

119TH CONGRESS
2D SESSION

S. 4469

To amend the Commodity Exchange Act to modify provisions relating to event contracts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 2026

Mr. MCCORMICK (for himself and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Commodity Exchange Act to modify provisions relating to event contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prediction Market Act
5 of 2026”.

6 **SEC. 2. SPECIAL RULES RELATING TO EVENT CONTRACTS.**

7 Section 5c of the Commodity Exchange Act (7 U.S.C.
8 7a–2) is amended—

9 (1) in subsection (c)(5)(C)—

1 (A) in the subparagraph heading, by strik-
 2 ing “EVENT CONTRACTS AND”;

3 (B) by striking clauses (i), (ii), and (iv);

4 (C) in clause (iii), by striking the clause
 5 designation and heading and all that follows
 6 through “In connection” in subclause (I) and
 7 inserting the following:

8 “(i) IN GENERAL.—In connection”;

9 (D) by redesignating subclause (II) as
 10 clause (ii) and indenting appropriately; and

11 (E) in clause (ii) (as so redesignated), by
 12 redesignating items (aa) and (bb) as subclauses
 13 (I) and (II), respectively, and indenting appro-
 14 priately; and

15 (2) by inserting after subsection (c) the fol-
 16 lowing:

17 “(d) SPECIAL RULES RELATING TO EVENT CON-
 18 TRACTS.—

19 “(1) DEFINITIONS.—In this subsection:

20 “(A) CONTINGENCY.—The term ‘contin-
 21 gency’ means an event or circumstance that
 22 may happen, but is not certain to occur, includ-
 23 ing the outcome of another event or cir-
 24 cumstance.

“(B) EVENT CONTRACT.—The term ‘event contract’ means a contract for the sale of a commodity for future delivery, option on such a contract, or swap based on one or more excluded commodities that is—

“(i) based upon an occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or levels of a commodity described in section 1a(19)(i)); and

“(ii) listed by a designated contract market or swap execution facility.

“(C) OCCURRENCE.—The term ‘occurrence’ means something that happens, such as an event, including the outcome of another event.

“(2) REVIEW OR APPROVAL OF EVENT CONTRACTS.—

“(A) IN GENERAL.—In connection with the listing of event contracts by a designated contract market or swap execution facility, the Commission, on a case-by-case basis, may determine that an event contract is contrary to the public interest if the event contract is based

1 on an occurrence, extent of an occurrence, or
2 contingency involving—

3 “(i) activity that is unlawful under
4 any Federal or State law;

5 “(ii) terrorism;

6 “(iii) assassination;

7 “(iv) war;

8 “(v) violence;

9 “(vi) gaming; or

10 “(vii) other similar activity deter-
11 mined by the Commission to be contrary to
12 the public interest.

13 “(B) PROHIBITION.—No event contract
14 determined by the Commission to be contrary
15 to the public interest under subparagraph (A)
16 may be listed or made available for clearing or
17 trading on or through a registered entity.

18 “(C) PUBLIC INTEREST CRITERIA.—

19 “(i) CRITERIA.—The Commission
20 shall promulgate such rules and regula-
21 tions as the Commission determines appro-
22 priate to specify the criteria for deter-
23 mining that event contracts based on the
24 activities described in clauses (i) through

1 (vii) of subparagraph (A) are contrary to
2 the public interest.

3 “(ii) PUBLIC INTEREST.—In the rules
4 and regulations promulgated under clause
5 (i), the Commission shall provide that an
6 event contract is likely to be contrary to
7 the public interest if the event contract
8 materially encourages violence or similar
9 unlawful activity.

10 “(iii) PUBLIC COMMENT.—In promul-
11 gating rules and regulations under clause
12 (i), the Commission shall provide not less
13 than a 60-day public comment period.

14 “(D) ENHANCED CERTIFICATION.—

15 “(i) FORMAT OF SUBMISSIONS.—The
16 Commission shall prescribe by rule or reg-
17 ulation standardized requirements, as de-
18 termined by the Commission, in addition to
19 the requirements of subsection (c), for the
20 format of written certifications of des-
21 ignated contract markets and swap execu-
22 tion facilities for new event contracts pur-
23 suant to subsection (c)(1) and for vol-
24 untary requests for prior approval for new

1 event contracts pursuant to subsection
2 (c)(4).

3 “(ii) DISCLOSURE REQUIREMENTS.—
4 The Commission shall prescribe by rule or
5 regulation disclosure requirements relating
6 to the material terms and conditions of
7 event contracts that are reasonably de-
8 signed to promote retail customer read-
9 ability.

10 “(iii) FINANCIAL PENALTY.—

11 “(I) IN GENERAL.—The Commis-
12 sion may prescribe by rule or regula-
13 tion a financial penalty for a violation
14 of clause (i).

15 “(II) CONSIDERATIONS.—In de-
16 termining the amount of a financial
17 penalty assessed under subclause (I),
18 the Commission shall consider—

19 “(aa) the gravity of the vio-
20 lation; and

21 “(bb) similar previous viola-
22 tions committed by the des-
23 ignated contract market or swap
24 execution facility.

1 “(III) APPEALS.—If the Commis-
 2 sion prescribes a financial penalty
 3 under subclause (I), the Commission
 4 shall establish a procedure for appeal-
 5 ing such penalties, including in Fed-
 6 eral courts.

7 “(3) COMMUNICATIONS WITH THE PUBLIC.—

8 “(A) IN GENERAL.—In connection with the
 9 offer of an event contract to a person that is
 10 not an eligible contract participant, a deriva-
 11 tives clearing organization shall not use any
 12 promotional material that—

13 “(i) is likely to deceive the public;

14 “(ii) contains any material
 15 misstatement or omission that makes the
 16 promotional material misleading;

17 “(iii) mentions the possibility of profit
 18 unless accompanied by an equally promi-
 19 nent discussion of the risk of loss;

20 “(iv) includes any reference to actual
 21 past trading profits without mentioning
 22 that past results are not necessarily indic-
 23 ative of future results;

24 “(v) includes any specific numerical or
 25 statistical information about the past per-

1 formance of any actual account, unless
 2 permitted by the Commission by rule or
 3 regulation; or

4 “(vi) includes a testimonial that—

5 “(I) is not representative of all
 6 reasonably comparable investors;

7 “(II) does not prominently state
 8 that the testimonial is not indicative
 9 of future performance or success; and

10 “(III) if applicable, does not
 11 prominently state that it is a paid tes-
 12 timonial.

13 “(B) RULEMAKING.—The Commission
 14 shall promulgate such rules or regulations as
 15 the Commission determines to be appropriate to
 16 carry out subparagraph (A), consistent with ap-
 17 plicable standards for futures commission mer-
 18 chants, including—

19 “(i) relating to records to be made
 20 available for examination by the Commis-
 21 sion; and

22 “(ii) applicable disciplinary actions or
 23 penalties for noncompliance with this para-
 24 graph.

25 “(4) KNOW YOUR CUSTOMER APPLICATION.—

1 “(A) ANTI-MONEY LAUNDERING COMPLI-
2 ANCE PROGRAM.—In connection with the offer
3 of an event contract to a person that is not an
4 eligible contract participant, a derivatives clear-
5 ing organization shall have an anti-money laun-
6 dering compliance program in place in accord-
7 ance with section 5318(h) of title 31, United
8 States Code, which shall include—

9 “(i) internal policies, procedures, and
10 controls reasonably designed to achieve
11 compliance with subchapter II of chapter
12 53 of title 31, United States Code, and
13 chapter 2 of title I of Public Law 91–508
14 (12 U.S.C. 1951 et seq.) (commonly known
15 as the ‘Bank Secrecy Act’) (including regu-
16 lations promulgated under that subchapter
17 and chapter);

18 “(ii) appointment of one or more indi-
19 viduals responsible for implementing and
20 monitoring the program’s day-to-day oper-
21 ations;

22 “(iii) an ongoing training program;

23 “(iv) independent testing;

1 “(v) appropriate risk-based procedures
2 for conducting customer due diligence, in-
3 cluding—

4 “(I) understanding the nature
5 and the purpose of developing a cus-
6 tomer risk profile; and

7 “(II) conducting ongoing moni-
8 toring to detect and report suspicious
9 transactions and on a risk basis to
10 maintain and update customer infor-
11 mation, including identifying and
12 verifying beneficial owners; and

13 “(vi) appropriate procedures to verify
14 that individual customers have attained the
15 age of 18 years.

16 “(B) RULEMAKING.—The Commission
17 shall promulgate such rules or regulations, with
18 consideration of the application of the applica-
19 ble core principles described in this Act, as the
20 Commission determines to be appropriate to
21 carry out subparagraph (A), including—

22 “(i) relating to records to be made
23 available for examination by the Commis-
24 sion; and

1 “(ii) applicable disciplinary actions or
2 penalties for noncompliance with this para-
3 graph.

4 “(5) FUNDS.—

5 “(A) SEGREGATION REQUIRED.—In con-
6 nection with the offer of an event contract to a
7 person that is not an eligible contract partici-
8 pant and accessing a derivatives clearing orga-
9 nization as a direct clearing member, the Com-
10 mission shall promulgate such rules or regula-
11 tions as the Commission determines to be ap-
12 propriate regarding the segregation of member
13 funds from the derivatives clearing organiza-
14 tion’s own funds.

15 “(B) CUSTOMER COMMUNICATION.—A fu-
16 tures commission merchant, designated contract
17 market, or swap execution facility shall disclose
18 to event contract customers the relevant risks
19 of loss or potential delay in access to the funds
20 and assets.

21 “(C) DEFAULT FUND.—For default man-
22 agement purposes, a derivatives clearing organi-
23 zation shall treat funds held for members and
24 customers solely trading fully collateralized con-

1 tracts separately from funds held for members
2 and customers trading leveraged contracts.

3 “(D) RULEMAKING.—The Commission
4 shall promulgate such rules or regulations as
5 the Commission determines to be appropriate to
6 carry out subparagraphs (B) and (C).

7 “(6) ADVISORY COUNCIL ON CONSUMER PRO-
8 TECTION.—

9 “(A) ESTABLISHMENT.—Not later than 90
10 days after the date of enactment of the Pre-
11 diction Market Act of 2026, the Chairman of
12 the Commission shall establish the Advisory
13 Council on Consumer Protection (referred to in
14 this paragraph as the ‘Advisory Council’).

15 “(B) CHAIR AND VICE-CHAIR.—The Chair-
16 man of the Commission shall appoint a Chair
17 and Vice-Chair of the Advisory Council from
18 among the members of the Advisory Council.

19 “(C) MISSION.—The mission of the Advi-
20 sory Council shall be—

21 “(i) to provide a forum for regular
22 communication and analysis related to re-
23 tail investor participation in derivatives
24 markets;

1 “(ii) to encourage discussions relating
2 to consumer protection regarding event
3 contract markets and related markets; and

4 “(iii) to develop recommendations to
5 ensure that markets promote customer
6 protection, market integrity, and respon-
7 sible participation.

8 “(D) MEMBERSHIP.—The Advisory Coun-
9 cil shall be composed of 15 members, who shall
10 be appointed by the Chairman of the Commis-
11 sion and shall include—

12 “(i) the Retail Advocate described in
13 paragraph (7)(C);

14 “(ii) not fewer than 3 State attorneys
15 general;

16 “(iii) subject matter experts in behav-
17 ioral science and health, financial risk, and
18 consumer finance; and

19 “(iv) representatives of—

20 “(I) the Office of Customer Edu-
21 cation and Outreach;

22 “(II) the Department of Justice;

23 “(III) State and local law en-
24 forcement;

1 “(IV) State and local regulatory
2 agencies, as appropriate;

3 “(V) market operators; and

4 “(VI) market participants.

5 “(E) DUTIES.—The duties of the Advisory
6 Council shall include—

7 “(i) meeting not less frequently than
8 once every 120 days, in a manner to be de-
9 termined by the Chairman of the Commis-
10 sion, to provide independent advice and
11 recommendations to the Commission and
12 Congress;

13 “(ii) identifying policies to promote
14 retail customer protection and specific
15 gaps in investor protections for retail cus-
16 tomers;

17 “(iii) assessing the viability of a self-
18 exclusion program, which would allow a
19 customer to be voluntarily prohibited from
20 entering into an event contract;

21 “(iv) assessing the viability of a pro-
22 gram to implement voluntary deposit and
23 trade limits;

24 “(v) reviewing the considerations of
25 the retail customer profile, including age,

1 income, and behavioral vulnerabilities,
2 when assessing investor protection;

3 “(vi) studying behavioral prompts and
4 marketing features designed to engage cus-
5 tomers in connection with the offer of an
6 event contract;

7 “(vii) reviewing the effectiveness of
8 existing legal or regulatory recommenda-
9 tions to improve customer protections in
10 connection with the offer of an event con-
11 tract; and

12 “(viii) evaluating the design, accessi-
13 bility, and use of mobile applications,
14 smartphones, and other personal electronic
15 devices in connection with the offer of
16 event contracts.

17 “(F) REPORTS.—The Advisory Council
18 shall—

19 “(i) not later than 180 days after the
20 date of enactment of the Prediction Mar-
21 ket Act of 2026, submit to Congress an
22 initial report with analysis and rec-
23 ommendations regarding matters studied
24 under subparagraph (E), which shall in-
25 clude consumer protection, market integ-

1 rity, investor profile, marketing features,
2 and other related topics; and

3 “(ii) twice each year thereafter, sub-
4 mit to Congress a report containing find-
5 ings, and recommendations for legislation,
6 regulations, and oversight, relating to the
7 matters studied under subparagraph (E).

8 “(G) REVIEW BY COMMISSION.—The Com-
9 mission shall—

10 “(i) review the findings and rec-
11 ommendations of the Advisory Council;
12 and

13 “(ii) make publicly available a report
14 containing an assessment by the Commis-
15 sion of any findings and recommendations
16 of the Advisory Council.

17 “(7) OFFICE OF THE RETAIL ADVOCATE.—

18 “(A) DEFINITIONS.—In this paragraph:

19 “(i) CHAIRMAN.—The term ‘Chair-
20 man’ means the Chairman of the Commis-
21 sion.

22 “(ii) OFFICE.—The term ‘Office’
23 means the Office of the Retail Advocate es-
24 tablished by subparagraph (B).

1 “(iii) RETAIL PARTICIPANT.—The
2 term ‘retail participant’ means a person
3 that—

4 “(I) is not an eligible contract
5 participant; and

6 “(II) is participating in a des-
7 ignated contract market.

8 “(B) OFFICE ESTABLISHED.—There is es-
9 tablished within the Commission the Office of
10 the Retail Advocate.

11 “(C) RETAIL ADVOCATE.—

12 “(i) IN GENERAL.—The Retail Advo-
13 cate shall—

14 “(I) report directly to the Com-
15 mission; and

16 “(II) be appointed by the Chair-
17 man from among individuals with ex-
18 perience in advocating for the inter-
19 ests of retail participants.

20 “(ii) COMPENSATION.—The annual
21 rate of pay for the Retail Advocate shall be
22 equal to the highest rate of annual pay for
23 other senior executives who report to the
24 Chairman.

1 “(D) FUNCTIONS OF THE RETAIL ADVO-
2 CATE.—The Retail Advocate shall—

3 “(i) assist retail participants in resolv-
4 ing significant problems relating to trans-
5 actions;

6 “(ii) analyze the potential impact on
7 retail participants of proposed regulations
8 of the Commission;

9 “(iii) to the extent practicable, pro-
10 pose to the Commission changes in the
11 regulations or orders of the Commission
12 that may be appropriate to promote the in-
13 terests of retail participants;

14 “(iv) conduct research to identify and
15 understand issues that affect retail partici-
16 pants; and

17 “(v) operate with and provide assist-
18 ance to the Office of Customer Education
19 and Outreach to conduct initiatives and
20 outreach for retail participants.

21 “(E) ACCESS TO DOCUMENTS.—

22 “(i) IN GENERAL.—At the discretion
23 of the Chairman, the Retail Advocate shall
24 have full access to the documents of the

1 Commission as necessary to carry out the
2 functions of the Office.

3 “(ii) EFFECT.—Nothing in this sub-
4 paragraph authorizes the Retail Advocate,
5 or staff of the Office, to have access to, or
6 to release publicly or internally within the
7 Commission, proprietary or sensitive mar-
8 ket data, including data and information
9 that would separately disclose the business
10 transactions or market positions of any
11 person and trade secrets or names of cus-
12 tomers, consistent with section 8.

13 “(iii) POLICIES AND PROCEDURES.—
14 The Office shall establish and make public
15 on the website of the Commission policies
16 and procedures to safeguard the confiden-
17 tiality of any documents the Retail Advo-
18 cate or staff of the Office has access to.

19 “(F) ANNUAL REPORT ON OBJECTIVES
20 AND ACTIVITIES.—

21 “(i) IN GENERAL.—Not later than
22 September 30 of each year, the Retail Ad-
23 vocate shall submit to Congress a report
24 describing the objectives and activities of

the Retail Advocate for the following fiscal year.

“(ii) CONTENTS.—Each report required under clause (i) shall include—

“(I) appropriate statistical information and full and substantive analysis;

“(II) information on steps that the Retail Advocate has taken during the reporting period to improve—

“(aa) services to and communication with retail participants; and

“(bb) the responsiveness of the Commission;

“(III) a summary of the most serious problems reported to the Office or the Commission by retail participants during the reporting period;

“(IV) an inventory of the items described in subclause (III) that includes—

“(aa) identification of any action taken by the Commission and the result of that action;

1 “(bb) the period of time that
2 each item has remained on the
3 inventory; and

4 “(cc) for items with respect
5 to which no action has been
6 taken, the reasons for inaction,
7 and an identification of any offi-
8 cial who is responsible for the ac-
9 tion;

10 “(V) recommendations for such
11 administrative and legislative actions
12 as may be appropriate to resolve prob-
13 lems encountered by retail partici-
14 pants; and

15 “(VI) any other information, as
16 determined appropriate by the Retail
17 Advocate.

18 “(iii) CONFIDENTIALITY.—No report
19 required under clause (i) may contain con-
20 fidential information.

21 “(G) OMBUDSMAN.—

22 “(i) APPOINTMENT.—Not later than
23 180 days after the date on which the first
24 Retail Advocate is appointed under sub-
25 paragraph (C)(i)(II), the Retail Advocate

1 shall appoint an Ombudsman, who shall
2 report directly to the Retail Advocate.

3 “(ii) DUTIES.—The Ombudsman ap-
4 pointed under clause (i) shall—

5 “(I) act as a liaison between the
6 Commission and any retail participant
7 in resolving problems the retail partic-
8 ipant may have with the Commission;

9 “(II) review and make rec-
10 ommendations regarding policies and
11 procedures to encourage persons to
12 present questions to the Retail Advo-
13 cate regarding compliance with this
14 Act; and

15 “(III) establish safeguards to
16 maintain the confidentiality of com-
17 munications between the persons de-
18 scribed in subclause (II) and the Om-
19 budsman.

20 “(iii) LIMITATION.—

21 “(I) PERSONNEL.—In carrying
22 out the duties of the Ombudsman
23 under clause (ii), the Ombudsman
24 shall utilize personnel of the Commis-
25 sion, to the extent practicable.

1 “(II) EFFECT.—Nothing in this
 2 clause shall be construed as replacing,
 3 altering, or diminishing the activities
 4 of any ombudsman or similar office of
 5 any other agency.

6 “(iv) REPORT ON ACTIVITIES.—

7 “(I) IN GENERAL.—The Om-
 8 budsman shall submit to the Retail
 9 Advocate an annual report that de-
 10 scribes the activities and evaluates the
 11 effectiveness of the Ombudsman dur-
 12 ing the preceding 1-year period.

13 “(II) SUBMISSION.—The Retail
 14 Advocate shall include the report re-
 15 quired under subclause (I) in the re-
 16 ports required to be submitted by the
 17 Retail Advocate under subparagraph
 18 (F).

19 “(8) RULE OF CONSTRUCTION.—Nothing in
 20 this subsection may be construed to affect—

21 “(A) the ability of a State to investigate
 22 and bring enforcement actions under this Act,
 23 including pursuant to section 6d; or

24 “(B) the jurisdiction of the Commission
 25 described in section 2(a)(1)(A).”.

1 **SEC. 3. INSIDER TRADING AND MANIPULATION.**

2 (a) PROHIBITION ON MEMBERS OF CONGRESS TRAD-
3 ING EVENT CONTRACTS.—Section 4c(a)(3) of the Com-
4 modity Exchange Act (7 U.S.C. 6c(a)(3)) is amended—

5 (1) by striking “under section 2 of the STOCK
6 Act)” each place it appears and inserting “in section
7 2 of the STOCK Act (5 U.S.C. 13101 note; Public
8 Law 112–105))”;

9 (2) by redesignating subparagraphs (A) through
10 (C) as clauses (i) through (iii), respectively, and in-
11 denting appropriately;

12 (3) in the matter preceding clause (i) (as so re-
13 designated), by striking “It shall” and inserting the
14 following:

15 “(A) IN GENERAL.—It shall”; and

16 (4) by adding at the end the following:

17 “(B) PROHIBITION ON MEMBERS OF CON-
18 GRESS AND EXECUTIVE BRANCH OFFICIALS
19 TRADING EVENT CONTRACTS.—It shall be un-
20 lawful for any Member of Congress (as defined
21 in section 2 of the STOCK Act (5 U.S.C.
22 13101 note; Public Law 112–105)), the Presi-
23 dent, the Vice President, or any officer or em-
24 ployee described in sections 5312 through 5316
25 of title 5, United States Code, to enter into an

1 event contract (as defined in section
2 5c(d)(1)).”.

3 (b) RULES OR REGULATIONS.—The Commodity Fu-
4 tures Trading Commission (referred to in this section as
5 the “Commission”) shall promulgate such rules or regula-
6 tions as the Commission determines to be appropriate to
7 carry out the amendments made by subsection (a).

8 (c) REVIEW OF INSIDER TRADING.—The Commission
9 shall—

10 (1) determine whether the rules and regulations
11 of the Commission relating to insider trading should
12 be revised or updated to require designated contract
13 markets, swap execution facilities, and futures com-
14 mission merchants to establish enhanced measures
15 reasonably designed to detect and deter insider trad-
16 ing involving event contracts (as defined in sub-
17 section (d)(1) of section 5c of the Commodity Ex-
18 change Act (7 U.S.C. 7a–2)); and

19 (2) implement any relevant revisions or updates
20 resulting from the determination under paragraph
21 (1).

22 (d) FINANCIAL LITERACY.—The Commission shall
23 conduct, through the Office of Customer Education and
24 Outreach, financial literacy and customer education activi-
25 ties specific to retail investor activity related to event con-

1 tracts (as defined in subsection (d)(1) of section 5c of the
2 Commodity Exchange Act (7 U.S.C. 7a-2)).

3 **SEC. 4. INNOVATION ADVISORY COMMITTEE.**

4 Section 2(a) of the Commodity Exchange Act (7
5 U.S.C. 2(a)) is amended by adding at the end the fol-
6 lowing:

7 “(16) INNOVATION ADVISORY COMMITTEE.—

8 “(A) IN GENERAL.—There is established
9 the Innovation Advisory Committee (referred to
10 in this paragraph as the ‘Committee’)—

11 “(i) to facilitate discussion and com-
12 munication on matters of concern to ex-
13 changes, firms, end-users, and regulators
14 regarding innovation in the derivatives and
15 commodity market and the regulation of
16 those markets by the Commission; and

17 “(ii) to advise the Commission on the
18 matters described in clause (i).

19 “(B) MEMBERS.—The Commission shall
20 appoint members to the Committee with a wide
21 diversity of opinions relating to the matters de-
22 scribed in subparagraph (A)(i) and who rep-
23 resent a broad spectrum of interests, includ-
24 ing—

25 “(i) market makers;

1 “(ii) derivative end-users;

2 “(iii) futures commission merchants;

3 and

4 “(iv) market operators.

5 “(C) ACTIVITIES.—The Committee shall—

6 “(i) conduct public meetings at such
7 intervals as are necessary to carry out the
8 functions of the Committee, but not less
9 frequently than 2 times per year;

10 “(ii) submit reports and recommenda-
11 tions to the Commission; and

12 “(iii) otherwise facilitate discussion
13 and communication on the matters de-
14 scribed in subparagraph (A)(i).

15 “(D) TERMS.—Members of the Committee
16 shall be appointed to 3-year terms, but may be
17 removed for cause by vote of the Commission.

18 “(E) REIMBURSEMENTS.—A member of
19 the Committee shall be allowed travel expenses,
20 including per diem in lieu of subsistence, at
21 rates authorized for employees of agencies
22 under subchapter I of chapter 57 of title 5,
23 United States Code, while away from their
24 homes or regular places of business in the per-
25 formance of services for the Committee.

1 “(F) CHAPTER 10 OF TITLE 5, UNITED
 2 STATES CODE.—The Committee shall not be
 3 subject to chapter 10 of title 5, United States
 4 Code.

5 “(G) TERMINATION.—The Commission
 6 may terminate the Committee if the Commis-
 7 sion determines that such termination is appro-
 8 priate.”.

9 **SEC. 5. STUDIES.**

10 (a) DEFINITIONS.—In this section:

11 (1) COMMISSION.—The term “Commission”
 12 means the Commodity Futures Trading Commission.

13 (2) EVENT CONTRACT.—The term “event con-
 14 tract” has the meaning given the term in subsection
 15 (d)(1) of section 5c of the Commodity Exchange Act
 16 (7 U.S.C. 7a–2).

17 (b) STUDY ON EVENT CONTRACTS.—

18 (1) STUDY.—The Commission shall conduct a
 19 study on event contracts that includes—

20 (A) the size and structure of event con-
 21 tract markets;

22 (B) the growth of event contract listings
 23 by contract markets designated under the Com-
 24 modity Exchange Act (7 U.S.C. 1 et seq.) and

1 swap execution facilities (as defined in section
2 1a of that Act (7 U.S.C. 1a));

3 (C) the characteristics of the market struc-
4 ture and liquidity formation in event contracts
5 related to—

6 (i) weather;

7 (ii) technology;

8 (iii) science;

9 (iv) economics;

10 (v) government data;

11 (vi) cultural events;

12 (vii) political events;

13 (viii) sports; or

14 (ix) a particular word or phrase to be
15 potentially mentioned by one or more per-
16 sons in an oral or written statement,
17 speech, briefing, address, or other form of
18 communication;

19 (D) the types of trader or intermediary
20 conduct unique to event contracts and markets
21 that should be closely monitored or given spe-
22 cial consideration; and

23 (E) the provisions of the Commodity Ex-
24 change Act (7 U.S.C. 1 et seq.) that prohibit
25 fraud, manipulation, disruptive trading, or

1 other similar conduct and apply to activities
2 outside the United States related to event con-
3 tracts.

4 (2) REPORT.—Not later than 1 year after the
5 date of enactment of this Act, the Commission shall
6 submit to Congress and publish on a publicly avail-
7 able website of the Commission a report on the find-
8 ings of the study required under paragraph (1).

9 (c) JOINT SECURITIES AND EXCHANGE COMMISSION
10 AND COMMODITY FUTURES TRADING COMMISSION
11 STUDY.—

12 (1) STUDY.—The Securities and Exchange
13 Commission and the Commission shall conduct a
14 joint study on event contracts that includes—

15 (A) the nature of event contracts that
16 could be in the jurisdiction of the Securities and
17 Exchange Commission;

18 (B) the harmonization efforts of the Secu-
19 rities and Exchange Commission and the Com-
20 mission relevant to event contracts; and

21 (C) the nature, size, role, and use of decen-
22 tralized blockchain applications to offer event
23 contracts.

24 (2) REPORT.—Not later than 15 months after
25 the date of enactment of this Act, the Commission

1 shall submit to Congress and publish on a publicly
 2 available website of the Commission a report on the
 3 findings of the study required under paragraph (1).

4 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS; FUNDING**
 5 **FOR EVENT CONTRACT OVERSIGHT.**

6 (a) IN GENERAL.—There is authorized to be appro-
 7 priated to the Commodity Futures Trading Commission
 8 \$30,000,000 for each fiscal year of 2027 through 2031,
 9 to remain available until expended, for the purposes of—

10 (1) implementing this Act and the amendments
 11 made by this Act; and

12 (2) developing policies, rules, and guidance re-
 13 lating to event contracts.

14 (b) USE OF FUNDS.—Amounts made available pursu-
 15 ant to subsection (a) may be used for—

16 (1) oversight, supervision, and enforcement of
 17 event contract markets;

18 (2) rulemakings, reviews, and determinations
 19 required under subsection (d) of section 5c of the
 20 Commodity Exchange Act (7 U.S.C. 7a–2);

21 (3) the studies and reports required under sec-
 22 tion 5;

23 (4) the establishment and operation of the Of-
 24 fice of the Retail Advocate under subsection (d)(6)

1 of section 5c of the Commodity Exchange Act (7
2 U.S.C. 7a-2); and

3 (5) the development of technological, surveil-
4 lance, and data analysis capabilities of the Com-
5 modity Futures Trading Commission.

6 (c) DEFINITION OF EVENT CONTRACT.—In this sec-
7 tion, the term “event contract” has the meaning given the
8 term in subsection (d)(1) of section 5c of the Commodity
9 Exchange Act (7 U.S.C. 7a-2).

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