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

RE: Data Reporting Requirements for Certain Event Contracts, RIN 3038-AF73, 91 Fed. Reg. 40,102 (July 1, 2026)

Dear Secretary Kirkpatrick:

Stellar Quanta Labs, LLC respectfully submits these comments on the Commission's proposed rule establishing an alternate data reporting framework for certain fully collateralized event contracts.[1]

Stellar Quanta Labs is a small business that develops cryptographic provenance and temporal attestation infrastructure, including post-quantum implementations, and holds a pending United States patent application in this field. The company is not registered with the Commission in any capacity, has not applied for designation as a contract market or for any other registration, and has no current commercial relationship with any designated contract market, derivatives clearing organization, futures commission merchant, or other person subject to this proposal. We comment because the Commission has identified auditability of the contract determination process as an objective of the proposed reporting framework, and because the evidentiary properties of the records that framework would produce fall within our area of technical work.

These comments address two matters: the evidentiary sufficiency of the settlement information proposed under Section 16.03(b), and the durability of record integrity across the retention periods contemplated by Section 16.03(g), Section 16.03(h), and Regulation 1.31. We offer no comment on the proposed reporting levels, the large trader thresholds, or the scope of the Covered Event Contract definition.

SUMMARY OF COMMENTS

1. The Commission should retain the settlement information requirement proposed under Section 16.03(b). The requirement that a designated contract market report the event, the time and date the event occurred, and the source used to determine whether the event

[1]Data Reporting Requirements for Certain Event Contracts, 91 Fed. Reg. 40,102 (July 1, 2026) (proposed rule) (the "Proposal").

occurred supports the auditability objective the Commission has identified for the contract determination process.

2. As drafted, that information is self-attested by the reporting entity and is not independently testable after the fact. We recommend that the Commission permit, but not require, a reporting entity to accompany the settlement record with an integrity attestation binding the reported source material to the reported time in a form verifiable without reliance on the reporting entity's own systems. A permissive provision imposes no cost on entities that decline it.

3. Separately, records retained for five years under Regulation 1.31 and Section 16.03(g) will, within that retention period, outlast the projected service life of the cryptographic algorithms presently used to protect record integrity across the financial sector. We recommend that the Commission address the cryptographic durability of long-retention records in the final rule or in accompanying guidance.

I. SECTION 16.03(b): SETTLEMENT INFORMATION

A. The requirement is well founded

The Commission proposes that reports submitted under Regulation 16.01 include, for each Covered Event Contract, whether the subject event occurred, the event that occurred, the time and date it occurred, and the source used to determine whether it occurred. The Commission explains that such information is a necessary component of the settlement price reported by DCMs pursuant to Regulation 16.01(b)(2)(ii), and notes that it currently receives this information from DCMs listing such contracts in a separate settlement file.[2] The Commission further states that daily collection of this information in a standardized format integrated with other reporting would allow it to respond in a timely way to trading irregularities and would assist it in identifying how the contract was determined, and that this in turn could benefit market participants by ensuring the financial integrity of event contract markets, in particular by ensuring that the contract determination process would be auditable.[3]

We support this requirement.

Event contracts differ from conventional futures and options in a way that makes it necessary. A conventional futures contract settles against price data that the exchange itself generates, observes, and retains. A Covered Event Contract settles against a fact about the world, established by reference to a source the exchange does not operate, does not control, and does not retain. The settlement record is therefore the only place in the reporting chain where the basis of determination is captured at all. The Commission is correct to require it.

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[2]Proposal, *supra* note 1, § II.B & n.52 ("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.'").

[3]Proposal, *supra* note 1, §§ II.A, II.B; *id.* § IV.A.5 & n.145 ("The daily collection of this information . . . 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.").

Nothing in these comments should be read as an allegation of impropriety by any registered entity or applicant. Our observations concern the structure of the record contemplated by the proposal, not the conduct of any market participant.

B. The proposed fields describe the determination without preserving the evidence of it

The proposed fields record what the reporting entity states it relied upon. They do not preserve the source material in a form that can be tested later against what that source actually published at the stated time.

This distinction has practical consequences, because sources change. Government statistical releases are revised. Official results are corrected. Published pages are edited without notice and without retention of prior states. A source consulted at settlement may present different content when consulted again during a subsequent inquiry, and nothing in the proposed reporting framework allows the Commission, a court, or a market participant to determine which version governed the determination.

The Commission's own discussion illustrates the point. It notes that at least three designated contract markets have self-certified event contracts settling on United States Gross Domestic Product growth as reported by the Bureau of Economic Analysis.[4] The Bureau publishes three separate estimates of quarterly gross domestic product, designated advance, second, and third, released near the end of each of the three months following the quarter. It revises those figures again in annual updates that generally cover at least the five most recent calendar years and their associated quarters, and in comprehensive updates carried out at approximately five-year intervals.[5]

The resulting movement is not marginal. For the fourth quarter of 2025, the Bureau's advance estimate placed real gross domestic product growth at an annual rate of 1.4 percent. The second estimate placed it at 0.7 percent, a downward revision of 0.7 percentage point. The third estimate placed it at 0.5 percent, a further downward revision of 0.2 percentage point.[6] The figure ultimately published for that quarter was approximately one third of the figure first published for it. The publication schedule is not fixed either: following the government shutdown of October and November 2025, the Bureau canceled the third-quarter 2025 advance estimate outright and rescheduled each of the three fourth-quarter reports.[7]

A contract settling on such a figure therefore settles against a value that is expected to change after settlement, on a published schedule, over a period that in the case of annual updates is

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[4]Proposal, *supra* note 1, § II.H n.119 ("[A]t least three DCMs have self-certified event contracts that settle based on United States Gross Domestic Product growth as reported by the Bureau of Economic Analysis.").

[5]U.S. Bureau of Economic Analysis, *GDP Revision Information*, https://www.bea.gov/gdp-revision-information (describing the advance, second, and third estimate vintages and the annual and comprehensive update cycles).

[6]U.S. Bureau of Economic Analysis, *GDP (Advance Estimate), 4th Quarter and Year 2025* (Feb. 20, 2026); *GDP (Second Estimate), 4th Quarter and Year 2025* (Mar. 13, 2026) ("revised down 0.7 percentage point from the advance estimate"); *GDP (Third Estimate), Industries, Corporate Profits, State GDP, and State Personal Income, 4th Quarter and Year 2025* (Apr. 9, 2026) ("revised down 0.2 percentage point from the second estimate").

[7]*See* U.S. Bureau of Economic Analysis, *Economic Release Schedule Updates* (Dec. 10, 2025); *GDP (Advance Estimate), 4th Quarter and Year 2025* (Feb. 20, 2026) ("The advance report for the fourth quarter of 2025, originally scheduled for January 29, 2026, was rescheduled due to the October–November 2025 government shutdown.").

coextensive with the five-year retention period this proposal would impose. The reported source identifier and timestamp do not preserve which published value governed at the moment of determination.

We note that this exposure runs against the reporting entity as much as it runs against anyone. A designated contract market settles against material it does not control. When the underlying source is later revised, corrected, or silently amended, the discrepancy is attributed to the venue, which has no means of demonstrating what the source displayed at the moment of determination. Under the framework as proposed, a venue that determined a contract correctly and a venue that did not produce identical entries in the settlement record, and the venue that acted properly has no way to show it.

The consequence is that the reported settlement information cannot distinguish between a determination captured contemporaneously and one reconstructed afterward. In an ordinary settlement this is immaterial. In the proceedings where the record matters most, it is not.

C. The circumstances in which this matters are those the Commission has already identified

The Commission has stated that trader-identifying information is necessary to detect insider trading and prevent wash trading,[8] and has separately described the use of Section 16.01 and Section 16.02 data to effectuate its market and financial surveillance programs, including to detect and prevent market manipulation.[9] Each of these describes an adversarial proceeding in which the reporting entity's own records constitute the evidence.

In such a proceeding, a record that rests entirely on the reporting entity's assertion carries the evidentiary weight of that assertion and no more. Where the assertion is disputed, the question before the fact-finder becomes which party to believe, and the reporting entity is drawn into a contest over its own credibility irrespective of whether it did anything wrong.

The Commission's stated objective, that the contract determination process be auditable, is served in part by requiring the information to be reported. It is served more completely when the reported information can be checked.

II. RECOMMENDATION: A PERMISSIVE INTEGRITY ATTESTATION

We recommend that the Commission permit, but not require, a reporting entity to accompany the settlement information reported under Section 16.03(b) with an integrity attestation. Such an attestation would bind the source material relied upon to the reported determination time in a form that any party may verify without access to, or reliance upon, the reporting entity's systems.

A. The measure is neutral as to outcome

An integrity attestation of this kind favors no party. It does not favor the reporting entity, the participant, or the Commission. Where a record has been properly maintained, it demonstrates

[8]Proposal, *supra* note 1, § II.H.

[9]Proposal, *supra* note 1, § II.B n.54 (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).

that fact without requiring anyone to rely on the reporting entity's assertion. Where a record has been altered or is incomplete, that too is apparent, and equally so.

The benefit to a reporting entity is not that its records will be believed. It is that the integrity of its records ceases to be a contested question, and the entity is removed from a credibility contest it has no reliable means of winning on the strength of its own logs.

The benefit to the Commission is a corresponding increase in the weight it may reasonably place on data generated by a registrant's own systems. The Commission states, with respect to proposed Section 16.03(h), that the records at issue are essential to carrying out the regulatory functions of not only the Commission but also the Department of Justice and other financial regulators, and that the records would further form the basis for conducting appropriate risk management by Registered Entities themselves.[10] Records whose integrity can be confirmed independently serve both of those purposes better than records whose integrity cannot.

B. The measure is satisfiable by existing, non-proprietary approaches

We wish to be explicit that this recommendation does not contemplate any particular technology, vendor, or architecture, and we would oppose a provision drafted so narrowly that it did. Established approaches capable of satisfying an integrity attestation requirement already exist and are in commercial use, among them:[11]

- ANSI X9.95-2022, *Trusted Time Stamp Management and Security*, an American National Standard for Financial Services developed by Accredited Standards Committee X9, Financial Industry Standards, specifying minimum security requirements for the effective use of time stamps in a financial services environment;
- IETF RFC 3161, the Internet X.509 Public Key Infrastructure Time-Stamp Protocol, on which ANSI X9.95 builds;
- IETF RFC 4998, *Evidence Record Syntax*, which specifies a structure designed to support long-term non-repudiation of existence of data, including digitally signed data, over a long and possibly undetermined period of time; and
- ISO/IEC 18014, *Time-stamping services*.

A provision framed in terms of the property to be achieved, rather than the method of achieving it, would allow reporting entities to satisfy it through any of these approaches or through others that emerge, and would avoid the risk of the rule becoming outdated as implementations evolve.

C. A permissive provision imposes no burden

We recommend a permissive rather than a mandatory provision for three reasons.

First, an entity that declines to provide an integrity attestation incurs no cost. The Commission's cost-benefit obligations under Section 15(a) of the Act are satisfied trivially by a provision no

[10] Proposal, *supra* note 1, § II.I.

[11] ANSI X9.95-2022, *Trusted Time Stamp Management and Security*; IETF RFC 3161, *Internet X.509 Public Key Infrastructure Time-Stamp Protocol (TSP)* (2001); IETF RFC 4998, *Evidence Record Syntax (ERS)* (2007); ISO/IEC 18014, *Information technology — Security techniques — Time-stamping services*.

entity is compelled to adopt.[12] For an entity that elects to adopt one, the cost falls on that entity by its own election and is bounded by the method it selects from among those described above.

Second, the Commission observes that twelve designated contract markets currently offer or intend to offer Covered Event Contracts, that seven new designated contract markets have been designated since the beginning of 2025, and that more than twenty applications are pending.[13] These entities differ substantially in scale, operating history, and technical resources. A permissive provision allows each to adopt the practice on a timeline suited to its circumstances rather than imposing a uniform obligation across a population that is not uniform, and it avoids placing a fixed compliance cost on newly designated entrants that established venues are better positioned to absorb.

Third, a permissive provision preserves the Commission's ability to observe adoption in practice before determining whether any mandatory requirement is warranted. Should the Commission later conclude that a requirement is appropriate, it will do so with the benefit of operational experience rather than in the abstract.

We note that the Commission has requested comment on whether designated contract markets should be required to publish transaction data elements beyond execution timestamp, contract ticker symbol, trade quantity, and price.[14] We do not recommend expanding the mandatory publication set. Our recommendation concerns the settlement information reported to the Commission under Section 16.03(b), and is permissive rather than mandatory.

III. CRYPTOGRAPHIC DURABILITY OF LONG-RETENTION RECORDS

We raise a second matter, distinct from the foregoing, that the Commission may wish to consider in this rulemaking or in accompanying guidance.

Proposed Section 16.03(h) would require that DCMs and DCOs reporting Covered Event Contracts comply with the recordkeeping requirements applicable to futures and options, which include Regulation 1.31.[15] Regulation 1.31 requires that each regulatory record be kept for not less than five years from the date on which it was created, and that a records entity maintaining electronic regulatory records establish appropriate systems and controls that ensure the authenticity and reliability of those records, including systems that maintain the security, signature, and data as necessary to ensure the authenticity of the information they contain. Proposed Section 16.03(g) separately requires that trader-identifying data be maintained throughout the life of a Covered Event Contract and for at least five years following its final termination.

The integrity of electronic records over such periods depends on cryptographic algorithms, principally digital signature algorithms, whose security is not indefinite. The National Institute of

[12]CEA § 15(a), 7 U.S.C. § 19(a); *see* Proposal, *supra* note 1, § IV.A.1.

[13]Proposal, *supra* note 1, § IV.A.2 ("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.").

[14]Proposal, *supra* note 1, § II.G (Request for Comment, Question 10).

[15]Proposal, *supra* note 1, § II.I & n.120 (citing 17 CFR part 38; 17 CFR 1.31); *see* 17 CFR 1.31(b)(3), (c)(1), (c)(2)(i).

Standards and Technology has published post-quantum cryptographic standards, and its draft transition guidance contemplates deprecation of currently deployed public-key algorithms after 2030 and their disallowance after 2035.[16] Executive Order 14412, signed June 22, 2026, directs that all Federal high value assets and high impact systems transition to post-quantum cryptography for key establishment by December 31, 2030 and for digital signatures by December 31, 2031, and directs the Federal Acquisition Regulatory Council to propose a rule requiring covered contractors to comply by December 31, 2030 with applicable Federal Information Processing Standards incorporating post-quantum algorithms.[17] In January 2026 the G7 Cyber Expert Group, co-chaired by the United States Department of the Treasury and the Bank of England, published a roadmap encouraging a coordinated approach to migration across the financial sector.[18] The G7 statement expressly does not set guidance or regulatory expectations, and we do not suggest otherwise.

The relevance to this rulemaking is arithmetic rather than speculative. A record created under a final rule stemming from this proposal, and retained for five years following termination of the contract to which it relates, will remain within its required retention period at a time when the algorithms protecting its integrity are expected to be deprecated. The record will outlast the cryptography that secures it. Regulation 1.31(c)(2)(i) expressly contemplates maintaining the signature as a component of record authenticity; it does not address what happens when the signature algorithm itself is no longer approved. At that point, the assurance that the record has not been altered rests on an algorithm no longer regarded as sound, and the authenticity and reliability that Regulation 1.31 requires becomes contestable at precisely the moment a regulator, a court, or a party seeks to rely on the record.

We do not recommend that the Commission specify particular algorithms, and we would counsel against it. Algorithm selection is properly the province of NIST, and a rule that named specific algorithms would require amendment each time that guidance changed. We recommend instead that the Commission consider whether records entities should be expected to maintain the integrity of long-retention regulatory records in a manner that accommodates changes in cryptographic standards over the retention period, and that any provision be framed to permit substitution of algorithms without invalidating records created under prior selections. The Commission has requested comment on all aspects of proposed Section 16.03(h).[19]

This consideration is not specific to event contracts. It applies to every category of electronic regulatory record retained under Regulation 1.31. We raise it here because this proposal establishes a new recordkeeping framework for a rapidly growing market, and because it is

[16]NIST IR 8547 ipd (Initial Public Draft), *Transition to Post-Quantum Cryptography Standards* (Nov. 2024), https://doi.org/10.6028/NIST.IR.8547.ipd, tbls. 2 & 4 (listing ECDSA, EdDSA, and RSA digital signature algorithms and finite-field, elliptic-curve, and RSA key-establishment schemes as “Deprecated after 2030” and “Disallowed after 2035”).

[17]Exec. Order No. 14412, *Securing the Nation Against Advanced Cryptographic Attacks*, §§ 4(b)(ii)–(iii), 6(c), 91 Fed. Reg. 38,483, 38,484–85 (June 25, 2026).

[18]G7 Cyber Expert Group, *Statement on Advancing a Coordinated Roadmap for the Transition to Post-Quantum Cryptography in the Financial Sector* (Jan. 2026) (“This statement does not set guidance or regulatory expectations.”).

[19]Proposal, *supra* note 1, § II.I (“The Commission requests comments on all aspects of the proposed changes to regulations in part 16, including proposed § 16.03(h).”).

materially less expensive to address the question at the point when a framework is being established than to remediate it afterward.

CONCLUSION

Stellar Quanta Labs supports the Commission's proposal to codify a data reporting framework for Covered Event Contracts and supports the settlement information requirement proposed under Section 16.03(b). We recommend that the Commission permit reporting entities to accompany that information with an integrity attestation verifiable independently of the reporting entity, framed in terms of the property to be achieved rather than any specified technology, and permissive rather than mandatory. We further recommend that the Commission consider the durability of record integrity across the retention periods this proposal establishes.

We appreciate the opportunity to comment and would be glad to respond to any questions from Commission staff.

Respectfully submitted,

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