading day, on a single reporting market that is a board of trade designated under § 5 of the CEA, in all instruments that such reporting market designates with the same product identifier (including purchases and sales, and inclusive of all expiration months).[220]

The purpose of volume-based reporting, as opposed to the position-based reporting required by § 17.00(a), is to identify trading accounts based solely on their trading volume, independently of such accounts' contribution to open interest.[221] When establishing the 50-contract reportable trading volume level, the Commission determined such level identified "approximately 85 percent of the trading volume in approximately 90 percent of the products sampled by the Commission" over a six-month sample period and identified "approximately one-third of the trading accounts in the sample set."[222] Thus, the Commission determined the 50-contract reportable trading volume level captured accounts responsible for the large majority of trading volume and a meaningful absolute number of trading accounts active in Commission-regulated markets.[223] The Commission concluded that identifying both accounts responsible for the majority of trading volume and a meaningful absolute number of active trading accounts was

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[219] Since 2014, DMO has taken a series of no-action positions with respect to ownership and control reporting requirements. *See generally* CFTC Letter No. 24-14, at 1 (Sept. 25, 2024), available at https://www.cftc.gov/csl/24-14/download (discussing history of no-action letters). Among other things, those no-action positions provide that DMO will not recommend an enforcement action against a reporting party for failure to report a volume threshold account based on a reportable trading volume level of 50 contracts, provided that such reporting party reports instead based on a reportable trading volume level of 250 or more contracts per day. *See id.* at 6.

[220] 17 CFR 15.04.

[221] *See* Final Rule, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71, 78 FR 69178, 69192.

[222] *Id.*

[223] *Id.*

"important in improving the Commission's ability to perform robust and comprehensive market surveillance."[224]

The Commission believes that applying a 50-contract reportable trading volume level to Covered Event Contracts imposes a disproportionate burden on market participants vis-à-vis the benefit to the Commission.[225] Given that a significant majority of Covered Event Contracts have a contract size of one dollar, a 50-contract reportable trading volume level would effectively require the submission of Form 102B for every account with $50 in daily trading volume. Obtaining detailed ownership and control information for accounts with $50 in daily trading volume—as opposed to a higher threshold—is unlikely to enhance the Commission's surveillance and market monitoring functions and would impose significant burdens on market participants while overwhelming the Commission with less useful data.

Based on analysis of trading volumes in Covered Event Contracts, the Proposal establishes in § 15.04 a new reportable trading volume level applicable solely to Covered Event Contracts and sets that level at 125,000. The Commission estimates a reportable trading volume level of 125,000 will capture approximately 227 accounts with significant trading volume in Covered Event Contracts, as opposed to thousands of accounts captured by under a reportable trading volume level of 50 trades. This may include accounts that trade in significant volume but maintain relatively low open positions, such

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[224] *Id.*

[225] The Commission received a comment letter to this effect in 2012. *See generally* 78 FR 69178, 69192 (discussing commenter's recommendation that the Commission apply a reportable trading volume level of 5,000 to contracts with a notional value of one thousand dollars or less).

that the Commission would not otherwise obtain ownership and control information under § 17.01(a) based on reportable positions.[226]

2. Comments

The Commission received eight[227] substantive comment letters addressing the Proposal to establish a new reportable trading volume level applicable solely to Covered Event Contracts of 125,000.

Commenters generally supported the 125,000-contract reportable trading volume level.[228] As noted earlier, Talos suggests the Commission consider recalibrating the reporting levels "within 12 to 18 months after implementation."[229]

Kalshi, the Coalition for Prediction Markets, and Robinhood sought clarification that the 125,000-contract reportable trading volume level applies on a per-contract basis as opposed to on some aggregated basis.[230]

Separately, for purposes of § 15.04(b), PredictRails suggested that for contracts with contract size other than 1 USD, the Commission require that reportable trading volume be measured by volume with notional amount equivalent to the notional amount associated with trading volume of 125,000 in contracts with contract size of 1 USD.[231]

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[226] 17 CFR 17.01(a)

[227] *See* Coalition for Prediction Markets Letter at 3; Coinbase Letter; Data Boiler Letter; Kalshi Letter at 4; Novig Letter at 4; PredictRails Letter; Robinhood Letter; Talos Letter.

[228] *See* Coalition for Prediction Markets Letter at 3; Data Boiler Letter at 2; Kalshi Letter at 3; Robinhood Letter at 3; Talos Letter at 5.

[229] Talos Letter at 5.

[230] Coalition for Prediction Markets Letter at 3; Kalshi Letter at 4; Robinhood Letter at 3-4.

[231] PredictRails Letter at 4.

Novig expressed concerns that a bad actor could circumvent ownership and control reporting by dividing trading volume among multiple accounts.[232]

3. Final Rule

After considering the comments, the Commission has determined to finalize § 16.03(e) and § 15.04(b) largely as proposed.

No commenter opposed the 125,000 reportable trading volume level in § 15.04(b) and, for the reasons discussed in the Proposal, the Commission continues to believe this is an appropriate level.[233] With respect to Talos's suggestion that the Commission recalibrate the reportable trading volume level in "12 to 18 months,"[234] as noted above the Commission monitors the effectiveness of its regulations and periodically updates reporting levels as appropriate through the notice and comment rulemaking process.

With respect to comments requesting clarification regarding aggregation of contracts for purposes of reportable trading volume levels,[235] the reportable trading volume level is based on daily trading volume on a particular DCM "in all instruments that such reporting market designates with the same product identifier," consistent with existing § 15.04. The Commission does not at this time intend to require aggregation of trading volume in similar or related contracts. Rather, the Commission intends reporting

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[232] Novig Letter at 4.

[233] Brubaker expressed concern that market makers that end each trading day with a flat position would not be captured by the Final Rule's large trader reporting thresholds, *see* Brubaker Letter II at 4. The Commission notes the 125,000-trade reportable trading volume level would likely capture a market maker that performed a large volume of trading in a day, even if such market maker had a net position of zero at the end of the day.

[234] Talos Letter at 5.

[235] *See, e.g.*, Kalshi Letter at 5; PredictRails Letter at 3.

firms to measure reportable trading volume in an individual product.[236] Given the variety of Covered Event Contracts, requiring aggregation of contracts with related underliers for purposes of applying the reportable trading volume level in § 15.04(b), without additional guidance, would likely result in inconsistencies across reporters and operational complexity.

With respect to PredictRails' suggestion that the Commission scale the § 15.04(b) reportable trading volume level based on contract size, [237] the Commission does not believe such modification is necessary, and believes such modification is outside the scope of the Proposal's intent to codify the Staff Event Contract Reporting No-Action Letters and could introduce complexity without related benefit.

With respect to Novig's concerns that a bad actor could circumvent ownership and control reporting by dividing trading volume among multiple accounts,[238] the Commission believes such concern is equally applicable to futures and options trading. Failure to aggregate positions for purposes of determining whether an account is reportable violates the Commission's regulations.[239] DCM collection of § 16.03(g) data may deter such behavior, as it will provide DCMs with the ability to identify traders who have access to the same DCM through multiple accounts.

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[236] *See* Proposal, 91 FR at 40120 (analysis does not attempt to aggregate traders' positions on a DCM across all expiry months for a given underlying asset and contract size).

[237] PredictRails Letter at 4.

[238] Novig Letter at 4.

[239] *See in re Morgan Stanley & Co. Inc.*, CFTC Dkt No. 18-02, at 4 (Nov. 2, 2017) (violation where "reporting software did not aggregate certain options, exercising into the same future, held by the same account, as required under Commission rules"); *see also, e.g.*, *In re McVean Trading & Investments, LLC, et al.*, CFTC Dkt No. 17-15, at 17 (June 21, 2017) (avoiding position limits regulations by directing accounts' trading without aggregating those positions for purposes of calculating position limits violates the CEA).

G. § 16.03(f): Real-Time Dissemination of Market Data

1. Proposal

Reporting requirements for swap data generally require near-real-time dissemination of swap transaction and pricing data.[240] To address this requirement, the Staff Event Contract Reporting No-Action Letters condition the no-action positions granted therein on the requesting DCMs' disseminating publishing time and sales data for all transactions "promptly" after execution.[241] Proposed § 16.03(f) codifies in regulation a substantially similar requirement. Specifically, it requires DCMs to publish for each Covered Event Contract the execution timestamp, contract ticker symbol, trade quantity, and price. Rather than requiring such dissemination occur "promptly," which is not defined in Commission regulations, § 16.03(f) requires such transaction information be published "as soon as technologically practicable," which is the standard generally applicable to dissemination of swap transaction and pricing data.[242] The most recent

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[240] *See* 7 U.S.C. 2(a)(13) (requiring the Commission to promulgate regulations for real-time public reporting of swap transaction and pricing data); 17 CFR 43.3(b) (regarding public dissemination of swap transaction and pricing data by SDRs in real-time).

[241] *See, e.g.*, CFTC Letter No. 17-31, at 3 (June 30, 2017), available at *https://www.cftc.gov/csl/17-31/download* (". . . Nadex publishes on its website the following time and sales data for all Nadex Contracts transactions promptly after execution thereof—business date, execution time, instrument type, periodicity, display name, expiration date, price (in USD), and volume"); CFTC Letter No. 17-32, at 4 (June 30, 2017), available at https://www.cftc.gov/csl/17-31/download ("CX continues to publish on its website the following information on all CX Binary Options transactions promptly after execution thereof: trade timestamp; contract; quantity; and price"); CFTC Letter No. 21-11, at 4 (Apr. 22, 2021), available at https://www.cftc.gov/csl/21-11/download ("Kalshi will publish on its website the following information on all Kalshi Binary Options transactions promptly after execution thereof: trade timestamp, contract, quantity, and price").

[242] *See* 17 CFR 43.3(b)(1) (requiring SDRs to "publicly disseminate swap transaction and pricing data as soon as technologically practicable after such data is received . . . unless such swap transaction and pricing data is subject to a time delay described in § 43.5"); 17 CFR 43.2(a) (defining "as soon as technologically practicable" to mean "as soon as possible, takin into consideration the prevalence, implementation, and use of technology by comparable market participants").

Letter recognized that in this context "promptly" means "as soon as technologically practicable."[243]

As noted in the Proposal, the Commission believes this will harmonize the reporting of Covered Event Contracts with the current industry standard and otherwise required by the current regulations. It will create parity across DCMs listing Covered Event Contracts for trade and ensure the public has timely and equal access to market data on a consistent basis to allow market participants and the public to analyze the swap transaction and pricing data. Proposed § 16.03(f) also introduces a requirement that DCMs listing Covered Event Contracts for trade make transaction data publicly available on their website for a period of at least one year, which mirrors requirements imposed on SDRs with respect to swap transaction and pricing data.[244]

Additionally, § 16.03(f) provides certain additional clarifications with respect to the form and manner for reporting execution timestamp, contract ticker symbol, trade quantity, and price. First, it specifies that "execution timestamp" should be provided in the form and manner applicable to the "Event Timestamp" data element in appendix A to part 43 of the Commission's regulations.[245] That format currently is YYYY-MM-

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[243] CFTC Letter No. 26-14, at 7 n.37 (May 13, 2026), available at https://www.cftc.gov/csl/26-14/download.

[244] *See* 17 CFR 43.3(c).

[245] The form and manner for reporting data elements set out in appendix A to part 43 of the Commission's regulations is set out in a technical specification published by the Commission's Division of Data. *See* 17 CFR 43.3(d)(1) ("In reporting swap transaction and pricing data to [an SDR], each reporting counterparty, swap execution facility, or designated contract market shall report the swap transaction and pricing data as described in the elements in appendix A of this part in the form and manner provided in the technical specification published by the Commission pursuant to § 43.7."); 17 CFR 43.7(a)(1) (delegating authority to the Division of Data "[t]o publish the technical specification providing the form and manner for reporting and publicly disseminating the swap transaction pricing data elements in appendix A of this part . . ."). The Division of Data's current technical specification for swap reporting is available on the Commission's website. *See* CFTC Division of Data, CFTC Technical Specification version 3.3 (Dec. 13,

DDThh:mm:ssZ, based on UTC (Coordinated Universal Time), the primary time standard globally used, with the time element required to be reported as specific as is technologically practicable. Maintaining formatting for dates in a manner consistent with those applicable to swap transaction and pricing data may facilitate combining data for Covered Event Contracts across DCMs and with other swaps for analysis or surveillance.

Second, "contract ticker symbol" should be populated with a code or symbol assigned by the DCM to identify the contract. This contract ticker symbol should, where practicable, be the symbol used as a unique instrument code ("UIC") for purposes of part 17 reporting.[246] Use of UICs permits linking contracts to Product Reference File data, which may reduce reporting burdens by allowing reporting parties to remove certain "static data" elements from reports.[247]

Third, "trade quantity" should be populated with a number greater than or equal to zero. This requirement will ensure data disseminated by different DCMs will be interoperable.

Fourth, "price" should be populated with a numeric value expressed as a decimal. This requirement will likewise ensure data disseminated by different DCMs will be interoperable.

2. Comments

The Commission received seven comments concerning § 16.03(f).

2023), available at https://www.cftc.gov/media/9921/Part43_45TechnicalSpecification12132023CLEAN/download.

[246] A unique instrument code is "[a]n exchange assigned code [that] serves as a primary key for the product reference file and uniquely identifies the derivatives contract at the instrument level." *See* 89 FR at 47447 n.98.

[247] *See* 89 FR at 47446-47.

A number of commenters supported § 16.03(f).[248] Bransfield/Chougule supported § 16.03(f) as a mechanism to provide public transparency that is "appropriately tailored to fully collateralized, exchange-traded event contracts."[249] Kalshi supported § 16.03(f) and stated that the § 16.03(f) data elements "give market participants and the public information needed to assess the market and make trading decisions, in addition to supporting prediction markets' broader information aggregation function."[250] Novig cites benefits of the current dissemination of trade data pursuant to conditions in the Staff Event Contract Reporting No-Action Letters as including that such data is "free, immediate, and readable by a retail customer."[251]

Certain of the supportive commenters suggested modifications to § 16.03(f), including (1) extending the period of time that § 16.03(f) data must be made publicly available, (2) mandating specific file formats and downloading protocols for § 16.03(f) data, (3) mandating specific requirements for the contract ticker symbol defined in § 16.03(f)(2), (4) requiring DCMs include additional data elements in § 16.03(f) data, and (5) requiring DCMs to disseminate additional types of data.

First, several commenters advocated for extending the required publication period beyond one year.[252] Bransfield/Chougule suggested extending the required publication

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[248] *See* Bransfield/Chougule Letter at 1; Data Boiler Letter at 20; Kalshi Letter at 3; MSR Decode Letter at 2; Novig Letter at 14; Shaw Letter at 1; Sporttrade Letter at 3-4.

[249] Bransfield/Chougule Letter at 1. Mick Bransfield and Pratik Chougule identify themselves as senior leadership at the Coalition for Political Forecasting, but state the views in their comment letter are theirs alone and do not necessarily reflect the perspectives of others associated with the Coalition for Political Forecasting. *See* Bransfield/Chougule Letter at 1.

[250] Kalshi Letter at 3.

[251] Novig Letter at 14.

[252] *See* Bransfield/Chougule Letter at 1; Shaw Letter at 10; Talos Letter at 3; MSR Decode Letter at 2.

period from one year to at least two years, or preferably longer,[253] noting that many event contracts reference annual or multi-year events, such as "elections, economic indicators, and climate outcomes," and that publication for two years or more would support research using this data and impose only limited costs on DCMs.[254] Shaw recommended the Commission change the proposed one-year retention period to a five-year retention period.[255] Talos also recommended the Commission extend the public availability period from one year to five years, noting that measuring the reliability and informational value of prediction markets can only be done after many contracts have been resolved.[256] MSR Decode also requests the Commission expressly require the published tape be complete and retrievable in full.[257]

Second, several commenters suggested the Commission mandate specific file formats and downloading protocols for § 16.03(f) data.[258] PredictRails recommended the Commission explicitly require data published pursuant to § 16.03(f) data to be machine readable.[259] Shaw further suggested that the Commission introduce additional specific form and manner requirements in connection with the requirement that § 16.03(f) data be downloaded, save-able, and searchable for at least one year after the initial dissemination, including requiring that downloadable files are in CSV or JSON formats, that bulk downloading options be available, that users need not register to download data, and that

[253] Bransfield/Chougule Letter at 1.

[254] *Id.* at 2.

[255] Shaw Letter at 10.

[256] Talos Letter at 3.

[257] MSR Decode Letter at 2.

[258] *See* PredictRails Letter at 2-3; Shaw Letter at 10; Talos Letter at 3.

[259] PredictRails Letter at 2-3.

DCMs publish a field specification and change log.[260] Talos suggested the Commission require publicly-disseminated transaction data "be machine-readable and available through stable, document bulk downloads, such as CSV and JSON."[261]

Third, two commenters suggested the Commission more specifically define "contract ticker symbol" for purposes of § 16.03(f).[262] Data Boiler "strongly oppose[d]" permitting a value other than a Unique Product Identifier ("UPI") in transaction data disseminated pursuant to § 16.03(f).[263] PredictRails commented that the Commission should require Contract Identifiers to be subject to uniqueness requirements and mandate that DCMs use UICs as Contract Identifiers.[264] Separately, PredictRails commented that § 16.03(f)(4) should specify a currency.[265]

Fourth, several commenters suggested the Commission should require DCMs include additional data elements in § 16.03(f) data.[266] MSR Decode proposed the Commission add three additional data elements to publicly disseminated data: (1) a persistent pseudonymous participant identifier; (2) an explicit representation of both sides of each execution; and (3) a settlement key joining each contract to its resolution outcome

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[260] Shaw Letter at 10.

[261] Talos Letter at 3.

[262] *See* Data Boiler Letter at 20; PredictRails Letter at 2-3.

[263] Data Boiler Letter at 20.

[264] PredictRails Letter at 2-3.

[265] *Id.*

[266] *See* MSR Decode Letter at 2; Shaw Letter at 19; Talos Letter at 3. Additionally, Sporttrade recommended the Commission require public dissemination of settlement timestamp and settlement source for each Covered Event Contract. Sporttrade Letter at 4. Sporttrade believes that providing settlement timestamp and settlement source would "further enhance confidence in the integrity and transparency of regulated event contract markets." Sporttrade Letter at 4. The Commission addresses this comment above in the context of reporting of settlement data and publication of such settlement data pursuant to § 16.01(e). *See supra* Section II.B.3.

and resolution timestamp.[267] Shaw advocates for an expanded version of § 16.03(f), which would include as additional data elements a "Liquidity flag," a "Trade direction indicator," a "Unique trade identifier," "Notional value (USD)," "Contract size / multiplier indicator," "Venue identifier," "Cross-venue instrument identifier," and a "Self-match / cross indicator."[268] Talos also suggested the Commission require as additional data elements "venue identifier," "stable UIC," "event-family identifier," "contract multiplier or maximum payout," "trade-condition flag," and "correction or cancellation flag."[269]

Fifth, Shaw suggested the Commission require, in addition to real-time dissemination of transaction data, dissemination of real-time or near-real-time quote and order data and dissemination of daily aggregate open interest by broad participant category.[270]

Certain other commenters outright opposed § 16.03(f),[271] or expressed other concerns.[272]

First, ICE contends that Part 43 is intended to address opaque, bilateral, over-the-counter swaps markets that lack a centralized price discovery mechanism, and that this rationale does not justify a public dissemination regime for transparent order book trading

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[267] MSR Decode Letter at 2.

[268] Shaw Letter at 9.

[269] Talos Letter at 3, 9.

[270] Shaw Letter at 9-10.

[271] *See* ICE Letter at 1; Rothera Letter at 2.

[272] DraftKings requested the Commission confirm that § 16.03(f) is intended to "consolidate and clarify" obligations under § 16.00, § 16.01, and § 16.02 rather than add a reporting obligation. DraftKings Letter at 4. Section 16.03(f) involves data elements that are reported to the Commission separately pursuant to § 16.02, but imposes a public dissemination requirement distinct from the public dissemination requirement for market data in § 16.01(e).

for Covered Event Contracts.[273] ICE additionally argues that a public dissemination requirement would not "provide an additional benefit to the general public," though ICE's letter does not explain why this is so.[274]

Second, Rothera suggests the Commission withdraw § 16.03(f), arguing that § 16.01 market data provides the public enough benefit—although Rothera provides no further detail to support this conclusion—and that "no other exchange-traded product carries a requirement to publish its transaction data in real time and without charge."[275] Additionally, Rothera objects to applying the swap reporting regime's requirement that swap transaction pricing data be publicly available for one year.[276] Rothera also argues that if the Commission retains § 16.03(f), it should apply a "promptly" timeliness requirement rather than an "as soon as technologically practicable" timeliness requirement.[277] Rothera appears to define "promptly" to mean "the next business day."[278] Rothera contends that the real-time public dissemination of transaction-level data "is a Part 43 concept developed for opaque, bilateral over-the-counter swap markets that lacked pre-trade transparency," and that public access to trade data "is a swap-regime

[273] ICE Letter at 1.

[274] *Id.*

[275] Rothera Letter at 2.

[276] *Id.* at 4.

[277] Rothera Letter at 2.

[278] *Id.*

objective."[279] Separately, KOR suggested the "as soon as technologically practicable" timeliness requirement is ambiguous.[280]

3. Final Rule

After considering the comments, the Commission has determined to finalize § 16.03(f) largely as proposed. This determination is driven, in large part, by the Commission's view that public dissemination requirements for Covered Event Contracts should be generally aligned with the public dissemination requirements for other swaps. This Final Rule generally implements an alternative reporting structure, based largely on the futures and options reporting regime, that affects the data elements and procedures for reporting non-public regulatory data to the Commission. The Commission does not believe the rationale for that modification—which results in the Commission receiving largely the same data, but in a different format—also requires the Commission to reduce the public transparency requirements that otherwise apply to swaps.

As noted above, several commenters supported § 16.03(f)'s real-time dissemination requirement. The Commission continues to believe market participants and the public benefit from the dissemination of this type of information. The Staff Event Contract Reporting No-Action Letters are all conditioned on public dissemination of trade data. Moreover, reporting requirements for swap data generally require near-

[279] *Id.* at 4. Rothera also suggests § 16.03(f) "would prescribe the form and manner of the published data by reference to the technical specifications applicable to swap reporting under Part 43." *Id.* at 3. The Commission understands Rothera to refer to the requirement in § 16.03(f)(1) that "execution timestamp" be populated with a value in the same format applicable to the "Event Timestamp" data element in appendix A to part 43. The Commission did not propose to "import . . . the Part 43 technical specifications." *Id.* at 4.

[280] KOR Letter at 5.

real-time dissemination of swap transaction and pricing data.[281] As stated, the Commission is otherwise providing an alternative reporting framework for non-public regulatory data to the Commission.

The Commission appreciates commenters' suggestions for modifying § 16.03(f) reporting mechanics and data elements. Although the Commission is, generally, not formally adopting these suggestions at this time, it will continue to consider whether modifications or improvements are warranted as these markets develop. The Commission discusses those comments below, including (1) whether to extend the period of time during which § 16.03(f) data must be made publicly available, (2) whether to mandate specific formats and downloading protocols for § 16.03(f) data, (3) whether to further define "contract ticker symbol," (4) whether to require DCMs to include any additional data elements in § 16.03(f) data, (5) whether to require DCMs to disseminate any additional types of data beyond trade data and the market data required to be published pursuant to § 16.01(e), and (6) whether to withdraw the § 16.03(f) public dissemination requirement.

First, with respect to the period of time during which § 16.03(f) data must be made publicly available, the Commission continues to believe that one year is appropriate. This is consistent with the requirements imposed on SDRs with respect to swap transaction and pricing data.[282] The Commission appreciates that for a subset of contracts a longer lookback period may potentially benefit market participants and the

[281] *See* 7 U.S.C. 2(a)(13) (requiring the Commission to promulgate regulations for real-time public reporting of swap transaction and pricing data); 17 CFR 43.3(b) (regarding public dissemination of swap transaction and pricing data by SDRs in real-time).

[282] *See* 17 CFR 43.3(c).

public, but does not believe at this time that it makes sense to impose a more significant requirement on Covered Event Contracts than that applicable to other swaps. Moreover, the Commission notes that many Covered Event Contracts settle in well under a year, such that requiring data to remain publicly available would result in maintaining a potentially voluminous quantity of stale data. The Commission further notes that § 16.03(f) requires data be made publicly available for "at least one year," and does nothing to limit a DCM from maintaining public data for a longer period of time.

Second, with respect to file formats and downloading specifications for § 16.03(f) data, the Commission declines at this time to establish stricter requirements by regulation. As written, § 16.03(f) is generally consistent with public dissemination requirements imposed on SDRs in connection with dissemination of swap transaction and pricing data.[283] The Commission does not require SDRs to disseminate data using a specific file format. The Commission expects that DCMs will disseminate § 16.03(f) in a manner that can be downloaded, saved, and searched, but declines to require a particular format or formats by regulation. Among other reasons, the Commission believes DCMs should retain flexibility to adopt file formats that may become available or popular in the future as a result of innovation or changes in industry practice without delaying for additional Commission rulemaking.

Third, with respect to comments requesting the Commission more specifically define "contract ticker symbol" for purposes of § 16.03(f),[284] the Commission does not believe such further definition is necessary at this time. The Commission understands

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[283] *See, e.g.*, *id.*

[284] *See* Data Boiler Letter at 20; PredictRails Letter at 2-3.

that DCMs currently maintain taxonomies for labeling and categorizing Covered Event Contracts, and absent a specifically identified inadequacy with those taxonomies, does not believe it would be prudent at this time to impose requirements on DCMs that may require alteration of those existing taxonomies. The Commission believes PredictRails' suggestion that contract ticker symbols[285] be unique is sensible, but does not believe any alterations to § 16.03(f) are necessary to require uniqueness. Contract ticker symbols that were not unique to a particular contract would likely be insufficient "to identify the contract."[286] Data Boiler suggests the Commission should require the contract ticker symbol in § 16.03(f)(2) be a UPI.[287] For swap reporting purposes, many Covered Event Contracts fall within the other commodity asset class.[288] The Commission has not designated a UPI and product classification system for swaps in the other commodity asset class at this time.[289] Accordingly, the Commission is not currently in a position to mandate use of UPI for Covered Event Contracts.[290] Additionally, PredictRails

[285] PredictRails Letter at 2-3.

[286] *See* Proposed § 16.03(f)(2). If the Commission were to impose a mandatory contract ticker symbol taxonomy that conflicted with a DCM's current practices for labeling Covered Event Contracts, it could potentially result in that DCM being required to relabel or recategorized all of its contracts.

[287] Data Boiler Letter at 20.

[288] *See generally* 17 CFR 45.1 (defining "Asset class" to include "interest rate, foreign exchange, credit, equity, other commodity, and such other asset classes as may be determined by the Commission").

[289] *See generally* Notice of proposed rulemaking, Real-Time Public Reporting Requirements and Swap Data Recordkeeping and Reporting Requirements, 88 FR 90046, 90049 (Dec. 28, 2023) ("A designation of a UPI for swap products in the other commodity asset classes was not made contemporaneously with the other asset classes.").

[290] Separately, it is not immediately clear that benefits of UPI would be realized when applied to Covered Event Contracts. UPI was conceived as a tool for identifying over-the-counter derivatives instruments rather than DCM-listed contracts. *See, e.g.*, CPMI and IOSCO, Technical Guidance: Harmonisation of the Unique Product Identifier, at 2 (Sept. 2017), available at https://www.iosco.org/library/pubdocs/pdf/IOSCOPD580.pdf (discussing purpose of UPI as a tool to support aggregation of data across trade repositories).

commented that § 16.03(f)(4) should specify a currency.[291] The Commission has added "in USD" to § 16.03(f)(4) in the Final Rule to ensure uniformity in the representation of price.

Fourth, with respect to comments suggesting the Commission require DCMs to include additional data elements in § 16.03(f) data, the Commission will not at this time require DCMs to publish such data elements. The Commission does not question that certain of those data may, as commenters argued, be useful, and DCMs may wish to publish additional data elements, but at this time the Commission believes requiring publication of the categories of data set forth in the Staff Event Contract Reporting No-Action Letters provides the public sufficient information.[292] Among other things, certain of the additional data elements commenters suggest are not generally data that would be available on the Part 43 public tape. For example, certain data elements requested by commenters reflect information about the counterparties—for example, a persistent identifier for each counterparty,[293] a "self-match / cross indicator," a "Liquidity flag" indicating whether a participant is a maker or taker of liquidity, and "Trade direction indicator" indicating whether the transaction was buyer- or seller-initiated[294]—have no counterparts in the Part 43 tape. For certain other suggested data elements, the Commission expects related information will be publicly available through other reporting. For example, MSR Decode's proposed "settlement key" would be populated

[291] PredictRails Letter at 2-3.

[292] Certain commenters also opposed adding data elements beyond those published today. *See* Rothera Letter at 4 (commenting that data "beyond execution timestamp, contract ticker symbol, trade quantity, and price" should not be freely disseminated but rather available from a DCM for a fee).

[293] MSR Decode Letter at 2.

[294] Shaw Letter at 9.

with a "resolution timestamp keyed to the ticker" which would be used to link trade data to settlement data.[295] The Commission believes the contract ticker symbol should be sufficient to make this link.[296] Similarly, "Contract size / multiplier"[297] is "[s]tatic per contract"[298] and therefore derivable from a product specification, as is "Notional value."[299] Venue identifiers[300] can be derived based on the contract ticker symbol or based on the source of the § 16.03(f) data. The Commission at this time does not require DCMs to generate "event-family identifiers"—a data element that Talos suggests could identify "contracts tied to the same event or measure"[301]—as aggregation is not required for Covered Event Contracts for purposes of large trader reporting.[302] The Commission acknowledges that data elements necessary to support publication of information identifying error corrections may be useful, but declines to mandate such data elements at this time.[303] The import of MSR Decode's suggestion that the Commission require DCMs to provide "an explicit representation of both sides of each execution" remains

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[295] MSR Decode Letter at 2-3.

[296] It is unclear to the Commission whether "cross-venue instrument identifier" captures different information that contract ticker symbol. *See* Shaw Letter at 9. Presumably Shaw envisions a product-identifying code that can be used to aggregate identical products traded on different DCMs. The Commission does not propose to implement that sort of system—a system equivalent to the UPI system—at this time, for the reasons discussed above.

[297] Shaw Letter at 9; Talos Letter at 9.

[298] Shaw Letter at 9.

[299] *Id.* The Commission notes that to the extent DCMs publish Product Reference Files and issue standardized Unique Instrument Codes ("UICs") to identify contracts, market participants and the public should be able to use such UICs to link trade data with product reference data, which would include general specifications for the contract at issue.

[300] Shaw Letter 9; Talos Letter at 3.

[301] Talos Letter at 3.

[302] *See supra* Section II.C.3.

[303] *See* Shaw Letter at 10 (discussing unique trade identifier, used to support corrections of errors); Talos Letter at 9 (discussing a trade-condition flag and a correction or cancellation flag).

unclear, although the Commission notes that MSR Decode appears to propose the Commission require such a "representation" based on its experience reviewing event contract data available for a foreign exchange.[304] Although the Commission declines to mandate by regulation that DCMs disseminate these suggested additional data elements, DCMs are free to disseminate additional data elements beyond those required by regulation.

Fifth, with respect to comments recommending DCMs to disseminate any additional types of data beyond trade data and the market data required to be published pursuant to § 16.01(e), the Commission declines to introduce such additional requirements at this time. Shaw suggests the Commission require DCMs to disseminate quote and order data.[305] Such a requirement would go beyond dissemination requirements applicable to swaps or futures. Shaw also suggests the Commission require DCMs to disseminate aggregate and periodic data by broad participant category, in a manner modeled off the Commitments of Traders Report ("COT Report").[306] Shaw does not specify what participant categories he would apply to such reporting. Given this Final Rule does not impose a requirement that DCMs assign participant categories to traders and that the Commission only expects to receive Form 40 information, which typically forms the basis of the participant categories in the COT Report, the Commission does not believe such a requirement is appropriate at this time.

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[304] *See* MSR Decode Letter at 3.

[305] Shaw Letter at 9-10.

[306] De Silva suggests more generally that the Commission include Covered Event Contracts in the COT Report. *See* De Silva Letter at 6-7.

Finally, the Commission is not persuaded by ICE and Rothera's arguments that the Commission should withdraw § 16.03(f).

First, ICE asserts without support that public dissemination of trade data for Covered Event Contracts does not benefit the general public.[307] Rothera asserts that market data disseminated pursuant to § 16.01(e) provides the public sufficient benefit. The Commission does not have any evidence these assertions are correct, and other comments the Commission received contradict these assertions. For example, Kalshi states that its publicly-disseminated "data are widely used for economic and other decision-making in a broad variety of applications today."[308] Shaw and Talos respectively speak to their use of publicly-disseminated data for Covered Event Contracts.[309]

Second, ICE and Rothera contend that Part 43 is intended to address opaque, bilateral, over-the-counter swaps markets that lack a centralized price discovery mechanism, and that this rationale does not justify a public dissemination regime for transparent order book trading for Covered Event Contracts.[310] In a similar vein, Rothera argues "no other exchange-traded product carries a requirement to publish its transaction data in real time and without charge."[311] As noted above, Covered Event Contracts are

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[307] ICE Letter at 1.

[308] Kalshi Letter at 3.

[309] *See* Shaw Letter at 1 (Shaw represents he is "a member of the public who relies on event contract market data in several ways," including "for trading, for studying market behavior, for evaluating whether local businessmen can hedge risks that currently have no practical hedge, and for insurance pricing"); Talos Letter at 1 ("Talos has . . . started developing infrastructure tooling and data to support institutional access to prediction-market and event-contract venues.").

[310] ICE Letter at 1; Rothera Letter at 4.

[311] Rothera Letter at 2.

swaps, and the Commission's regulations mandate public dissemination of swap transaction and pricing data.[312] Rothera is incorrect in asserting that exchange-traded products are not subject to real-time dissemination requirements.[313] Today, virtually any swap executed on a DCM is subject to the real-time reporting requirements and dissemination requirements in Part 43. More generally, the Commission notes that the similarities between Covered Event Contracts and futures and options contracts are relevant to the question of whether the futures and options reporting format is fit-for-purpose for transmitting information to the Commission.[314] By citing those similarities, the Commission does not intend to suggest that Covered Event Contracts ought to be treated as futures for any other purposes.[315] With respect to Rothera's suggestion that the Commission adopt a T+1 dissemination timeline rather than the "as soon as technologically practicable" dissemination timeframe applicable to swaps, for the foregoing reasons, the Commission believes the proposed "as soon as technologically practicable" dissemination timeframe is more appropriate.[316] For similar reasons, the

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[312] 17 CFR 43.4(a); *see also* 7 U.S.C. 2(a)(13)(C)(ii) (providing "[t]he Commission is authorized and required to provide by rule for the public availability of swap transaction and pricing data" for cleared swaps); 7 U.S.C. 2(a)(13)(A) ("the term 'real-time public reporting' means to report data relating to a swap transaction, including price and volume, as soon as technologically practicable after the time at which the swap transaction has been executed"); 7 U.S.C. 2(a)(13)(D) ("The Commission may require registered entities to publicly disseminate the swap transaction and pricing data required to be reported under this paragraph.").

[313] *See* Rothera Letter at 4.

[314] *See, e.g.*, Proposal, 91 FR at 40106 ("The Commission believes that codifying the use of the futures and options reporting framework for the Covered Event Contracts provides for a more cost effective method to address the concerns raised by these [no-action] requests while still providing the Commission access to the trading data for these instruments. . . .").

[315] *See supra* note 46 and accompanying text.

[316] Rothera suggests the use of "promptly" in a subset of the Staff Event Contract Reporting No-Action Letters means "the following-business-day." Rothera Letter at 4. It is not clear what the basis for that interpretation might be. Today, DCMs listing Covered Event Contracts and reporting under the Staff Event Contract Reporting No-Action Letters generally publish transaction data throughout the day, not on a T+1 timeframe.

Commission also declines Rothera's suggestion that the Commission "not import the one-year website availability requirement."[317] Rothera also suggests that real-time dissemination of transaction and pricing information for Covered Event Contracts is unnecessary for intermediated markets because FCM "customers already receive trade and execution data from their FCMs in real time."[318] But § 16.03(f) does not concern dissemination of data solely to market participants—rather, the purpose of § 16.03(f) is "to make swap transaction and pricing data available to the public."[319]

Separately, KOR suggested the "as soon as technologically practicable" timeliness requirement is ambiguous and suggests that reporters "will interpret [that requirement] according to whatever its technology happens to support," and suggests that "[a] DCM that batches its reporting and disseminates at the end of day is not, on the face of that language, in violation."[320] The Commission disagrees that "as soon as technologically practicable" is susceptible to such a reading. That standard is well-defined in the swap reporting framework,[321] and the Commission expects DCMs' systems will generally be capable of disseminating such data in near-real-time.[322]

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[317] Rothera Letter at 4.

[318] Rothera Letter at 4.

[319] 7 U.S.C. 2(a)(13)(B) (stating the purpose of the CEA's requirements concerning public availability of swap transaction and pricing data).

[320] KOR Letter at 5-6.

[321] *See* 17 CFR 45.1(a) ("As soon as technologically practicable means as soon as possible, taking into consideration the prevalence, implementation, and use of technology by comparable market participants."); *see also* Rothera Letter at 4 (explaining that the "as soon as technologically practicable" standard "tightens automatically as the technology adopted by other market participants advances"). Additionally, dissemination "as soon as technologically practicable" is generally a statutory requirement for swaps. *See* 7 U.S.C. 2(a)(13)(A) ("[T]he term 'real-time public reporting' means to report data relating to a swap transaction, including price and volume, as soon as technologically practicable after the time at which the swap transaction has been executed.").

[322] KOR suggests the Commission should "establish an outer limit . . . of no longer than 15 minutes from

H. § 16.03(g): Requirement that DCMs Obtain Trader-Identifying Information

1. Proposal

Proposed § 16.03(g) introduced an explicit requirement that DCMs must obtain trader-identifying data for all traders. Specifically, § 16.03 requires that the DCM listing a Covered Event Contract obtain from all customers data that identifies each trader, by name, physical address, email address, phone number, occupation, and employer. Also, if persons guarantee the trading accounts of the trader or have a financial interest of 10 percent or more in the reporting trader or the trading accounts of the reporting trader, they will be required to obtain the names of such persons, for each transaction or order for the Covered Event Contract. And the DCM shall maintain such data throughout the life of the Covered Event Contract and for a period of at least five years following the final termination of the Covered Event Contract. This requirement is intended to ensure the Commission obtains trader-identifying information that it would not otherwise obtain pursuant to part 17 and § 16.02.[323] As further explained below, § 16.02 does not require submission of trader-identifying information by a DCM.

Section 16.02 requires reporting markets to submit to the Commission daily trade and supporting data reports, which include "transaction-level trade data and related order information for each futures or options contract," "time and sales data," "reference files,"

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execution." KOR Letter at 5-6. Depending on DCMs' technological capabilities, publication of § 16.03(g) data may be practicable within fifteen minutes of execution, or within as little as one minute (or less) following execution.

[323] As noted above, in section II.E., the Commission's large trader reporting pursuant to part 17 requires reporting of information mainly by FCMs, clearing members, and foreign brokers.

and "other information as the Commission or its designee may require."[324] Importantly, § 16.02 denotes that, upon request, DCMs shall accompany such information by "data that identifies or facilitates identification of each trader for each transaction or order" "if the [DCM] maintains such data,"[325] and does not require DCMs to obtain such trader-identifying data. The Commission declined to require DCMs to obtain such information when promulgating § 16.02 because it determined that "DCMs do not, as a matter of routine practice, collect detailed trader-identifying data."[326] In making that determination, the Commission relied on the fact that "all contracts on DCMs are funneled through clearing members that also are subject to the large trader reporting rules," such that data provided pursuant to § 16.02 was not the Commission's only source of trader-identifying information.[327]

When the Commission declined to expressly require DCMs to collect trader-identifying information in 2009, it did so due to the presence of intermediation and large trader reporting requirements.[328]

Today's event contract markets present different circumstances. In contrast to the DCMs registered in 2009, many of the DCMs listing contracts that would be considered Covered Event Contracts, offer non-intermediated trading or a combination of intermediated and non-intermediated trading. Moreover, the large trader reporting thresholds this final rule applies is not intended to capture the vast majority of retail

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[324] 17 CFR 16.02.

[325] *Id.*

[326] Final Rule, Significant Price Discovery Contracts on Exempt Commercial Markets, 74 FR 12178, 12185 (Mar. 23, 2009).

[327] *See* 74 FR at 12185 n.64.

[328] *See id*.

traders who make up a significant number of event contract traders. The effect of the reporting thresholds is to limit the ownership and control reporting for retail traders. As the Commission does not have a steady stream of trader information, the Commission's only source of trader-identifying information for these markets is § 16.02. For Covered Event Contracts, the source of information will commonly be the DCM, particularly given the large number of direct participants. The DCM Core Principles require that the DCM have rules that provide the DCM the ability and authority to obtain any information to perform the DCM's functions.[329] Thus, DCMs are responsible for obtaining accurate information from traders. The Commission understands that DCMs listing Covered Event Contracts generally already collect trader-identifying information for both intermediated and non-intermediated customers.[330]

Accordingly, the Commission intends § 16.03(g) to set forth what trader-identifying information must be collected by both current DCMs and prospective DCMs. Proposed § 16.03(g) explicitly required DCMs listing Covered Event Contracts to obtain data for all customers that identifies each trader, by name, physical address, email address, and phone number. Additionally, § 16.03(g) requires DCMs to obtain occupation and employer information. Finally, if any other persons guarantee the trading accounts of the trader or have a financial interest of 10 percent or more in the trader or the trading accounts of the trader, § 16.03(g) will require DCMs to obtain the names of such persons. This mirrors the information the Commission ordinarily receives through

[329] DCM Core Principle 2, 7 U.S.C. 7(d)(2).

[330] *But see* Rothera Letter at 5 ("That understanding [that DCMs generally collect trader-identifying information] is not accurate for intermediated market structures like Rothera's, in which customer accounts are carried by the FCM on an omnibus basis and the DCM does not receive customer-identifying information in the ordinary course.").

ownership and control reporting.[331] Such information will support DCMs operating their own surveillance programs. As currently provided in the Commission regulations, the Commission obtains such information pursuant to § 16.02, which allows the Commission to obtain, "[u]pon request," "data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted trade and support data report" where such data is maintained by the DCM.[332] Thus, in addition to supporting DCMs' surveillance programs, the requirement that DCMs collect trader identifying information ensures the Commission has access to the identifying information for Covered Event Contracts that support the Commission's surveillance program for these contracts.

As discussed in the Proposal, trader-identifying information is particularly important to monitoring and surveilling the Covered Event Contracts markets. Trader-identifying information is necessary to detect insider trading and prevent wash trading.[333] Additionally, given that multiple DCMs often list economically similar contracts, obtaining trader-identifying information is necessary to conduct cross-market surveillance.[334]

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[331] In traditional futures markets, the Commission obtains such information through ownership and control reporting via the large trader reporting regime. *See generally* 17 CFR 17.01.

[332] 17 CFR 16.02.

[333] For example, absent obtaining trader-identifying information for all trading accounts, a DCM may have difficulty identifying instances where a trader with accounts carried at multiple intermediaries matches against itself.

[334] Historically, liquidity for futures contracts on a particular commodity has often aggregated on a single DCM. *See, e.g.*, Final rules, Large Trader Reporting for Physical Commodity Swaps, 76 FR 43851, 43854 (July 22, 2011) (discussing enumeration of "linked contracts" by commodity and exchange); Final rule, Position Limits for Derivatives, 86 FR 3236, 3236-37 n.2 (Jan. 14, 2021) (discussing legacy agricultural products specific to particular DCMs that "have been subject to Federal position limits for decades"). For event contracts that will be considered Covered Event Contracts under proposed § 16.03(a), multiple DCMs may list contracts on the same underlying event. For example, at least three DCMs have self-certified event contracts that settle based on United States Gross Domestic Product growth as reported by the Bureau of Economic Analysis. Cross-platform surveillance is important with respect to such contracts

2. Comments

The Commission received twelve comments[335] concerning § 16.03(g)'s requirement that DCMs obtain certain trader-identifying information for Covered Event Contracts. Certain commenters supported § 16.03(g), certain commenters opposed § 16.03(g), and certain commenters proposed expanding § 16.03(g).

Several commenters supported proposed § 16.03(g) because trader-identifying information is valuable for surveillance for insider trading and other purposes.[336] [337] Robinhood specifically supported § 16.03(g) as a tool to support the Commission's ability to perform cross-platform surveillance.[338] Similarly, Russell[339] supported § 16.03(g) and stated that occupation and employer data elements can be used to support risk classification and the identification of trading restrictions.[340]

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in order to holistically understand traders' positions and trading with respect to a commodity traded on multiple DCMs.

[335] The Commission published an advance notice of proposed rulemaking (ANPRM) in the *Federal Register* on March 16, 2026, requesting comments related to prediction markets. Among other comments, the ANPRM requested comment on the reporting of event contract swaps reporting to an SDR. The Commission received comments requesting that the Commission require reporting to identify insider trading and fraud, scaled position reporting thresholds, and mandatory reporting by market participants deploying AI-driven trading strategies. Another commenter supported a regulator-mandated per-contract identifier at listing (following the CUSIP/LEI/UPI operating model). This Final Rule provides an alternative reporting under the futures and options regime with adjusted reporting level and reportable trading volume level for Covered Event Contracts. The issues raised by commenters are otherwise addressed in this rulemaking or are outside the scope of this Final Rule. *See* Prediction Markets; Advance Notice of Proposed Rulemaking, 91 FR 12516, 12520 (Mar. 16, 2026).

[336] *See* Van Dusen Letter at 2; Russell Letter at 3; Talos Letter at 6 ("Trader-identifying information is necessary to detect abusive or coordinated trading and attempts to evade account-level surveillance."); CME Letter at 3.

[337] *See* Van Dusen Letter at 2; Russell Letter at 3; Talos Letter at 6. As discussed further below, CME agreed that trader-identifying information can "provide tremendous value to market surveillance programs," but believes that the Commission's ownership and control reporting regulations under part 17 provide a more suitable alternative. CME Letter at 3.

[338] Robinhood Letter at 2.

[339] Russell identifies himself as an "Independent integrity advisor." Russell Letter at 3.

[340] *Id.* at 2; *see also id.* ("[T]he identifying fields proposed under § 16.03(g) are standard onboarding data in

In addition to supporting § 16.03(g) as a tool to facilitate effective surveillance, Robinhood supported proposed § 16.03(g) because it would, with respect to direct customers of DCMs, generally align customer information collection requirements applicable to DCMs with those applicable to FCMs.[341]

Several commenters opposed including § 16.03(g).

First, certain commenters opposed § 16.03(g) on the basis that ownership and control reporting for futures and options could provide sufficient trader-identifying information for surveillance purposes. Rothera believes "the Commission's surveillance interests are fully served by the information available through intermediaries, large trader reporting, and special calls."[342] CME similarly stated that surveillance can be conducted "far more effectively and fairly" through ownership and control reporting, including by establishing "an event contract-specific volume threshold (such as 1 contract)" that "would trigger automated Form 102B reporting by FCMs to identify account owners and controllers through pre-existing infrastructure."[343] Kalshi argued that proposed § 16.03(g) effectively extends ownership and control reporting requirements to all traders, whereas in futures markets such requirements would only apply to large traders who met the reporting thresholds in §§ 15.03 and 15.04.[344] Kalshi proposed that DCMs and the Commission obtain trader-identifying information solely through the ownership

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regulated better markets, and the principal incremental burdens are likely to lie in retention arrangements and in maintaining data quality over time rather than in initial collection.").

[341] Robinhood Letter at 4-5.

[342] Rothera Letter at 6.

[343] CME Letter at 4. CME also argued that proposed § 16.03(g) would effectively implement reporting of data elements in ownership and control reporting that have been subject to a no-action position and therefore "penalizes intermediated market structures." CME Letter at 3.

[344] Kalshi Letter at 3.

and control reporting process set out in the Proposal—that is, solely for accounts with positions in excess of 125,000 contracts or intraday trading volume in excess of 125,000 trades.[345] The Coalition for Prediction Markets argued that the Commission should revise § 16.03(g) to require FCMs to collect trader-identifying information for intermediated accounts, and to require that FCMs "provide specified end-trader identifying information promptly upon request, rather than imposing a blanket ongoing requirements that the DCM itself collect and retain such information at all times."[346] Coinbase advocated for a similar system in which DCMs obtain trader-identifying information from FCMs "promptly upon request" rather than routinely.[347]

Second, certain commenters opposed § 16.03(g) because it would impose costs on market participants. Rothera, ICE, Coinbase, and the Coalition for Prediction Markets stated that requiring DCMs to collect trader-identifying information would impose costs and operational burdens on DCMs.[348] CME stated there would be costs associated with relying on FCMs to transmit trader-identifying information to DCMs.[349] The Coalition for Prediction Markets similarly identified costs associated with "building and maintaining a new FCM-to-DCM transmission channel for sensitive personal information and the associated data-security and retention obligations."[350] Coinbase suggested that

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[345] *Id.*

[346] Coalition for Prediction Markets Letter at 4.

[347] Coinbase Letter at 4.

[348] Rothera Letter at 4-5; ICE Letter at 2; Coinbase Letter at 3; Coalition Letter at 4. Novig also states that the burden is "potentially significant in amount" but primarily argues that the Commission's cost-benefit analysis should contain greater detail. Novig Letter at 12.

[349] CME Letter at 4.

[350] Coalition for Prediction Markets Letter at 4.

complying with § 16.03(g) may require "new FCM-to-DCM data architecture, systems changes, testing, and maintenance."[351] No DCM or FCM estimated a specific cost associated with obtaining or housing trader-identifying data. Kalshi expressed concern that the Commission "will not routinely receive" trader-identifying information from DCMs under the Final Rule because "no automatic transmission mechanism exists."[352]

Third, certain commenters opposed § 16.03(g) on the basis that requiring DCMs to collect trader-identifying information for intermediated customers would duplicate information collection requirements imposed on FCMs. Rothera, ICE, Coinbase, DraftKings, and the Coalition for Prediction Markets stated that requiring DCMs to collect trader-identifying information would be duplicative of data collection by FCMs.[353] ICE stated that it would be inconsistent with "the longstanding allocation of regulatory responsibilities in the futures markets" for DCMs to obtain trader-identifying information.[354] CME argued that it would unfairly penalize DCMs to require them to collect trader-identifying information.[355] Some DCM commenters noted their concerns

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[351] Coinbase Letter at 4. Coinbase also states "the Commission assumes, without evidence, that DCMs listing Covered Event Contracts generally already collect trader-identifying information for both intermediated and non-intermediated customers." *Id.* (internal quotations removed); *see also* Rothera Letter at 5. This is not an assumption, as the Commission currently receives transaction and supporting data reports, among other data, for Covered Event Contracts. Certain DCMs do provide this information. However, the Commission has observed that different DCMs have different practices with respect to reporting data for Covered Event Contracts, and believes the Final Rule will benefit the Commission, DCMs, market participants, and the public by clarifying and standardizing reporting and dissemination requirements. *See, e.g.*, Proposal, 91 FR at 40105.

[352] Kalshi Letter at 3.

[353] Rothera Letter at 4-5; ICE Letter at 2; Coinbase Letter at 4; Draftkings Letter at 2; Coalition for Prediction Markets Letter at 4. Coinbase and the Coalition for Prediction Markets stated that if the Commission did promulgate proposed § 16.03(g), the Commission should also promulgate a rule requiring FCMs to provide trader-identifying information to DCMs promptly upon request. Coinbase Letter at 4; Coalition for Prediction Markets Letter at 4.

[354] ICE Letter at 2.

[355] CME Letter at 3-4.

about duplication of FCM data collection only applied to intermediated DCMs, and those commenters did not object to DCMs collecting trader-identifying information for non-intermediated customers.[356]

Fourth, certain commenters opposed § 16.03(g) on the basis that it raises data privacy concerns.[357] Rothera stated that proposed § 16.03(g) would require Rothera to draft privacy policies related to European Union and California laws, and stated that the Commission's cost-benefit analysis does not account for the costs of drafting those policies.[358] Kalshi, DraftKings, Novig, and Data Boiler expressed concerns about data security and data breaches in connection with housing trader-identifying information at DCMs.[359]

Other commenters suggested the Commission expand the scope of trader-identifying information collected.[360] For example, Brubaker suggested the Commission should collect, in addition to the trader-identifying information in § 16.03(g), the following: (1) contract originator identification; (2) market maker or designated liquidity provider status; (3) DCM/DCO affiliate status; (4) algorithmic or model-driven pricing

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[356] Rothera Letter at 5 ("[I]t is appropriate to apply this data collection requirement to direct-to-retail DCMs that do not have intermediaries. . . ."); ICE Letter at 2.

[357] Relatedly, Talos supported § 16.03(g), but suggested the Commission "make clear" that a DCM should "obtain[] required information through intermediaries using secure, standardized data transfer, subject to appropriate audit rights and Commission access." Talos Letter at 6. The Commission agrees that data should be sent using a secure transfer protocol, but does not believe it is necessary to specify a particular protocol in regulation.

[358] Rothera Letter at 6.

[359] Kalshi Letter at 3-4; DraftKings Letter at 3; Novig Letter at 10; Data Boiler Letter at 21 (referring to a "massive data privacy honey pot").

[360] The Commission sought specific comments concerning what additional trader-identifying information, if any, DCMs should collect to support surveillance programs. *See* Proposal, 91 FR at 40113.

indicator for multi-leg contracts; and (5) single-leg / multi-leg contract indicator.[361] Brubaker termed this data "relational" data.[362] Additionally, Robinhood suggested the Commission revise the 10 percent financial-interest threshold to 25 percent for consistency with certain Financial Crimes Enforcement Network regulations, and additionally that the Commission clarify what "guarantor of the account" means.[363]

3. Final Rule

After considering the comments, the Commission has determined to finalize § 16.03(g) as proposed.

The Commission continues to believe that expressly requiring DCMs to obtain the trader-identifying information in § 16.03(g) will support the Commission's surveillance function and support DCMs' surveillance programs. Commenters generally agreed that trader-identifying information is valuable for surveillance purposes,[364] even where they believed such information was better obtained through ownership and control reporting.[365] The Commission also agrees with Rothera that it is beneficial to require DCMs who onboard direct customers to meet similar standards as those applied to

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[361] Brubaker Letter II at 5-6. Brubaker also suggested the Commission collect intraday volume or trade-count reporting trigger, independent of end-of-day position. Brubaker Letter II at 6. The Commission notes that, with respect to Brubaker's sixth category of data, the Commission's current regulations and the Proposal both require volume-based ownership and control reporting.

[362] Separately, Data Boiler stated that "receiving § 16.01 and § 16.02 data in lieu of part 45 swap data is grossly insufficient for surveillance detection of *insider-trading*," and suggests instead that "[i]t"—presumably, surveillance—"takes concerted efforts between exchanges and the relationship management unit – FCMs, and involving the use of advanced voice surveillance (e.g. NICE Actimize covers emails, chats, voice calls, texts, social media, and unified communications)." Data Boiler Letter at 22 (emphasis in the original). "[A]dvanced voice surveillance," text messages, social media activity, and "unified communications," Data Boiler Letter at 19, are outside the scope of the Proposal and not otherwise subject to Part 45 swap reporting.

[363] Robinhood Letter at 5 n.16.

[364] *See, e.g.*, CME Letter at 3; Van Dusen Letter at 2; Russell Letter at 3; Talos Letter at 6.

[365] *See, e.g.*, CME Letter at 3.

intermediaries onboarding customers.[366]

The Commission acknowledges the views expressed in opposition to § 16.03(g) as a mechanism for obtaining trader-identifying information. For the reasons outlined in the Proposal, the Commission continues to believe § 16.03(g) provides the optimal solution at this time for identifying intermediated customers trading Covered Event Contracts. However, as further discussed below in Section III, the Commission will adopt a 12-month compliance period to reduce friction for DCMs to implement § 16.03(g). The Commission addresses comments as follows.

First, with respect to comments advocating for ownership and control reporting rather than the § 16.03(g) requirements, as discussed in the Proposal, the reporting thresholds the Final Rule adds in § 15.03 and § 15.04(b) would, by design, lack the reach necessary to capture retail traders.[367] Those reporting thresholds are intended to capture institutional or other large traders. The Commission believes that a lower reporting level—such as a reporting level of a single trade, as suggested by CME[368]—would impose more significant costs across the reporting ecosystem than § 16.03(g).[369] For example, applying a one-trade reporting level would result in FCMs generating thousands or more Form 102As, and could in turn result in thousands or more retail traders

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[366] *See* Robinhood Letter at 4-5.

[367] Proposal, 91 FR at 40112 ("The effect of the proposed reporting level is to limit the ownership and control reporting for retail traders. As the Commission would not have a steady stream of trader information, the Commission's only source of trader- identifying information for these markets is § 16.02.").

[368] CME Letter at 3.

[369] *See* Proposal, 91 FR at 40110 (A 125,000-contract reporting level "will ensure that retail participants with relatively low notional value positions are not swept into a reporting system typically used to analyze positions of significant institutional traders and subjected to burdens to which they are not well-suited. . . .").

receiving special calls for Form 40.[370] Under that structure, the Commission would receive all Form 102As and all Form 40s, and the DCOs for each DCM listing Covered Event Contracts would receive all Form 102As.[371] Although such a system may be a sufficient mechanism to obtain the relevant trader-identifying information, at scale, the volume of reports generated by that reporting structure would potentially far exceed the volume of reports generated through periodically updated customer account reference files ("CAR Files").[372]

Second, with respect to comments opposing § 16.03(g) on the basis that it imposes costs or operational burden on DCMs, as discussed above, the Commission believes that alternative mechanisms for obtaining trader-identifying information would impose greater costs. Alternatively, the Commission does not believe that a system in which neither the DCMs nor the Commission knows the identities of traders is sufficient to support surveillance programs for many Covered Event Contracts. Commenters agreed that trader-identifying information is valuable to surveillance programs.[373] No commenter stated that the information in § 16.03(g) will not be useful for surveillance, and no commenter argued that surveillance for insider trading and other violations of the

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[370] In the ordinary course, the Commission would receive data elements such as "Name of Employer" and "Parent Company/10% Owner/or Both Indicator" directly from a trader via Form 40. *See* 17 CFR part 18, App'x A (Form 40).

[371] *See* 17 CFR 39.13(h)(2) ("A derivatives clearing organization shall obtain from its clearing members or from a relevant designated contract market or swap execution facility, copies of all reports that are required to be filed with the Commission by, or on behalf of, such clearing members pursuant to parts 17 and 20 of this chapter.").

[372] CAR Files are submitted pursuant to § 16.02's requirement that DCMs accompany trade and supporting data reports "[u]pon request" with "data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted trade and supporting data report if the reporting market maintains such data").

[373] *See* CME Letter at 3; Van Dusen Letter at 2; Russell Letter at 3; Talos Letter at 6.

CEA could be conducted more efficiently without § 16.03(g) information. The Commission continues to believe that ready access to trader-identifying information[374] will support surveillance for insider trading by DCMs,[375] as well as by the Commission. With respect to Kalshi's concern the Commission "will not routinely receive" trader-identifying information from DCMs under the Final Rule because "no automatic transmission mechanism exists,"[376] the Commission currently receives trader-identifying data from DCMs pursuant to § 16.02 in a regularly-transmitted CAR File.[377]

With respect to comments opposing § 16.03(g) on the basis that requiring DCMs to collect trader-identifying information for intermediated customers would duplicate information collection requirements imposed on FCMs, the Commission's regulations currently require DCMs to have the ability to obtain similar or identical information from FCMs.[378] The Commission's regulations require DCOs to obtain and analyze all information reported to the Commission pursuant to Part 17,[379] and DCMs that permit trading through intermediaries to either use a comprehensive large-trader reporting system or otherwise demonstrate the ability to obtain position data from other sources in

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[374] For example, possessing trader-identifying information should enable a DCM or the Commission to determine more quickly whether to initiate an investigation into potential insider trading, market manipulation, or other CEA-violative conduct. Absent access to trader-identifying information ex ante, a DCM or the Commission would need to begin an investigation into suspicious conduct and obtain such trader-identifying information through investigative processes rather than through surveillance processes.

[375] *See, e.g.*, Kalshi Policy, "Stopping insider trading," available at https://kalshi.com/policy-center/insider-trading (last visited Sept. 1, 2026) (stating "w[e] proactively screen to prevent insider trading" and identifying "[p]olitical persons," "[s]ports professionals," and "[d]isqualified persons" as categories of individuals for which screening is conducted).

[376] Kalshi Letter at 3.

[377] PredictRails suggested the Commission specify in § 16.03(g) that DCMs are required to send § 16.03(g) information to the Commission. PredictRails Letter at 4. Such a modification is not necessary given that § 16.02 already provides for the Commission to receive trader-identifying information.

[378] *See, e.g.*, 17 CFR 38.254.

[379] *See* 17 CFR 39.13(h)(2).

order to conduct an effective surveillance program.[380] Moreover, a DCM must "have rules that require traders in its contracts to keep records of their trading . . . and make such records available, upon request, to the [DCM]."[381] That FCMs and DCMs may obtain overlapping information concerning traders in particular contracts is by design, as both FCMs and DCMs use such information to comply with their separate regulatory obligations. Given the Commission's regulations already require trader-identifying information for intermediated customers to be shared with DCMs on a routine basis to support surveillance functions, the Commission does not believe that § 16.03(g) presents any new, unique issue with respect to duplication of information housed at FCMs and DCMs. To the extent commenters are concerned that collecting § 16.03(g) trader-identifying information for special accounts and reportable volume threshold accounts is redundant with information separately collected through ownership and control reporting, the Commission believes any overlap would be marginal given that ownership and control information is broader than § 16.03(g).[382]

Fourth, with respect to comments concerning data privacy, while the Commission takes such concerns seriously, it does not believe § 16.03(g) introduces any new data privacy-related issues. As discussed above, DCMs are already required to obtain trader-identifying information and other information from FCMs in connection with surveillance functions and other functions. Accordingly, DCMs are subject to extensive

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[380] 17 CFR 38.254(b); *but see* 17 CFR part 38, App'x B, at Core Principle 4, (B)(a)(1)(4) ("With respect to the designated contract market's ability to obtain information, a designated contract market may limit the application of the requirement to keep and provide such records only to those that are reportable under its large-trader reporting system or otherwise hold substantial positions.").

[381] 17 CFR 38.254(a).

[382] *See, e.g.*, 17 CFR 17, App'x A (Form 102A); 17 CFR 17, App'x A (Form 40).

systems safeguards regulations.[383]

Some commenters suggested § 16.03(g) ought to require DCMs to obtain more extensive or modified data. The Commission acknowledges that certain of these additional data would potentially benefit surveillance or other functions, but at this time, the Commission declines to expand the types of data included in § 16.03(g). Certain of Brubaker's proposed "relational" data, although potentially useful to receive directly in CAR Files, is likely captured through ownership and control reporting. For example, "market maker" status is captured through Form 40.[384] The Commission recognizes that a market maker that performed a low volume of trading might go unidentified as such under the Final Rule, but believes that part 18 special call authority will enable specific identification of significant market makers. Separately, given the vast majority of retail traders in a given Covered Event Contract are not likely to be affiliated with a "contract originator," [385] DCM, or DCO, it would likely be more efficient to obtain data concerning such affiliations through a different mechanism, to the extent relevant and necessary to surveillance functions.[386] With respect to multi-leg contracts, information to link legs would be captured in transaction data at a trade level rather than as trader-identifying information. With respect to Robinhood's suggestion that the Commission revise the 10 percent financial-interest threshold to 25 percent for consistency with certain Financial Crimes Enforcement Network regulations,[387] the Commission is adopting the 10 percent

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[383] *See generally* 17 CFR 38.1050, 48.1051.

[384] *See* 17 CFR part 18, App'x A (Form 40).

[385] By "contract originator," Brubaker means an individual or entity that "provided material input" into the DCM's contract specification. Brubaker Letter II at 6.

[386] For example, a DCM could compare a list of such known affiliates with § 16.03(g) information.

[387] Robinhood Letter at 5 n.16.

financial-interest threshold for consistency with information required to be included in Form 40.[388] With respect to Robinhood's suggestion that the Commission clarify what "guarantor of the account" means,[389] the term has the same meaning as in Form 40.

I. § 16.03(h): Recordkeeping Obligations

1. Proposal

Proposed § 16.03(h) requires that DCMs and DCOs reporting Covered Event Contracts comply with the recordkeeping requirements applicable to futures and options[390] rather than the recordkeeping requirements applicable to swaps, as it will allow the Commission to conduct an efficient review of the Covered Event Contracts markets, if necessary. Specifically, § 16.03(h)(1) requires that, in connection with any Covered Event Contract, the listing DCM and the DCO clearing the Covered Event Contract shall comply with all applicable swap reporting and recordkeeping requirements of the CEA and Commission regulations, other than recordkeeping requirements contained in § 38.8, § 38.10, § 38.951 (only to the extent § 38.951 requires compliance with part 45), § 39.20(b)(2), part 43, and part 45. Proposed § 16.03(h)(2) also requires DCMs and DCOs to keep required records open to inspection upon request by the Commission, the United States Department of Justice ("DOJ"), or the SEC, or by any representative of a

[388] 17 CFR part 18 App'x A (Form 40) (Question 9: "List all the subsidiaries of the reporting trader (including the immediate subsidiary and any subsidiaries of those subsidiaries) and, separately, all persons in which the reporting trader has a 10 percent or greater ownership interest (including a 10 percent or greater interest in a commodity pool(s))."); *see also* Final Rule, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71, 78 FR at 69198 ("The 10 percent threshold in current Form 40 allows the Commission to receive reporting on a greater number of ownership relationships than a 25 percent threshold would require, thereby benefiting the Commission's surveillance capabilities. The 10 percent threshold is also consistent with other Commission regulations. . . .").

[389] Robinhood Letter at 5 n.16.

[390] *See generally* 17 CFR part 38; 17 CFR 1.31.

prudential regulator as authorized by the Commission. As noted in the Proposal, such records are essential to carrying out the regulatory functions of not only the Commission but also the DOJ and other financial regulators. Furthermore, the records will form the basis for conducting appropriate risk management by Registered Entities themselves.

2. Comments

The Commission received two substantive comment letters addressing proposed § 16.03(h).[391] PredictRails proposes a technical modification to the language of § 16.03(h)(1) because it believes that the "carve-out as worded…literally requires the reporting that § 16.03(a) exempts."[392] PredictRails perceives a contradiction because § 16.03(h)(1) requires compliance with applicable swap requirements "other than recordkeeping requirements contained in," inter alia, parts 43 and 45.[393] PredictRails believes that, because "parts 43 and 45 are principally reporting requirements" the carve-out is ineffective. [394] Consequently, PredictRails suggests replacing "other than recordkeeping requirements contained in" the enumerated provisions with "the requirements identified in paragraph (a) of this section."[395]

Regarding § 16.03(h)(2), PredictRails indicates that, while paragraph (h) is comprehensive of DCMs and DCOs, DCOs are omitted from the copy production obligation because such section places the copy production "at the designated contract

[391] Data Boiler's comment letter acknowledges the importance that Prudential Regulators, the SEC, and DOJ have rights of inspection of required records related to Covered Event Contracts. Data Boiler Letter at 23.

[392] PredictRails Letter at 5.

[393] *Id.*

[394] *Id.*

[395] *Id.*

market's expense" and directs only the DCM to provide copies.[396] PredictRails also points to the capitalized term "Required Records," which it alleges the proposed rule text does not define. PredictRails therefore suggests conforming § 16.03(h)(2) to "the designated contract market or derivatives clearing organization, as applicable," and using an uncapitalized description of the records.[397]

3. Final Rule

After considering the comments, the Commission has determined to adopt § 16.03(h) largely as proposed, with non-substantive, clarifying modifications.

First, the Commission has made non-substantive, clarifying modifications to § 16.03(h)(1) to make clear that this provision does not "require[] the reporting that § 16.03(a) exempts."[398]

In connection with § 16.03(h)(2), the Commission agrees with PredictRails' suggested conforming modification and will add DCOs to the copy production and expense obligations.[399] The Commission also agrees with PredictRails' comment in connection with "Required Records" and defines the term in the text of § 16.03(h)(2).

J. Other Comments

The Commission received several additional comments, which it addresses here. Rothera suggested the Commission provide transparency concerning the full scope of

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[396] *Id.*

[397] *Id.*

[398] *Id.* at 5.

[399] Section 39.20(b)(2) requires DCOs that clear swaps to maintain swap data in accordance with the requirements of part 45. 17 CFR 39.20(b)(2). Section 16.03(a) eliminates that requirement for Covered Event Contracts. Because § 16.03(a) eliminates certain swap data recordkeeping obligations for both DCOs and DCMs, § 16.03(h)(2) should apply to both DCOs and DCMs for consistency.

rulemakings related to prediction markets, including the sequence with which such rulemakings will proceed.[400] Rothera speculated that "rules limiting permissible event contracts, new intermediary obligations, or manipulation-related rules could each affect the appropriate scope" of the requirements in the Final Rule.[401] The Commission takes Rothera's suggestion under advisement. The Final Rule largely codifies the reporting scheme in existence today due to the Staff Event Contract Reporting No-Action letters. To the extent future rulemakings concerning Covered Event Contracts raise issues related to data reporting or require changes to reporting regulations, the Commission would consider any such changes and any public input on such changes at that time.

Certain commenters suggested the Commission should coordinate with the SEC regarding event contract reporting requirements.[402] The Commission coordinates with the SEC on an ongoing basis.[403] This Final Rule concerns CFTC-jurisdictional products listed on DCMs only.

KOR suggests the Commission should add a provision expressly permitting DCMs to satisfy reporting obligations by delegating reporting and public dissemination functions to a third-party service provider.[404] The Commission declines to introduce such a provision at this time. Where the Commission has expressly permitted delegation of reporting to a third-party service provider, the delegating firm retains the compliance

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[400] Rothera Letter at 7-8.

[401] *Id.* at 8.

[402] Kalshi Letter at 2-3; Rothera Letter at 3.

[403] *See, e.g.*, CFTC Release 9192-26, CFTC and SEC Announce Historic Memorandum of Understanding Between Agencies (Mar. 11, 2026), available at https://www.cftc.gov/PressRoom/PressReleases/9192-26.

[404] KOR Letter at 6.

obligation.[405] The Commission expects that any firm relying on a third-party service provider to comply with the Final Rule would retain the compliance obligation.

Certain other comments addressed issues relating generally to event contracts, but that were outside the scope of the Proposal.[406] Accordingly, the Commission does not address those out-of-scope comments here.

III. Compliance Date

The Proposal provided for a 30-days effective date from publication of the rule in the *Federal Register*, and a compliance date of 60 days following publication of the Final Rule in the *Federal Register.* The Proposal was designed to largely codify an alternative reporting regime that closely follows the Staff Event Contract Reporting No-Action Letters, and the Commission believes that DCMs and DCOs already have in place the mechanisms to comply with most of these requirements.[407] However, in recognition of the timeline for updates to part 17 that are currently in the process of being implemented, the Commission proposed the compliance date for § 16.03(b)(1) and § 16.03(c) be the later of either (a) sixty days following publication of a final rule stemming from this notice in the *Federal Register* or (b) July 26, 2027.[408]

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[405] *See, e.g.*, 17 CFR 45.9 ("Registered entities and reporting counterparties required by this part to report required swap creation data or required swap continuation data, while remaining fully responsible for reporting as required by this part, may contract with third-party service providers to facilitate reporting.").

[406] Li suggested the Commission should require reporting of data elements that would allow the Commission to distinguish automated trading from human-directed trading. *See* Li Letter at 1. Tsai submitted a comment concerning the public interest determination under Section 5c(c)(5)(C) of the CEA. *See generally* Tsai Letter. Hamlet comments concerning perceived tax implications of the Final Rule. *See* Hamlet Letter at 1. In addition to addressing certain of the Commission's requests for comment in the Proposal, Data Boiler's comment letter contains generalized discussion of market structure. *See* Data Boiler Letter at 1-16.

[407] The Commission also stated that Commission staff will withdraw the relevant Staff Event Contract Reporting No-Action Letters on the compliance date of the final rule, as they will become superfluous at that time. Proposal, 91 FR at 40113.

[408] Proposal, 91 FR at 40113. The Commission separately amended part 17 in a rulemaking published on

The Commission received several comments suggesting a later compliance date for certain aspects of the Proposal would reduce burdens. Kalshi raised no objection to a 60-day compliance date for §§ 16.03(a), (b)(2), (b)(3) and (f), but commented that if the Commission intends DCMs to retroactively collect the trader-identifying data enumerated in § 16.03(g) from existing accounts, Kalshi "anticipate[s] a compliance period of at least 12-18 months would be needed to collect the required additional data."[409]

The Commission recognizes that not all DCMs today possess all the information § 16.03(g) will require them to obtain and recognizes that additional time beyond 60 days may be necessary in order for DCMs to obtain such data. Accordingly, the Final Rule establishes a compliance date for § 16.03(g) of 12 months following publication of the Final Rule in the *Federal Register*.

As some commenters observed, the obligation for DCMs to submit § 16.03(g) data to the Commission is not explicitly set forth in § 16.03(g).[410] However, as discussed above, the Commission does expect DCMs will report such information to the Commission pursuant to § 16.02's requirement that DCMs "accompan[y]" trade and supporting data reports with "data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted trade and supporting data

June 3, 2024 with a compliance date of June 3, 2026. *See* 89 FR at 47439. DMO has separately published a no-action letter stating that DMO will not recommend an enforcement action against any DCM, FCM, clearing member, or foreign broker for failure to comply with those rule amendments until, effectively, July 26, 2027, in order to facilitate time for testing and implementation. *See* CFTC Letter No. 26-02 (Jan. 27, 2026), available at https://www.cftc.gov/csl/26-02/download; CFTC Release No. 9174-26, CFTC Staff Issues No-Action Letter, Announces Implementation Updates to 2024 Large Trader Reporting Rule (Jan. 27, 2026), available at https://www.cftc.gov/PressRoom/PressReleases/9174-26.

[409] Kalshi Letter at 4.

[410] *See, e.g.*, PredictRails Letter at 4.

report if the reporting market maintains such data."[411] Such information will be reported to Commission in the form and manner set forth in the CAR File Guidebook. An updated version of the CAR File Guidebook is being issued contemporaneously with this Final Rule.[412] Section 16.02 does not require a DCM to report trader-identifying data the DCM does not maintain. Accordingly, to the extent a DCM does not collect certain of the § 16.03(g) data before the compliance date for § 16.03(g), the Commission does not expect that DCM to report such data. However, to the extent DCMs do collect § 16.03(g) data in full or in part, the Commission expects DCMs to report such data that they maintain.

The Commission is otherwise adopting the compliance dates as proposed. For avoidance of doubt, the relevant effective date and compliance dates are as follows:

For the Final Rule, the effective date shall be 60 days following publication of the Final Rule in the *Federal Register*.

For §§ 16.03(a), (b)(2), (b)(3), and (f), the compliance date shall be 60 days following publication of the Final Rule in the *Federal Register*.

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[411] 17 CFR 16.02.

[412] The CAR File Guidebook is issued by the Division of Data pursuant to delegated authority. *See* 17 CFR 16.07(d) (delegating authority to the Director of the Division of Data or their designee to "determine the specific content of any daily trade and supporting data report, request that such reports be accompanied by data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted trade and supporting data report, and establish the time for the submission of and the manner and format of such reports"). The Division of Data may revise the CAR File Guidebook in the future to address developments in industry or best practices for reporting. *See, e.g.*, Final rule, Large Trader Reporting Requirements, 89 FR 47439, 47442 (June 3, 2024) ("[T]he purpose of delegating authority to designate a data submission standard or standards is to enable the Commission and Commission staff to quickly respond to changing market and technological conditions and to remain consistent with industry best practices."). The Commission expects that if staff determine to make any potential futures update to the CAR File Guidebook pursuant to delegated authority, staff would provide reasonable notice and an adequate implementation period. *See id.*

For §§ 16.03(b)(1), (c), (d), and (e), the compliance date shall be the later of either (a) sixty days following publication of this Final Rule in the *Federal Register* or (b) July 26, 2027.

For § 16.03(g), the compliance date shall be 12 months following publication of this Final Rule in the *Federal Register*.

IV. Related Matters

A. Consideration of Benefits and Costs

1. Introduction

Section 15(a) of the CEA requires the Commission to consider the benefits and costs of its actions before promulgating a regulation under the CEA.[413] Section 15(a) further specifies that the benefits and costs shall be evaluated in light of five broad areas of market and public concern: (1) protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations (collectively, the "section 15(a) factors").

The Final Rule sets forth a separate reporting regime for Covered Event Contracts, which will be exempted from certain swap data reporting and recordkeeping requirements. Rather than being subject to swap data reporting requirements, event contracts considered Covered Event Contracts under new § 16.03(a) will be reported generally pursuant to parts 15 through 18, in largely the same manner as futures and options contracts are reported. This new regulatory regime will largely mirror current market practice under the Staff Event Contract Reporting No-Action Letters.

[413] 7 U.S.C. 19(a).

The Commission considers the benefits and costs of the Final Rule, and regulatory alternatives, as measured against the baseline. Because Registered Entities have structured their operations in reliance on the Staff Event Contract Reporting No-Action Letters—submitting Covered Event Contract information to the Commission pursuant to the futures and options reporting regime of part 16—the Staff No-Action Letters have effectively lowered the compliance burden relative to the swaps reporting regulatory baseline for many market participants. For Registered Entities that are currently submitting information pursuant to a Staff No-Action Letter or would have done so in the future, the actual benefits and costs of the Final Rule will be limited to the extent that the Final Rule's requirements differ in content, format, or timing from the existing Staff Event Contract Reporting No-Action Letters.

The Commission provides below a qualitative assessment of these benefits and costs and, where feasible, quantified estimates of those economic effects. All quantified estimates measure the effects of the Final Rule against the regulatory baseline. As explained in more detail below, the Commission is unable to quantify certain economic effects because the Commission does not have, and in certain cases cannot reasonably obtain, data necessary to inform Commission estimates. Further, even in cases where the Commission has some data, certain economic effects cannot practicably be quantified due to the number and type of assumptions necessary. The Commission's inability to quantify particular benefits and costs does not imply that such economic effects are less significant than the quantified effects.

The consideration of benefits and costs below is based on the understanding that the derivatives market regulated by the Commission functions internationally, with many

transactions involving U.S. covered entities taking place across international boundaries. Additionally, some covered entities are organized outside of the U.S. or conduct operations both within and outside the U.S. but follow substantially similar business practices wherever located. Where the Commission does not specifically refer to matters of location, the discussion of costs and benefits below refers to the effects of this Final Rule on all activity subject to the Final Rule, whether by virtue of the activity's physical location in the United States or by virtue of the activity's connection with or effect on U.S. commerce under CEA section 2(i).[414]

2. Baseline

The baseline against which the benefits and costs of the Final Rule are measured consists of the current regulatory framework, nonbinding staff no-action relief regarding event contract reporting, and the current state of the event contracts market.

a. Regulatory Framework and No-Action Positions

Many event contracts-fall under one or more subsections of the "swap" definition.[415] Covered Event Contracts are swaps and, absent § 16.03, are subject to the swaps reporting regime.

The CEA requires that swaps be reported to an SDR.[416] Part 43 and part 45 of the Commission's regulations, among other regulations, implement that requirement.[417] Part

[414] 7 U.S.C. 2(i).

[415] *See* 7 U.S.C. 1a(47)(A)(i) and (ii). CEA section 1a(36), 7 U.S.C. 1a(36), defines "option" to include "an agreement, contract, or transaction that is of the character of, or is commonly known to the trade as, an 'option', 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty'."

[416] *See* 7 U.S.C. 2(a)(13)(G) ("Each swap (whether cleared or uncleared) shall be reported to a registered swap data repository.").

[417] *See generally* 17 CFR part 43; 17 CFR part 45.

43 regulations require the reporting and public dissemination of certain swap transaction and pricing data in near real time. Part 45 regulations require SEFs, DCMs, and reporting counterparties to report swap data to SDRs. SDRs collect and maintain data related to swap transactions, keeping such data electronically available for regulators or the public.

Additionally, the Commission's regulations require DCMs, FCMs, clearing members, foreign brokers, and traders to report various data concerning commodity options transactions and positions directly to the CFTC.[418] DCMs report clearing member reports, market data, and transaction data under part 16; FCMs and other intermediaries report position and ownership and control data under Part 17; and, individual traders with reportable positions report under part 18 of the CEA in response to a special call. In particular, § 17.00(a) requires reporting markets, FCMs, clearing members, and foreign brokers to submit large trader position reports for "special accounts,"[419] which are accounts with a daily position that exceeds the applicable reporting level established in § 15.03.[420] Section 17.01(a) requires submission of Form 102, which provides certain ownership and control information, for such special accounts.[421] Section 17.01(b) requires submission of Form 102 for volume threshold

[418] *See generally* 17 CFR 16; 17 CFR 17; 17 CFR 18.

[419] 17 CFR 17.00(a).

[420] *See* 17 CFR 15.00(f) (defining "special account" as "any commodity futures or option account in which there is a reportable position"); 17 CFR 15.00(p)(1(ii) (defining a "reportable position" as "any open contract position that at the close of the market on any business day equals or exceeds the quantity specified in § 15.03 in . . . [l]ong or short put or call commodity options that have identical expirations and exercise into the same commodity, on any one reporting market"); 17 CFR 15.03 (enumerating reporting levels).

[421] 17 CFR 17.01(a).

accounts, which are trading accounts that carry reportable trading volume.[422] Reportable trading volume levels are enumerated in § 15.04. Under large trader reporting regulations, the threshold for determining when a trader is considered large is either a position of 25 contracts in a particular commodity[423] or 50 daily trades in a particular product.[424] Pursuant to § 18.04, the Commission or its designee may, in its discretion, request additional information from traders of special accounts or volume threshold accounts by special call.[425]

Beginning in 2017, the Divisions have issued nonbinding Staff Event Contract Reporting No-Action Letters to DCMs listing certain event contracts from certain swap reporting and recordkeeping requirements.[426] The Staff Event Contract Reporting No-Action Letters set forth no-action positions by the Divisions that provide for reporting of Covered Event Contracts by Registered Entities under the futures and options regulatory regime. The Staff Event Contract Reporting No-Action Letters are not Commission actions carrying the force of law, but market participants typically conform their behavior to be consistent with such staff positions.

These Staff Event Contract Reporting No-Action Letters state that the Divisions will not recommend the Commission enforce SDR reporting and recordkeeping

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[422] 17 CFR 17.01(b); 17 CFR 15.00(x) (defining "volume threshold account"). However, a no-action position regarding reportable trading volume levels has impacted the scope of such reporting. *See infra* note 47777.

[423] 17 CFR 15.03(b) (reporting level of 25 contracts applicable to "All Other Commodities").

[424] 17 CFR 15.04. The nominal value of contracts varies widely. For instance, on CME, a micro bitcoin contract is one-tenth the value of one bitcoin or $7,700 on May 18th, 2026. A WTI contract is 1,000 barrels of oil, or $102,000.

[425] 17 CFR 18.00.

[426] *See supra* note 31.

requirements for specific contracts as long as, among other requirements, registrants report under the futures and options regulatory regime. Currently, consistent with conditions enumerated in the Staff Event Contract Reporting No-Action Letters, DCMs listing event contracts provide reports pursuant to §§ 16.01 and 16.02 of the Commission's regulations. Section 16.01 data includes daily market-level data on volume and open interest, as well as prices and critical dates.[427] Section 16.01 also requires reporting of information relating to settlement prices.[428] DCMs currently provide certain settlement information to the Commission—typically through settlement files—at a frequency lower than daily. Section 16.02 requires DCMs to submit daily trade and supporting data reports, which include transaction records.[429] DCMs also submit CAR Files pursuant to § 16.02, which provide certain account-identifying information.[430] Finally, the Staff Event Contract Reporting No-Action Letters also require real-time public dissemination of transaction data, typically directing that such information be made available "promptly."

The Staff Event Contract Reporting No-Action Letters do not address part 17 reporting requirements for either daily position data or ownership and control information. However, Commission regulations generally require such reports for

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[427] *See* 17 CFR 16.01.

[428] *See* 17 CFR 16.01(b)(2)(ii), (4)(i) (requiring DCMs to record the price used for settlement purposes and the method for determining settlement prices).

[429] 17 CFR 16.02.

[430] Section 16.02 provides that daily trade and supporting data reports shall "[u]pon request . . . be accompanied by data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted trade and supporting data report if the reporting market maintains such data." 17 CFR 16.02.

options traded on DCMs.[431] The Final Rule explicitly requires part 17 position reporting for Covered Event Contracts. Specifically, new § 16.03(c) identifies part 17 as applicable to the relevant reporting party.[432]

b. Event Contracts Market

The number of DCMs listing event contracts and the volume of trading in such contracts have increased significantly in recent years. As of September 1, 2026, fifteen DCMs either offer or have stated an intention to offer contracts that would likely be Covered Event Contracts, as defined in new § 16.03(a). In addition, at least a dozen applications for DCMs that might offer event contracts that would likely be Covered Event Contracts were pending as of September 2026.[433] Many of these pending DCM applications have the stated intention of offering contracts that could be considered Covered Event Contracts. At one of the largest DCMs during the calendar month February 2026, the Commission estimated a daily average of approximately 91,000 event contracts with trading volume.[434] Entities seeking DCM designation to list Covered Event Contracts often seek staff no-action letters similar to the Staff Event Contract

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[431] Section 17.00(a) applies to "put and call options" traded on DCMs. 17 CFR 17.00(a). The definition of "Reportable position" explicitly contemplates that a special account will consist of "long or short put or call commodity options that have identical expirations and exercise into the same commodity, on any one reporting market." 17 CFR 15.00(p)(1)(ii). Section 16.00 requires DCMs to provide clearing member reports. 17 CFR 16.00.

[432] *See* 17 CFR 15.00(o) (defining "option" to mean, "unless specifically provided otherwise . . . any contract for the purchase or sale of a commodity option that is executed on or subject to the rules of a reporting market, including all agreements, contracts and transactions that are treated by a clearing organization as fungible with such contracts"). Part 17 applies to "put and call options" traded on DCMs. *See* 17 CFR 17.00(a).

[433] *See* CFTC, Designated Contract Markets, *https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizations* (last visited May 22, 2026).

[434] As part of the Notice of Proposed Rulemaking, the Commission evaluated the number of traders who would be subject to large trader reporting at the largest DCM. *See* Section IV.A.4 (Large Trader Reporting Threshold) below.

Reporting No-Action Letters. The Commission anticipates receiving additional similar requests in the future.[435]

Request letters resulting in the Staff Event Contract Reporting No-Action Letters have generally argued that the contracts for which they seek a no-action position with respect to reporting are economically different from the vast majority of swaps reported under part 43 and part 45. Swaps reported pursuant to part 43 and part 45 typically have large notional values and long tenors. Traditionally, swaps reported pursuant to Commission regulations are in some instances standardized, but the potential and observed scope of contract customization between an SD and a bilateral counterparty is large. Swaps may or may not be cleared with a central counterparty, may include complex economic terms such as schedules of payments or reference quantities of underlying instruments, and they may contain substantial embedded optionality. Swap market participants often modify their portfolio exposure by initiating new swaps in order to adjust the risk profile of their portfolio, as it is often impractical or impossible to identify and terminate specific swaps that would achieve the desired risk profile.

By contrast, Covered Event Contracts and their associated portfolio transactions are much simpler than the possible range of swaps contemplated in part 43 and part 45 regulations.[436] Covered Event Contracts are cleared, standardized, typically have a $1 payoff per contract, and are often resolved soon after contract initiation. In these

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[435] *See supra* note 31. On May 13, 2026, the Divisions issued CFTC Letter No. 26-14 (May 13, 2026), available at *https://www.cftc.gov/csl/26-14/download* (providing a no-action position that allows for more streamlined grants of staff no-action positions effective until a final rule is adopted by the Commission addressing this matter).

[436] Part 45 reporting was designed to accommodate complex, bespoke, bilateral swaps, not exchanged-traded options. As such, it includes many fields that are not relevant for Covered Event Contracts including items such as CDS index attachment point, Exchange rate, Exchange Rate Basis, Floating rate payment frequency period multiplier, Original swap USI, Physical delivery location, among many others.

markets, traders can readily offset a position in a given contract by trading again in that same contract.

In sum, exchange-traded Covered Event Contracts subject to this Final Rule would, absent § 16.03, be subject to reporting requirements under parts 43 and 45, as well as parts 15 through 18. However, due to the Staff Event Contract Reporting No-Action Letters,[437] rather than providing part 43 and part 45 reporting, DCMs have been providing data under § 16.01 and § 16.02.

Regarding reporting on Form 102 and Form 40 based on trader position and volume, reporting entities and traders have not filed those forms for traders in Covered Event Contracts. The Commission has not enforced the reporting requirements in § 17.01(a) and (b) against Covered Event Contract market participants that have failed to file Form 102. And the Commission has not made special calls for large Covered Event Contract traders to file Form 40 under § 18.04(a) or (b).

3. Codification of the No-Action Position with Respect to SDR Reporting and Recordkeeping Requirements

New § 16.03(a) exempts Covered Event Contracts from regulations requiring reporting to the SDRs for the DCMs that list these contracts. Instead, the Commission will receive transaction data only pursuant to existing direct reporting requirements in §§ 16.00, 16.01, and 16.02, which apply to futures and options transactions.

a. Benefits

By reducing reporting and recordkeeping requirements from the regulatory baseline, the Final Rule will benefit the reporting parties by enabling them to not incur

[437] *See supra* note 31.

certain reporting costs. The Final Rule will also benefit market participants by providing uniform standards around the reporting requirements for DCMs and intermediaries that eliminate the ad hoc approach that, to date, has been taken for Covered Event Contracts reporting. Insofar as DCMs have already conformed their operations to comply with the Staff Event Contract Reporting No-Action Letters, these benefits will be limited.

By not subjecting DCMs to the swap reporting and recordkeeping requirements, DCMs will benefit from at least three categories of cost savings: (1) costs associated with registering with and connecting to an SDR, (2) costs associated with modifying reporting party systems, and (3) costs associated with SDR reporting fees. To the extent that DCMs list other event contracts and swaps in addition to Covered Event Contracts, those DCMs will not fully realize these cost savings.

First, with respect to cost savings associated with not registering as or connecting to an SDR, the Commission estimates costs will vary across DCMs and other market participants depending on how they elect to comply with swap reporting rules. Costs to DCMs and other market participants may include legal costs associated with completing user agreements and registration fees associated with receiving a Legal Entity Identifier ("LEI"). Such costs may also include the cost of building a connection to an SDR. Alternatively, to avoid these costs, a DCM listing Covered Event Contracts might make a business decision to register as an SDR or open an affiliate SDR, which would entail different costs than registering with or connecting to an existing SDR.[438] The cost

[438] In the short term, the costs associated with registering with the Commission as an SDR and setting up reporting systems may offset potential cost savings from not having to register with or connect to an existing SDR.

savings would be the savings from not having to comply with the least costly of these alternatives.

Second, with respect to the cost savings associated with not having to modify reporting systems to submit data in the form and manner required by an SDR, the Commission previously estimated that the cost for a reporting entity to design, test, and implement an updated data system based on the part 45 data elements, the Commission's technical specification, and applicable validation requirements will range between $24,000 and $73,225 per reporting party to modify systems, plus an hourly burden of 0.01 hours per report submitted.[439]

Third, with respect to cost savings associated with SDR reporting fees, avoided costs will vary across SDRs and may depend upon trading volume and average notional sizes of trades. SDRs charge fees for the services they provide. Some SDRs require an annual account management fee, and some SDRs require per transaction reporting fees that may vary by notional size, product, or asset class. Where fees vary based on the number of reported swap transactions, an exact estimate of the total avoided costs depends on the number of trades and other characteristics. For example, assuming reporting fees of $0.005 per swap transaction, total annual reporting costs could exceed $5 million for a large DCM that offers Covered Event Contracts.[440]

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[439] *See* Final Rule, Swap Data Recordkeeping and Reporting Requirements, 85 FR 75503, 75553 (Nov. 25, 2020). *See also* discussion of costs related to sending information to an SDR in section 8 below.

[440] The largest DCM with Covered Event Contracts had 24.3 million weekly transactions in the week ending May 15, 2026. Assuming a swap reporting fee of $0.005, the annual reporting cost will be approximately = $0.005 x 24.3 million swaps x 50 weeks = $5,850,000. Event contract volume source: *https://defirate.com/prediction-markets/volume/*.

New § 16.03(a) will also enable DCMs and DCOs listing and clearing event contracts to benefit from not having to request continual ad hoc adjustments to Staff Event Contract Reporting No-Action Letters to account for new developments, innovation, or competitive adjustments not contemplated at the time of the original request for a no-action position.[441] As discussed above in section II, a regulatory regime that specifically addresses the reporting of Covered Event Contracts provides a uniform and consistent approach to reporting while at the same time ensuring the Commission obtains the necessary information to address the CEA's objectives of reducing systemic risk, increasing transparency, and promoting market integrity. Under the Final Rule, DCMs and other market participants will benefit from uniform treatment as new entities enter the market, and as markets and contract structure evolves.

b. Costs

Removing the requirement that DCMs provide parts 43 and 45 information to the Commission changes the information available to conduct surveillance of Covered Event Contracts relative to the information available with respect to other swap reporting requirements. That loss of information could potentially negatively impact the Commission's ability to monitor the Covered Event Contracts market, but such impact, if any, should be minimal.

[441] As noted earlier, in some instances, Registered Entities have received no-action positions concerning SDR reporting that include contracts with slightly different payout structures, such as variable payout contracts. Whereas an event contract typically results, at settlement, in the payment of an absolute amount to the holder of one side of the event contract and no payment to the other, a variable payout structure can result to a payout to both parties based on the amplitude by which the price at expiration exceeds the strike or strike price. The Final Rule will accommodate both binary and variable payout structures and obviate the need for Registered Entities to seek modified no-action positions to address technical changes.

The Commission receives information concerning uncleared swaps through specific part 45 data elements[442] that it will not expect to receive in the § 16.02 reporting form. Specifically, there are certain fields required under the swaps reporting regime but excluded for Covered Event Contracts under this Final Rule. Part 43 requires swap-specific fields such as: asset class, product identifiers (including UPIs), cleared status, platform identifier, and a handful of other transaction-level fields needed for real-time dissemination.[443] Part 45 requires additionally that SDs report identifying information including LEIs, UPIs, collateral and margin information, and instrument-specific fields for various swap types. However, the absence of such information in a transaction data report is unlikely to impact data quality.[444]

The Commission believes that for Covered Event Contracts, the information provided in parts 16, 17 and 18 will serve similar purposes to relevant provisions in parts 38, 39, 43 and 45, and does not anticipate any impact on oversight. Because the transaction data reported pursuant to the § 16.02 reporting format overlaps in large part with the transaction data reported pursuant to the part 45 reporting format, the Commission does not anticipate a material loss of data will result from receiving transaction data in the § 16.02 reporting format rather than the part 45 reporting format.

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[442] *See generally* 17 CFR part 45, appendix 1.

[443] *See generally* 17 CFR part 43, appendix A.

[444] For instance, all Covered Event Contracts are fully collateralized and traded on-exchange. Information to fully understand the contract specifications and payment structure are publicly available on the DCM listing the contract; reporting of this information along with transaction data would be generally inapplicable and unnecessary for Covered Event Contracts. *See* Section II.A. above.

To the extent that information not captured under § 16.02 reporting is necessary for Commission activity, a special call pursuant to part 21[445] may be required to receive such information. But, as detailed above, because these event contracts trade on a DCM with publicly available contract information, the Commission does not anticipate such special calls. As such, the Commission's oversight capacity will not be diminished vis-a-vis the oversight capacity supported by swap reporting.

c. Comments

The Commission received comments that were broadly supportive of codifying the Staff Event Contract No-Action Letters.[446] KOR noted that the Commission's cost estimates using existing SDR fees may overstate the actual costs incurred by a DCM if it was to report in this manner given that SDR fees are reviewed and updated when new product types formally enter the reporting framework, with pricing calibrated to the actual cost of handling that instrument class.[447] To date, Covered Event Contracts have not gone through that process because exchange-traded products have been reported as described in the Staff Event Contract Reporting No-Action Letters.

KOR acknowledges, as the Commission suggested in the Proposal and further discusses in the Alternatives section below, that DCMs may either already be registered as an SDR, or may stand up their own SDR to meet the reporting requirements.[448] Although DCMs have had the option to report through an SDR (either their own

[445] *See generally* 17 CFR part 21.

[446] These letters were discussed in more detail in Section II.A.2 above.

[447] *See* KOR Letter at 5.

[448] *See id.* at 2.

repository or a previously established one), the vast majority of trades have been reported to the Commission under the Staff Event Contract Reporting No-Action Letters.

4. Reporting Requirements for DCMs

Consistent with the Staff Event Contract Reporting No-Action Letters, new § 16.03 expressly provides that DCMs listing Covered Event Contracts report under part 16, as well as parts 17 and 18. In addition, it imposes certain other requirements tailored to Covered Event Contracts, including specifying types of data to be included in Settlement Files.

a. Benefits

New § 16.03(b), (c), and (d) will, in large part, codify the Staff Event Contract Reporting No-Action Letters by expressly stating that DCMs listing Covered Event Contracts must report under parts 16 through 18 with a few modifications. Because DCMs are already required to report Covered Event Contract transaction data under these futures and options reporting requirements, the codification in new § 16.03(b), (c), and (d) will benefit DCMs only insofar as DCMs are not reporting under parts 16 through 18. Insofar as there is a gap between the regulatory requirements and DCM practice, restating the applicability of the reporting rules advances a known regulatory environment and reduces the potential need for ongoing and ad hoc no-action positions or other staff intervention.[449] It also ensures uniformity across DCMs in both the reporting of trader-

[449] For example, when a DCM reporting pursuant to the Staff Event Contract Reporting No-Action Letters arranges to clear through a new DCO, that DCM and that new DCO have generally amended the no-action position to include the new DCO. *But see* CFTC Letter No. 26-14 (May 13, 2026), available at https://www.cftc.gov/csl/26-14/download (providing a no-action position intended to obviate the need for such amendments). The Final Rule will eliminate the need to modify no-action letters to reflect business changes, as long as the contracts at issue fell within the "Covered Event Contracts" parameters set forth in § 16.03(a).

identifying information to the Commission and in publicly disseminating transaction data in real time. Taken together, the reporting framework under parts 16, 17 and 18 is a well-established and effective mechanism for collecting trader-level information of contracts traded on DCMs that provides a robust foundation for Commission surveillance, monitoring, and enforcement.

In addition to the daily market data reports required by existing § 16.01, new § 16.03(b) specifies certain settlement file information DCMs must record and report in order to provide the Commission with complete, daily settlement information. This settlement information is essential for interpreting and analyzing reported transaction-level data reported under § 16.02.[450] Although not expressly required by the Staff Event Contract Reporting No-Action Letters, the typical market practice is for DCMs listing Covered Event Contracts to publish these settlement data online and report them to the Commission as part of § 16.02 reports. By codifying this requirement and integrating settlement information into a standardized daily reporting framework, the Commission will be better able to identify and address trading irregularities in a timely manner and verify how contract outcomes were determined. This enhanced transparency will strengthen the financial integrity of Covered Event Contract markets by ensuring that contract determination is auditable.

New § 16.03(f) requires DCMs to disseminate transaction-level market data in real time, aligning Covered Event Contracts with the public transparency standard applicable to swaps. Under the Staff Event Contract Reporting No-Action Letters, DCMs

[450] Such information is a necessary component of the settlement price reported by DCMs pursuant to § 16.01(b)(2)(ii).

have already been disseminating this information "promptly;" the Final Rule strengthens and clarifies this obligation by adopting the "as soon as technologically practicable" standard used in part 43. [451] This codification ensures that the public continues to receive near-real-time access to trade data, promotes timely price discovery and competition,[452] and formalizes a practice that most DCMs already follow. Moreover, applying the same dissemination timeline that governs swap transaction and pricing data enhances consistency across reporting regimes and creates parity among DCMs listing Covered Event Contracts, ensuring market participants and the public have equal and timely access to critical market data.

New § 16.03(g) requires DCMs to obtain data for all customers that identifies each trader by name, physical address, email address, and phone number, as well as occupation and employer information and the names of any other persons guaranteeing the trading account or with a financial interest of 10 percent or more in the trading account. Although § 16.02 does not expressly require DCMs to obtain trader-identifying information for intermediated accounts,[453] some DCMs collect identifying information for customers in the ordinary course of business, and in turn report such information to

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[451] *See* 17 CFR 43.3(b)(1) (requiring SDRs to "publicly disseminate swap transaction and pricing data as soon as technologically practicable after such data is received . . . unless such swap transaction and pricing data is subject to a time delay described in § 43.5"); *see* 17 CFR 43.2(a) (defining "as soon as technologically practicable" to mean "as soon as possible, taking into consideration the prevalence, implementation, and use of technology by comparable market participants").

[452] *See generally*, Final Rule, Real-Time Public Reporting of Swap Transaction Data, 77 FR 1182, 1234 (Jan. 9, 2012) (discussing benefits of reporting and public dissemination requirements for part 43).

[453] *See* 17 CFR 16.02 ("Upon request, [trade and supporting data reports] . . . shall be accompanied by data that identifies or facilitates the identification of each trader for each transaction or order included in a submitted data report *if the reporting market maintains such data*.") (emphasis added); *see also* Final Rule, Significant Price Discovery Contracts on Exempt Commercial Markets, 74 FR 12178, 12185 (Mar. 23, 2009).

the Commission pursuant to § 16.02.[454] Such collection also supports ongoing DCM surveillance efforts.[455] By specifying trader-identifying information that DCMs collect, new § 16.03(g) creates a level playing field for intermediaries, which, currently, may not all communicate trader-identifying information to DCMs in a consistent form and manner. The minimum trader-identifying information to be collected under new § 16.03(g) ensures uniform reporting across DCMs, FCMs, foreign brokers, and clearing members, which allows the Commission to aggregate this data for more efficient and effective monitoring and analysis. Further, awareness that this information is disclosed to FCMs, DCMs, and the Commission may help deter manipulation and wash trading. New § 16.03(g) also ensures, together with other provisions of new § 16.03, that DCMs and the Commission have access to trader-identifying information critical for identifying insider trading and other potential violations of the CEA, the Commission's regulations, or a DCM's rules.[456] Given that the frequency and volume of intermediated clearing and execution of trades on DCMs offering event contracts may continue to increase, collection of trader-identifying information and ownership and control information is critical to the Commission's market monitoring and surveillance programs.

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[454] Some commenters stated that such data may not currently be regularly collected by intermediated DCMs. *See, e.g.*, Rothera Letter at 5-6; *see also infra* section IV.A.5.c.

[455] As one commenter notes, the availability of this information may enhance surveillance relevant to § 40.11. *See* Russell Letter at 2.

[456] As discussed in section II.H above, trader-identifying information is valuable to both the Commission and to DCMs for market monitoring and surveillance purposes. *See, e.g.*, CFTC Press Release, "CFTC Enforcement Division Issues Prediction Markets Advisory," Release No. 9185-26 (Feb. 25, 2026), available at *https://www.cftc.gov/PressRoom/PressReleases/9185-26* (discussing "[m]isappropriation of confidential information in breach of a pre-existing duty of trust and confidence to the source of the information (commonly known as 'insider trading')," among other potential "illegal trading practices occurring on any DCM").

Finally, new § 16.03(h) specifically provides for recordkeeping obligations for DCMs and specifies who must be able to inspect those Required Records. Because DCMs are already required to keep the Required Records under the regulatory baseline, the benefits will be minimal. But new paragraph (h) codifies the requirement to allow Required Records be open to inspection upon request by representatives of the SEC and other prudential regulators as authorized by the Commission (in addition to representatives of the Commission and DOJ[457]), which will benefit market participants and the public insofar as it makes it easier for other regulators to monitor and investigate potential misconduct.

b. Costs

Although new § 16.03 largely restates existing DCM reporting requirements, it establishes additional requirements for Covered Event Contracts, including setting explicit requirements to record and report contract settlement information on a daily basis, to obtain and report certain trader-identifying information, and to publicly disseminate trade data on an "as soon as technologically practicable" basis, as well as a small adjustment to the recordkeeping and inspection requirements. Much of this information is generally required to be collected under the regulatory baseline, and, in practice, costs associated with the collection and reporting will be limited to the extent DCMs already have the infrastructure to collect and report futures and options data pursuant to parts 16, 17, and 18. But, as enumerated below, these additional

[457] *See* 17 CFR 1.31(d)(1) (requiring that records must be open to inspection by any representative of the Commission or the DOJ); 38.950 (Core Principle 18).

requirements could result in some costs for registered entities that have to build out current systems to obtain this data.

(i) Transmission of Settlement File under § 16.01

New § 16.03(b) specifies that § 16.01 reports must include certain settlement information, including whether the event that is the subject of each contract occurred and, if so, the event that occurred, the time and date the event occurred, and the source used to determine whether the event occurred. This information is generally transmitted to the Commission on a monthly basis by DCMs. Although DCMs currently have this information available for contract determination, dispute, and settlement, the Commission acknowledges that there may be minor modifications to current internal systems to send the information on a daily basis, which will result in an estimated one-time infrastructure cost of $11,750 per DCM and ongoing annual costs of $5,640 per DCM linked to the daily transmissions that adhere to the correct fields and formats requested.[458]

(ii) Requirement of Real-Time Reporting

Under new § 16.03(f), DCMs are required to publish for each transaction certain information, including the quantity and price, "as soon as technologically practicable,"[459] similar to the swaps public dissemination reporting requirement. Although this differs

[458] The Commission believes that DCMs will incur a one-time cost of 50 hours to update electronic systems to transmit settlement file information along with market data, and an ongoing cost of 2 hours per month to ensure the smooth transmission of this information and to resolve any errors or inconsistencies in said transmission. At an hourly rate of $235 per hour, this equates to a one-time cost of $11,750 and an ongoing annual cost of $5,640. Across the 12 DCMs that are currently registered and have started trading or stated an intent to trade Covered Event Contracts, that amounts to a one-time cost of $141,000 and an ongoing cost of $67,680 per year.

[459] *See* 17 CFR 43.3(b)(1) (requiring SDRs to "publicly disseminate swap transaction and pricing data as soon as technologically practicable after such data is received . . . unless such swap transaction and pricing data is subject to a time delay described in § 43.5"); *see* 17 CFR 43.2(a) (defining "as soon as technologically practicable" to mean "as soon as possible, takin into consideration the prevalence, implementation, and use of technology by comparable market participants").

from "promptly," which was the stated condition in earlier Staff Event Contract Reporting No-Action Letters, the most recent Letter stated that in this context "promptly" means "as soon as technologically practicable."[460] The revised language should not impose additional burdens on DCMs to disseminate data faster than under the Staff No-Action Letters.

The Final Rule also establishes the fields that must be reported and for how long they must be made publicly available, which might result in costs to DCMs insofar as the new requirements differ from their existing practice.[461] In general, the Commission understands that most DCMs will not have to make any changes to the way that they are currently providing this information online, and any changes will be relatively minor. As a result, the Commission estimates that the burden required to fulfill this requirement will be *de minimis* for most reporting parties.

(iii) Collection of Ownership Information From Intermediaries

New § 16.03(g) requires DCMs to obtain trader-identifying information for all traders, including occupation and employer information. This allows for transaction information reported pursuant to § 16.02 to contain trade ownership information. Currently, for non-intermediated contracts considered Covered Event Contracts, DCMs obtain most of such information directly from their customers. In those instances, the

[460] CFTC Letter No. 26-14, at 7 n.37 (May 13, 2026), available at https://www.cftc.gov/csl/26-14/download.

[461] For instance, proposed § 16.03(f) requires that trade information be publicly available on the DCMs' website for a period of at least one year. Similarly, § 43.3(c)(1) requires SDRs to "make swap transaction and pricing data available on their websites for a period of time that is at least one year after the initial public dissemination of such data and shall make instructions freely available on their websites on how to download, save, and search such data." 17 CFR 43.3(c)(1).

Final Rule standardizes the minimum information required to be collected. For intermediated contracts, DCMs must generally obtain trader-identifying information as well as any other account information from the intermediary that carries the account, and as noted above, the Commission understands that DCMs sometimes collect such information from FCMs. For those DCMs that do not collect all of the required information, however, there will be some costs associated with the collection and transmission of this information. But similar information is required to be reported in connection with the Commission's large trader reporting scheme,[462] intermediaries collect this information about certain traders, and the electronic systems maintained by FCMs and foreign brokers to place trades may accommodate any additional information requested. While the Commission previously estimated the cost to update information flows to fulfill requirements under the new § 16.03(g) would be de minimis, commenters correctly pointed out that changes to information acquisition and transmittal for both DCMs and FCMs will be necessary.[463] The Commission acknowledges these costs but expects them to be modest.

(iv) Recordkeeping and Inspection

New § 16.03(h) primarily restates the existing recordkeeping and inspection requirements under § 1.31 and other Commission regulations, so there should be no additional costs other than any marginal increase in expense to make Required Records open to inspection by a representative of the SEC and other authorized prudential regulators in addition to by the Commission and DOJ.

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[462] *See, e.g.*, 17 CFR 17, appendix A (Form 102); 17 CFR 18, appendix A (Form 40).

[463] *See, e.g.*, Coinbase Letter at 4; Rothera Letter at 6.

c. Comments

The Commenters were largely supportive of applying the part 16 futures and options reporting framework to Covered Event Contracts. Several commenters focused on the requirement in new § 16.03(g) that DCMs collect certain trader-identifying information. Rothera argued that FCMs should be responsible for transmitting trader identifying data to the Commission for intermediated trades, as such data may not currently be regularly collected by intermediated DCMs.[464] Both CME and Rothera suggested that the part 18 special call authority should be used instead of collecting the required ownership information under part 16.03(g).[465] Novig further argued that § 16.03(g) requires DCMs to collect, maintain, protect, and transmit information that it is not presently collected from all FCMs.[466] Commenters noted that the collection of trader-identifying information from intermediaries may necessitate new data pipelines which would represent an additional burden for both DCMs and intermediaries. This potential additional burden is also referenced by the Coalition for Prediction Markets, Coinbase, and CME.[467] While FIA supported event contract reporting to the Commission, it noted that FCMs might be lacking the appropriate flag to identify event contracts and it requested that the Commission fully acknowledges the additional data transmission costs the FCMs will have to incur in light of § 16.03.[468]

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[464] *See* Rothera Letter at 4-6.

[465] *See* CME Letter at 4; Rothera Letter at 5.

[466] *See* Novig Letter at 3.

[467] *See* Coalition for Prediction Markets Letter at 4; Coinbase Letter at 3-4; CME Letter at 4.

[468] *See* FIA Letter at 2.

Commenters had additional concerns with the collection of the trader's occupation and employer information pursuant to new § 16.03(g). For instance, Rothera argued the *de minimis* cost estimate for § 16.03(g) does not account for privacy policy drafting across multiple jurisdictions, data protection impact assessments, system safeguards, vendor coordination, or insurance coverage.[469] Novig contended that providing such information might involve a cost from the customers' perspective and might deter entry in the market, while averring that the Commission did not demonstrate a need for collecting occupation and employment for all participants for the Commission's surveillance and enforcement efforts.[470] In contrast, Russell observed that occupation and employer information can support risk classification and help identify potential trading restrictions, and notes that this requirement aligns with the Commission's reporting and surveillance objectives, including surveillance contemplated under proposed § 40.11.[471]

The Commission acknowledges that the costs of collecting, maintaining and protecting trader-identifying information by DCMs could vary among DCMs and in certain instances might involve costs, above the *de minimis* cost estimate put forth in the Proposal, but the Commission nevertheless expects this cost to be relatively modest. First, DCMs are required to collect information sufficient to meet the DCM core principles, including preventing manipulation, including misappropriation of material nonpublic information; trader-identifying information is necessary for this purpose. Second, DCMs, FCMs, or foreign brokers are required to collect trader-identifying

[469] *See* Rothera Letter at 6.

[470] *See* Novig Letter at 11.

[471] *See* Russell Letter at 2-3.

information to report profits and losses to the IRS. This includes collection of additional PII (such as social security or tax identification numbers) that identify persons or entities. Third, the information required in § 16.03(g) is similar in nature to that which is required in part 17 large trader reporting, and DCMs receive this information along with the Commission. Thus, the Commission does not expect the cost of obtaining trader-identifying information to differ meaningfully from the costs associated with DCMs' existing regulatory obligations.

The Commission also acknowledges that transmitting trader-identifying information from intermediaries to DCMs might involve some costs for the intermediaries themselves. However, to the extent that they already regularly transmit data to DCMs, the additional data with the trader identifying information should not result in a significant additional burden.

Having the trader-identifying information facilitates and improves the DCMs' own surveillance efforts, while providing a unified transmission mechanism for all market participants. Trader-identifying information, including, crucially, occupation and employment, further provides substantial benefits for the Commission's surveillance and enforcement efforts as it allows it to uniquely identify traders and any links they may have to particular material non-public information with the ability to influence outcomes. For example, trader-level information enhances the Commission's ability to detect wash trades, insider trading and other forms of market manipulation—an important consideration given the possibility of manipulation incidents in Event Contract Markets involving individuals with positions well below the proposed reporting level for large trader reporting. One DCM publicly stated that it is collecting employment information

exactly for the purpose of averting insider trading.[472] Moreover, as mentioned above, customers routinely are required to supply such information when opening financial accounts, and collection of this information may also deter trading in situations where the potential for market manipulation is present.

Several comments expressed their concerns with benefits and costs of the real-time dissemination requirement under § 16.03(f). Rothera suggests that there is no meaningful regulatory benefit in imposing real-time, publicly disseminated event contract data.[473] Their view is that these contracts already trade on fully transparent, on-exchange order books, so additional public dissemination would not improve market visibility or oversight. Instead, they argue that the proposed real-time standard is structurally mismatched to the futures reporting framework and would introduce cost and operational inconsistency without delivering incremental transparency. KOR suggests that benefits related to the improved speed of the publicly disseminated data are overstated because the "as soon as technologically practicable" standard may be interpreted differently by different DCMs.[474]

But publicly disseminated transaction-level data provides meaningful value by giving market participants and the public timely, consistent access to core trading information. Such transparency supports accurate price discovery, enhances confidence in how these markets function, and ensures that critical data needed to analyze trading behavior and outcomes is readily available free of charge. Shaw and Talos agree that the

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[472] *See* B. Schwartz *et al.*, Kalshi Plans Workplace Disclosure Rule to Combat Insider Trading, Wall St. J. (June 9, 2026), available at https://www.wsj.com/finance/regulation/kalshi-plans-to-require-users-disclose-where-they-work-to-make-certain-trades-7c6ada99.

[473] *See* Rothera Letter at 3-4.

[474] *See* KOR Letter at 5-6.

real-time dissemination under § 16.03(f) is beneficial for price discovery, market transparency and market integrity, and further request the expansion of the list of fields to be publicly disseminated.[475]

5. Large Trader Reporting Threshold

New §§ 16.03(c) and 16.03(e) require large trader reporting pursuant to part 17 of the Commission's regulation for Covered Event Contract positions. The Final Rule amends the reportable positions and trading volume applicable solely to Covered Event Contracts. It establishes a § 15.03 reporting level of 125,000 1 USD contracts (or the equivalent notional value with a contract size other than 1 USD) and a § 15.04 reportable trading volume level of 125,000 transactions during a single trading day on a single reporting market. The Commission assesses the benefits and costs of §§ 16.03(c) and 16.03(e) by comparing these levels with the regulatory baseline of a currently applicable reporting level of 25 contracts position[476] and a reportable trading volume level of 50 transactions during a single trading day on a single reporting market.[477] The Commission also recognizes that because DCMs, FCMs, brokers, and traders have not been reporting ownership and control information regarding large Covered Event Contract traders, the benefits and costs relative to the market practice baseline are minimal.

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[475] *See* Shaw Letter at 3, 5, 7, 9-10; Talos Letter at 2-7, 9-11.

[476] 17 CFR 15.03(b) (the "other commodity" reporting level is 25 contracts).

[477] 17 CFR 15.04. The Commission notes that, in practice, market participants typically apply a reportable trading volume level of 250 contracts, consistent with the staff no-action position taken by DMO in CFTC Letter No. 24-14 and preceding no-action letters. *See* CFTC Letter No. 24-14, at 6 (Sept. 25, 2024), available at https://www.cftc.gov/csl/24-14/download (". . . DMO will not recommend that the Commission commence an enforcement action, during the extended period defined in this letter, against a Reporting Party relying on this no-action position for failure to report a DCM volume threshold account based on a reportable trading volume level of 50 contracts, provided that such Reporting Party reports instead based on a reportable trading volume level of 250 or more contracts per day.").

In establishing the new reporting thresholds, the Commission examined the number of event contracts with open interest or volume large enough to potentially trigger a reportable position under both the current reporting thresholds (25 event contracts for position and 50 event contracts for volume) and the position and volume thresholds of 125,000 event contracts. In the analysis that follows, an "event contract" refers to a specific individual contract, and unlike traditional futures—where reportable positions are determined by aggregating traders' positions on a DCM across all expiry months for a given underlying asset and contract size—each event contract is considered on its own.

Exhibit 1: Number of contract markets above certain volume and open interest thresholds for DCM A

	Number of Covered Event Contracts			
Date	Above 125,000 (OI)	Above 125,000 (Vol)	Above 25 (OI) or 50 (Volume)	Positive Volume or Open Interest
2/4/2026	514	370	70,224	90,249
2/8/2026	442	600	199,141	226,738
2/11/2026	440	383	79,970	102,718
2/15/2026	473	455	44,563	57,596

Exhibit 1 reflects open interest and transaction data reported by a DCM ("DCM A") listing event contracts. Exhibit 1 demonstrates that, at one large DCM, the overwhelming majority of event contracts lack sufficient open interest to contain any reportable positions under the new § 16.03(e) reporting level. In total, no more than roughly 1,000 event contracts have either open interest or volume exceeding the reporting thresholds, and only a subset of those markets, in practice, have participants with

positions or trading activity above those reporting thresholds. By contrast, under the current effective 25-contract position reporting level, there are tens of thousands of contract markets with reportable positions. The $125,000 reporting level could result in a 97 to 99 percent reduction in the number of potentially reportable special accounts, based on the dates examined in Exhibit 1.

Exhibit 2: Retail Market Coverage in the CFTC Commitment of Traders report (February 10, 2026)

Futures Contract	Number of Reportable Traders	Reportable Positions as Percent of Open Interest	
		Long	Short
MICRO E-MINI DJIA	20	37.6	55.9
MICRO E-MINI S&P 500 INDEX	36	64.5	31.2
MICRO E-MINI NASDAQ-100 INDEX	61	62.5	66.3
MICRO E-MINI RUSSELL 2000 INDEX	29	72.5	10.8
MICRO BITCOIN	236	77.2	90.9
MICRO ETHER	302	97.2	99.5
MICRO SOL	26	78.4	87.3
MICRO GOLD	38	43.0	60.3
MICRO COPPER	20	29.7	87.3

Although each derivatives market is different and the Commission receives varying information based on the size of the market, the reporting levels, the number of traders, and trader behavior, a comparison with other retail futures contract markets is

instructive for analysis of markets for event contracts that will be considered Covered Event Contracts. Exhibit 2 shows several futures contracts are traded by a large number of retail traders. Reportable positions in these contracts cover between 10.8 and 99.5 percent of the short side, and 29.7 to 97.2 percent of the long side.

Exhibit 3: Effect of reporting thresholds on DCMs A-D on February 8, 2026

	Number of Participants above Threshold		
Threshold	Position	Volume	Either
25	1,143,270	857,002	1,184,165
50,000	1,103	739	1,362
125,000	312	227	402
250,000	152	117	197

The Commission currently receives transaction data on Covered Event Contracts under § 16.02, which it used to construct Exhibit 3. Exhibit 3 presents the Commission's estimate of the number of unique traders at DCM A whose positions or daily trading volume exceeded various reporting thresholds on February 8, 2026. A trader is counted once even if they exceed a reporting threshold in multiple markets. February 8 was a high-volume trading day, making it a useful reference point for assessing the potential scope of reporting activity.

The estimates include all event contracts expected to be active on February 8, 2026. The analysis is conducted at the event contract level—the most granular level at which contracts are listed and traded on DCM A. For event contracts that continue trading beyond that date, positions are measured as of the end of the calendar day; for

those that expired earlier on February 8, positions are measured as of their last trading time.

As shown in Exhibit 3, higher reporting thresholds substantially reduce the number of traders who will trigger reporting. Increasing the reporting threshold from 50,000 to 250,000 event contracts lowers the number of traders above the position- or volume-based threshold—from roughly 1,360 to about 200—for whom DCMs will be required to submit Form 102s.

Although the number of reportable traders decreases significantly at higher reporting thresholds, the Commission will still obtain substantial information about the positions of large traders. For instance, on February 8, the 125,000-contract position reporting level covered approximately 14 percent of the long side and 72 percent of the short side of the top 50 Covered Event Contract markets on the largest DCM, ranked by open interest. Lowering the reporting threshold to 50,000 contracts increases coverage to 22 and 81 percent, respectively, increasing the number of reportable positions for a relatively small increase in coverage. While a low reporting level increases the coverage to at least 99 percent of open positions, as shown in Exhibit 3 above, this substantially increases the reporting burden on DCMs, FCMs, brokers, and traders through increased numbers of forms 102 and 40.

a. Benefits

The Commission believes that, in general, the DCMs, FCMs, clearing members, foreign brokers, and traders responsible for large trader reporting under part 17 and part 18 will see a decreased burden relative to the regulatory baseline due to the significantly higher reporting level and reportable trading volume level the Final Rule establishes,

which will result in a corresponding lower level of large traders and will subsequently exclude the vast majority of retail traders.[478]

The Final Rule raises the reporting level for § 17.00(a) reporting to 125,000 contracts (or the $125,000 notional value equivalent for contracts with contract sizes other than 1 USD). It also raises the § 17.01(b) reportable trading volume for a given contract market to daily trading volume of 125,000 contracts. Accordingly, under the Final Rule, far fewer traders will qualify as large traders and therefore be subject to parts 17 and 18 reporting as compared to the regulatory baseline. Increasing the applicable reportable trading volume level will decrease the number of potential Form 40 and Form 71 requests originated by the Commission, as special calls to originators of omnibus accounts are issued to accounts for which a Form 102 has been submitted, avoiding costs on traders that might otherwise be incurred.[479] Based on data analysis of Exhibit 3, applying the § 16.03(e) reporting levels, the Final Rule will reduce the number of accounts with reportable positions by more than 1 million. Applying the estimate of 0.33 burden hours per form, this equates to at least 330,000 hours in cost savings.[480] The codification of this reduced burden may encourage additional traders to participate in event contract markets (or, put differently, it will not discourage such additional participants), and hence the change could make some event contracts viable. Additionally, applying an elevated reporting level ensures that a limited number of retail

[478] *See supra* Exhibit 2.

[479] *See* 17 CFR 17.01(c).

[480] *See infra* note 563, section IV.C.

traders, if any, are required to submit Form 40 in response to a special call issued pursuant to § 18.00.[481]

DCMs, FCMs, clearing members, and foreign brokers incur costs related to collecting information on large traders and transmitting that information to the Commission. The Commission has previously estimated the average burden hours per respondent for reporting large trader position information pursuant to § 17.00(a) as 52 hours per respondent.[482] The Commission has previously estimated the average burden hours per respondent for submitting ownership and control information required by § 17.01(a) and trader information required by § 18.04 to be approximately 104 hours per reporting party.[483] Although the Commission believes that much of this information collection will be automated, raising the applicable reporting levels will result in market participants submitting fewer large trader reports, Forms 102, and Forms 40 to the Commission. Hence, the Final Rule results in a reduced burden relative to regulatory baseline for DCMs, FCMs, and foreign brokers. Additionally, the Final Rule requires the Commission to process fewer Forms 102 than the regulatory baseline, which consequently decreases the amount of time spent by registrants and traders waiting for clarification and error resolution.

Although it is difficult to precisely quantify the avoided costs resulting from the elevated reporting thresholds set forth in the Final Rule because the Commission has never enforced the reporting requirements within the Covered Event Contracts market,

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[481] 17 CFR 18.00.

[482] *See* ICR Ref. No. 202402-3038-002 (concluded July 24, 2024).

[483] *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023).

the avoided costs relative to the regulatory baseline would be significant if enforced. In the absence of the new reporting thresholds set forth in § 15.03, the Commission believes reporters would likely incur approximately $2,450,000 in additional costs to submit large trader position reports, $40,920,000 in additional costs to submit Form 102A, and $145,000,000 in additional costs responding to special calls under § 18.04(a). In the absence of the new reporting thresholds set forth in § 15.04, the Commission believes reporters would likely incur approximately $3,968,000 in additional costs to submit Form 102B and $116,000,000 in additional costs responding to special calls under § 18.04(b).[484] However, the vast majority of traders who meet the § 15.04 threshold also meet the § 15.03 threshold and, accordingly, the avoided costs in the table below are not additive; rather, the avoided costs would likely be very close to the estimated savings for § 17.01(a) and § 18.04(a) numbers.

Exhibit 4: Estimated Avoided Total Annual Costs Compared to Regulatory Baseline[a]

Regulation(s)	Incremental Change in Total Annual Cost	Avoided Total Annual Costs Compared to Regulatory Baseline[b]
17 CFR 17.00	$141,752	$2,450,000
17 CFR 17.01(a)	$8,381,808	$40,920,000
17 CFR 17.01(b)	$754,014	$3,968,000[c]
17 CFR 18.04(a)	$1,497,000	$145,000,000[d]
17 CFR 18.04(b)	$2,502,040	$116,000,000[d,e]

[a] These estimated costs and costs avoided are the monetized costs estimated in this release. *See infra* section IV.C. These are not the only costs of the reporting requirements in parts 17 and 18.
[b] The avoided total annual costs estimate the costs for DCMs, FCMs, brokers, and traders to report on Forms 102 and 40, if the large trader thresholds were not raised by the Final Rule and the Commission began enforcing the parts 17 and 18 ownership and control reporting requirements in Covered Event Contract markets.

[484] *See infra* section IV.C.

[c] Because the vast majority of traders who satisfy the trading volume threshold in § 15.04 also satisfy the position threshold in § 15.03, this estimate would likely be largely duplicative of the estimate for § 17.01(a).
[d] The estimate of the total number of special calls for Forms 40 for Covered Event Contract traders is based on the 2025 ratio of the number of large traders reporting on Form 40 to the number reported on Form 102A: 23.4 percent. Because the Covered Event Contract market is different from traditional derivatives markets, the actual rate of special calls by Commission staff could have been higher or lower than the historical average of 23.4 percent.
[e] Because the vast majority of traders who satisfy the trading volume threshold in § 15.04 also satisfy the position threshold in § 15.03, this estimate would likely be largely duplicative of the estimate for § 18.04(a).

b. Costs

As a general matter, raising reporting thresholds to eliminate the reporting requirement for retail traders is unlikely to reduce the Commission's ability to detect manipulation and similar behavior. The Commission recognizes that while DCMs are required to collect information on the employment and occupation of all traders under the Final Rule, there is not an automatic mechanism similar to Forms 102A and 102B to transmit this information to the Commission. Consequently, while the Commission will receive information on the natural persons who own or control each of the trading accounts below the revised reporting level, the information received will be less complete than under the regulatory baseline. But, as detailed above, the Commission believes that it will be sufficient for monitoring and surveillance purposes.

Sections 17.00(j) and 17.01(f) set forth which entities are responsible for submitting large trader position reports pursuant to § 17.00(a) and ownership and control reporting pursuant to § 17.01(f). Specifically, the Final Rule requires that DCMs must provide large trader reporting on behalf of non-intermediated clearing members for contracts for which both intermediated and non-intermediated participants may trade. Although DCMs are already required to report this information, there will be costs

insofar as certain DCMs are not doing so.[485] However, any such costs should be minimal, given that DCMs are independently required to maintain position information on large traders for monitoring and surveillance purposes.[486]

c. Comments

The Commission received several comments that reference the new large trader reporting requirements. Several commenters supported the Commission's choice to keep the reporting thresholds disaggregated across any contracts, and that not doing so would impose costs on DCMs.[487] Novig accepted that there may be categories of information that § 16.02 does not always provide, such as beneficial ownership, account control, omnibus-account look-through, natural-person ownership of legal entities, and cross-DCM account linkage.[488] Novig questioned, however, the necessity of position reporting, arguing that transaction data could plausibly be used to estimate positions.[489]

Part 16 requires reporting markets to provide customer identifiers for each transaction. However, reporting markets currently do not always provide identifying ownership information, particularly for intermediated transactions and for omnibus accounts. Further, a single participant may hold ownership interests in more than one

[485] Pursuant to current regulations, DCMs must submit large trader reporting on behalf of clearing members for exclusively self-cleared contracts, defined as "cleared contract[s] for which no persons, other than a reporting market and its clearing organization, are permitted to accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trade." 17 CFR 15.00(h).

[486] *See, e.g.*, 17 CFR 38.254(b) ("A designated contract market with participants trading through intermediaries must either use a comprehensive large-trader reporting system (LTRS) or be able to demonstrate that it can obtain position data from other sources in order to conduct an effective surveillance program.").

[487] *See, e.g.*, Rothera Letter at 5 & n.8; Coalition for Prediction Markets Letter at 3; Robinhood Letter at 3-4.

[488] *See* Novig Letter at 6-7.

[489] *See id.* at 7.

account, even within certain DCMs. Many of these issues are precisely what the Commission seeks to address through this rulemaking.

In particular, the Commission believes that part 17 and associated OCR data collected through Forms 102 and 40 will provide the Commission additional, necessary information beyond the transaction-level data provided under § 16.02.[490] The transaction-level data collected under Part 16 does not include extensive ownership and control information; purpose of trading (dealer, market maker, speculator, etc.); or cash markets hedged. For example, ownership and control information allows the Commission to identify concentrated or coordinated positions relevant to detecting manipulation and protecting market participants and the public. As event contract markets continue to develop to include increasing institutional and hedging interest, the Commission believes the absence of part 17 data would leave a gap in the Commission's visibility into Covered Event Contracts.

6. Alternatives

The Commission has considered several alternatives and discusses their benefits and costs relative to the baseline and compared to the Final Rule. The Commission recognizes that under the regulatory baseline, participants are required to report under both the swaps regime (parts 43 and 45) as well as under the regulations for futures and options (parts 16, 17, and 18). In addition to the chosen Final Rule, which requires reporting under parts 16, 17 and 18, but not the Relevant Regulations, alternatives discussed below includes (a) reporting under the Relevant Regulations and absent the

[490] Form 40 is issued only after a trader becomes reportable through Form 102A or Form 102B, and accordingly a Form 40 special-call can be directed only to parties who have already filed a Form 102.

Staff Event Contract Reporting No-Action Letters; (b) reporting under the options regime without changing the default (25-contract position/50-contract volume) reporting threshold; and (c) reporting to an SDR only (i.e., retaining the parts 43 and 45 requirement, but not the parts 16, 17 and 18.

Option (a) is the regulatory baseline, and comparing the costs and benefits of the baseline to the Final Rule is the basis of the foregoing analysis.[491] As noted above, under option (b), holding trading volume reporting thresholds at current levels, a threshold of 25-contract position or 50-contract daily trades, results in over one million traders being subject to part 17 reporting, based on Commission analysis of the market in February 2026. The Commission believes this entails substantial costs, with little benefit in terms of enhanced enforcement. It also may discourage trading in these markets.

Option (c) allows DCMs to avoid the costs of providing trade and position information under parts 16 and 17 but requires them to provide trade information to SDRs under parts 43 and 45.[492] The annual costs to DCMs of providing information under parts 16 and 17 are approximately $300,000, so the cost savings from eliminating those reporting requirements would be that amount.[493] By contrast, the primary costs to

[491] Among other compliance options, a DCM listing and trading Covered Event Contracts under the baseline might choose to register itself or use an affiliated entity as an SDR and report Covered Event Contract DCM transactions in its capacity as an SDR or use the affiliated SDR, rather than submit transactions to an unaffiliated SDR. As discussed in the Proposal, these costs are estimated at over $10 million to become an SDR and roughly $4 to $7 million annually for technological costs and approximately $400,000 to $700,000 annually for compliance costs. *See* 91 FR at 40123. The Commission is not aware of any DCMs that have chosen this option.

[492] FIA suggests this in their comment letter "we urge the Commission consider reporting the transactions as swaps and identifying those portions of the current swaps reporting regime that may not fit appropriately for these products." FIA Letter at 2.

[493] The Commission estimates that reporting under parts 16 and 17 involves about 1,100 hours per DCM. This work would primarily be conducted by surveillance analysts, although other professionals would also be involved. The Commission estimates the blended hourly total compensation for these individuals to be roughly $235/hour. In addition, the Commission estimates some additional infrastructure will be required

DCMs for providing information to SDRs under parts 43 and 45 are the SDR reporting fees, which are uncertain and vary over time but may amount to $5 million per DCM annually. Hence, this alternative would be substantially more expensive to DCMs than the Final Rule and provide little additional useful information to the Commission. This conclusion regarding costs is supported by the observation that DCMs requested relief from the reporting requirements of parts 43 and 45 in favor of requirements that closely resemble those in the Final Rule.

The Commission received several comments that addressed the alternatives. Novig suggested that instead of proceeding with the proposed rule, the Commission withdraw this rulemaking and replace it with a custom-designed reporting structure for event contracts. In addition, they list several additional potential alternatives, both to the broader part 17 reporting regime as it relates to Covered Event Contracts,[494] as well as to the reporting level specifically.[495] FIA wrote "we urge the Commission consider reporting the transactions as swaps and identifying those portions of the current swaps reporting regime that may not fit appropriately for these products. We believe this could result in a more tailored approach rather than applying the futures regime."[496] The CME suggested the converse, that the Commission should "leverage its existing Part 17 OCR framework rather than creating a fragmented Part 16 regime," lowering the reporting level to one contract and collecting Form 102s from every trader.[497] KOR comments that

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for storage, monitoring, and other operational requirements, which would add about $25,000/year to the operating costs. Hence, the total per year would be approximately $300,000.

[494] *See* Novig Letter at 7.

[495] *See id.* at 10-11.

[496] FIA Letter at 2.

[497] CME Letter at 4.

the Commission should consider expanding the reporting framework considered here to similar, off-exchange swaps that are economically comparable.[498]

The Commission believes that designing and implementing an entirely new reporting regime for Covered Event Contracts specifically would not be desirable. First, the Final Rule allows for reporting along established pathways (e.g., § 16.02 information for DCMs, part 17 reporting for FCMs) that many reporting parties already use. Designing and implementing an entirely new reporting system would require reporting entities to build new data pipelines and internal systems capable of generating, formatting, and transmitting data in the newly prescribed schema. Entities would need to develop and document new technical specifications, conduct extensive internal testing to ensure data accuracy and completeness, and coordinate with technology vendors and the Commission to validate end-to-end connectivity before going live. Moreover, these markets are currently active and trading; a new system would necessitate developments of new infrastructures and internal controls that would require considerable investments compared to both the regulatory and the market practice baselines and introduce substantial delays in reporting both requiring existing participants and new entrants to continue to report under the Staff Event Contract Reporting No-Action Letters while the Commission promulgates new rules.

The Commission considered several of the possibilities around part 17 reporting raised by Novig, including more limited collection of trader-identifying data; a more limited set of trader data; surveillance triggers; or only requiring information due to an

[498] *See* KOR Letter at 4.

existing investigation.[499] In developing this rule, the Commission determined these alternatives would not allow for adequate surveillance of these markets. In addition, collection of information from FCMs and foreign brokers, as described above, is necessary for DCMs to provide a first line of defense against insider trading, fraud, and manipulation.

Moreover, placing all of the trader-identifying information within the part 17 and OCR framework would delay its availability compared to 16.03 reporting. Because this information is only collected after trades have been completed, DCMs and the Commission would not be able to fully identify traders until after Form 102 or 40 is submitted. Trader identifying information is most effective when gathered at account onboarding, before trading commences. Furthermore, this approach would be more costly than the Final Rule, given the continuing need to collect trade-level data and the more extensive detail required under the OCR reporting regime

7. Section 15(a) Considerations

CEA § 15(a) requires the Commission to consider the benefits and costs of the changes by the Final Rule with respect to the following factors: (1) protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations.[500]

[499] *See* Novig Letter at 7.

[500] 7 U.S.C. 19(a).

a. Protection of Market Participants and the Public

The Final Rule exempts Registered Entities from reporting Covered Event Contracts information from the swaps reporting requirements and tailors the futures and options reporting requirements to include additional information relevant to Covered Event Contracts. The changes will not negatively impact the protection of market participants and the public because the futures and options reporting requirements, as modified by the Final Rule, capture data elements that are tailored to Covered Event Contracts' price and payout structure. The futures reporting requirement of part 16, for example, allows reporting to the Commission, by product type and by expiry of the contract that captures the information inherent in Covered Event Contracts,[501] and daily trade and supporting data.[502] This data enables the Commission to monitor the event contracts to ensure their financial integrity and that market participants are protected from fraudulent or other abusive sales practices.

New § 16.03(g) will ensure that the Commission receives identifying trader information even when traded through brokers or clearing members and allows the Commission to conduct an efficient review of the Covered Event Contracts markets, if necessary. New § 16.03(f) will ensure that transaction data for event contracts is publicly disseminated in real time. It creates parity across DCMs listing Covered Event Contracts and ensures the public has timely and equal access to market data on a consistent basis to

[501] *See* 17 CFR 16.01.

[502] *See* 17 CFR 16.02 (requiring trade and supporting data reports to the Commission on a daily basis, including transaction-level trade data and related order information, time and sales data, reference files and other information as the Commission or its designee may require).

allow market participants and the public to analyze the Covered Event Contract transaction and pricing data.

Covered Event Contract markets may be subject to manipulation, fraud, and insider trading.[503] To conduct robust surveillance and enforcement, the Commission needs consistent information on traders, especially large traders, across markets. The revised reporting level and reportable trading volume level of § 15.03 and § 15.04 will decrease the number of traders included in the large trader reporting regime. That reduction may have a negative effect on the ability of the Commission to monitor and supervise the Covered Event Contract market. However, the negative impact should be limited because the amended reporting thresholds will continue to capture the large traders with the largest positions in Covered Event Contracts. At the same time, the Final Rule will also maintain the Commission's ability to collect and analyze data on these large traders, including the ownership and control structure of large accounts, and to identify individuals or entities that trade through omnibus accounts. When combined with the trader-identifying information collected for all traders, the Final Rule will ensure the DCMs' and Commission's ability to monitor and supervise the market.

The Final Rule will also improve the Commission's ability to analyze and respond to market disruptions. Such disruptions can result in costs to the investing and general public, in the form of reduced price discovery and ability to hedge risk.

[503] *See, e.g.*, CFTC Press Release, "CFTC Enforcement Division Issues Prediction Markets Advisory," Release No. 9185-26 (Feb. 25, 2026), available at *https://www.cftc.gov/PressRoom/PressReleases/9185-26*.

b. Efficiency, Competitiveness, and Financial Integrity of Futures Markets

The Final Rule improves the accuracy and completeness of event contract information available to the Commission by standardizing reporting requirements and providing Commission staff with necessary information based on the futures and options regulatory regime, and requiring public dissemination of the information, thereby enabling price discovery and competition. Further, the Final Rule requires DCMs to obtain and to report trader-identifying information for transactions, including for intermediated trades, in a standardized manner. The Final Rule also establishes rules for reporting ownership and control information for special accounts and volume threshold accounts necessary for ensuring the financial integrity of these markets.

Codification of the Staff Event Contract Reporting No-Action Letters will reduce Commission time spent on individual requests and increase competition among Registered Entities—including potential new entrants and incumbent entrants seeking to list new contracts. Furthermore, these changes may encourage small traders to use these markets, as they will not be subject to reporting requirements under the current large trader reporting thresholds. The Final Rule may also improve the financial stability of DCMs offering Covered Event Contracts by reducing their reporting costs.

c. Price Discovery

To the extent the Final Rule results in more Covered Event Contracts becoming economically viable, this may increase the number and frequency of trades, resulting in additional price discovery for these markets.

Additionally, new § 16.03(f), insofar as it increases the amount of information disseminated about Covered Event Contracts and the duration of its availability, will also support public price transparency, as the market will be able to absorb real time data for more accurate pricing.

d. Sound Risk Management Practices

The Final Rule will allow the Commission to more effectively identify disruptive or manipulative trading activity through the collection of more detailed information on large traders, as necessary. These improvements in the reporting regime will allow the Commission to evaluate risk throughout existing Covered Event Contract markets as well as related markets because this detailed information will allow the Commission to link trading across these markets. The incremental costs arising from the Final Rule will not threaten the ability of market participants to manage risks. Conversely, to the extent that small traders incur a lower cost to access Covered Event Contract markets, additional traders will be able to hedge their existing risk using these markets.

e. Other Public Interest Considerations

The increased reliability and detail resulting from improvements to data reporting furthers other public interest considerations, including transparency to the public concerning Covered Event Contract markets and detection of fraud or manipulation.

Any reduction in the cost of trading Covered Event Contracts that will result from the Final Rule will lower the costs to traders, both through reductions in the amount of time required to fill out Forms 40 and through lower trading fees, due to lessened reporting compliance costs to DCMs under the modified futures and options reporting

regime. The Commission also expects that the lower cost of trading will encourage the development of these markets.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act[504] ("RFA") requires federal agencies, in proposing rules, to consider the impact of those rules on small entities, and to provide a regulatory flexibility analysis with respect to such impact.[505] The regulations herein directly affect DCMs, DCOs, FCMs, large traders, and other similar entities. The Commission has previously determined that DCMs, large traders, and FCMs are not considered "small entities" for purposes of the RFA.[506] Similarly, clearing members, foreign brokers, and traders will be subject to the Final Rule only if clearing, carrying, or holding large positions. For these reasons, under section 3(a) of the RFA,[507] the Chairman, on behalf of the Commission, certifies that this Final Rule will not have a significant economic impact on a substantial number of small entities.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 ("PRA")[508] imposes certain requirements on federal agencies, including the Commission, in connection with conducting or sponsoring any "collection of information," as defined by the PRA. Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number from the

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[504] 5 U.S.C. 601 *et seq*.

[505] *See* 5 U.S.C. 603. The RFA applies to rules subject to notice and comment pursuant to the Administrative Procedure Act at 5 U.S.C. 553(b) or any other law. *Id.*

[506] *See* Policy Statement and Final Establishment of Definitions, 47 FR 18618 (Apr. 30, 1982).

[507] 5 U.S.C. 605(b).

[508] 44 U.S.C. 3501 *et seq*.

Office of Management and Budget ("OMB").[509] The PRA is intended, in part, to minimize the paperwork burden created for individuals, businesses, and other persons as a result of the collection of information by federal agencies, and to ensure the greatest possible benefit and utility of information created, collected, maintained, used, shared, and disseminated by or for the Federal Government.[510] The PRA applies to all information, regardless of form or format, whenever the Federal Government is obtaining, causing to be obtained, or soliciting information, and includes required disclosure to third parties or the public, of facts or opinions, when the information collection calls for answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons.[511]

The Final Rule affects collections of information for which the Commission has previously received control numbers from the Office of Management and Budget ("OMB"). The titles for these existing collections of information are: OMB control number 3038-0009, Large Trader Reports ("OMB Collection 3038-0009"),[512] OMB control number 3038-0061, Daily Trade and Supporting Data Reports ("OMB Collection 3038-0061"), OMB control number 3038-0012, Futures Volume, Open Interest, Price, Deliveries and Purchases/Sales of Futures for Commodities or for Derivatives Positions ("OMB Collection 3038-0112"), and OMB control number 3038-0103, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71 (Trader and Account Identification

[509] *See* 44 U.S.C. 3507(a)(3); 5 CFR 1320.5(a)(3).

[510] *See* 44 U.S.C. 3501.

[511] *See* 44 U.S.C. 3502(3).

[512] For the previously approved estimates, *see* ICR Reference No: 202303-3038-002, available at *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202303-3038-002*.

Reports) ("OMB Collection 3038-0103"). The Commission therefore is submitting this Final Rule to the OMB for its review in accordance with the PRA.[513]

Responses to this collection of information will be mandatory. The Commission will protect any proprietary information according to the Freedom of Information Act and part 145 of the Commission's regulations.[514] In addition, section 8(a)(1) of the CEA strictly prohibits the Commission, unless specifically authorized by the CEA, from making public any "data and information that will separately disclose the business transactions or market positions of any person and trade secrets or names of customers."[515] Finally, the Commission is also required to protect certain information contained in a government system of records according to the Privacy Act of 1974.[516]

The Commission did not receive any comments regarding the PRA burden analysis contained in the Proposal.

1. Information Collection Requirements

The Final Rule amends existing regulations and creates new regulations concerning reporting certain event contracts. Among other amendments, the Final Rule: (1) codifies a requirement that DCMs listing Covered Event Contracts report pursuant to § 16.02; (2) codifies a requirement that DCMs listing Covered Event Contracts report and publish market data pursuant to § 16.01; (3) codifies large trader reporting requirements specified in §§ 15.03, 16.00, 17.00, and 18.03; (4) codifies ownership and control

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[513] *See* 44 U.S.C. 3507(d) and 5 CFR 1320.11.

[514] *See* 5 U.S.C. 552; *see also* 17 CFR part 145 (Commission Records and Information).

[515] 7 U.S.C. 12(a)(1).

[516] 5 U.S.C. 552a.

reporting requirements in § 17.02; and (5) codifies real-time public dissemination requirements.

For purposes of the PRA, the term "burden" means the "time, effort, or financial resources expended by persons to generate, maintain, or provide information to or for a Federal Agency."[517] This total includes the anticipated burden associated with the reporting and recordkeeping obligations contained in the Final Rule.

As of February 8, 2026, the Commission estimates that there are 470 covered entities that will become subject to the Final Rule (12 DCMs,[518] 8 FCMs, and approximately 450 large traders). The Commission notes that these DCMs, FCMs, and traders represent a subset of the DCMs, FCMs, and traders subject to the regulations addressed in OMB Collections 3038-0009, 3038-0012, 3038-0061, and 3038-0103.

The table below summarizes the information collection burden changes calculated in this discussion and also provides estimates of the potential incremental, additional costs avoided due to the Commission's adoptions of new reporting thresholds:

Regulation(s)	Previous Burden Hour Cost	New Burden Hour Cost	Avoided Burden Hour Cost
17 CFR 17.00	$1,499,160	$1,640,912	$2,450,000
17 CFR 17.01(a)	$3,670,992	$12,052,800	$40,920,000
17 CFR 17.01(b)	$2,059,050	$2,813,064	$3,968,000
17 CFR 18.04(a)	$1,665,000	$3,162,000	$145,000,000
17 CFR 18.04(b)	$10,500,600	$13,002,640	$116,000,000

[517] 44 U.S.C. 3502(2).

[518] As of May 1, 2026, the Divisions have issued 17 Staff Event Contract Reporting No-Action Letters. *See supra* note 31.

OMB Collection 3038-0009, Large Trader Reports (§§ 16.00, 17.00, Part 21)

OMB Collection 3038-0009 reflects burdens resulting from clearing member reporting under § 16.00,[519] large trader position reporting for special accounts required under § 17.00,[520] and the burdens associated with the special call authority under part 21.[521] Section 16.00 requires DCMs to submit a report for each business day showing position information by account for each clearing member[522] With respect to § 16.00, DCMs are generally required to submit daily clearing member reports concerning clearing members' open positions and contracts bought and sold.[523] The Final Rule does not require any reporting market that is not currently required to submit such reports to begin doing so. Accordingly, the Commission is retaining its existing burden associated with § 16.00 of the Commission's rules.[524]

Section 17.00 requires that FCMs, clearing members, foreign brokers, and, in certain circumstances, DCMs submit a report for each business day showing position information for each special account.[525] Generally, the Final Rule does not require any firm that is not currently required to submit such reports to begin doing so. Additionally, the Final Rule does not affect the content of such reports or the form and manner in

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[519] 17 CFR 16.00.

[520] 17 CFR 17.00.

[521] 17 CFR part 21.

[522] 17 CFR 16.00.

[523] 17 CFR 16.00.

[524] The Commission has estimated that the burden associated with reporting under this section totaled 1,332 burden hours and $123,876 in associated labor costs. *See* ICR Ref. No. 202402-3038-002 (concluded July 24, 2024).

[525] 17 CFR 17.00.

which such reports are submitted. However, the Commission is revising its PRA estimates to account for some DCMs submitting additional § 17.00 reports for non-intermediated accounts. The Final Rule does provide that such DCMs are required to submit § 17.00 large trader position reporting for positions of clearing members for "exclusively self-cleared contracts" and adds requirements that, in markets featuring a mix of intermediated and non-intermediated trading, DCMs must submit, for contracts that trade as fully collateralized positions, special accounts carried by clearing members trading in their own name and not on behalf of any customer.

Accordingly, the Commission is updating its burden estimates for § 17.00 from $1,499,160 to $1,640,912. However, in the absence of the new reporting thresholds set forth in § 15.03, the Commission estimates the burden would increase by approximately $2,450,000 beyond this estimate. These updated burden estimates are based on anticipated reporting from an estimated 322 respondents (an increase from the Commission's previous estimate of 310 respondents). This reflects the Commission's expectation that each of the twelve DCMs that currently offer contracts that may be considered Covered Event Contracts may be required to submit § 17.00 reports from time to time.

Accordingly, the Commission estimates the updated annual burden associated with the Final Rule, as follows:[526]

[526] Previously, the Commission estimated that the burden associated with reporting under this section totaled 16,120 burden hours and $1,499,160 in associated labor costs. *See* ICR Ref. No. 202402-3038-002 (concluded July 24, 2024). Accordingly, the revised estimates reflect an estimated increase in burden of 624 burden hours and $141,752 in associated labor costs. The Commission is adopting these updated estimates to ensure its PRA estimates reflect the potential increase in reporting volume that is likely to occur under the revised regulatory structure proposed here as DCMs begin to undertake reporting for the specified event contracts at volume. As the Commission notes in its analysis of cost-benefit considerations, however, the Commission's Final Rule has increased reporting thresholds in a manner that will ultimately

Estimated number of respondents: 322.

Estimated frequency/timing of responses: Daily.

Estimated number of annual responses per respondent: 208.

Estimated number of annual responses for all respondents: 66,976.

Estimated annual burden hours per response: 0.25.

Estimated total annual burden hours per respondent: 52.

Estimated total annual burden hours for all respondents: 16,744.

Estimated total annual labor cost: $1,640,912.[527]

The Commission does not consider that the Final Rule will result in additional capital costs or operating and maintenance costs associated with this collection. DCMs are independently required to maintain position information on large traders for

offset the potential burden associated with reporting for specified event contacts. As noted in the analysis of cost-benefit considerations, based on an analysis of transaction data for contracts that will be considered Covered Event Contracts, the Commission estimates the existing 25-contract reporting level in § 15.03 will result in more than one million trading accounts meeting the definition of "special account." The Commission estimates that raising the applicable reporting level for Covered Event Contracts to 125,000 contracts will reduce the number of special accounts for Covered Event Contracts to between 300 and 400. This estimated reduction in special accounts will result in an estimated 250,000 burden hours in cost savings (1 million × 0.25 burden hours per § 17.00(a) large trader position report = 250,000 burden hours). Based on average wage rate of $98 per hour, the Commission estimates these cost savings could amount to approximately $2,450,000 over time (250,000 estimated burden hours × $98 per hour = $2,450,000).

[527] The annualized costs per affected registrant and in the aggregate were determined using an average salary of $98 per hour. Commission staff arrived at this hourly rate using figures from a weighted average of salaries and bonuses across different professions contained in the most recent BLS Occupation Employment and Wages Report (May 2024). *See* U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (May 2024), *https://www.bls.gov/oes/tables.htm*. The Commission estimated wage rate is a weighted national average of mean hourly wages for the following occupations: (1) "General and Operations Managers" in the "Securities, Commodity Contracts, and Other Financial Investments and Related Activities Industry," which is $114.88 (33% weight) (2) "Lawyers" in the same industry, which is $128.34 (33% weight), and (3) "Compliance Officers" in the same industry, which is $49.34 (33% weight). *See id.* Commission staff chose this methodology to account for the variance in skill sets that may be used to accomplish the collection of information. The estimated total annual labor cost of $1,712,256 is calculated as 17.472 total annual burden hours × estimated average burden hour cost of $98.

monitoring and surveillance purposes.[528] Also, reporting parties of large trader position information are reporting markets or well-capitalized intermediaries, and to the extent reporting parties of large trader position information for Covered Event Contracts have not previously reported such information, such firms generally already have systems in place for reporting such information for accounts trading futures.

OMB Collection 3038-0012, Futures Volume, Open Interest, Price, Deliveries and Purchases/Sales of Futures for Commodities or for Derivatives Positions (§ 16.01)

OMB Collection 3038-0012 reflects burdens resulting from § 16.01's requirement that DCMs submit a daily market data report reflecting trading volume and open interest.[529]

Previously, the Commission estimated a total annual time burden for reporting markets of 9,500 hours for compliance with § 16.01. The estimate was based on an estimate that 38 reporting markets will provide an average of 250 market data reports to the Commission per year, and will incur a burden of approximately two hours to compile and submit each report. All DCMs are required to submit market data reports pursuant to § 16.01 and the Final Rule does not require any reporting market that is not currently

[528] *See, e.g.*, 17 CFR 38.254(b) ("A designated contract market with participants trading through intermediaries must either use a comprehensive large-trader reporting system (LTRS) or be able to demonstrate that it can obtain position data from other sources in order to conduct an effective surveillance program.").

[529] 17 CFR 16.01.

submitting such reports to begin doing so. Accordingly, the Commission is retaining its existing burden estimates for OMB Collection 3038-0012.[530]

The Commission is of the view, however, that the requirement in § 16.03(b) that DCMs include certain settlement information in daily market data reports required to be submitted under § 16.01(d) may require minor modifications to the systems that DCMs use to submit such reports. The Commission estimates DCMs will incur a one-time burden of $11,750 in capital/start-up costs to update electronic systems to transmit the settlement information specified in § 16.03(b).[531] This yields a total of $141,000 in capital/start-up costs for the 12 DCMs that list event contracts to update their systems to ensure accurate reporting of certain settlement information (12 DCMs × $11,750). Section 16.01(e) requires publication of certain § 16.01 information, including settlement price.[532] The Commission does not anticipate that publishing settlement information in connection with § 16.03(b) will result in additional costs beyond the above-reference

[530] The Commission has estimated that the burden associated with reporting under this section totaled 9,500 burden hours and $524,210 in associated labor costs. *See* ICR Ref. No. 202506-3038-001 (concluded Sept. 5, 2025).

[531] The Commission estimates these capital costs by estimating that each DCM will contract for system upgrades that will require approximately 50 hours at an hourly rate of $235 per hour, yielding a total cost of $11,750. The wage estimate of $235 per hour is based on the occupational categories that are most likely to be involved in the implementation of this Final Rule. The Commission is using a composite wage, based on the following BLS categories: Software and Web Developers, Programmers, and Testers (50%), Database and Network Administrators and Architects (25%), and Lawyers (25%), with wage estimates taken from the Bureau of Labor Statistics' Occupational Employment and Wage Statistics. *See* U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (May 2024), available at *https://www.bls.gov/oes/tables.htm*. The Commission has adjusted that composite rate for inflation to May 2026 using the BLS CPI inflation calculator. *See* U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at *https://www.bls.gov/data/inflation_calculator.htm*). The Commission has further adjusted the composite wage with a multiple of 2.5 to account for benefits and overhead costs.

[532] 17 CFR 16.01(b)(2)(ii) ("Each reporting market must record for the trading session and for the opening and closing periods of trading as determined by each reporting market . . . [t]he price that is used for settlement purposes, if different from the closing price. . . .").

one-time capital/start-up cost to update systems to ensure accurate reporting of settlement information.

The Commission also estimates that these DCMs will incur ongoing annual operational and maintenance costs to maintain required systems. The Commission estimates that these capital costs will total $5,640[533] annually for a total cost to all DCMs of $67,680 (12 DCMs × $5,640). Together these capital costs total $208,680 in capital startup and ongoing operational and maintenance costs for 38 DCMs. The Commission does not believe that the Final Rule will result in other additional capital costs or operating and maintenance costs associated with this collection. DCMs are already required to submit reports required by § 16.01 and will continue to do so even absent the amendments as part of the Final Rule.

OMB Collection 3038-0061, Daily Trade and Supporting Data Reports (§ 16.02)

OMB Collection 3038-0061 reflects burdens resulting from daily transaction data reporting. Section 16.02 requires that reporting markets submit daily trade and supporting data reports to the Commission.[534] Previously, the Commission estimated a total annual time-burden for reporting markets of 10,000 hours for compliance with § 16.02.[535] The estimate was based on an estimate that 20 reporting markets will provide an average of 250 daily trade and supporting data reports to the Commission per year, and will incur a burden of approximately two hours to compile and submit each report. The Commission understands that all DCMs currently submit trade and supporting data

[533] The Commission estimates that covered DCMs will be required to contract for an estimated 24 hours of ongoing operational and maintenance systems support at a cost of $235 per hour, yielding a total annual cost of $5,640 per DCM (24 hours × $235 = $5,640).

[534] 17 CFR 16.02.

[535] *See* ICR Ref. No. 202504-3038-001 (concluded Sept. 10, 2025).

reports pursuant to § 16.02. The Final Rule does not require any reporting market that is not currently submitting such reports to begin doing so. The Commission also does not believe that the Final Rule alters the content of required reports or the form and manner for submitting § 16.02 trade and supporting data reports.

Section 16.03(g) will formally require DCMs to obtain trader-identifying information for accounts trading on the DCM. Certain DCMs currently routinely obtain such information for their own surveillance purposes, and therefore the Commission does not expect § 16.03(g) to impose new information collection burdens on such DCMs. Certain other DCMs may not currently maintain some or all of the information § 16.03(g) will require them to collect. However, existing Commission regulations require DCMs to either use a comprehensive large-trader reporting system or otherwise demonstrate the ability to obtain position data from other sources in order to conduct an effective surveillance program.[536] Moreover, a DCM must "have rules that require traders in its contracts to keep records of their trading . . . and make such records available, upon request, to the [DCM]."[537] Thus, the Commission does not expect the cost of obtaining trader-identifying information to differ meaningfully from the costs associated with DCMs' existing regulatory obligations. Accordingly, the Commission is retaining its existing burden estimates associated with OMB Collection 3038-0061.[538]

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[536] 17 CFR 38.254(b); *but see* 17 CFR part 38, App'x B, at Core Principle 4, (B)(a)(1)(4) ("With respect to the designated contract market's ability to obtain information, a designated contract market may limit the application of the requirement to keep and provide such records only to those that are reportable under its large-trader reporting system or otherwise hold substantial positions.").

[537] 17 CFR 38.254(a).

[538] The Commission has estimated that the burden associated with reporting under this section totaled 10,000 burden hours and $1,026,200 in associated labor costs. *See* ICR Ref. No. 202504-3038-001 (concluded Sept. 10, 2025).

The Commission is of the view that the Final Rule does not result in additional capital costs or operating and maintenance costs associated with this collection. DCMs must submit reports required by § 16.02 and will continue to do so even absent the amendments.

OMB Collection 3038-0103, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71 (Trader and Account Identification Reports) (§ 17.01, § 18.04(a), § 18.05)

OMB Collection 3038-0103 reflects information collection burdens associated with the filing of ownership and control reports. Section 17.01(a) requires FCMs, clearing members, foreign brokers, and certain reporting markets to submit Form 102As concerning special accounts for futures and options.[539] Section 17.01(b) requires clearing members to submit Form 102Bs concerning volume threshold accounts.[540] Section 17.01(c) requires FCMs, clearing members, and foreign brokers to submit Form 71 for certain omnibus accounts.[541] Section 18.04(a) requires certain traders to submit Form 40 for special accounts.[542] Section 18.04(b) requires certain traders to submit Form 40 for volume threshold accounts.[543] Section 18.05 contains books and records requirements for traders.[544] The amendments in the Final Rule provide for event contracts that are Covered Event Contracts of § 16.03(a) to be largely treated as futures for reporting

[539] 17 CFR 17.01(a).

[540] 17 CFR 17.01(b).

[541] 17 CFR 17.01(c).

[542] 17 CFR 18.04(a).

[543] 17 CFR 18.04(b).

[544] 17 CFR 18.05.

purposes. Accordingly, the Final Rule does not impact burdens associated with the Form 102S or part 20 requirements addressed in OMB Control Number 3038-0103, as such requirements concern swaps.

As described below, the Commission provides estimates based on an anticipated increase in trading of Covered Event Contracts that will result in the submission of additional forms. These estimates reflect the substantial growth in the market for event contracts from the last time the collection was submitted for approval by OIRA. These factors yield anticipated increases in the volume of reporting based largely on the estimated size of the market subject to the Final Rule's reporting regime, but as described further in the Commission's analysis of cost-benefit considerations and summarized below, the Commission is finalizing steps to limit the burden associated with filing requirements under the Final Rule's regime.

Whether an account or trader is subject to reporting requirements under part 17 and part 18 depends on whether a given account is a "special account"—namely, a "commodity futures or option account in which there is a reportable position"[545]—or a "volume threshold account"—namely, a "trading account that carries reportable trading volume."[546] For Covered Event Contracts, the Final Rule increases the reporting level that determines whether an account is a "special account" from 25 contracts to 125,000 contracts, and increases the reportable trading volume level that determines whether an account is a "volume threshold account" from a trading volume of 50 or more contracts to a trading volume of 125,000 or more contracts. The Commission expects increasing

[545] 17 CFR 15.00(r).

[546] 17 CFR 15.00(x).

these reporting thresholds for Covered Event Contracts will result in the filing of substantially fewer Form 102As, Form 102Bs, Form 71s, and Form 40s than the Commission will otherwise receive. While the Commission is updating below its PRA burden estimate for the collection to adjust the number of respondents subject to this collection to account for the increase in the anticipated number of Covered Event Contract the Commission expects to receive, the increase in reportable trading volume levels is designed to reduce the reporting burden for covered entities.

Form 102A: The Commission has previously estimated that it receives Form 102As, which identify special accounts, from approximately 312 reporting parties per year, and estimates each of those reporting parties will spend 106 annual burden hours on average on that reporting.[547] Based on an analysis of transaction data, the Commission estimates the Final Rule will result in DCMs, FCMs, clearing members, and foreign brokers submitting Form 102As for approximately 800 additional special accounts on an average business day.[548] Accordingly, the Commission estimates that the total of annual responses will increase by 200,000 (800 responses × 250 days), resulting in a revised estimate of 303,430 (the previous estimate of 103,430[549] + 200,000 estimated additional responses) total annual responses. As a result, the Commission is updating its burden estimates for § 17.01(a) from $3,670,992 to $12,052,800. However, in the absence of the new reporting thresholds set forth in § 15.03, the Commission estimates that the burden would increase by approximately $40,920,000 beyond this estimate.

[547] *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023).

[548] *See supra* Exhibit 3.

[549] *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023).

Accordingly, the Commission estimates the updated annual burden associated with the Final Rule, as follows:[550]

Estimated number of respondents: 324.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 937.

Estimated number of annual responses for all respondents: 303,430.

Estimated annual burden hours per response: 0.32.

Estimated total annual burden hours per respondent: 300.

Estimated total annual burden hours for all respondents: 97,200.

Estimated total annual labor cost: $12,052,800.[551]

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[550] Previously, the Commission estimated that the burden associated with reporting under this section totaled 33,072 burden hours and $3,670,992 in associated labor costs. *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023). Accordingly, the revised estimates reflect an estimated increase in burden of 64,026 burden hours and $8,381,808 in associated labor costs. As described in the analysis of cost-benefit considerations, absent the Commission's proposed change in reporting thresholds, the Commission estimates the existing 25-contract reporting level in § 15.03 will result in more than one million trading accounts meeting the definition of "special account." Section 17.01(a) requires FCMs, clearing members, foreign brokers, and certain DCMs to submit Form 102A for each special account. The Commission estimates that raising the applicable reporting level for Covered Event Contracts to 125,000 contracts will reduce the number of special accounts for Covered Event Contracts to between 300 and 400. This estimated reduction in special accounts will result in an estimated 330,000 burden hours in cost savings (1 million × 0.33 burden hours per Form 102A = 330,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $40,920,000 (330,000 estimated burden hours × $124 per hour = $40,920,000).

[551] The annualized costs per affected registrant and in the aggregate were determined using an average salary of $124 per hour. Commission staff arrived at this hourly rate using figures from a weighted average of salaries and bonuses across different professions contained in the most recent BLS Occupation Employment and Wages Report (May 2024) multiplied by 1.3 to account for overhead and other benefits. *See* U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (May 2024), *https://www.bls.gov/oes/tables.htm*. The Commission estimated wage rate is a weighted national average of mean hourly wages for the following occupations (and their relative weight): "Lawyers" in the "Securities, Commodity Contracts, and Other Financial Investments and Related Activities Industry," which is $128.34 (25% weight); "Financial Managers" in the same industry, which is $126.19 (25% weight); "Compliance Officers" in the same industry, which is $49.34 (25% weight); "Software and Web Developers, Programmers, and Testers" in the same industry, which is $78.14 (25% weight). Commission staff chose this methodology to account for the variance in skill sets that may be used to accomplish the collection of information. The estimated total annual labor cost of $12,052,800 is calculated as 97,200 total annual burden hours × estimated average burden hour cost of $124.

Form 102B: The Commission has previously estimated that it receives Form 102Bs, through which clearing members of DCMs identify volume threshold accounts, from approximately 114 reporting parties per year, and estimates each of those reporting parties will spend 163 annual burden hours on average on that reporting.[552] Based on an analysis of transaction data, the Commission estimates that, under the reporting regime, clearing members will submit Form 102Bs for approximately 227 additional volume threshold accounts on an average business day.[553] Accordingly, the Commission is increasing its estimate of total annual responses by 56,750 (150 responses × 250 days), resulting in a revised estimate of 585,750 (the previous estimate of 529,000[554] + 56,750 estimated additional responses) total annual responses. As a result, the Commission is updating its burden estimates for § 17.01(b) from $2,059,50 to $2,813,064. However, in the absence of the new reporting thresholds set forth in § 15.04, the Commission believes the burden estimate would increase by approximately $3,968,000 beyond this estimate.

Accordingly, the Commission estimates the updated annual burden associated with the Final Rule, as follows:[555]

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[552] *See id.*

[553] In the Proposal, the Commission used an estimated 150 additional volume threshold accounts on an average business day. The Commission is updating this to 227 volume threshold accounts for consistency with Exhibit 3.

[554] *See id.* The Commission notes that, in practice, it receives fewer Form 102Bs than this estimate as a result of a no-action position taken by DMO in CFTC Letter No. 24-14. *See* CFTC Letter No. 24-14, at 1 (Sept. 25, 2024), available at *https://www.cftc.gov/csl/24-14/download*.

[555] Previously, the Commission estimated that the burden associated with reporting under this section totaled 18,550 burden hours and $2,059,050 in associated labor costs. *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 13, 2023). Accordingly, the revised estimates reflect an estimated increase in burden of 4,880 burden hours and $854,270 in associated labor costs. As described in the analysis of cost-benefit considerations, absent the Commission's proposed change in reporting thresholds, the Commission estimates the existing reportable trading volume level of 50 in § 15.04 will result in more than 800,000 trading accounts meeting the definition of "volume threshold account." Section 17.01(b) requires clearing members to submit Form 102B for each volume threshold account. The Commission estimates that raising

Estimated number of respondents: 114.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 5,138.

Estimated number of annual responses for all respondents: 585,750.

Estimated annual burden hours per response: 0.04.

Estimated total annual burden hours per respondent: 206.

Estimated total annual burden hours for all respondents: 23,430.

Estimated total annual labor cost: $2,905,320.[556]

Form 71: The Commission does not believe the Final Rule will result in any change in the number of Form 71s submitted. Form 71 is submitted in response to a special call from the Commission or its designee.[557] The Commission believes its previous estimate that 762 respondents on average will be required to submit Form 71s annually sufficiently accounts for any Form 71s that may be submitted by omnibus account originators with positions in Covered Event Contracts. Accordingly, the Commission is retaining its existing burden estimates for this collection.

Form 40 (Special Accounts): Sending a special call for Form 40 to a trader who owns, holds or controls, or has held, owned or controlled, a special account is within the

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the applicable reportable trading volume level to trading volume of 125,000 contracts will result in clearing members submitting Form 102Bs for between 200 and 300 volume threshold accounts on an average business day. This estimated reduction in volume threshold accounts will result in an estimated 32,000 burden hours in cost savings (800,000 × 0.04 burden hours per Form 102B = 32,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $3,968,000 (32,000 estimated burden hours × $124 per hour = $3,968,000).

[556] The estimated total annual labor cost of $2,905,320 is calculated as 23,430 total annual burden hours × estimated average burden hour cost of $124.

[557] 17 CFR 17.01(c).

Commission's discretion.[558] Based on an analysis of transaction data for contracts that fit the Covered Event Contracts definition, under the existing 25-contract reporting level in § 15.03, the Commission estimates that in excess of one million special accounts will be eligible to receive a special call in connection with positions in Covered Event Contracts.[559] The Commission has previously estimated that the CFTC receives approximately 3,000 Form 40 records filings per year arising from required Form 102A filings, and estimated that each such filing will require five hours to complete.[560] Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Final Rule will result in as many as 210 additional respondents submitting Form 40 for special accounts.[561] Accordingly, the Commission is increasing its estimate for total annual responses by 2,100 (210 additional respondents × 10 estimated reports per respondent annually). As a result, the Commission is updating its burden estimates for § 18.04(a) from $1,665,000 to $3,162,000. However, in the absence of the new reporting thresholds set forth in § 15.03, the Commission estimates that the burden would increase by approximately $145,000,000 beyond this estimate.

Accordingly, the Commission estimates the updated annual burden associated with the Final Rule, as follows:[562]

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[558] 17 CFR 18.04(a).

[559] *See supra* Exhibit 3.

[560] *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023).

[561] Issuing a special call for Form 40 pursuant to § 18.04(a) is discretionary. 17 CFR 18.04(a). The Commission does not anticipate the number of respondents submitting Form 40s will be coterminous with the number of entities identified in Form 102s.

[562] Previously, the Commission estimated that the burden associated with reporting under this section totaled 15,000 burden hours and $1,665,000 in associated labor costs. *See* ICR Ref. No. 202308-3038-002 (concluded Dec, 21, 2023). Accordingly, the revised estimates reflect an estimated increase in burden of 10,500 burden hours and $1,487,000 in associated labor costs. As described in the analysis of cost-benefit

Estimated number of respondents: 510.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 10.

Estimated number of annual responses for all respondents: 5,100.

Estimated annual burden hours per response: 5.

Estimated total annual burden hours per respondent: 50.

Estimated total annual burden hours for all respondents: 25,500.

Estimated total annual labor cost: $3,162,000.[563]

Form 40 (Reportable Volume Threshold Accounts and Reportable Sub-Accounts): Sending a special call for Form 40 to a trader who owns, holds or controls, or has held, owned or controlled, a volume threshold account is within the Commission's discretion.[564] Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Final Rule will result in as many as 100 additional respondents submitting Form 40 for volume threshold accounts. Previously,

considerations, absent the Commission's proposed change in reporting thresholds, the Commission estimates that in excess of one million special accounts will be eligible to receive a special call in connection with positions in Covered Event Contracts. Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Final Rule's reporting level of 125,000 will instead result in 300 to 400 respondents submitting Form 40 for special accounts. The Commission therefore estimates that if the Final Rule were finalized, it will avoid greater increases in reporting burden than those included here to recognize the size of the market under the proposed reporting regime. This estimated reduction in Form 40 special calls based on the proposed reporting results in an estimated 1,170,000 burden hours in cost savings (1,000,000 × 5 burden hours per Form 40 × 0.234 special calls per Form 102A = 5,000,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $145,000,000 (1,170,000 estimated burden hours × $124 per hour = $145,000,000). The Commission notes that these estimated cost savings likely are, to some extent, duplicative of cost savings estimated below related to submission of Form 40s for volume threshold accounts, as under the currently applicable reporting level and reportable trading volume level, many respondents will be eligible for special calls based on both special account status and volume threshold account status.

[563] The estimated total annual labor cost of $3,162,000 is calculated as 25,500 total annual burden hours × estimated average burden hour cost of $124.

[564] 17 CFR 18.04(a).

the Commission estimated it receives approximately 18,920 total annual responses for volume threshold accounts and reportable sub-accounts. Based on an analysis of transaction data, the Commission estimates the Final Rule will result in clearing members submitting Form 40s for approximately 112 volume threshold accounts on an average business day. Accordingly, the Commission is increasing its estimate of total annual responses by 2,000, resulting in a revised estimate of 20,920 responses (the previous estimate of 18,920[565] + 2,000 estimated additional responses) total annual responses. As a result, the Commission is updating its burden estimates for § 18.04(b) from $10,500,600 to $13,002,640. However, in the absence of the new reporting thresholds set forth in § 150.04, the Commission estimates the burden would increase by approximately $116,000,000 beyond this estimate.

Accordingly, the Commission estimates the updated annual burden associated with the Final Rule, as follows:[566]

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[565] This estimate is based on an estimated average of 166 annual reports per respondent. Based on analysis of transaction data for event contracts considered a Covered Event Contract under proposed § 16.03(a), the Commission estimates that the Final Rule will result in an average of 112 annual reports per respondent. Form 40s are submitted in response to special calls, which are made at the discretion of the Commission or Commission staff. Because a substantial portion of trading volume for Covered Event Contracts is non-intermediated, the Commission expects to obtain sufficient ownership and control information from DCMs in many instances. *See, e.g.*, Final Rule, Market and Large Trader Reporting, 71 FR at 37813 (discussing the ability of reporting markets to provide "identifying data" for traders in markets where retail traders are direct clearing members). Accordingly, the addition of these new respondents may reduce the overall average number of special calls per respondent.

[566] Previously, the Commission estimated that the burden associated with reporting under this section totaled 94,600 burden hours and $10,500,600 in associated labor costs. *See* ICR Ref. No. 202308-3038-002 (concluded Dec. 21, 2023). Accordingly, the revised estimates reflect an estimated increase in burden of 10,260 burden hours and $2,502,040 in associated labor costs. As described in the analysis of cost-benefit considerations, absent the Commission's finalized change in reporting thresholds, the Commission estimates that in excess of 800,000 volume threshold accounts with trading volume in Covered Event Contracts will be eligible to receive a special call for a Form 40. Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Final Rule's reportable trading volume level of 125,000 will instead result in approximately 200 respondents submitting Form 40 for volume threshold accounts in Covered Event Contracts. The Commission therefore estimates that the Final Rule will avoid costs. This estimated reduction in Form 40 special calls will result in an estimated 936,000

Estimated number of respondents: 214.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 98.

Estimated number of annual responses for all respondents: 20,920.

Estimated annual burden hours per response: 5.

Estimated total annual burden hours per respondent: 490.

Estimated total annual burden hours for all respondents: 104,860.

Estimated total annual labor cost: $13,002,640.[567]

Other Related Collections That are Not Impacted

Absent the Final Rule and the Staff Event Contract Reporting No-Action Letters, certain DCMs and DCOs will be subject to swap data reporting and recordkeeping requirements generally applicable to event contracts.[568] The Final Rule ensures that these DCMs and DCOs are not subject to these reporting requirements and the associated costs entailed with compliance.

With respect to recordkeeping requirements, the Staff Event Contract Reporting No-Action Letters provided a no-action position concerning recordkeeping requirements reflected in § 38.8, § 38.10, § 38.951 (only to the extent § 38.951 requires compliance

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burden hours in cost savings (800,000 × 5 burden hours per Form 40 × 0.234 special calls per Form 102A = 936,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $116,000,000 (936,000 estimated burden hours × $124 per hour = $116,000,000). The Commission notes that these estimated cost savings will likely be, to some extent, duplicative of cost savings estimated above related to submission of Form 40s for special accounts, as under the currently applicable reporting level and reportable trading volume level, many respondents will be eligible for both special calls based on special account status and volume threshold account status.

[567] The estimated total annual labor cost of $13,002,640 is calculated as 104,860 total annual burden hours × estimated average burden hour cost of $124.

[568] *See* 17 CFR 43.3; 17 CFR 45.2, 17 CFR 45.3, 17 CFR 45.4.

with part 45), § 39.20(b)(2), part 43, and part 45. Sections 38.8, 38.10, 38.951, and 39.20(b)(2) each contain a requirement that DCMs comply with recordkeeping requirements specifically applicable to swap data.[569] Because the Final Rule does not require DCMs to report swap data for Covered Event Contracts, the Final Rule similarly excludes DCMs from recordkeeping requirements that otherwise require maintaining records of data in the part 43 or part 45 reporting format.

The Staff Event Contract Reporting No-Action Letters and the Final Rule do not remove the general recordkeeping requirements that apply to DCMs under § 1.31. As a result, DCMs offering event contracts will continue to be subject to the requirements under § 1.31 that apply to all DCMs. The burden associated with recordkeeping under § 1.31 is already covered under the information collection applicable to part 38 of the Commission's regulations,[570] and to avoid double-counting, no adjustment is being made to that information collection.[571]

2. Comments

The Commission did not receive any comments on the reporting and recordkeeping burdens.

D. Antitrust Considerations

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[569] *See* 17 CFR 38.8 (requiring DCMs to obtain codes for purposes of assigning "unique swap identifiers"); 17 CFR 38.10 (requiring DCMs to "maintain and report specified swap data as provided under parts 43 and 45"); 17 CFR 38.951 (requiring DCMs to "maintain such records, including trade records and investigatory and disciplinary files, in accordance with the requirements of § 1.31 . . . and in accordance with part 45 . . . if applicable"); 17 CFR 39.20(b)(2) (requiring DCOs to "maintain swap data in accordance with the requirements of part 45 of this chapter").

[570] For the current burden estimates associated with OMB Collection 3038-0052, Core Principles & Other Requirements for DCMs, *see* ICR Ref. No. 202503-3038-001 (concluded Sept. 5, 2025).

[571] *See, e.g.*, Final rule, Core Principles and Other Requirements for Designated Contract Markets, 77 FR 36612, 36663 (June 19, 2012) (where § 1.31 requirements are incorporated by reference, the Commission does not perform duplicative burden analysis because "[t]he § 1.31 requirements are already covered by the existing information collection for part 38").

CEA section 15(b) requires the Commission to take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving the objectives of the CEA in issuing any order or adopting any Commission rule or regulation (including any exemption under section 4(c) or 4c(b)), or in requiring or approving any bylaw, rule, or regulation of a contract market or registered futures association established pursuant to section 17 of this Act.[572]

The Commission requested comment on the antitrust implications of the Proposal. The Commission did not receive any comments from the public on the potential of the Final Rule to be inconsistent with the antitrust laws or anticompetitive in nature.

The Commission believes that the public interest to be protected by the antitrust laws is generally to protect competition. The Commission does not find that the amendments to part 15, part 17, or part 16 result in anticompetitive behavior. The Final Rule requires public dissemination of the Covered Event Contract's information that allows price discovery and also increases competition among Registered Entities and potential new entrants and incumbent entrants seeking to list new contracts. Because the Commission has determined that the Final Rule is not anti-competitive and may promote competition, the Commission has not identified any less anticompetitive means of achieving the purposes of the Act.

E. Executive Orders 12866, 13563, and 14192

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select those regulatory approaches that maximize net benefits (including potential economic,

[572] 7 U.S.C. 19(b).

environmental, public health and safety, and other advantages; and distributive impacts). Section 3(f) of Executive Order 12866 defines a "significant regulatory action" as any regulatory action that is likely to result in a rule that may: (1) have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, or the President's priorities.

The Office of Management and Budget (OMB) has determined that this action is a significant regulatory action as defined under section 3(f) of Executive Order 12866 and therefore this action has been reviewed by the OMB, consistent with Executive Order 14215.

This Final Rule is considered an Executive Order 14192 deregulatory action.

F. Congressional Review Act

Pursuant to the Congressional Review Act,[573] the Office of Information and Regulatory Affairs designated this rule as not a "major rule," as defined by 5 U.S.C. 804(2).

List of Subjects

17 CFR Parts 15, 16, and 17

[573] 5 U.S.C. 801 *et seq*.

Commodity futures, Consumer protection, Fraud, Reporting and recordkeeping requirements, Swaps.

For the reasons stated in the preamble, the Commodity Futures Trading Commission amends 17 CFR chapter I as follows:

PART 15—REPORTS—GENERAL PROVISIONS

1. The authority citation for part 15 continues to read as follows:

Authority: 7 U.S.C. 2, 5, 6a, 6c, 6f, 6g, 6i, 6k, 6m, 6n, 7, 7a, 9, 12a, 19, and 21, as amended by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010).

2. In § 15.03, revise paragraph (b) to read as follows:

§ 15.03 Reporting Levels

* * * * *

(b) The quantities for the purpose of reports filed under parts 17 and 18 of this chapter are as follows:

Commodity	Number of contracts
Agricultural:	
Cocoa	100
Coffee	50
Corn	250
Cotton	100
Feeder Cattle	50
Frozen Concentrated Orange Juice	50
Lean Hogs	100
Live Cattle	100

Commodity	Number of contracts
Milk, Class III	50
Oats	60
Rough Rice	50
Soybeans	150
Soybean Meal	200
Soybean Oil	200
Sugar No. 11	500
Sugar No. 14	100
Wheat	150
Broad-Based Security Indexes:	
Municipal Bond Index	300
S&P 500 Stock Price Index	1,000
Other Broad-Based Securities Indexes	200
Financial:	
30-Day Fed Funds	600
3-Month (13-Week) U.S. Treasury Bills	150
2-Year U.S. Treasury Notes	1,000
3-Year U.S. Treasury Notes	750
5-Year U.S. Treasury Notes	2,000
10-Year U.S. Treasury Notes	2,000
30-Year U.S. Treasury Bonds	1,500
1-Month LIBOR Rates	600

Commodity	Number of contracts
3-Month Eurodollar Time Deposit Rates	3,000
3-Month Euroyen	100
2-Year German Federal Government Debt	500
5-Year German Federal Government Debt	800
10-Year German Federal Government Debt	1,000
Goldman Sachs Commodity Index	100
Major Foreign Currencies	400
Other Foreign Currencies	100
U.S. Dollar Index	50
Natural Resources:	
Copper	100
Crude Oil, Sweet	350
Crude Oil, Sweet—No. 2 Heating Oil Crack Spread	250
Crude Oil, Sweet—Unleaded Gasoline Crack Spread	150
Gold	200
Natural Gas	200
No. 2 Heating Oil	250
Platinum	50
Silver Bullion	150
Unleaded Gasoline	150
Unleaded Gasoline—No. 2 Heating Oil Spread Swap	150
Security Futures Products:	

Commodity	Number of contracts
Individual Equity Security	1,000
Narrow-Based Security Index	200
Event Contracts	
Event Contract (1 USD)	[1]125,000
TRAKRS	[1]50,000
All Other Commodities	25

3. Revise § 15.04 to read as follows:

§ 15.04 Reportable trading volume level.

(a) The volume quantity for the purpose of reports filed under parts 17 and 18 of this chapter is trading volume of 50 or more contracts, during a single trading day, on a single reporting market that is a board of trade designated as a contract market under section 5 of the Act or a swap execution facility registered under section 5h of the Act, in all instruments that such reporting market designates with the same product identifier (including purchases and sales, and inclusive of all expiration months).

(b) Paragraph (a) of this section does not apply to contracts reported pursuant to a reporting level applicable to Covered Event Contracts (as described in § 16.03 of this

[1] For purposes of part 17 of this chapter, the Event Contract (1 USD) reporting level applies to Covered Event Contracts, described in § 16.03 of this chapter. For Covered Event Contracts with contract size other than 1 USD, the applicable reporting level is the notional value equivalent to 125,000 USD. For example, for a contract with 100 USD contract size, a reporting level of 1,250 contracts applies. For purposes of part 17 of this chapter, positions in TRAKRS should be reported by rounding down to the nearest 1,000 contracts and dividing by 1,000.

chapter) in § 15.03(b). The volume quantity for the purpose of reports filed under parts 17 and 18 of this chapter for Covered Event Contracts (as described in § 16.03 of this chapter) is trading volume of 125,000 or more contracts, during a single trading day, on a single reporting market that is a board of trade designated as a contract market under section 5 of the Act, in all instruments that such reporting market designates with the same product identifier (including purchases and sales, and inclusive of all expiration months).

PART 16—REPORTS BY CONTRACT MARKETS AND SWAP EXECUTION FACILITIES

4. The authority citation for part 16 is revised to read as follows:

Authority: 7 U.S.C. 2, 6a, 6c, 6g, 6i, 7, 7b-3, and 12a, unless otherwise noted.

5. Add § 16.03 to read as follows:

§ 16.03 Covered Event Contracts.

(a) Subject to paragraphs (b), (c), (d), (e), (f), (g), and (h) of this section, §§ 38.8, 38.10, 38.951 of this chapter (to the extent § 38.951 of this chapter requires compliance with part 45 of the Commission's regulations in this chapter), § 39.20(b)(2) of this chapter, part 43 of the Commission's regulations in this chapter, and part 45 of the Commission's regulations in this chapter, or the requirements of the relevant CEA provisions pursuant to which those regulations were promulgated, shall not apply to any Covered Event Contract. For purposes of this section, a Covered Event Contract is any contract that:

(1) Is a swap under section 1a(47)(A)(i) and/or (ii) of the Act;

(2) Is listed for trade on a designated contract market and is cleared through a derivatives clearing organization;

(3) Trades as a fully collateralized position, as defined in § 39.2 of this chapter; and

(4) Either has:

(i) A binary payout structure that results, at settlement, in a payment of an absolute amount to the holder of one side of the contract and no payment to the counterparty; or

(ii) A variable payout structure that results, at settlement, in the payment to both counterparties to the contract based on the final settlement price, though only one of the counterparties ultimately profits.

(b) In connection with any Covered Event Contract, the following provisions shall apply to the listing designated contract market:

(1) Section 16.00, to the same extent that such provision will apply to such designated contract market in connection with any futures or option contract;

(2) Section 16.01, to the same extent that such provisions will apply to such designated contract market in connection with any futures or option contract, except the designated contract market shall additionally record, report pursuant to section 16.01(d), and publish pursuant to section 16.01(e), information related to the settlement of the contract, including: whether the event that is the subject of each contract occurred and, if so, the event that occurred, the time and date the event occurred, and the source used to determine whether the event occurred; and

(3) Section 16.02, to the same extent that such provisions will apply to such designated contract market in connection with any futures or option contract.

(c) In connection with any Covered Event Contract, part 17 of this chapter shall apply to any designated contract market, futures commission merchant, clearing member, or foreign broker to the same extent that such provisions will apply to such designated contract market, futures commission merchant, clearing member, or foreign broker in connection with any futures or option contract;

(d) In connection with any Covered Event Contract, part 18 of this chapter shall apply to any trader to the same extent that part 18 of this chapter will apply to such trader in connection with any futures or option contract.

(e) In connection with any Covered Event Contract, the reporting level for purposes of part 17 and part 18 of this chapter shall be the reporting level for the "Event Contract (1 USD)" commodity enumerated in § 15.03 of this chapter and the reportable trading volume level for purposes of part 17 and part 18 of this chapter shall be the reportable trading volume level set out in § 15.04(b) of this chapter.

(f) In connection with any Covered Event Contract, the designated contract market shall publish, as soon as technologically practicable, for each Covered Event Contract transaction, the execution timestamp, contract ticker symbol, trade quantity, and price. The designated contract market shall make such data publicly available on its website for a period of time that is at least one year after the initial public dissemination of such data and shall make instructions freely available on its website on how to download, save, and search such data. Data that is publicly disseminated pursuant to this paragraph shall be made available free of charge.

(1) As used in paragraph (f) of this section, execution timestamp means the date and time of execution, as determined by the designated contract market, in the form and manner applicable to the "Event Timestamp" data element in appendix A to part 43 of the Commission's regulations in this chapter.

(2) As used in paragraph (f) of this section, contract ticker symbol means a code or symbol assigned by the designated contract market to identify the contract.

(3) As used in paragraph (f) of this section, trade quantity means the number of contracts bought or sold in a transaction. This data element shall be populated with a numeric value greater than or equal to zero.

(4) As used in paragraph (f) of this section, price means the price in USD at which the trade was executed. This data element shall be populated with a numeric value expressed as a decimal.

(g) In connection with any Covered Event Contract, the designated contract market listing for trade such event contract shall obtain from all customers data that identifies each trader, by name, physical address, email address, phone number, occupation, employer, and, if any other persons guarantee the trading accounts of the trader or have a financial interest of 10 percent or more in the trader or the trading accounts of the trader, the names of such persons, for each transaction or order for the Covered Event Contract and shall maintain such data throughout the life of the Covered Event Contract and for a period of at least five years following the final termination of the Covered Event Contract.

(h) In connection with any Covered Event Contract, the designated contract market listing for trade such Covered Event Contract and the derivatives clearing organization clearing such event contract shall:

(1) Comply with all requirements of the Act and Commission regulations applicable, other than reporting and recordkeeping requirements contained in §§ 38.8, 38.10, 38.951 of this chapter (only to the extent § 38.951 of this chapter requires compliance with part 45 of this chapter), § 39.20(b)(2) of this chapter, part 43 of this chapter, and part 45 of this chapter.

(2) Keep all records required to be kept pursuant to § 1.31 of this chapter (the "Required Records") open to inspection upon request by any representative of the Commission, the United States Department of Justice, or the Securities and Exchange Commission, or by any representative of a prudential regulator as authorized by the Commission. Copies of all such records shall be provided, at the designated contract market's or derivatives clearing organization's expense, as applicable, to any representative of the Commission upon request. The designated contract market or derivatives clearing organization shall provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the Commission, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only.

PART 17—REPORTS BY REPORTING MARKETS, FUTURES COMMISSION MERCHANTS, CLEARING MEMBERS, AND FOREIGN BROKERS

6. The authority citation for part 17 continues to read as follows:

Authority: 7 U.S.C. 2, 6a, 6c, 6d, 6f, 6g, 6i, 6t, 7, 7a, and 12a.

7. In § 17.00, add paragraph (j) to read as follows:

§ 17.00 Information to be furnished by futures commission merchants, clearing members and foreign brokers.

* * * * *

(j) *Covered Event Contracts.* Unless determined otherwise by the Commission, reporting markets that list Covered Event Contracts (as described in § 16.03 of this chapter) shall meet the requirements of paragraphs (a) through (h) of this section for all special accounts carried by clearing members trading in their own name and not on behalf of any customer (as defined in § 1.3 of this chapter), on behalf of all clearing members.

8. In § 17.01, add paragraph (f) to read as follows:

§ 17.01 Identification of special accounts, volume threshold accounts, and omnibus accounts.

* * * * *

(f) *Covered Event Contracts.* Unless determined otherwise by the Commission, reporting markets that list Covered Event Contracts (as described in § 16.03 of this chapter) shall meet the requirements of paragraphs (a) and (b) of this section for all special accounts carried by clearing members trading in their own name and not on behalf of any customer (as defined in § 1.3 of this chapter), on behalf of all clearing members.

Issued in Washington, DC, on November __, 2026, by the Commission.

Christopher Kirkpatrick,

Secretary of the Commission.