April 30, 2026

Via Electronic Submission

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

Re: Advance Notice of Proposed Rulemaking – Prediction Markets (RIN 3038–AF65)

Dear Mr. Kirkpatrick:

Intercontinental Exchange, Inc., on behalf of itself and its subsidiaries (collectively "ICE"), appreciates the opportunity to comment on the Commodity Futures Trading Commission's ("CFTC" or "Commission") Advance Notice of Proposed Rulemaking ("ANPR") regarding prediction markets.[1] ICE operates regulated marketplaces for the listing, trading, and clearing of a broad array of derivatives contracts and financial instruments across 13 regulated exchanges and six clearing houses strategically positioned in major market centers around the world including the U.S., U.K., European Union, or EU, Canada, Asia Pacific and the Middle East. As an operator of regulated marketplaces, ICE is keenly interested in the issues raised by the ANPR and appreciates the opportunity to comment.

ICE supports the Commission's objectives of promoting responsible innovation in the derivatives markets. America's financial markets have thrived through innovation and ICE recognizes the CFTC's history of supporting innovation in the derivatives markets. The Commodity Exchange Act ("CEA") charges the Commission with "promoting responsible innovation and fair competition" among market participants and establishes core statutory principles to provide for robust and flexible regulation of trading facilities and clearing organizations. In establishing the CFTC's mission, Congress specified that innovation be advanced responsibly and not jeopardize the integrity or financial stability of the markets or customer protections.

To that end, prediction markets can serve a valuable function by generating information about the likelihood of a wide range of events. Information formed in prediction markets reflect the collective views of participants in those markets and this information can contribute to the price discovery function in other markets, including more traditional derivatives markets.

The existing framework provided by the CEA and Commission regulations equips the Commission and Designated Contract Markets ("DCMs") with the tools necessary to oversee prediction markets and appropriately permits DCMs to determine listing standards. ICE urges the Commission to preserve and reinforce the longstanding deference afforded to DCMs as they have the expertise and experience to assess the appropriateness of new contract structures and are strongly incentivized to ensure that listed contracts are liquid, well-functioning, and not readily susceptible to manipulation. Imposing additional, prediction-market-specific prescriptive requirements risks discouraging DCMs from listing

[1] Prediction Markets, Advance notice of proposed rulemaking; request for comment, 91 Fed. Reg. 12516 (March 16, 2026).

contracts on regulated, transparent exchanges and could instead drive activity to unregulated venues.

DCM Core Principle 3 and Appendix C Guidance to Part 38

DCMs are required to comply with 23 statutory Core Principles established by the CEA and applicable requirements under Part 38 and Commission regulations. Core Principle 3 prohibits a DCM from listing any contract that is readily susceptible to manipulation, a statutory requirement that applies to all contracts listed on a DCM, regardless of the structure or underlying exposure. The Guidance set forth in Appendix C to Part 38 provides Commission guidance to DCMs on demonstrating compliance with this Core Principle and identifies material considerations that appropriately apply to binary, outcome-driven event contracts. The Commission has successfully relied on this framework when evaluating novel contract types and ICE does not believe any carve-out for event contracts is warranted. All contracts should be evaluated under the same consistent standard.

Additionally, DCMs are best positioned to determine whether event contracts are readily susceptible to manipulation, consistent with DCMs' role in making this determination with respect to all other contracts listed on their markets — across agricultural, energy, environmental, financial, and digital asset markets. DCMs have deep expertise in evaluating underlying cash markets, settlement mechanisms, and other nuanced market structures that affect a contract's susceptibility to manipulation and they maintain direct, ongoing communication with market participants throughout the contract development process.

It is also important to recognize the role DCMs play in ensuring the integrity and proper functioning of their listed markets, including prediction markets. A DCM is required to maintain robust and comprehensive market surveillance programs to detect, investigate, and deter manipulative or disruptive trading activity across all its listed contracts. As the Commission is aware, DCMs are required to employ dedicated surveillance staff, automated surveillance systems, and real-time monitoring tools that continuously review trading activity for potential violations of CFTC and exchange rules and the CEA. These programs are longstanding and continuously refined. Moreover, Commission Rule Enforcement Reviews of DCMs serve as a mechanism for the Commission to assess the sufficiency and effectiveness of DCM surveillance programs; DCMs operating prediction markets should be held to the same standards of surveillance and compliance required of other DCMs. To that end, ICE believes the existing framework provides a strong and sufficient foundation for the responsible oversight of prediction markets, without the need for additional regulatory requirements.

Linked Event Contracts

Event contracts that settle based on the price of a futures contract listed by a DCM or Foreign Board of Trade ("FBOT") should be treated as Linked Contracts[2] ("Linked Event Contract") and subject to the same regulatory requirements as the underlying referenced futures contract. A Linked Event Contract provides a direct financial incentive to influence the price of the underlying referenced futures contract because the economic outcome is directly correlated to the price of the underlying referenced futures contract. Position limits should be imposed to prevent market manipulation and price distortion and to preserve market integrity. Position limits should be set in accordance with CFTC Core Principle 5 and Regulation 150.5 aggregating Linked Event Contracts with other cash-settled positions, ensuring sufficient limits

[2] 17 CFR § 48.2(d).

to prevent disruptive trade practices and providing the Commission with the necessary visibility for effective cross-market surveillance.

In addition, DCMs listing event contracts including Linked Event Contracts should be required to comply with the same reporting requirements. Currently, these DCMs are not required to comply with Part 17 Large Trader reporting, have received No-Action relief from Parts 43 and 45 swap reporting and operate under exchange-established position accountability levels, rather than federally mandated position limits that require position reporting. As a result, the Commission has limited visibility into prediction markets and Linked Event Contracts and their impact on the contracts to which they are linked. Data reporting is the cornerstone of the Commission's mandate to protect market participants, ensure market integrity and reduce systemic risk and allows the Commission to identify concentration risks, unusual trading patterns, and coordinated activity. This surveillance capability is essential to take timely enforcement actions and maintain orderly, transparent markets.

ICE appreciates the opportunity to comment on the ANPR and supports the Commission's goals of promoting transparency, integrity, and responsible innovation, and requests the Commission consider its comments in light of those goals.

Sincerely,



Kara Dutta
VP, Head of Legal, US Futures Exchanges & Clearing
Intercontinental Exchange Inc.

cc: Honorable Chairman Michael Selig