## 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:** Notice of proposed rulemaking.

**SUMMARY:** The Commodity Futures Trading Commission (''Commission'' or ''CFTC'') is proposing revisions to the Commission's regulations that would set forth an alternate framework for reporting of data for certain fully collateralized event contracts (the ''Proposal''). These revisions would 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:** Comments must be received on or before July 31, 2026.

**ADDRESSES:** You may submit comments, specifically referencing ''Data Reporting Requirements For Certain Event Contracts'' and RIN 3038–AF73, by any of the following methods:

- *Regulations.gov: Go to https://www.regulations.gov* and press the ''Search'' button, then proceed as follows:

1. Under Refine Documents Results—check the box to ''Only show documents open for comment'';

2. Under Agency—select ''See More'' and check the box for ''Commodity Futures Trading Commission,'' then press the Apply button;

3. Identify this proposal in the list of CFTC documents open for comment, press the ''Comment'' button to open the submission form, and follow the instructions on the form.

Alternatively, if you are viewing this proposal on *www.federalregister.gov,* click the ''Submit A Public Comment'' button at the top of the page to open the comment form. Follow the instructions on the form to submit your comment to *Regulations.gov*.

- *Mail:* Send to—Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

- *Hand Delivery/Courier:* Address to—CFTC Comment Submission, Attn: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

Please submit your comments using only one of these methods. To avoid possible delays with mail or in-person deliveries, submissions through *Regulations.gov* are encouraged.

All comments must be submitted in English or, if not, accompanied by an English translation. Do not include in your comment text or attachments any personal identifying information or business information that you do not want published online. Comments (regardless of submission method) will be published without review for, and without removal of, any personal identifying information or information your business may consider confidential.

If you wish to submit confidential information for the Commission's consideration, please contact the CFTC personnel listed in this document under **FOR FURTHER INFORMATION CONTACT** before making any submission. Please also carefully review the Commission's procedures in 17 CFR 145.9 for requesting confidential treatment under the Freedom of Information Act (FOIA) of information submitted to the Commission.

The CFTC reserves the right, but shall have no obligation, to review, pre-screen, filter, or redact all or any part of your comment submission. The CFTC also reserves the right, without further notification, to refuse to publish or to remove from public view all or any part of your submission to the extent it contains content inappropriate for publication in a comment file, such as—without limitation—obscene language, threats of violence, solicitations for commercial sales or illegal activity, or obvious spam. If a submission that is refused for or withdrawn from publication because of inappropriate content also contains comments on the merits of this proposal, such submission will be retained in the record for the matter and will be considered as required under the Administrative Procedure Act (''APA'') and other applicable laws, and may be accessible under the FOIA.

Pursuant to the APA, 5 U.S.C. 553(b)(4), a plain language summary of the proposed rule is available at *Regulations.gov*.

**FOR FURTHER INFORMATION CONTACT:** Stephen Andrews, Deputy General Counsel for Regulation, *sdandrews@cftc.gov,* 202–308–7563, Office of the General Counsel; Herminio Castro, Associate General Counsel, *hcastro@cftc.gov,* 202–418–6705; Owen Kopon, Associate Director, Division of Market Oversight, *okopon@cftc.gov,* 202–418–5360; Paul Chaffin, Special Counsel, Division of Market Oversight, *pchaffin@cftc.gov,* 202–418–5185, in each case at the Commodity Futures Trading Commission, 1155 21st Street NW, Washington, DC 20581.

**SUPPLEMENTARY INFORMATION:**

### Table of Contents

I. Background
- A. Introduction
- B. Current Reporting Regimes for Swaps and Futures
- C. Staff No-Action Letters Issued for Fully-Collateralized Event Contracts

II. Proposed Rules
- A. § 16.03(a): Covered Event Contract
- B. § 16.03(b)(2) and § 16.03(b)(3): Market Data and Transaction Data Reporting Requirements for DCMs
- 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
- D. § 16.03(d): Reports By Traders
- E. § 16.03(e): Reporting Levels
- F. § 16.03(e): Reportable Trading Volume Level
- G. § 16.03(f): Real-Time Dissemination of Market Data
- H. § 16.03(g): Requirement That DCMs Obtain Trader-Identifying Information
- I. § 16.03(h): Recordkeeping Obligations

III. Compliance Date

IV. Related Matters
- A. Cost-Benefit Considerations
- B. Regulatory Flexibility Act
- C. Paperwork Reduction Act
- D. Antitrust Considerations
- E. Executive Orders 12866, 13563, and 14192

List of Subjects

## I. Background

### *A. Introduction*

Under the Commodity Exchange Act (''CEA'') and Commission regulations, different data reporting requirements apply to swaps and futures transactions. With respect to swaps transactions, reporting parties must submit certain swap data to swap data repositories (''SDRs''),[1] which in turn publicly

[1] 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).

disseminate that data.[2] With respect to futures transactions, certain futures data is reported directly to the Commission and also is publicly disseminated.[3]

This Proposal addresses the data reporting requirements for certain fully-collateralized event contracts with a binary payout structure or a variable payout structure.[4] The Commission has generally found that these contracts are covered by the CEA's ''swap'' definition.[5] Event contracts may fall under one or more subsections of the ''swap'' definition set forth in section 1a(47) of the CEA.[6] 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.'' [7] 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.'' [8] Depending on their underlying events, certain event contracts may be security-based swaps or other instruments subject to the jurisdiction of the Securities and Exchange Commission (''SEC''), however, and this Proposal is applicable to only those event contracts solely within the CFTC's jurisdiction.[9]

### *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].'' [10] 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.[11] The CEA also grants the Commission plenary authority over commodity options.[12] And section 8a(5) of the CEA obligates DCMs to comply with the Core Principles and any requirements that the Commission may impose by rule or regulation pursuant to section 8a(5) of the CEA.[13]

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.[14] 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.[15]

The Commission has long overseen the reporting regime set out in parts 15 through 18, which generally covers futures and options transactions and positions.[16] Whereas swap data is sent to SDRs, which in turn process and provide swap data to the Commission and the public, futures data generally is sent directly to the Commission,[17] while certain price, volume, and other transaction information is separately

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[2] *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.

[3] *See* 17 CFR 16.02.

[4] 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, while a contract with a variable payout structure can result in a payout to both counterparties based on the final settlement price.

[5] 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 2a(1)(A) and (H), 7 U.S.C. 2(a)(1)(A) and (H).

[6] 7 U.S.C. 1a(47).

[7] 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'.''

[8] 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).

[9] *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).

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

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

[12] *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).

[13] *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 designated contract market. 7 U.S.C. 2(e).

[14] *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.

[15] *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.

[16] *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 . . .'').

[17] *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 . . .'').

published by DCMs.[18] 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,[19] whereas for futures, the Commission receives both transaction data reports [20] and position reports.[21] The method for public dissemination of data also varies. For swaps, SDRs disseminate data in real-time,[22] whereas for futures, DCMs disseminate market data directly to the Commission and the public.[23]

### *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.[24] In 2011, the Commission subsequently promulgated regulations implementing the Dodd-Frank Act and creating the swaps reporting regime.[25] Certain reporting markets [26] and DCOs (together, ''Registered Entities'') have 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.[27]

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 swaps market participants. Such contracts, the 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.[28]

The Divisions have granted 16 staff no-action letters to date (the ''Staff Event Contract Reporting No-Action Letters'' or ''Staff No-Action Letters'').[29] 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 Commission regulation 39.2; [30] (2) the covered contracts must be cleared; (3) the DCM will publish on its website the following time and 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; [31] (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 Securities and Exchange Commission, 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. One effect of these conditions was that the contracts subject to the no-action positions look and trade similarly to the historical HedgeStreet Contracts addressed in the Commission's 2006 Market and Large Trader Reporting rulemaking.[32]

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[18] *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'').

[19] *See* 17 CFR 43.3. Certain reporting parties submit position data for a subset of commodity swaps. *See generally* 17 CFR part 20.

[20] *See* 17 CFR 16.02.

[21] *See* 17 CFR 17.00.

[22] *See* 17 CFR 43.4.

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

[24] *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).

[25] *See* 17 CFR part 49.

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

[27] *See infra* note 28.

[28] *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).

[29] *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 would allow for more streamlined grants of staff no-action positions effective until a final rule is adopted by the Commission addressing this matter).

[30] 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.

[31] 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.

[32] Final Rule, Market and Large Trader Reporting, 71 FR 37809, 37812 (July 3, 2006). 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

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.[33] 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. Proposed Rules

This Proposal would set forth an alternative reporting regime for a specific category of event contracts based on the futures and options reporting regime and eliminate 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 would codify into regulation certain aspects of the Staff Event Contract Reporting No-Action Letters issued by the Divisions.[34]

The Proposal would amend part 16, concerning ''Reports by Contract Markets and Swap Execution Facilities'' to add a new section 16.03, titled ''Covered Event Contracts.'' The Proposal would explicitly provide for reporting pursuant to § 16.00, § 16.01, part 17, and part 18 that were not specifically identified in the Staff Event Contract Reporting No-Action Letters, but are nevertheless currently required for futures and options. The Proposal would also amend part 15, concerning ''General Provisions'' applicable to ''Reports,'' to add additional sections addressing data reporting requirements applicable to certain event contracts. In particular, proposed § 16.03 would (1) define the group of event contracts to which the alternative reporting regime would apply (''Covered Event Contracts''),[35] (2) enumerate the reporting and recordkeeping requirements—the Relevant Regulations—that, although generally applicable to swaps, shall not apply to Covered Event Contracts, (3) enumerate reporting and recordkeeping requirements that do apply to Covered Event Contracts, (4) establish reporting levels for position reporting for Covered Event Contracts, (5) establish public data dissemination requirements for DCMs listing Covered Event Contracts for trade, (6) establish a requirement that DCMs listing Covered Event Contracts for trade obtain certain customer-identifying data, and (7) establish a requirement that DCMs and DCOs comply with recordkeeping requirements applicable to futures and options.

Continuing to address these requests serially and *ad hoc* raises several concerns. First, the 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 regulatory regime that specifically addresses Covered Event Contracts reporting would provide 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.[36] 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. While 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.[37] Additionally, because Covered Event Contracts must be fully collateralized and cleared through a DCO, the Commission preliminarily believes that certain risks associated with trading Covered Event Contracts—including systemic risk and counterparty credit risk—are lower than those associated with traditional swaps and swaps market participants.[38]

The Proposal would nevertheless require Registered Entities to provide the Commission and the public with essential data based on the futures and options regulatory regime, similar to the conditions set forth in the Staff Event Contract Reporting No-Action Letters. Proposed § 16.03(b) would apply the futures and options reporting requirements of §§ 16.00, 16.01, and 16.02 to DCMs listing the Covered Event Contracts.[39] The market and transaction data reported pursuant to these provisions would provide the Commission with information similar to the information required to be reported by part 43 and part 45. This data would enable the Commission to monitor the Covered Event Contracts markets to ensure their financial integrity and that market participants are protected from fraudulent or other abusive sales practices.

The Commission would further require 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 would allow market participants and the public to analyze

reported under the futures and options reporting regime.

[33] As of May 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.

[34] If the Proposal is finalized, the Commission expects the Divisions to withdraw the Staff Event Contract Reporting No-Action Letters upon the compliance date of a final rule, as a final rule based on the Proposal would supersede those no-action letters and render them moot.

[35] The proposed ''Covered Event Contract'' definition is not intended to and should not be construed to define ''event contract'' for any other purpose.

[36] 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).

[37] *See supra* notes 5–6 and accompanying text.

[38] Market risk may nevertheless increase depending on the given potential volatility involving he underlier at issue for a given contract and due to absolute nature of payouts.

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

Covered Event Contract transaction and pricing data, ensuring equal access to the information similar to the goals of the real-time swap disclosure requirements.[40] It would also harmonize the timeframe to make public the reports with the current standard generally applicable to dissemination of swap data. Accordingly, the Commission believes that requiring the publication of the Covered Event Contracts information advances the purposes of the Dodd-Frank Act of price discovery and transparency.[41]

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 the trading data for these instruments, which it can compile and aggregate, allowing it greater monitoring ability at a micro and macro level. By requiring reporting of Covered Event Contracts under the futures and options regulatory regime, the Proposal provides the right balance of allowing the Commission to obtain the necessary information to ensure the CEA's regulatory oversight goals are met, advancing innovation, rationalizing costs to market participants, and establishing a reporting framework that accommodates the reporting parties' abilities to provide Covered Event Contract information.

*A. § 16.03(a): Covered Event Contracts*

In order to implement the alternate reporting framework set out in the Proposal, the Commission proposes a new section ''Covered Event Contracts.'' The proposed section is not intended to and should not be construed to define ''event contract'' for any other purpose. The proposed 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 set forth in proposed § 16.03(a) would be subject to the reporting regime of proposed § 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. The Commission preliminarily believes that requiring a contract to be a swap under these parts of the swap definition will ensure that only those contracts that are subject to the Staff Event Contract Reporting No-Action Letters would be subject to the reporting regime of proposed § 16.03.[42]

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 system risk and risk to individual market participants.[43] This requirement also ensures that the key protections provided through the DCM and DCO Core Principles apply to Covered Event Contract transactions.[44]

Third, a contract must trade as a fully collateralized position, as defined in § 39.2 of the Commission's regulations.[45] Full collateralization mitigates the systemic risk issues that arise with margined contracts. In this regard, 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.[46]

Finally, a Covered Event Contract, which may be referred to as a binary option, must either 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 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 like those covered by the Staff Event Contract Reporting No-Action Letters and to ensure that all other swaps—those that currently comply with Part 43 and Part 45—continue to report data to SDRs.

Proposed § 16.03(a) also enumerates the Relevant Regulations that would not apply to a Covered Event Contract. Specifically, reporting parties for a Covered Event Contract would not be required to comply with §§ 38.8, 38.10, 38.951 (to the extent regulation 38.951 requires compliance with part 45 of the Commission's regulations), 39.20(b)(2), and parts 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) is consistent with the Relevant Regulations addressed in the Staff Event Contract Reporting No-Action Letters.

Covered Event Contracts have a simpler pricing and payout structure than those the Relevant Regulations were designed to capture.[47] 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, Original 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 Registered Entities would require investment in reporting infrastructure that would not lead to the reporting of any useful information, particularly when a suitable alternative reporting regime is available. As such, requiring the Registered Entities to comply with the Relevant Regulations for Covered Event Contracts would 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

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

[41] *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.'').

[42] In this regard, the Commission preliminarily believes that a contract that meets the definition of swap set forth in section 1a(47)(A)(iii), for example, is and should remain subject to the SDR reporting regime. Additionally, as stated in section I.A above, 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 Proposal does not apply to such event contracts.

[43] *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).

[44] *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).

[45] *See supra* note 30.

[46] *See* Final Rule, Derivatives Clearing Organization General Provisions and Core Principles, 85 FR 4800, 4803–4804 (Jan. 27, 2020).

[47] *See supra* note 4 and accompanying text.

the Covered Event Contracts, through Part 16 and maintaining records pursuant to the general recordkeeping requirements in § 1.31, would 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 would allow market participants and the public to analyze the swap transaction and pricing data, ensuring equal access to the information similar to the goals of the real-time swap disclosure requirements.

Subsequent sections of proposed § 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 Proposal would 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.[48]

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(a). The Commission requests specific comment on the following:

(1) Whether the proposed definition of Covered Event Contracts in § 16.03(a) effectively limits the alternate reporting regime set out in proposed § 16.03 to the types of contracts covered by the Staff Event Contract Reporting No-Action Letters such that swaps that have traditionally been reported under the part 43 and part 45 regime continue to be reported under that regime.

(2) Whether an alternative approach whereby a DCM that lists Covered Event Contracts registers with the Commission as an SDR and reports Covered Event Contract data under the part 43 and part 45 regime would be a feasible alternative. What would be the costs and benefits of a DCM registering as an SDR?

(3) Whether an alternative approach whereby Covered Event Contract data is reported to an SDR, based on the futures and options reporting regime and through a different form and manner of reporting than currently exists for swaps, would be more practical and economically feasible for reporting parties. What would that form and manner of reporting be? What would be the costs and benefits of such alternative reporting to an SDR?

(4) Whether the Proposal undermines, or on the other hand, enhances transparency, competition, and market integrity. If so, please explain in detail and provide any examples.

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

The Proposal would 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, proposed § 16.03(b) would require DCMs to submit to the Commission daily market data required to be reported pursuant to § 16.01[49] and daily transaction and supplemental data required to be reported pursuant to § 16.02.

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.[50] The Proposal would now make explicit that daily reporting pursuant to § 16.01 is required for Covered Event Contracts.[51] The Proposal would also specify 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 event that occurred, the time and date the event occurred, and the source used to determine whether the event occurred. Such information is a necessary component of the settlement price reported by DCMs pursuant to § 16.01(b)(2)(ii).[52] With respect to § 16.02, the proposal would require that DCMs provide trade and supporting data reports to the Commission. These reports were specifically included as one of the conditions of the Staff 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 market, transaction, and large trader reporting collectively to effectuate its surveillance programs.[53]

Although submitted in a different form and manner than the swap data required to be reported pursuant to part 45, reporting of Covered Event Contracts pursuant to §§ 16.01 and 16.02 would provide granular market and transaction data more suitable for Covered Event Contracts that, based on the Commission's experience receiving futures and options reporting for the past nine years for the Covered Event Contracts, the Commission believes would meet similar goals of the swaps reporting regime. Reporting pursuant to part 16 would be sufficient to support the CEA's objectives of reducing systemic risk, increasing transparency, and promoting market integrity.[54] This data would 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

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

[49] Regulation 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 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.

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

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

[52] 17 CFR 16.01(b)(2)(ii). The Commission currently receives such settlement information from DCMs listing contracts that would meet the Proposal's definition of Covered Event Contracts in a separate ''settlement file.''

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

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

No-Action Letters, the Commission preliminarily believes that the costs of including this data reporting requirement in the Proposal will be minimal.

*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*

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'' [55] that exceed certain reporting thresholds,[56] information identifying the owners and controllers of special accounts,[57] information identifying the owners and controllers of volume threshold accounts reported on Form 102,[58] information concerning omnibus accounts reported on Form 71,[59] and information necessary to identify the traders of such accounts reported on Form 40.[60] Position data reporting has historically served as a cornerstone of the Commission's market surveillance program.[61]

For futures and options,[62] 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.[63] 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.[64]

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 options traded on DCMs.[65] The Proposal would make explicit that part 17 position reporting is required for Covered Event Contracts. Specifically, proposed § 16.03(c) would identify 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.'' [66] In the case of exclusively self-cleared contracts, DCMs would be required to submit position data reports required to be reported pursuant to § 17.00 [67] and ownership and control information required to be reported pursuant to § 17.01.[68] Because part 17 provides for DCMs reporting of exclusively self-cleared contracts, DCMs would not be required to submit clearing member reports pursuant to § 16.00(c),[69] as such reporting would be redundant. For contracts that are not exclusively self-cleared, the intermediaries—FCMs, clearing members, and foreign brokers—would be required to report position data and ownership and control information under part 17,[70] and DCMs would be required to submit clearing member reports pursuant to § 16.00.[71]

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.'' [72] For DCMs that rely on clearing intermediation, the Commission expects the ''exclusively self-cleared contracts'' definition would not apply, and that therefore clearing members—whether FCMs, foreign brokers, or direct clearing members—would 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 would 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.'' [73] But requiring direct clearing members who are also retail traders to report in this context would conflict with the Commission's expressed intention in promulgating the ''exclusively self-

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[55] 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).

[56] *See generally* 17 CFR 17.00.

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

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

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

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

[61] *See, e.g.,* Final Rule, Extension of Large-Trader Reporting Requirements to Newly Regulation Commodities, 40 FR 23994, 23994–23995 (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.'').

[62] The Commission maintains separate regulations for obtaining similar types of position data for swaps. *See, e.g.,* 17 CFR part 20; 17 CFR 49.12(e).

[63] *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.

[64] *See, e.g.,* 78 FR at 69187 (''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.'').

[65] Regulation 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 would 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). Regulation 16.00 requires DCMs to provide clearing member reports. 17 CFR 16.00.

[66] 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.'').

[67] *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.'').

[68] *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.'').

[69] *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.'').

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

[71] *See generally* 17 CFR 16.00.

[72] 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 37809, 37812 (July 3, 2006).

[73] 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, would only apply to exclusively self-cleared contracts.'').

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.[74] Regulations 16.00(c), 17.00(i), and 17.01(d), apply ''[un]less determined otherwise by the Commission.'' [75] In order to ensure that retail traders are not burdened with daily large trader reporting obligations in this scenario, the Proposal would add 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.[76] The compliance date for those amendments is June 3, 2026.[77] 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.[78] It is expected that this no-action position will expire on July 26, 2027,[79] at which point market participants will comply with the revised part 17 reporting requirements. Because the 2024 rulemaking modernizes the data reporting format and submission standard, and to the extent reporting parties require more time for testing and implementation, the Commission is proposing that the implementation date for proposed § 16.03(b)(1) and § 16.03(c) be the later of either (a) six months following publication of a final rule stemming from this notice in the **Federal Register** or (b) July 26, 2027.

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed §§ 16.03(b)(1), 16.03(c), 17.00(j), and 17.01(f). The Commission requests specific comment on the following:

(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.

*D. § 16.03(d): Reports By Traders*

Proposed § 16.03(d) would specifically require traders to file reports pursuant to part 18 for Covered Event Contracts, upon receiving a special call from the Commission.[80] Such reporting would be consistent with the reporting structure applicable to futures and options contracts. Regulation 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.[81] 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.

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(d).

*E. § 16.03(e): Reporting Levels*

As discussed above, the Commission's large trader reporting scheme requires reporting of information by DCMs, 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.[82] 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.[83] 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.[84]

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.[85] 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).[86]

The reporting level applicable to event contracts would generally be the default 25-contract threshold applicable to ''Other Commodities.'' [87] The Commission is proposing a different reporting level for Covered Event Contracts. Covered Event Contracts commonly pay a maximum of $1 per contract. Accordingly, the Commission proposes a reporting level based on contracts that pay a maximum of $1. Proposed changes to § 15.03(b) would add a reporting level of 125,000

[74] *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'').

[75] 17 CFR 16.00(c), 17.00(i), 17.01(d).

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

[77] *See* 89 FR at 47439.

[78] 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 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.

[79] 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.*

[80] 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.

[81] 17 CFR 18.04.

[82] See supra notes 55–59 and accompanying text.

[83] *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.

[84] 17 CFR 15.03(b).

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

[86] *See id.*

[87] 17 CFR 15.03.

contracts for ''Covered Event Contracts (1 USD)'' (or the equivalent notional value with a contract size other than 1 USD), as further explained below.[88] 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.'' [89] In proposing to establish a separate reporting level applicable to Covered Event Contracts, the Commission is 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.[90]

Given the variety of currently-listed contracts that may be covered by proposed § 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 would not typically be considered large traders.[91] This could impose an undue reporting burden on DCMs listing Covered Event Contracts and on retail traders participating on such trading. To avoid imposing such a burden, the Commission proposes a flat reporting level of 125,000 contracts with an equivalent contract size of $1.[92]

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.[93] The proposed 125,000 reporting level could result in a 97 to 99 percent reduction in the number of potentially reportable special accounts.[94] Based on the Commission's analysis of certain event contract markets, the Commission expects such a reporting level would still result in DCMs reporting the most liquid event contracts. For less liquid event contract markets, the Commission would 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 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.

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(e). The Commission requests specific comment on the following:

(7) Whether the reporting levels in proposed § 16.03(e) are appropriate for Covered Event Contracts or, if not, what reporting levels would be appropriate.

(8) Whether the Commission should publish reporting levels that vary by sub-category of Covered Event Contracts contract (for example, ''Weather,'' ''Government Statistics,'' ''Economic Indicators'') rather than the uniform reporting level in proposed § 16.03(e).

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

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.[95] Specifically, § 15.04 sets out a broadly applicable reportable trading volume level of 50 contracts,[96] during a single trading day, on a single reporting market that is a board of trade designated under § 5h 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).[97]

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.[98] When establishing the 50-contract reportable trading volume level, the Commission determined such level would identify ''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.'' [99] Thus, the Commission determined the 50-contract reportable trading volume level would capture accounts responsible for the large majority of trading volume and a meaningful absolute number of trading accounts active in Commission-regulated markets.[100] The Commission concluded that identifying both accounts responsible for the majority of trading volume and a meaningful

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

[89] *See* 71 FR at 37810.

[90] 69 FR at 76393.

[91] *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.'').

[92] For Covered Event Contracts with contract sizes other than 1 USD, the applicable reporting level would 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 would 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.

[93] 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) would 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 would, for many contract markets, obviate all position reporting.

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

[95] 17 CFR 17.01(b).

[96] 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 CM 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.

[97] 17 CFR 15.04.

[98] *See* Final Rule, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71, 78 FR 69178, 69192 (Nov. 18, 2013).

[99] *Id.*

[100] *Id.*

absolute number of active trading accounts was ''important in improving the Commission's ability to perform robust and comprehensive market surveillance.'' [101]

The Commission believes that applying a 50-contract reportable trading volume level to Covered Event Contracts would impose a disproportionate burden on market participants vis-à-vis the benefit to the Commission.[102] Given that a significant majority of Covered Event Contracts have a contract size of one dollar, a 50-contract reportable trading volume level would require the submission Form 102B for every account with a $50 trading volume. Obtaining detailed ownership and control information for accounts with $50 in trading volume 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 would establish in § 15.04 a new reportable trading volume level applicable solely to Covered Event Contracts and would set that level at 125,000. The Commission estimates a reportable trading volume level of 125,000 would capture approximately 150 accounts with significant trading volume in Covered Event Contracts. This may include accounts that trade in significant volume but maintain relatively low open positions, such that the Commission would not otherwise obtain ownership and control information through large trader position reports required under § 17.00(a).

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(e). The Commission requests specific comment on the following:

(9) Whether the reportable trading volume level in proposed § 15.04(b) is appropriate for Covered Event Contracts or, if not, what reportable trading volume level would be appropriate. Please provide reasoning and data to support comments in response to this request for comment.

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

Reporting requirements for swap data generally require near-real-time dissemination of swap transaction and pricing data.[103] 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.[104] Proposed § 16.03(f) would codify in regulation a substantially similar requirement. Specifically, it would require 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, proposed § 16.03(f) would require such transaction information be published ''as soon as technologically practicable,'' which is the standard generally applicable to dissemination of swap transaction and pricing data.[105]

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 would 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.[106]

Additionally, proposed § 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 would specify 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.[107] That format currently is YYYY–MM–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.[108] Use of UICs permits

[101] *Id.*

[102] The Commission received a comment letter to this effect in 2012. *See generally* 78 FR at 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).

[103] *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).

[104] *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'').

[105] *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'').

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

[107] 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, 2023), *available at https://www.cftc.gov/media/9921/Part43_45TechnicalSpecification12132023CLEAN/download.*

[108] 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*

Continued

linking contracts to Product Reference File data, which may reduce reporting burdens by allowing reporting parties to remove certain ''static data'' elements from reports.[109]

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.

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(f). The Commission requests specific comment on the following:

(10) Whether DCMs listing Covered Event Contracts for trade should be required to publish any additional transaction data elements beyond execution timestamp, contract ticker symbol, trade quantity, and price.

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

Proposed § 16.03(g) would introduce an explicit requirement that DCMs must obtain trader-identifying data for all traders. Specifically, proposed § 16.03 would require 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 would 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 would otherwise not be obtained pursuant to part 17 and § 16.02.[110] 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,'' and ''other information as the Commission or its designee may require.'' [111] Importantly, § 16.02 requires DCMs to provide ''data that identifies or facilitates identification of each trader for each transaction or order'' ''if the [DCM] maintains such data,'' [112] 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.'' [113] 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.[114]

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.[115]

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 level the Proposal would apply is not intended to capture the vast majority of retail traders who make up a significant number of event contract traders. 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. For Covered Event Contracts, the source of information would commonly be the DCM, in particular given the large number of direct participants. The DCM's 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.[116] 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.

Accordingly, the Commission intends proposed § 16.03(g) to set forth what trader-identifying information must be collected by both current DCMs and prospective DCMs. Proposed § 16.03(g) would explicitly require 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, proposed § 16.03(g) would require DCMs to obtain occupation and employer information. Finally, if any other persons guarantee the trading accounts of the trader or has a financial interest of 10 percent or more in the trader or the trading accounts of the trader, proposed § 16.03(g) would require DCMs to obtain the names of such persons. This mirrors the information the Commission ordinarily receives through the ownership and control reporting.[117]

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.[118] Additionally, given that multiple DCMs often list economically similar contracts, obtaining trader-identifying information is necessary to conduct cross-market surveillance.[119]

Final Rule, Large Trader Reporting, 89 FR 47439, 47447 n.98 (June 3, 2024).

[109] *See* 89 FR at 47446–47447.

[110] 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.

[111] 17 CFR 16.02.

[112] *Id.*

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

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

[115] *See id.*

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

[117] 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.

[118] 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.

[119] 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, 3236–3237 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 would 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-

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(g). The Commission requests specific comment on the following:

(11) What burdens, if any, would be imposed on DCMs, intermediaries, traders, or others by proposed § 16.03(g)?

(12) What additional trader-identifying information, if any, should DCMs collect to support surveillance programs?

*I. § 16.03(h): Recordkeeping Obligations*

Proposed § 16.03(h) would require that DCMs and DCOs reporting Covered Event Contracts comply with the recordkeeping requirements applicable to futures and options [120] rather than the recordkeeping requirements applicable to swaps, as it would allow the Commission to conduct an efficient review of the Covered Event Contracts markets, if necessary. Specifically, proposed § 16.03(h)(1) would require 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 Regulation 38.8, Regulation 38.10, Regulation 38.951 (only to the extent Regulation 38.951 requires compliance with part 45), Regulation 39.20(b)(2), part 43, and part 45. Proposed § 16.03(h)(2) would also require DCMs and DCOs to keep required records open to inspection upon request by 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. Such records are essential to carrying out the regulatory functions of not only the Commission but also the Department of Justice and other financial regulators. Furthermore, the records would form the basis for conducting appropriate risk management by Registered Entities themselves.

Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in Part 16, including proposed § 16.03(h).

**III. Compliance Date**

Given that the Proposal largely codifies an alternative reporting regime that closely follows the Staff Event Contract Reporting No-Action Letters, the Commission believes that DCMs and DCOs already have in place the mechanisms to comply with most of these proposed requirements, therefore, the Proposal should require little to no time to implement. As a result, the Commission is setting a compliance date for the proposed rules to be 60 days following publication of a final rule in the **Federal Register**. The Commission also proposes to direct staff to withdraw the Staff Event Contract Reporting No-Action Letters on the compliance date of any final rule, as they will become superfluous at that time.

However, the Commission understands that DCMs and DCOs may require some additional time to revise systems and processes to comply with large trader reporting for the Covered Event Contracts pursuant to part 17. In addition, as discussed in section II.C above, the Commission separately amended part 17 in a rulemaking published on June 3, 2024 with a compliance date of June 3, 2026,[121] and 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.[122] Because the 2024 rulemaking introduces data elements that would facilitate reporting of position data for the Covered Event Contracts, the Commission is proposing that the implementation date for proposed § 16.03(b)(1) and § 16.03(c)—or an alternative requiring that all Covered Event Contracts be reported in the manner applicable to exclusively self-cleared contracts—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.

General Request for Comment

The Commission requests comments on all aspects of the proposed changes to regulations in part 16, part 17, and part 15, including the proposed Compliance Date.[123]

**IV. Related Matters**

*A. Cost-Benefits Considerations*

1. Introduction

Section 15(a) of the CEA requires the Commission to consider the costs and benefits of its actions before promulgating a regulation under the CEA.[124] Section 15(a) further specifies that the costs and benefits 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''). In conducting its analysis, the Commission may, in its discretion, give greater weight to any one of the five enumerated areas of concern and may determine that, notwithstanding its costs, a particular rule is necessary or appropriate to protect the public interest or to effectuate any of the provisions or to accomplish any of the purposes of the CEA. Although the Commission believes these rules will create meaningful benefits for market participants and the public, the Commission also recognizes associated costs. The Commission has endeavored to enumerate these costs and, when possible, assign a quantitative value to the costs reporting firms might face given the changes. Where it is not possible to reasonably quantify costs and benefits, those costs and benefits are discussed qualitatively.

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

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

[121] Final Rule, 89 FR at 47439.

[122] CFTC Letter No. 26–02 (Jan. 27, 2026), *available at https://www.cftc.gov/csl/26-02/download;* 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.*

[123] The Commission published an advance notice of proposed rulemaking (ANPRM) in the **Federal Register** on March 16, 2026, requesting comments related to prediction markets the Commission. Among other comment, 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 Proposal would provide an alternative reporting under the futures and options regime with adjusted reporting level and trading volume thresholds for Covered Event Contracts. The commenters' requests are otherwise outside the scope of this Proposal. *See* Prediction Markets; Advance Notice of Proposed Rulemaking, 91 FR 12516, 12520 (Mar. 16, 2026).

[124] 7 U.S.C. 19(a).

2. Background

The CEA requires that swaps be reported to an SDR.[125] Part 43 and part 45 of the Commission's regulations, among other regulations, implement that requirement.[126] 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.[127] Covered Event Contracts as defined in proposed § 16.03(a) may fall under one or more subsections of the ''swap'' definition of section 1a(47)(A)(i) and/or (ii) of the CEA, and are therefore subject to being reported to SDRs pursuant to part 43 and part 45 of the Commission's regulations.

As discussed above, beginning in 2017, the Divisions have issued Staff Event Contract Reporting No-Action Letters to DCMs listing certain event contracts from certain swap reporting and recordkeeping requirements.[128] Specifically, these staff no-action letters inform registrants that the Divisions will not recommend the Commission enforce SDR reporting requirements for specific contracts. 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, which provides the Commission with market-level data on volume and open interest, and detailed information on transactions on a daily basis.[129]

The number of DCMs listing Covered Event Contracts and the volume of trading in such contracts have increased significantly in recent years. Currently twelve DCMs either offer or have stated an intention to offer contracts that would likely be Covered Event Contracts. The Commission notes it has designated seven new DCMs since the beginning of 2025, and that currently more than twenty DCM applications are pending.[130] Many of these pending DCM applications have the stated intention of offering contracts that could be considered Covered Event Contracts. In 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. The Commission's experience is that entities seeking DCM designation and seeking to list Covered Event Contracts may wish to receive 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.

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 quite different from the vast majority of the swaps reported under part 43 and part 45. Swaps reported pursuant to part 43 and part 45 typically have large notional values, long tenors, and are typically margined. Traditionally, swaps reported pursuant to Commission regulations are in some instances standardized, but the potential and observed scope of contract customization between a 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.

In 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.[131] Covered Event Contracts are cleared, standardized, typically have a $1 payoff per contract, and are often resolved soon after contract initiation. Because Covered Event Contracts are standardized, market participants can readily offset a position in a given contract by trading again in that same contract. Also, whereas futures and options on futures typically trade on DCMs that allow for leveraged positions, Covered Event Contracts would be fully collateralized.[132] Thus, for intermediated trades of Covered Event Contracts, FCMs and brokers do not hold margin, and users are not subject to margin calls. Consequently, Covered Event Contracts carry different risks than traditional futures or options contracts. Specifically, trading in fully collateralized contracts should not generally expose the DCO to credit or default risk.[133]

As noted earlier, reliance on Staff Event Contract Reporting No-Action Letters without a reporting and recordkeeping regime for the Covered Event Contracts is a tenuous basis to devote resources and may cause reporting parties to proceed cautiously in launching new products, thereby inhibiting innovation. Accordingly, the Commission is proposing an alternative reporting regime for Covered Event Contracts. The Proposal would set forth a separate reporting regime for Covered Event Contracts, which would be exempted from certain swap data reporting and recordkeeping requirements. Rather than being subject to swap data reporting requirements, event contracts that would be considered Covered Event Contracts under proposed § 16.03(a) would be reported pursuant to part 16, part 17, and part 18, in largely the same manner as futures and options contracts are reported.

3. The Baseline

The Commission identifies and considers the benefits and costs of the Proposed Rule relative to the baseline of those generated by the current statutory and regulatory framework applicable to the issues addressed by this Proposal, *i.e.,* the current status quo. The baseline in this Proposal is the existing statutory and regulatory framework applicable to market participants that must comply with the existing swap reporting rules. Covered Event Contracts' treatment as swaps means that Registered Entities are required to report transaction information under parts 43 and 45. Part

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

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

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

[128] *See supra* note 28.

[129] Regulations 16.00 and 16.01 were not specifically included in the Staff Event Contract Reporting No-Action Letters, but they were still required to be followed under the Staff Event Contract Reporting No-Action Letters and the Commission has always received information under these provisions.

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

[131] 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.

[132] 17 CFR 39.2 (''*Fully collateralized position* means 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.'').

[133] *See, e.g.,* Final Rule, Reporting and Information Requirements for Derivatives Clearing Organizations, 88 FR 53664, 53664 (Aug. 8, 2023) (''[F]ully collateralized positions do not expose the DCO to any credit or default risk stemming from the inability of a clearing member to meet a margin call or a call for additional capital.'').

43 implements rules relating to 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.

The Proposal would remove these part 43 and part 45 requirements for the Covered Event Contracts and would set up an alternative reporting regime under part 16, part 17, and part 18 of the Commission's regulations. Part 16 concerns requirements for reporting trade information for futures and options. In particular, § 16.02 requires price and quantity information similar to that required under part 43. Part 17 requires reporting position and ownership and control information for accounts identified as special accounts under Commission regulations, and part 18 requires reporting certain trader-identifying information upon a special call. The Proposal would amend both the reporting level and reportable trading volume level for purposes of part 17 and part 18 to raise both thresholds to 125,000 contracts for Covered Event Contracts.[134]

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 No-Action Letters are not Commission actions carrying the force of law and thus do not establish any regulations. Although costs and benefits are calculated based on the regulatory baseline, the Commission recognizes a de facto baseline for Registered Entities that have relied on these Staff Event Contract Reporting No-Action Letters and submit Covered Event Contract information to the Commission pursuant to the futures and options reporting regime of part 16 of the Commission regulations. Because the Staff No-Action Letters have effectively lowered the compliance burden relative to the swaps reporting regulatory baseline for many participants, complying with a reversion to the regulatory baseline would result in new costs. For existing Registered Entities submitting information pursuant to a Staff No-Action Letter, the actual costs and benefits of the amendments in this Proposal may net out to little, if any, change in those cases where the Proposal would establish regulations requiring reporting in a format and timeframe that closely align with the existing Staff Event Contract Reporting No-Action Letters. For New Registered Entities not currently relying on a Staff Event Contract Reporting No-Action Letter, the regulatory and de facto baselines would similarly apply to the extent new entities would avail themselves of a staff no-action letter for their Covered Event Contracts.

When comparing the Proposal to the baseline, where possible the Commission has engaged in a quantitative analysis; however, where data is unavailable or estimates depend on the cost structure and business model of the registrant, the Commission has addressed these costs and benefits on a qualitative basis. In conducting the cost-benefit analysis, the Commission has considered more and less stringent alternatives in addition to the preferred option set forth in the Proposal. As discussed below, the Commission has identified the alternative of proceeding with the current regulations which requires reporting under the swaps reporting and recordkeeping regulations (in addition to the options reporting requirements), the alternative of requiring reporting under current regulations absent no-action relief, reporting under the options regime with the default (25-contract position/50-contract volume) threshold, reporting to an SDR only (*i.e.,* retaining the parts 43 and 45 requirement, but not the parts 16, 17 and 18), and the alternative of a DCM choosing to register as an SDR or registering an affiliated SDR, and the chosen Proposal. Based on our preliminary analysis, the Commission believes the Proposal detailed above is likely to yield the greatest net benefit among these options.

Broadly summarizing the economic analysis described in more detail in the following sections, the Commission preliminarily concludes that there are significant sources of net benefit associated with both the proposed changes that eliminate swap reporting for Covered Event Contracts, as well as proposed changes to the reporting under existing regulations for large trader reporting levels. By eliminating part 43 and part 45 SDR reporting requirements as well as certain parts 38 and 39 recordkeeping and reporting requirements for the Covered Event Contracts, the Proposal would eliminate the costs of swap reporting for Covered Event Contracts. The Proposal would also reduce costs by substantially raising the threshold for special account and volume threshold account status for accounts held by traders from a position of 25 contracts or a daily volume of 50 contracts to a proposed level of 125,000 contracts of position or volume to meet the reporting threshold, thereby eliminating DCM, FCM, and trader reporting requirements associated with special accounts. Costs associated with the Proposal include those for a DCM to collect and transmit basic identifying information, not previously required, on all traders. For instance, the Proposal would require occupation information that would be relevant for Commission surveillance programs of Covered Event Contracts. However, the Commission preliminarily believes that these costs would be offset by the elimination of the swap data reporting and the increase in the reporting level thresholds.

4. Proposed Codification of the No-Action Position With Respect to SDR Reporting and Recordkeeping Requirements

Proposed § 16.03(a) would exempt Covered Event Contracts from regulations requiring reporting to the SDRs for the DCMs that list these contracts. Although the transaction-level reporting requirements found under these rules are typically required for swaps, the Commission notes that Covered Event Contracts differ from many other swaps in that Covered Event Contracts (a) are standardized and listed on DCMs; (b) are fully collateralized; (c) have significant retail participation and typically trade as one-dollar contracts. In requests for no-action positions, certain DCMs represented that it would be impractical and uneconomic to report small-notional-size swaps to an SDR.

In lieu of receiving transaction data via SDR reporting, pursuant to the Proposal, the Commission would receive transaction data directly pursuant to §§ 16.00, 16.01 and 16.02, which apply to futures and options transactions. The Commission believes that the transaction-level reporting under these sections would provide a suitable record for the Commission's purposes for most transactions when combined with additional reporting for large traders. The Commission has extensive experience with the part 16 data format as a tool for market monitoring, market analysis, and surveillance. Given the economic similarities between event contracts that would be considered Covered Event Contracts and options for which the Commission typically receives transaction data, and given the Commission's nearly nine years of experience receiving transaction data for event contracts in the part 16 format, the

[134] The proposed reporting level is 125,000 contracts for Covered Event Contracts with a $1 maximum payout. For those that have a higher payout, the threshold is $125,000 notional.

Commission believes this format is sufficient to obtain the transaction information necessary to support the Commission's mission.

a. Benefits

Under the Proposal, § 16.03(a) defines the ''Covered Event Contracts'' which will not be subject to reporting and recordkeeping requirements under §§ 38.8, 38.10, 38.951, 39.20(b)(2), and part 43 and part 45. By reducing reporting and recordkeeping requirements from the regulatory baseline, the Proposal would benefit the reporting parties by enabling them to avoid certain reporting costs. The Commission believes the costs avoided by not subjecting DCMs to the above-cited swap reporting and recordkeeping requirements fall into at least three categories: (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. Under the regulatory baseline, DCMs currently trading other event contracts and swaps in addition to Covered Event Contracts would have already connected to an SDR and hence would not incur costs in the first two categories. In addition, those Registered Entities that are already connected to an SDR to report data on their traditional swap business but choose to start listing Covered Event Contracts would also not incur costs in these categories.

First, with respect to costs associated with registering with and connecting to an SDR, the Commission estimates avoided costs would vary across SDRs. Costs to DCMs and other market participants may include legal costs associated with completing user agreements and registration fees associated with receiving an LEI. Such costs may also include the cost of building a connection to an SDR. The Commission acknowledges that these costs might change over time. A DCM listing contracts that would be considered Covered Event Contracts, or a DCO clearing the same, might make a business decision to register as an SDR or open an affiliate SDR. In the short term, any such cost reduction might be offset by costs associated with registering with the Commission as an SDR and setting up reporting systems. This is discussed in more detail below.

Second, with respect to the costs associated with modifying reporting systems to submit data in the form and manner required by an SDR, the Commission previously estimated 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 would range between $24,000 and $73,225 per reporting party to modify systems, plus an hourly burden of 0.01 hours per report submitted.[135]

Third, with respect to costs associated with SDR reporting fees, avoided costs would 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.[136]

In addition to avoided costs, proposed § 16.03(a) would also enable DCMs and DCOs listing and clearing event contracts to avoid 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.[137] As discussed above in section II, a regulatory regime that specifically addresses the reporting of event contracts would provide a uniform and consistent approach to event contracts reporting while at the same ensuring the Commission obtains the necessary information to address the CEA's objectives of reducing systemic risk, increasing transparency, and promoting market integrity.

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 swaps. The Commission nevertheless believes that for Covered Event Contracts, the information provided in parts 16, 17 and 18 would serve similar purposes to relevant provisions in parts 38, 39, 43 and 45, and does not anticipate any impact on oversight. The information provided under the traditional futures and options reporting regime would ensure parallel treatment that the Commission believes is appropriate for Covered Event Contracts. 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 material loss of data would result from receiving transaction data in the § 16.02 reporting format rather than the part 45 reporting format. For example, the Commission receives information concerning uncleared swaps through specific part 45 data elements[138] that it would not expect to receive in the § 16.02 reporting format. However, given all Covered Event Contracts are fully collateralized and traded on-exchange, the absence of such information in a transaction data report is unlikely to impact data quality.

To the extent that information not captured under § 16.02 reporting is necessary for Commission activity, a special call pursuant to part 21[139] 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 anticipates little change in its ability to monitor these markets.

c. Request for Comment

The Commission requests comment on its consideration of the costs and benefits of the Proposal, including regarding issues and questions specifically identified below. Please provide data, statistics, or other supporting information for positions asserted.

(1) How, if at all, would event contract markets change if the Staff

[135] *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.

[136] 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 would be approximately = $0.005 × 24.3 million swaps × 50 weeks = $ 5,850,000. Event contract volume source: *https://defirate.com/prediction-markets/volume/*.

[137] 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 Proposal would accommodate both binary and variable payout structures and obviate the need for Registered Entities to seek modified no-action positions to address technical changes.

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

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

Event Contract Reporting No-Action Letters were withdrawn, such that DCMs listing event contracts for trade would be required to submit part 43 and part 45 reporting for such contracts? For instance, would the minimum size of a tradeable contract increase in notional value to reduce the burden of per-dollar SDR fees?

(2) Whether and how the SDR data for Covered Event Contracts is used by interested parties.

5. Reporting Requirements for DCMs

Proposed § 16.03(b) would require DCMs to report pursuant to § 16.00 [140] (clearing member reports), § 16.01 [141] (market-level data), and § 16.02 [142] (trade and supporting data). The Proposal would codify the conditions set forth in the Staff Event Contract Reporting No-Action Letters for the Covered Event Contracts. However, the Proposal contains modifications to the de facto baseline of the reporting set forth in the Staff Event Contract Reporting No-Action Letters. Generally, the reporting conducted under §§ 16.00–16.02 would apply to Covered Event Contracts to the same extent that such provisions would apply to a DCM in connection with any futures or option contract, except that, with regards to reporting pursuant to § 16.01, the Proposal would in addition require the DCM to record 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.[143]

Proposed §§ 16.03(c) and (d) would apply parts 17 and 18 to Covered Event Contracts. Proposed § 16.03(e) would amend the reporting level for purposes of part 17 and part 18. Currently, under part 15, an account is in special account status or volume threshold account status if, respectively, either its end-of-day position in a contract market (§ 15.03) exceeds 25 contracts, or its daily number of trades (§ 15.04), exceeds 50 contracts. The Proposal would raise both thresholds to 125,000 contracts for Covered Event Contracts. Proposed § 16.03(f) would require DCMs to disseminate transaction data ''as soon as technologically practicable,'' a standard that better aligns reporting with what is required of SDRs. Under proposed § 16.03(g), DCMs would be required to obtain from direct participants, FCMs, foreign brokers, and any other clearing members certain ownership information of traders. And, under Proposed § 16.03(h), the Registered Entities trading and clearing Covered Event Contracts would be required to comply with all swap reporting and recordkeeping requirements of the CEA other than the recordkeeping requirements of the Relevant Regulations and to keep all record pursuant to § 1.31 of the Commission regulations. Sections 16.03(c) through (e) are further discussed in section 6 below.

a. Benefits

As discussed, proposed § 16.03(a) through (b) would, in large part, codify into regulation the Staff Event Contract Reporting No-Action Letters. Based on the Commission's experience receiving data reported pursuant to the Staff No-Action Letters, the Commission believes additional specificity would ensure a uniform approach across DCMs in the reporting of trader-identifying information to the Commission and in publicly disseminating transaction data in real time. Codification of the reporting rules creates a known regulatory environment for current and future DCMs, without necessitating ongoing and ad hoc no-action positions or other staff intervention.[144] 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 under DCMs. This framework is already integral to futures and options markets and relies on a consistent set of reporting elements—including daily trade level data and ownership and control information—that are familiar to registrants and well-integrated into the Commission's surveillance systems. In addition, given the high degree of standardization of Covered Event Contracts, certain granular fields required by parts 43 and 45 that are designed to capture detailed contract specific attributes might create reporting costs without providing meaningful incremental value to the Commission. The Commission believes that these existing reports, including those identifying persons with more than 10 percent ownership interest in an account, offer a sufficiently robust foundation for surveillance, monitoring, and enforcement, while avoiding unnecessary additional burdens.

The requirement in proposed § 16.03(b) to include settlement file information along with other market data as required in § 16.01 would provide the Commission with information already required by DCMs under part 16. As noted earlier, such information is a necessary component of the settlement price reported by DCMs pursuant to § 16.01(b)(2)(ii).[145] The daily collection of this information, of which most or all is typically published online, in a standardized format integrated with other reporting, would allow the Commission to respond in a timely way to trading irregularities and would assist the Commission in identifying how the contract was determined. This in turn could benefit market participants by ensuring the financial integrity of event contracts markets, in particular, by ensuring that the contract determination process would be auditable.

Proposed § 16.03(f) would require DCMs to provide real-time dissemination of market data. The Staff Event Contract Reporting No-Action Letters contain a similar requirement. Whereas the Staff No-Action Letters typically require such data to be disseminated ''promptly,'' the Proposal clarifies that this information shall be published ''as soon as technologically practicable,'' the same standard required for public dissemination of swap transaction and pricing data reported pursuant to part 43.[146] This would ensure that the public may access trade data in near real-time. Benefits of public dissemination on an ''as soon as technologically practicable'' timeline include enhanced price discovery and

[140] 17 CFR 16.00.

[141] 17 CFR 16.01.

[142] 17 CFR 16.02.

[143] As noted earlier, Regulations 16.00 and 16.01 were not specifically included in the Staff Event Contract Reporting No-Action Letters, but they were still required to be followed under the Staff Event Contract Reporting No-Action Letters and the Commission has always received information under these provisions.

[144] 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 Proposal would eliminate the need to modify no-action letters to reflect business changes, as long as the contracts at issue fell within the proposed ''Covered Event Contracts'' parameters set forth in § 16.03(a).

[145] The Commission currently receives such settlement information from DCMs listing contracts that would meet the Proposal's definition of Covered Event Contracts in a separate ''settlement file.''

[146] *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'').

enhanced price competition, among other transparency-related benefits.[147] The Proposal would also harmonize the reporting of Covered Event Contracts with the current industry standard and otherwise required by the current regulations. It would 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(g) would require 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,[148] DCMs generally do collect identifying information for each customer in the ordinary course of business, and in turn report such information to the Commission pursuant to § 16.02. By specifying trader-identifying information that DCMs collect, proposed § 16.03(g) would create 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 proposed § 16.03(g) would ensure 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. Proposed § 16.03(g) would also ensure that DCMs and the Commission together with other provisions of proposed § 16.03 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.[149] 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.

b. Costs

Under the regulatory and de facto baselines, DCMs are responsible for reporting clearing member reports under § 16.00, market data under § 16.01 and transaction data pursuant to § 16.02. The Proposal would establish additional requirements for the Covered Event Contracts, including requirements to record contract settlement information, to obtain certain trader-identifying information, and to publicly disseminate trade data on an ''as soon as technologically practicable'' basis, as well as recordkeeping requirements. As enumerated below, these additional requirements could result in some costs for registrants compared to the de facto baseline, as they would have to build out current systems to obtain this data. The Commission is of the view that this information is generally required to be collected under the regulatory baseline, and, in practice, such costs would be marginal, to the extent DCMs already have the infrastructure to collect and report futures and options data pursuant to part 16.

(i) Transmission of Settlement File Under § 16.01

Proposed § 16.03(b) would specify 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. Such information is a necessary component of the settlement price reported by DCMs pursuant to § 16.01(b)(2)(ii). This information is currently transmitted to the Commission generally on a monthly basis by DCMs. While 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, and ongoing costs associated with daily transmissions that adhere to the correct fields and formats requested. The Commissison preliminarily believes that DCMs would 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.[150] 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.

(ii) Requirement of Real-Time Reporting

Under proposed § 16.03(f), DCMs are required to publish for each transaction certain information, including the quantity and price, ''as soon as technologically practicable.'' [151] This standard differs from ''promptly,'' which was the standard established in the Staff Event Contract Reporting No-Action Letters. The Proposal would be adopting the current publication standard and the costs of the Proposal should not increase as compared to the current practice. Furthermore, the Commission does not believe the Proposed Rule would impose additional burdens on DCMs to disseminate data ''as soon as technologically practicable'' rather than ''promptly.'' In either standard, the reporting party would need to publish the information in such a way that it should be readily available. In addition, the Proposal would establish the fields that must be

[147] *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).

[148] *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).

[149] 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'').

[150] The wage estimate of $235/hour is based on the occupational categories that are most likely to be involved in the implementation of this Proposed Rulemaking. 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%), Lawyers (25%), with wage estimates taken from the BLS' Occupational Employment and Wage Statistics (located online at *https://data.bls.gov/oes/#/industry/523000*); adjusted for inflation to May 2026 using the BLS CPI inflation calculator (located online at *https://www.bls.gov/data/inflation_calculator.htm*); and further adjusted with a multiple of 2.5 to account for benefits and overhead costs.

[151] *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'').

reported and for how long they must be made publicly available,[152] which would create parity among DCMs and standardize the information received by the Commission and the public. In general, the Commission believes that most DCMs would not have to make any changes to the way that this information is currently disseminated, and any changes would be relatively minor. As a result, the Commission estimates that the burden required to fulfill this requirement would be *de minimis* for most reporting parties.

(iii) Collection of Ownership Information by Intermediaries

Proposed § 16.03(g) would require DCMs to obtain trader-identifying information for all traders, including occupation and employer information. This would allow for transaction information reported pursuant to § 16.02 to contain trade ownership information. Currently, for non-intermediated contracts that would be considered Covered Event Contracts, DCMs obtain most of such information directly from their customers. In those instances, the Proposal would standardize 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 generally collect such information from FCMs. However, proposed § 16.03(g) would require DCMs that do not collect trader-identifying information or collect only some of the trader-identifying information to collect the enumerated information set forth in proposed § 16.03(g). For these DCMs, there may be some costs associated with the collection and transmission of this information. But this information is required to be reported in connection with the Commission's large trader reporting scheme,[153] 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. As a result, as in the case of real-time reporting, the Commission estimates that the cost to update information flows to fulfill requirements under proposed § 16.03(g) will be *de minimis* for most reporting parties. Similarly, proposed § 16.03(h), Registered Entities trading and clearing Covered Event Contracts would be required to comply with all recordkeeping requirements of the CEA pursuant to § 1.31 of the Commission regulations that these entities are already required to comply. The Staff Event Contract Reporting No-Action Letters and the Proposal do not remove the general recordkeeping requirements that apply to DCMs under § 1.31. As a result, DCMs offering event contracts would continue to be subject to the requirements under § 1.31 that apply to all DCMs. Because DCMs already comply with this requirement, the Commission preliminarily believes that the Proposal would not create any additional costs.

6. Large Trader Reporting Requirements

Proposed § 16.03(c) and § 16.03(e) would explicitly require large trader reporting pursuant to part 17 of the Commission's regulation for Covered Event Contract positions. 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. Commission regulations nevertheless generally require such reports for futures and options traded on DCMs.[154] The Proposal would make explicit that DCMs, clearing members, and foreign brokers must provide large trader reporting under part 17 and would establish a reporting level and a reportable volume threshold level applicable to Covered Event Contracts.

Section 17.00(a) requires reporting markets, FCMs, clearing members, and foreign brokers to submit large trader position reports for ''special accounts,'' [155] which are accounts with a daily position that exceeds the applicable reporting level established in § 15.03.[156] Section 17.01(a) requires submission of Form 102, which provides certain ownership and control information, for such special accounts.[157] Section 17.01(b) requires submission of Form 102 for volume threshold accounts, which are trading accounts that carry reportable trading volume.[158] Reportable trading volume levels are enumerated in § 15.04. Pursuant to § 18.04, the Commission or its designee may, in its discretion, request additional information from traders of special accounts or volume threshold reportable accounts by special call.[159]

The Proposal would amend the reportable positions and trading volume applicable solely to Covered Event Contracts. It would establish 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 volume threshold level of $125,000 in transactions during a single trading day on a single reporting market. The Commission assesses the benefits and costs of proposed §§ 16.03(c) and 16.03(e) by comparing these proposed levels with the baseline of a currently applicable reporting level of 25 contracts position [160] and a reportable volume threshold level of 50 transactions during a single trading day on a single reporting market.[161]

In establishing the new reporting threshold, 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 proposed position and volume thresholds of 125,000 event

[152] 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).

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

[154] *See* Regulation 15.00(o) defines ''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.'' 17 CFR 15.00(o). Regulation 17.00(a) applies to ''put and call options'' traded on DCMs. 17 CFR 17.00(a).

[155] 17 CFR 17.00(a).

[156] *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).

[157] 17 CFR 17.01(a).

[158] 17 CFR 17.01(b); 17 CFR 15.00(x) (defining volume threshold account).

[159] 17 CFR 18.00.

[160] 17 CFR 15.03(b) (the ''other commodity'' reporting level is 25 contracts).

[161] 17 CFR 15.04. The Commission notes that, in practice, market participants typically apply a reportable volume threshold 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.'').

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

| Date | Number of covered event contracts | | | |
|---|---|---|---|---|
| | 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 proposed § 16.03(e) reporting threshold. In total, no more than roughly 1,000 event contracts have either open interest or volume exceeding the proposed reporting levels, and only a subset of those markets would, in practice, have participants with positions or trading activity above those thresholds. In contrast, under the current effective 25-contract position reporting level, there would be tens of thousands of contract markets with reportable positions. The proposed $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. Further discussion of the effect of the increase in reporting thresholds follows below.

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 would be considered Covered Event Contracts. Exhibit 2 shows several active event contracts by a significant 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

| Threshold | Number of participants above 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 threshold in multiple markets. February 8 is 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 would trigger reporting. Increasing the 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 would be required to submit Form 102s.

Although the number of reportable traders decreases significantly at higher thresholds, the Commission would still obtain substantial information about large traders, comparable to what it receives in other derivatives markets. For instance, on February 8, the 125,000 contract position threshold would cover 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 would increase coverage to 22 and 81 percent, respectively, increasing the number of reportable positions for a relatively small increase in coverage. While a low threshold would increase the coverage to at least 99 percent of open positions, as shown in Exhibit 3 above, this would substantially increase 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 would see a decreased burden relative to baseline due to the significantly higher reporting level and reportable volume threshold level the Proposal would establish, which would result in a corresponding lower level of large traders. Moreover, the reporting level and reportable volume threshold level the Proposal would establish are designed to be sufficiently high to exclude the vast majority of retail traders from large trader reporting regime.[162]

Under the existing regulations, the threshold for determining when a trader is considered large is either a position of 25 contracts [163] or 50 daily trades.[164] The Proposal would raise 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 1 USD). It would also raise the § 17.01(b) reportable trading volume for a given contract market to daily trading volume of 125,000 contracts. Accordingly, under the Proposal, far fewer traders would qualify as large traders and therefore be subject to part 17 reporting. Based on data analysis of Exhibit 3, applying the proposed § 16.03(e) reporting levels would 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.[165] This reduced burden may encourage additional traders to participate in event contract markets (or, put differently, would not discourage such additional participants), and hence the change could make some event contracts viable. Additionally, applying an elevated reporting level would ensure that limited, if any, retail traders are required to submit Form 40 in response to a special call issued pursuant to § 18.00.[166]

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.[167] 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.[168] 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 Proposal would result in a reduced burden relative to baseline for DCMs, FCMs, and foreign brokers. Additionally, the Proposal would require the Commission to process fewer Form 102s than the baseline, which would consequently decrease the amount of time spent by registrants and traders waiting for clarification and error resolution.

b. Costs

As a general matter, raising the threshold 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 Proposed 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 preliminarily believes that it will be sufficient for monitoring and surveillance purposes.

Proposed § 17.00(j) and § 17.02(f) would also 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 Proposal would require 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. This is a new burden on DCMs relative to de facto baseline.[169] However, the Commission does not believe this new burden will impose significant costs on DCMs, given that DCMs are independently required to maintain position information on large traders for monitoring and surveillance purposes.[170]

[162] *See supra* Exhibit 2.

[163] 17 CFR 15.03(b) (reporting level of 25 contracts applicable to ''All Other Commodities'').

[164] 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.

[165] *See infra* note 224, section IV. C.

[166] 17 CFR 18.00.

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

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

[169] 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).

[170] *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

Continued

c. Request for Comment

The Commission requests comment on its consideration of the costs and benefits of the Proposal, including regarding issues and questions specifically identified below. Please provide data, statistics, or other supporting information for positions asserted.

(1) Some event contracts markets, although listed as separate contracts, may be closely related. For example, a contract that settles based on whether the average gas price in the US will be above $3.70 in a given month may in many cases resolve to the same outcome as a contract that settles based on whether the average gas prices in the US will be above $3.80 in the same month. How should the Commission measure the size of an account's position for the determination of whether a trader exceeds the applicable reporting level when the trader has positions in closely related markets?

(2) The Commission's data analysis suggests that under the $125,000 contract reporting level, the percentage of open interest accounted for by large traders is roughly consistent with the percentage in other retailer-oriented regulated markets. Are there characteristics of event contract markets (relative to the other markets) that suggest the threshold should be set to capture a smaller or larger share of open interest? That is, should the threshold be larger or smaller than $125,000, or should it differ across different types of event contracts depending on some observable characteristics? Please provide evidence to support any alternative.

7. Trader Reports

Each reportable account may be subject to individual trader reports. Proposed § 16.03(d) would specifically require traders to file reports pursuant to part 18 for Covered Event Contracts, upon receiving a special call from the Commission.[171] Regulation 18.04 requires, after a special call of the Commission, each trader holding or controlling a reportable position to complete a Form 40. Form 40 provides the Commission with information about the ownership and control structure of each account, as well as the business interests reporting entity. In a similar manner, omnibus accounts containing reportable positions may be subject to a special call for a Form 71.[172]

a. Benefits

Proposed § 16.03(d) has two distinct benefits. It supports the Commission's surveillance and enforcement divisions and contributes to market integrity while also decreasing the potential burden on traders by raising the threshold for a reportable account. Part 18 collections support the Commission's market surveillance program, including detecting patterns of trading that may indicate manipulation, attempted manipulation, fraud, or other abusive practices prohibited under the CEA. These collections allow the Commission to identify the persons who ultimately control or benefit from large positions and improve the Commission's understanding of market participants' ownership and control structures. This furthers the public's confidence that the markets operate without fraud and manipulation.

In addition, increasing the applicable reportable trading volume level under proposed § 15.04(b) from the regulatory baseline of 50 contracts would decrease the number of potential Form 40 requests originated by the Commission. Similarly, increasing the applicable reporting level from baseline would likely decrease the number of potential 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 a costs on traders that might otherwise be incurred.[173] Because the Commission preliminarily believes that Forms 40 and 71 requests would be limited to large traders captured under the higher threshold, it does not foresee a reduction in reporting burden for the raising of the reporting threshold.

b. Costs

Sections 18.04 and 18.05 require traders who hold or control reportable positions and persons who carry omnibus accounts to furnish to the Commission, upon special call, information relating to the ownership, control, and composition of such accounts. Traders submit this information using Form 40 (Statement of Reporting Trader). The Commission may also issue a special call to owners of omnibus accounts using Form 71. Form 71 enables the Commission to ''look through'' omnibus accounts to identify the beneficial owners or sub-accounts that may hold or control reportable positions. However, the Commission is not currently aware of any omnibus accounts that hold positions in Covered Event Contract and therefore believes that there will be no costs incurred absent changes to the market.

While the Commission retains the discretion to issue Form 40 and Form 71 requests to traders, the Commission preliminarily believes that Form 102 information will be sufficient for many large traders. Using the number of reportable positions noted in Exhibit 3 above, we find that 402 traders had reportable positions in February of 2026. While the Commission retains the right to ask for these reports under current regulation, the Commission acknowledges that traders have not been requested for this information as of this Proposal. The Commission is making explicit in proposed § 16.03(d) that traders are subject to part 18. However, traders of Covered Event Contracts are currently subject to this requirement, and they would not incur new cost vis-a-vis the regulatory baseline.

8. Alternatives

In this section, we present several alternatives considered and discuss their benefits and costs relative to the Proposal. 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 Proposal, which requires reporting under parts 16, 17 and 18, but not the Relevant Regulations, alternatives discussed below includes (a) reporting under current regulations absent no-action relief; (b) reporting under the options regime with the default (25-contract position/50-contract volume) threshold; (c) reporting to an SDR only (*i.e.,* retaining the parts 43 and 45 requirement, but not the parts 16, 17 and 18); and, (d) a DCM choosing to register as an SDR or registering an affiliated SDR.

Alternative (a) is the regulatory baseline, and comparing the costs and benefits of the baseline compared to the Proposal is the basis of the foregoing analysis. As noted above, under Option (b), holding trading volume at current levels, a threshold of 25-contract position or 50-contract daily trades, would result 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 would entail substantial costs, with little benefit in terms of

other sources in order to conduct an effective surveillance program.'').

[171] As noted in section II.D, 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.

[172] *See generally* 17 CFR 18.00; 17 CFR 17.01(c).

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

enhanced enforcement. It also may discourage trading in these markets.

Option (c) would allow DCMs to avoid the costs of providing trade and position information under parts 16 and 17 but require them to provide trade information to SDRs under parts 43 and 45. The Commission preliminarily estimates that the annual costs to DCMs of providing information under parts 16 and 17 would involve about 1,100 hours per DCM. This work will primarily be conducted by surveillance analysts, although other professionals will also be involved. The Commission estimates the blended hourly total compensation for these individuals to be roughly $235/hour. In addition, we estimate some additional infrastructure will be required for storage, monitoring, etc., which adds about $25,000/year to the operating costs. Hence, the total per year would be approximately $300,000 per DCM. Against these savings, the Commission needs to consider the costs of requiring DCMs to provide information to SDRs under parts 43 and 45. A major component of these costs are the SDR reporting fees. While there is considerable uncertainty regarding how these fees will evolve over time, on the basis of current fees, these fees may amount to $5 million per DCM annually. Hence, the Commission's preliminary conclusion is that this alternative would be substantially more expensive to DCMs than the Proposal 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 proposal.

Under option (d), The Commission recognizes that a DCM listing and trading Covered Event Contracts 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. An entity might optimally choose this strategy if the setup and ongoing costs were low enough to justify the choice, or if the firm strategically chose to enter this new line of business. In either case, the SDR would have to comply with CFTC regulations regarding the operation of an SDR and offer reporting and related regulatory services to other market participants.

SDRs are required to register with the CFTC and comply with part 49 rules promulgated by the CFTC, including real-time reporting of swap transaction and pricing data. In order to maintain its registration, an SDR must comply with the three core principles established in section 21(f) of the CEA, and part 49 of the CFTC regulations. These core principles cover areas such as antitrust considerations, governance arrangements, and conflicts of interest. Additionally, an SDR must disclose financial resources, meet other disclosure requirements, and have non-discriminatory access and fees.

In 2011, the Commission estimated the initial start-up cost for the estimated 15 SDR registrants to be between $105.5 and $135.5 million, or between $7.03 and $9.03 million per SDR.[174] Adjusted to 2026 dollars,[175] the total costs come to between $10.34 ($1.47 \times \$7.03$) and $13.28 ($1.47 \times \$9.03$) million per SDR. The Commission has previously estimated annual ongoing costs for SDRs to be between $47.07 and $77.07 million for all SDRs, or between $3.14 and $5.14 million per SDR. This includes technological costs. Adjusted to 2026 dollars, these ongoing technological costs come to between $4.61 ($1.47 \times \$3.14$) and $7.55 ($1.47 \times \$5.14$) million per SDR annually. The Commission preliminarily finds these figures to be plausible estimates for the start-up and ongoing costs of launching an SDR.

Separately, the Commission has estimated burden hours for SDRs in the PRA section for multiple part 49 rulemakings.[176] SDR annual hour burden estimates have been established for recordkeeping requirements (§ 49.12), compliance and rulebook maintenance (§ 49.26 and § 49.29), chief compliance officer annual report (§ 49.22), system safeguards (cybersecurity) (§ 49.24), real-time public reporting (§ 49.15), non-public reporting/regulatory access (§ 49.17), SDR-participant connectivity and testing, and disclosure and confidentiality requirements (§ 49.16 and § 49.21). Together, the total monetized burden hours for an SDR to remain in compliance with CFTC part 49 rules are between $472,350 and $766,100 annually.

As noted above, choosing to register as an SDR would require significant capital investment to start a new line of business, and would incur ongoing annual expenses to maintain. As detailed above, these costs are estimated at between $10.34 and $13.28 million to become an SDR and between $4.61 and $7.55 million annually for technological costs and an additional $472,350 to $766,100 annually for compliance costs. As such (and based DCM requests for no-action letters), the Commission does not believe that most DCMs would choose this option.

9. Section 15(a) Considerations

CEA § 15(a) requires the Commission to consider the costs and benefits of the changes by the Proposal 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.[177] A discussion of the Proposal in light of the CEA section 15(a) factors is set out below.

a. Protection of Market Participants and the Public

Relative to the status quo, the Proposal would amend part 16 to set forth an alternative reporting regime for Covered Event Contracts by Registered Entities similar to the current regime for futures and options reporting, rather than both this reporting regime and the swaps reporting requirements. The futures and options reporting requirements capture data elements that are more tailored to the event contracts price and payout structure than are the swap reporting requirements. 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,[178] and daily trade and supporting data.[179] This data would enable 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.

Proposed § 16.03(g) would ensure the Commission receives identifying trader information even when traded through brokers or clearing members and allow the Commission to conduct an efficient review of the Covered Event Contracts markets, if necessary. Proposed § 16.03(f) would ensure that transaction data for event contracts is publicly disseminated in real time. That latter requirement would harmonize the

[174] Final rule, Swap Data Repositories: Registration Standards, Duties and Core Principles, 76 FR 54538, 54573 (Sept. 1, 2011).

[175] Using a CPI adjustment of 1.47, based on BLS inflation estimates of a 47% increase in the CPI since 2011, using the BLS Inflation Calculator.

[176] These include PRA analysis used in 76 FR 54538, 85 FR 75503, 85 FR 74438, and 85 FR 75601.

[177] 7 U.S.C. 19(a).

[178] *See* 17 CFR 16.01.

[179] *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).

reporting of Covered Event Contracts with the current industry standard and is otherwise required by the current regulations. It would 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 Covered Event Contract transaction and pricing data.

Furthermore, the Commission expects that the revised reporting level and reportable volume threshold level of proposed § 15.03 and § 15.04 and amendments to part 17 reporting will result in large trader reporting that would improve the Commission's ability to collect and analyze data on large traders, including the ownership and control structure of large accounts, and to identify individuals or entities that trade through omnibus accounts.

Covered Event Contract markets could potentially be subject to manipulation, fraud, and insider trading.[180] To conduct robust surveillance and enforcement, the Commission needs consistent information on traders, especially large traders across markets. The Proposal would allow DCMs and the Commission to continue their surveillance and enforcement activities, as the threshold is calibrated to ensure the collection of relevant data for these purposes.

The Proposal would also improve the Commission's ability to analyze and/or respond to market disruptions. Such disruptions could result in costs to the investing and general public, in the form of reduced price discovery and ability to hedge risk.

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

The Commission believes the Proposal would improve 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 Proposal would require DCMs to obtain and to report trader-identifying information for transactions in a standardized manner, including intermediated trades. The Proposal would also establish rules for reporting ownership and control information for special accounts and reportable volume threshold accounts necessary for ensuring the financial integrity of these markets.

Codification of the Staff Event Contract Reporting No-Action Letters would reduce both Commission time spent on individual requests and also increase competition among Registered Entities and potential new entrants and incumbent entrants seeking to list new contracts. Furthermore, these changes may encourage small traders to use these markets, as they would not be subject to reporting requirements under the current part 17 thresholds. The Proposal may also improve the financial stability of DCMs offering Covered Event Contracts by reducing their reporting costs.

c. Price Discovery

The Commission believes that to the extent the Proposal would result in more event contracts becoming economically viable, this may increase the number and frequency of trades, resulting in additional price discovery for these markets.

Additionally, the Commission expects that proposed § 16.03(f), which would require real-time dissemination of transaction information for Covered Event Contracts would also support public price transparency, as the market is able to absorb real time data for more accurate pricing.

d. Sound Risk Management Practices

The Proposal would 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 would allow the Commission to evaluate risk throughout existing Covered Event Contract markets as well as related markets because this detailed information would allow the Commission to link trading across these markets. The Commission does not believe that the costs arising from the Proposal would threaten the ability of market participants to manage risks. Conversely, to the extent that small traders incur a lower cost to access event contract markets, additional traders would be able to hedge their existing risk using these markets.

e. Other Public Interest Considerations

The Commission believes that the increased reliability and detail resulting from improvements to data reporting would further other public interest considerations, including transparency to the public concerning event contract markets and detection of fraud or manipulation.

The reduction in the costs of trading event contracts that would result from the Proposal would lower the costs to traders, both through reductions in the amount of time required to fill out Form 40s and through lower trading fees, due to lessened reporting compliance costs to DCMs under the futures and options reporting regime. The Commission also expects that the lower cost of trading would encourage the development of these markets.

10. General Request for Comment

The Commission generally requests comments on all aspects of its consideration of costs and benefits, including the baseline; the identification and assessment of any costs and benefits not discussed herein; data and any other information to assist or otherwise inform the Commission's ability to quantify or qualitatively describe the costs and benefits of the proposed amendments; and substantiating data, statistics, and any other information to support positions posited by commenters with respect to the Commission's discussion. The Commission welcomes comment on such costs and benefits, particularly from Registered Entities that can provide quantitative cost and benefit data based on their respective experiences. The Commission also welcomes comments on alternatives to the proposed amendments that may be preferable on cost-benefit grounds, and why.

*B. Regulatory Flexibility Act*

The Regulatory Flexibility Act [181] (''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.[182] The regulations proposed herein would directly affect DCMs, DCOs, FCMs, large traders, and other similar entities. The Commission has previously determined that that DCMs, large traders, and FCMs are not considered ''small entities'' for purposes of the RFA.[183] Similarly, clearing members, foreign brokers, and traders would be subject to the Proposal only if clearing, carrying, or holding large positions. For these reasons, under

[180] *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.*

[181] 5 U.S.C. 601 *et seq.*

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

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

section 3(a) of the RFA,[184] the Chairman, on behalf of the Commission, certifies that this Proposal will not have a significant economic impact on a substantial number of small entities. The Commission nonetheless invites comment on this determination.

*C. Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (''PRA'') [185] 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 Office of Management and budget (''OMB'').[186] 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.[187] 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.[188]

The Proposal 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''),[189] 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 3038–112''), and OMB control number 3038–0103, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71 (Trader and Account Identification Reports) (''OMB Collection 3038–0103''). The Commission therefore is submitting this proposal to the OMB for its review in accordance with the PRA.[190]

If the proposed regulations are adopted, responses to this collection of information would be mandatory. The Commission will protect any proprietary information according to the Freedom of Information Act and part 145 of the Commission's regulations.[191] 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 would separately disclose the business transactions or market positions of any person and trade secrets or names of customers.'' [192] Finally, the Commission is also required to protect certain information contained in a government system of records according to the Privacy Act of 1974.[193]

1. Information Collection Requirements

The Proposal would amend existing regulations and create new regulations concerning reporting certain event contracts. Among other amendments, the Proposal would: (1) codify a requirement that DCMs listing Covered Event Contracts report pursuant to § 16.02; (2) codify a requirement that DCMs listing Covered Event Contracts report and publish market data pursuant to § 16.01; (3) codify large trader reporting requirements specified in §§ 15.03, 16.00, 17.00, and 18.03; (4) codify ownership and control reporting requirements in § 17.02; and (5) codify 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.'' [194] This total includes the anticipated burden associated with the reporting and recordkeeping obligations contained in the Proposal.

As of February 8, 2026, the Commission estimates that there are 470 covered entities that would become subject to the Proposal (12 DCMs,[195] 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 estimated burden associated with the proposed information collections is calculated as follows:

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,[196] large trader position reporting for special accounts required under § 17.00,[197] and the burdens associated with the special call authority under part 21.[198] Section 16.00 requires DCMs to submit a report for each business day showing position information by account for each clearing member [199] 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.[200] The Proposal would 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 associates associated with § 16.00 of the Commission's rules.[201]

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.[202] Generally, the Proposal would not require any firm that is not currently required to submit such reports to begin doing so. Additionally, the Proposal would not affect the content of such reports or the form and manner in 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 Proposal would 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 would add requirements that, in markets featuring a mix of

[184] 5 U.S.C. 605(b).

[185] 44 U.S.C. 3501 *et seq.*

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

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

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

[189] 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.*

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

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

[192] 7 U.S.C. 12(a)(1).

[193] 5 U.S.C. 552a.

[194] 44 U.S.C. 3502(2).

[195] As of May 1, 2026, the Divisions have issued 16 Staff Event Contract Reporting No-Action Letters. *See supra* note 29.

[196] 17 CFR 16.00.

[197] 17 CFR 17.00.

[198] 17 CFR part 21.

[199] 17 CFR 16.00.

[200] 17 CFR 16.00.

[201] 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).

[202] 17 CFR 17.00.

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 proposes to update its burden estimates for § 17.00. 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 proposed regulation, if adopted, as follows: [203]

*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.[204]

The Commission does not anticipate that the Proposal would 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 monitoring and surveillance purposes.[205] 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.[206]

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 would provide an average of 250 market data reports to the Commission per year, and would 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 Proposal would not require any reporting market that is not currently submitting such reports to begin doing so. Accordingly, the Commission is retaining its existing burden estimates for OMB Collection 3038–0012.[207]

The Commission anticipates, however, that the requirement in proposed § 16.03(b) that DCMs include certain settlement information in daily market data reports may require minor modifications to the systems that DCMs use to submit such reports. The Commission estimates DCMs would incur a one-time burden of $11,750 in capital/start-up costs to update electronic systems to transmit the settlement information specified in proposed § 16.03(b).[208] 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).

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 [209] annually for a total cost to all DCMs of $67,680 (12 DCMs × $5,640). Together these capital

[203] 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 proposal has increased reporting thresholds in a manner that will ultimately 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 would be considered Covered Event Contracts, the Commission estimates the existing 25-contract reporting level in § 15.03 would 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 would reduce the number of special accounts for Covered Event Contracts to between 300 and 400. This estimated reduction in special accounts would 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).

[204] 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.

[205] *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.'').

[206] 17 CFR 16.01.

[207] 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).

[208] 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 Proposed Rulemaking. 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.

[209] 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).

costs total $208,680 in capital startup and ongoing operational and maintenance costs for 38 DCMs. The Commission does not anticipate that the Proposal would 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 proposed as part of the Proposal.

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.[210] Previously, the Commission estimated a total annual time-burden for reporting markets of 10,000 hours for compliance with § 16.02.[211] The estimate was based on an estimate that 20 reporting markets would provide an average of 250 daily trade and supporting data reports to the Commission per year, and would 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 reports pursuant to § 16.02. The Proposal would not require any reporting market that is not currently submitting such reports to begin doing so. The Commission also does not anticipate that the Proposal would alter the content of required reports or the form and manner for submitting § 16.02 trade and supporting data reports.

Proposed § 16.03(g) would formally require DCMs to obtain trader-identifying information for accounts trading on the DCM. Because DCMs generally currently obtain such information for their own surveillance purposes, the Commission does not expect proposed § 16.03(g) to impose new information collection burdens. Accordingly, the Commission is retaining its existing burden estimates associated with OMB Collection 3038–0061.[212]

The Commission anticipates that the Proposal would 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 proposed 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.[213] Section 17.01(b)'s requires clearing members to submit Form 102Bs concerning volume threshold accounts.[214] Section 17.01(c) requires FCMs, clearing members, and foreign brokers to submit Form 71 for certain omnibus accounts.[215] Section 18.04(a) requires certain traders to submit Form 40 for special accounts.[216] Section 18.04(b) requires certain traders to submit Form 40 for volume threshold accounts.[217] Section 18.05 contains books and records requirements for traders.[218] The proposed amendments provide for event contracts that may be Covered Event Contracts of proposed § 16.03(a) to be largely treated as futures for reporting purposes. Accordingly, the Proposal 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 would yield anticipated increases in the volume of reporting based largely on the estimated size of the market subject to the proposed reporting regime, but as described further in the Commission's analysis of cost-benefit considerations and summarized below, the Commission is proposing steps to limit the burden associated with filing requirements under the proposed 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'' [219]—or a ''volume threshold account''—namely, a ''trading account that carries reportable trading volume.'' [220] For Covered Event Contracts, the Proposal would increase the reporting level that determines whether an account is a ''special account'' from 25 contracts to 125,000 contracts, and would increase the reportable volume threshold 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 these thresholds for Covered Event Contracts would result in the filing of substantially fewer Form 102As, Form 102Bs, Form 71s, and Form 40s than the Commission would 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 proposed increase in reportable volume thresholds 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.[221] Based on an analysis of transaction data, the Commission anticipates the Proposal would result in DCMs, FCMs, clearing members, and foreign brokers submitting Form 102As for approximately 800 additional special accounts on an average business day.[222] Accordingly, the Commission anticipates that the estimated 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 [223] + 200,000 estimated additional responses) total annual responses.

Accordingly, the Commission estimates the updated annual burden

[210] 17 CFR 16.02.

[211] *See* ICR Ref. No. 202504–3038–001 (concluded Sept. 10, 2025).

[212] 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).

[213] 17 CFR 17.01(a).

[214] 17 CFR 17.01(b).

[215] 17 CFR 17.01(c).

[216] 17 CFR 18.04(a).

[217] 17 CFR 18.04(b).

[218] 17 CFR 18.05.

[219] 17 CFR 15.00(r).

[220] 17 CFR 15.00(x).

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

[222] *See supra* Exhibit 3.

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

associated with the proposed regulation, if adopted, as follows: [224]

*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.[225]

*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.[226] Based on an analysis of transaction data, the Commission anticipates that, under the proposed reporting regime, clearing members would submit Form 102Bs for approximately 150 additional reportable volume threshold accounts on an average business day. Accordingly, the Commission is increasing its estimate of total annual responses by 37,500 (150 responses × 250 days), resulting in a revised estimate of 566,500 (the previous estimate of 529,000 [227] + 37,500 estimated additional responses) total annual responses.

Accordingly, the Commission estimates the updated annual burden associated with the proposed regulation, if adopted, as follows: [228]

*Estimated number of respondents:* 114.

*Estimated frequency/timing of responses:* On occasion.

*Estimated number of annual responses per respondent:* 4,969.

*Estimated number of annual responses for all respondents:* 566,500.

*Estimated annual burden hours per response:* 0.04.

*Estimated total annual burden hours per respondent:* 199.

*Estimated total annual burden hours for all respondents:* 22,686.

*Estimated total annual labor cost:* $2,813,064.[229]

*Form 71:* The Commission does not anticipate the Proposal 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.[230] 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 Commission's discretion.[231] Based on an analysis of transaction data for contracts that would fit the proposed Covered Event Contracts definition, under the existing 50-contract reporting level in § 15.03, the Commission estimates that in excess of one million special accounts would be eligible to receive a special call in connection with positions in Covered Event Contracts.[232] 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.[233] Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Proposal would result in as many as 210 additional respondents submitting Form 40 for special accounts.[234] Accordingly, the Commission is increasing its estimate for total annual responses by 2,100 (210 additional respondents × 10 estimated reports per respondent annually).

Accordingly, the Commission estimates the updated annual burden associated with the proposed regulation, if adopted, as follows: [235]

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[224] 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 would 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 would reduce the number of special accounts for Covered Event Contracts to between 300 and 400. This estimated reduction in special accounts would 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).

[225] 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.

[226] *See id.*

[227] *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*.

[228] 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 4,136 burden hours and $754,014 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 contract volume of 50 in § 15.04 would 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 the applicable reportable trading volume level to trading volume of 125,000 contracts would 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 would 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).

[229] The estimated total annual labor cost of $2,813,064 is calculated as 22,686 total annual burden hours × estimated average burden hour cost of $124.

[230] 17 CFR 17.01(c).

[231] 17 CFR 18.04(a).

[232] *See supra* Exhibit 3.

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

[234] 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.

[235] Previously, the Commission estimated that the burden associated with reporting under this section

*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.[236]

*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.[237] Based on analysis of transaction data and the Commission's experience with Form 40, the Commission estimates the Proposal would result in as many as 100 additional respondents submitting Form 40 for reportable volume threshold accounts. Previously, the Commission estimated it receives approximately 18,920 total annual responses for reportable volume threshold accounts and reportable sub-accounts. Based on an analysis of transaction data, the Commission anticipates the Proposal would 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[238] + 2,000 estimated additional responses) total annual responses.

Accordingly, the Commission estimates the updated annual burden associated with the proposed regulation, if adopted, as follows:[239]

*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.[240]

Other Related Collections That Are Not Impacted

Absent the Proposal and the Staff Event Contract Reporting No-Action Letters, certain DCMs and DCOs would be subject to swap data reporting and recordkeeping requirements generally applicable to event contracts.[241] If finalized, the Proposal would ensure 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 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.[242] Because the Proposed Rulemaking would not require DCMs to report swap data for Covered Event Contracts, the Proposal would similarly exclude DCMs from recordkeeping requirements that would 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 Proposal do

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 considerations, absent the Commission's proposed change in reporting thresholds, the Commission estimates that in excess of one million special accounts would 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 Proposal's reporting level of 125,000 would instead result in 300 to 400 respondents submitting Form 40 for special accounts. The Commission therefore estimates that if the Proposal were finalized, it would 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 would result in an estimated 5,000,000 burden hours in cost savings (1,000,000 × 5 burden hours per Form 40 = 5,000,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $620,000,000 (5,000,000 estimated burden hours × $124 per hour = $620,000,000). The Commission notes that these estimated cost savings would likely be, 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 would be eligible for special calls based on both special account status and volume threshold account status.

[236] 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.

[237] 17 CFR 18.04(a).

[238] This estimate is based on an estimated average of 166 annual reports per respondent. Based on analysis of transaction data for event contracts that would be considered a Covered Event Contract under proposed § 16.03(a), the Commission estimates that the Proposal, if adopted, would 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 37809, 37813 (July 3, 2006) (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.

[239] 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 proposed change in reporting thresholds, the Commission estimates that in excess of 800,000 volume threshold accounts with trading volume in Covered Event Contracts would 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 Proposal's reportable trading volume level of 125,000 would instead result in approximately 200 respondents submitting Form 40 for volume threshold accounts in Covered Event Contracts. The Commission therefore estimates that if the Proposal were finalized, it would avoid costs. This estimated reduction in Form 40 special calls would result in an estimated 4,000,000 burden hours in cost savings (800,000 × 5 burden hours per Form 40 = 4,000,000 burden hours). Based on average wage rate of $124 per hour, the Commission estimates these cost savings could amount to approximately $496,000,000 (4,000,000 estimated burden hours × $124 per hour = $496,000,000). The Commission notes that these estimated cost savings would 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 would be eligible for both special calls based on special account status and volume threshold account status.

[240] 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.

[241] *See* 17 CFR 43.3; 17 CFR 45.2, 17 CFR 45.3, 17 CFR 45.4.

[242] *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'').

not remove the general recordkeeping requirements that apply to DCMs under § 1.31. As a result, DCMs offering event contracts would 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,[243] and to avoid double-counting, no adjustment is being made to that information collection.[244]

2. Request for Comment

The Commission invites the public and other federal agencies to comment on any aspect of the reporting and recordkeeping burdens discussed above. Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission will consider public comments on this proposed collection of information in:

(1) Evaluating whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;

(2) Evaluating the accuracy of the Commission's estimate of the burden of the proposed collection of information, including the degree to which the methodology and the assumptions that the Commission employed were valid;

(3) Enhancing the quality, utility, and clarity of the information proposed to be collected; and

(4) Minimizing the burden of the collection of information on covered entities, including through the use of appropriate automated, electronic, mechanical, or other technological information collection techniques, *e.g.,* permitting electronic submission of responses.

A copy of the supporting statements for the collections of information discussed above are available from the CFTC Clearance Officer, 1155 21st Street NW, Washington, DC 20581, 202–418–5714, or from *https://www.RegInfo.gov.* Organizations and individuals desiring to submit comments on the proposed information collection requirements should send those comments to:

- The Office of Information and Regulatory Affairs, Office of Management and Building, New Executive Office Building, Washington, DC 20503, Attn: Desk Officer of the Commodity Futures Trading Commission;

Submit comments electronically via *www.RegInfo.gov* by searching for the relevant OMB control number to locate the information collection request associated with this rulemaking. Please provide the Commission with a copy of submitted comments so that all comments can be summarized and addressed in the final rulemaking. Please refer to the **ADDRESSES** section of this notice of proposed rulemaking for comment submission instructions to the Commission. OMB is required to decide concerning the collection of information between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment is best assured of receiving full consideration if OMB (and the Commission) receives it within 30 calendar days of publication of this notice. Nothing in the foregoing affects the deadline enumerated above for public comment to the Commission on the proposed rule.

*D. Antitrust Considerations*

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.

The Commission does not anticipate that the proposed amendments to part 15, part 17, or part 16 would result in anticompetitive behavior. The Proposal would require public dissemination of the Covered Event Contract's information that would allow price discovery and also increase competition among Registered Entities and potential new entrants and incumbent entrants seeking to list new contracts. The Commission encourages comments from the public on any aspect of the proposal that may have the potential to be inconsistent with the antitrust laws or anticompetitive in nature.

*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, 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 in Executive Order 12866 under section 3(f) of Executive Order 12866 and therefore this action has been reviewed by the OMB, consistent with Executive Order 14215.

This Proposal, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

**List of Subjects in 17 CFR Parts 15, 16, and 17**

Commodity futures, Consumer protection, Fraud, Reporting and recordkeeping requirements, Swaps.

For the reasons stated in the preamble, the Commodity Futures Trading Commission proposes to amend 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:

[243] 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).

[244] *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'').

| 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 |
| 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 |
| 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: | |
| 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 |

[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 of 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.

■ 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 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 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 would 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 would apply to such designated contract market in connection with any futures or option contract, except that in addition the designated contract market shall record 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 would 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 would 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 would 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 of this chapter shall be the reporting level for the ''Covered Event Contract (1 USD)'' commodity enumerated in § 15.03 of this chapter and the reportable trading volume level for purposes of 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 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 swap reporting and recordkeeping requirements of the Act and Commission regulations applicable, other than 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 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 expense, to any representative of the Commission upon request. The designated contract market 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 June 26, 2026, by the Commission.

**Christopher Kirkpatrick,**

*Secretary of the Commission.*

**Note:** The following appendix will not appear in the Code of Federal Regulations.

## Appendix to Data Reporting Requirements for Certain Event Contracts—Commission Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2026–13239 Filed 6–30–26; 8:45 am]

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