April 28, 2026

Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: Advance Notice of Proposed Rulemaking — Prediction Markets, RIN 3038-AF65

Dear Secretary Kirkpatrick,

Sportradar Group AG ("Sportradar") respectfully submits these comments in response to the Commodity Futures Trading Commission's (the "Commission" or "CFTC") Advance Notice of Proposed Rulemaking on Prediction Markets (the "ANPRM"), published March 12, 2026, and the associated CFTC Staff Advisory issued by the Division of Market Oversight ("DMO") on the same date (the "Prediction Markets Advisory"). Sportradar is a global leader in sports data, technology, and integrity services whose qualifications are described in Section I below. These comments are offered in the spirit of constructive engagement with the Commission's important regulatory inquiry, drawing on our direct, day-to-day experience at the intersection of sports data, sports event markets, and the protection of sporting integrity.

Sportradar urges the Commission to develop a clear and enforceable regulatory framework for prediction markets that is grounded in integrity, transparency, and verifiable data standards — values that we believe are fully consistent with the public interests the Commodity Exchange Act ("CEA") is designed to protect. We address below the specific questions in the ANPRM most directly relevant to our expertise.

I. Background on Sportradar

Sportradar occupies a unique and structurally important role in the sports data ecosystem. As a company whose core mission includes safeguarding the integrity of sport, we have developed deep expertise in two areas directly relevant to the Commission's inquiry: (1) the collection, validation, and distribution of official and open-sourced sports data; and (2) the real-time monitoring, detection, and investigation of suspicious activity in sports-related betting and event markets.

Our Integrity Services platform, the Universal Fraud Detection System AI ("UFDS"), monitors betting activity and event market pricing across regulated and unregulated markets globally, flagging anomalies consistent with match manipulation, insider trading, or coordinated

suspicious wagering. We have established formal integrity partnerships with over 180 sport governing bodies and regulatory authorities worldwide — including, among others, the International Olympic Committee, FIFA, the NBA, MLB, NHL, MLS, NASCAR, ATP and NCAA— and work cooperatively with national law enforcement agencies and sports betting regulators. In 2025 alone, our monitoring covered more than one million sporting events across 70 sports worldwide and identified 1,116 suspicious matches, contributing to 125 sporting sanctions across seven sports and six continents and bringing our cumulative sanctions total to over 1,000. A recent example illustrates the practical impact of this work. In March 2026, Major League Soccer ("MLS") issued lifetime suspensions to players Derrick Jones and Yaw Yeboah for violations of its gambling policy. The MLS investigation originated with a Sportradar integrity report identifying suspicious betting patterns related to a yellow card incident involving Jones, provided to MLS through a cooperation with FIFA in October 2024. This case demonstrates how independent data monitoring, international federation cooperation, and domestic league enforcement can work together, in the right regulatory environment, to protect the integrity of sport — and underscores the kind of multi-layered, cross-jurisdictional integrity infrastructure that the Commission should seek to preserve and strengthen as it considers the regulation of prediction markets.

Separately, our data products — spanning official data distributed under formal rights agreements with governing bodies, and independently collected open-source data for sports and competitions where no exclusive official data distribution arrangement exists — serve as settlement sources for licensed sportsbooks globally and are specifically designed to meet the reliability, accuracy, and manipulation-resistance standards that the Prediction Markets Advisory and ANPRM correctly identify as foundational to sound event contract markets.

We believe this combination of capabilities positions us to offer the Commission evidence-based perspective on questions involving the resolution of sports event contracts, manipulation risks, market surveillance, and issues analogous to responsible gaming that the Commission should consider as part of its public-interest analysis — all of which are addressed in this submission.

II. Question 2(b): Resolution Criteria for Event Contracts — Data Quality, Provenance and the Case for a Tiered Standard

Question posed: *Core Principle 2 requires a DCM to establish, monitor, and enforce compliance with the terms and conditions of contracts. What factors should the Commission consider regarding a DCM's rules related to resolution criteria for event contracts?*

The resolution criteria for sports-related event contracts are among the most consequential design decisions a DCM can make. Whether a prediction market contract is settled accurately, fairly, and in a manner that is resistant to manipulation depends almost entirely on the integrity of the data source on which settlement is based. Sportradar respectfully submits that the Commission require DCMs to rely on high-quality, reliable, and authorized data sources for the settlement and resolution of sports-related event contracts. Official data — that is, data provided by, or verified by, the relevant sports governing body — plays a particularly important role in ensuring accuracy, consistency, and auditability, and should be recognized as such in any regulatory framework. At the same time, the Commission should develop a principled approach for cases in which official data is genuinely unavailable.

Indeed, the Prediction Markets Advisory recognizes the importance of official data in ensuring the integrity of sports-related event contracts, going as far as recommending that DCMs consider "relying on official data provided by the relevant league or governing body, as applicable, as the settlement source" and that product submissions include "identification of the specific data source(s) on which settlement will be based, and an assessment of the reliability, objectivity, and manipulation resistance of such sources." We strongly endorse this approach and encourage the Commission to adopt these requirements as part of any binding rulemaking.

Official data helps protect the integrity of sports-related event contracts for at least three distinct but mutually reinforcing grounds.

- Official data ensures accuracy and completeness: official data is collected by trained personnel embedded at the event venue or provided directly from the scoring systems of the governing body, subject to quality control processes that commercial aggregators cannot replicate from external feeds.
- Official data is not prone to manipulation: when settlement depends on data that flows through official, audited channels rather than open or aggregated third-party feeds, the attack surface for individuals seeking to manipulate the cash-settlement price is materially narrowed. The Appendix C Guidance to Part 38 already instructs DCMs to consider "the nature and sources of the data comprising the cash-settlement calculation" and "the mechanisms in place to ensure the accuracy and reliability of the index value," including the "extent to which a third party has, or will adopt, safeguards against unauthorized or premature release of the index value." Official data providers are best positioned to provide those safeguards.
- Official data can facilitate efficient resolution of event-contract disputes: when a dispute arises as to whether an event underlying a contract has occurred or how it is

to be characterized — for example, whether an injury constitutes a game-disqualifying event, or whether a statistical outcome falls within a contract's specified parameter — an authoritative, official data record provides the DCM and the Commission with a definitive, neutral reference point. The absence of such a reference point in favor of a "consensus of yet-to-be-determined sources" — a standard the Prediction Markets Advisory expressly flags as potentially insufficient — creates material legal and operational risk for all parties.

In considering what constitutes a sufficiently reliable data source, the Commission should recognize that the sports data ecosystem functions through a variety of established distribution models. Many governing bodies elect to distribute their official data through specialist licensed providers that have invested in the technical infrastructure, quality assurance processes, and chain-of-custody controls necessary to serve commercial markets reliably and at scale. These arrangements reflect the governing body's own judgment about how its data is best distributed, and the resulting data products carry the same provenance and integrity characteristics as data supplied directly by the governing body. Recognizing these authorized distribution pathways as consistent with the Commission's stated objectives of accuracy, reliability, and manipulation resistance would reflect how the market actually operates and would support, rather than displace, the governing body's role as the ultimate custodian of its data.

We also recognize, however, that official data — whether furnished directly by a governing body or through an authorized distribution partner — is not universally available across the full spectrum of sports and competitions that may be encompassed in event contracts. For certain competitions, there may be no formal official data distribution arrangement; for others, exclusive data rights may be held by a single provider, leaving DCMs that are unable or unwilling to contract with that provider without an accessible official data pathway. In these circumstances, the Commission should develop a tiered data quality framework that preserves official data as the clearly preferred standard, while establishing minimum quality criteria that a non-official, independently collected data source — commonly referred to in the industry as open-source data — must satisfy in order to be eligible for settlement use. Such criteria should address, at a minimum: the methodology by which the data is collected and validated; the independence and verifiability of the collection process; the existence of documented quality assurance protocols; and the extent to which the data source is subject to audit or independent verification. The Commission should make clear that the burden falls on the DCM to demonstrate that official data is not reasonably available before relying on open-source data for settlement, and that equivalent manipulation-resistance and chain-of-custody standards apply regardless of data type. Where a DCM is unable to identify

any data source — official or otherwise — that meets these standards for a proposed event contract, that fact should weigh heavily in the Commission's evaluation of whether the contract satisfies Core Principle 3's prohibition on contracts that are "readily susceptible to manipulation".

The Commission should require DCMs to document, in their product submissions: (i) the specific data source to be used for settlement and the chain of custody of that data from point of collection to settlement calculation; (ii) the identity of the data provider and the basis on which it supplies the relevant data — including whether it operates as the governing body itself, as a specialist provider operating under a formal data rights or licensing agreement with the governing body, or as an independent collector of open-source data; and (iii) the data integrity, quality assurance, and anti-manipulation protocols applicable to the data as distributed.

III. Question 2(c): Manipulation Susceptibility — How the Determination Should Be Made for Event Contracts

Question posed: *Core Principle 3 requires a DCM to list only contracts that are not readily susceptible to manipulation. How should a determination of whether an event contract is "readily susceptible to manipulation" be made? What factors should be considered?*

The manipulation concerns arising from sports-related event contracts are, in our experience, meaningfully distinct from those associated with derivatives contracts for "traditional" commodities. In a commodity market, manipulation typically requires distorting or misrepresenting the price of a broadly traded, fungible asset. In a sports-related event contract, the underlying "commodity" is the outcome of a specific physical occurrence — a match result, a player's statistical performance, or a referee's call — that can, in some cases, be influenced by a small number of individuals (or even just a single individual). This qualitative difference has significant implications for how the Commission should approach the Core Principle 3 determination.

As discussed above in connection with Question 2(b), the source and integrity of the settlement data is inseparable from the manipulation susceptibility analysis. A contract that resolves based on official, audited data with robust chain-of-custody controls is inherently more resistant to manipulation than one that resolves based on unverified or poorly documented data sources. Where official data is unavailable and a DCM proposes to rely on independently collected open-source data, the Commission should determine whether that data source is substantially equivalent to official data sources with respect to accuracy, independence, verifiability and documentation — and the manipulation susceptibility

determination should be calibrated to reflect the relative quality and verifiability of the data source proposed for settlement.

IV. Question 2(d): Market Surveillance and the Prevention of Manipulation in Prediction Markets

Question posed: *Core Principle 4 requires a DCM to prevent manipulation, price distortion, and disruptions of the settlement process through market surveillance, compliance, and enforcement practices. Do any aspects of prediction markets pose challenges to compliance? Are there existing surveillance practices that would be useful?*

Market surveillance for sports-related prediction markets cannot be performed effectively through an analysis of trading data alone. The defining characteristic of sports market manipulation is that the manipulation signal is typically visible not in the market structure, but in the relationship between the trading pattern and the underlying event. A series of perfectly ordinary trades in a prediction market may collectively represent a coordinated manipulation attempt if they are placed just before a controlled event outcome is secured. Detecting this requires the ability to correlate financial market data with real-world event data in real time — a capability that is structurally different from the order-book surveillance that DCMs typically deploy for commodity derivatives.

Sportradar has significant operational experience in precisely this kind of multi-market, cross-data correlation — monitoring regulated betting markets globally, flagging statistically anomalous patterns relative to historical baselines, in-play performance data, and known integrity risk factors, and doing so in real time. Drawing on that experience, we would offer the following recommendations to the Commission.

- First, the Commission should adopt rules requiring that DCMs listing sports-related event contracts establish formal information-sharing arrangements that include transaction level data, with recognized sports integrity monitoring organizations — not merely with sports governing bodies themselves. While governing bodies are essential partners, their integrity units are structurally limited to visibility within their own competitions and cannot alone provide the cross-market, cross-sport, and cross-jurisdictional surveillance that sports-related prediction markets require. Independent integrity monitoring organizations fill this gap by maintaining the multi-market visibility necessary to identify manipulation patterns that may not be apparent from within a single league or sport, a single platform, or a single jurisdiction.
- Second, the Commission should require DCMs to designate a sports integrity officer or equivalent responsible official who is trained in the specific dynamics of sports

market manipulation and who maintains direct lines of communication with relevant governing bodies, integrity monitoring organizations, and law enforcement.

- Finally, the Commission should require DCMs to share surveillance data with the Commission and relevant sports governing bodies under a mutually agreed information-sharing protocol, analogous to those already operating in regulated sports betting markets in many U.S. states. The Prediction Markets Advisory already envisions that "appropriate information sharing by these entities with the CFTC may lead to enhanced CFTC oversight capabilities," and we encourage the Commission to formalize this expectation in any future rulemaking.

V. Question 19(e): Responsible Gaming Standards in the Prediction Market Context

Question posed: *What aspects of responsible gaming standards — such as self-exclusion programs, monetary or time limits, or advertising limits, disclaimers, or warnings — should the Commission consider in the Commission's public interest determination?*

Our foundational recommendation is that responsible gaming tools must be embedded as core, enforceable functional requirements in the architecture of prediction market platforms. The regulatory experience of mature sports betting markets — including in the United Kingdom, Australia, and a growing number of U.S. states — demonstrates that responsible gaming tools are most effective when they are built into the platform at a design level, are presented prominently and proactively to users at natural decision points, and are technically enforceable rather than purely advisory.

There are several responsible-gaming features that the Commission should consider adapting and adopting in the context of prediction markets. These analogues may include: (1) deposit and trading limits that users can set at account opening and modify only with a cooling-off period to prevent impulsive increases; (2) time-on-platform limits and session duration alerts that interrupt extended engagement and prompt users to assess their activity; (3) programs by which traders may exclude themselves, which are technically enforced and, ideally, interoperable with self-exclusion systems operated by other prediction market platforms; (4) real-time risk flagging that monitors usage patterns for markers of problem behavior — such as frequent deposits, increasing trading frequency, and activity during late-night hours — and triggers proactive outreach or intervention; and (5) clear, prominent, and non-deceptive advertising and marketing standards that do not target vulnerable users or exploit behavioral biases.

The Commission should also consider the particular demographic profile of prediction market users when calibrating its responsible gaming expectations. As the ANPRM acknowledges, prediction market participants "tend to be younger than those trading other

financial instruments." Younger users, in particular those without prior experience in financial markets, may not immediately recognize that a prediction market involves real financial risk. Certain platform design choices — including the gamification of user interfaces, the use of streaks and rewards, and the presentation of losses as near-misses — can exacerbate the risk of problem behavior. The Commission should consider whether its public-interest analysis for sports-related event contracts should include affirmative prohibitions on certain platform design features that are known to increase risk of harm, in addition to affirmative requirements for protective tools.

VI. Conclusion

Sportradar appreciates the opportunity to contribute to the Commission's deliberations on this important and rapidly evolving area of regulatory policy. The expansion of prediction markets into sports-related event contracts presents genuine public benefits — among them, improved price transparency and information aggregation. But those benefits also come with countervailing risks to the public interest, particularly as to market manipulation, market abuse, trading based on confidential, misappropriated information, and customer protection.

Our comments focus on the areas where our direct operational expertise is most relevant: the indispensable role of data in contract resolution and settlement; the specific manipulation dynamics of sports event contracts; the necessity of sophisticated, multi-market surveillance; and the importance of importing responsible gaming infrastructure in prediction market platforms.

We believe a sound regulatory framework for prediction markets is one that is both principled and practical — one that encourages innovation and market development while holding prediction market operators to the same fundamental integrity and consumer protection standards that apply to other derivatives markets. We look forward to continued engagement with the Commission's staff on these questions and are available to provide additional information, technical context, or data to assist the Commission's work.

Respectfully submitted,

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