Comment of PredictRails on Data Reporting Requirements for Certain Event Contracts

Docket No. CFTC-2026-1453 | RIN 3038-AF73 | 91 FR 40102 (July 1, 2026)

Submitted via Regulations.gov

July 31, 2026

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)

Dear Mr. Kirkpatrick:

PredictRails appreciates the opportunity to comment on the Commission's proposed data reporting framework for Covered Event Contracts.

PredictRails develops reference data, risk and resolution evaluation, analytics, and compliance tooling for event contracts. Because PredictRails consumes and analyzes market data of the kind the Proposal addresses, it has an interest in reporting that is consistent and usable. The recommendations below concern the content and operation of the proposed rule text and do not depend on any particular commercial implementation.

This comment takes no position on the Proposal's central policy choice, the reporting of Covered Event Contracts under parts 15 through 18 rather than the swap-data regime, and no position on whether 125,000 is the appropriate reporting level. It addresses a narrower subject: several places where the proposed rule text, as drafted, does not accomplish what the preamble describes, or leaves the applicable aggregation method or unit unclear. Each point identifies the provision, the defect, and a suggested correction, and most respond to the Commission's specific requests for comment.

I. The Settlement-Information Obligation Should Be a Reporting Duty, as the Preamble Describes, Not Only a Recordkeeping Duty

The preamble states that reports under § 16.01 for Covered Event Contracts must include information related to settlement: whether the underlying event occurred, which event occurred, the time and date of occurrence, and the source used to determine occurrence (91 FR 40107). The consideration of costs and benefits estimates the cost of transmitting this information to the Commission daily, under the heading Transmission of Settlement File Under § 16.01 (91 FR 40118), and the Paperwork Reduction Act analysis likewise estimates system costs for transmitting it (91 FR 40126).

The operative text, however, provides only that the designated contract market "shall record" this information. Existing § 16.01(d) requires submission of the information specified in §

16.01(a) through (c); it does not reach additional information specified in § 16.03(b)(2). As drafted, the rule imposes a recordkeeping duty, not the daily reporting duty the preamble describes, relies on, and costs.

Suggested correction. Revise § 16.03(b)(2) to provide that, in addition to the information specified in § 16.01(a) through (c), the designated contract market shall record and submit the settlement information to the Commission pursuant to § 16.01(d). We also suggest that the Commission specify the form of the settlement elements in the futures-and-options transmission standard the Proposal already directs for § 16.01 reports, so that the settlement information arrives in a consistent form across reporting markets.

II. The Public Tape's Contract Ticker Symbol Needs Express Uniqueness and Persistence Requirements (§ 16.03(f) Request for Comment)

Proposed § 16.03(f) requires each designated contract market to publish time and sales data for every Covered Event Contract transaction and to keep the data publicly available for at least one year. The only contract identifier on that record is defined in § 16.03(f)(2) as "a code or symbol assigned by the designated contract market to identify the contract." As drafted, the rule does not expressly require that the symbol be unique to one contract, prohibit reassignment of a symbol to a different contract, or require the symbol to remain stable across the one-year retention period. The preamble states that the ticker symbol should, where practicable, be the same unique instrument code used for part 17 reporting (91 FR 40111 through 40112), but that linkage appears nowhere in the rule text. Other commenters on this docket have likewise identified problems with venue-specific or mutable ticker symbols: one recommends a stable unique instrument code separate from the display ticker, while another recommends mandatory correspondence between the ticker and the unique instrument code used for part 17 reporting.

At the listing volumes the Proposal itself documents, an ambiguous or reused symbol impairs the published record for the transparency and surveillance purposes the Commission cites, and it obscures the correspondence between the public record and part 17 data on which the preamble relies.

Suggested correction. Amend § 16.03(f)(2) to require that the contract ticker symbol: (i) uniquely identify a single Covered Event Contract listed by that designated contract market; and (ii) not be assigned to any other contract during the life of the contract plus the retention period of § 16.03(f). The rule text should also carry the preamble's statement that, where practicable, the symbol be the same unique instrument code used for part 17 reporting. This moves the preamble's stated design into operative text.

III. Section 15.04(b) and the Cost Analysis Use Different Aggregation Rules (Question 9)

Proposed § 15.04(b) measures reportable trading volume in "all instruments that such reporting market designates with the same product identifier." That language carries forward existing § 15.04, under which aggregation follows the reporting market's own product-identification practices. The Proposal's consideration of costs and benefits, however, states that "each event contract is considered on its own" (91 FR 40120) and that the analysis was "conducted at the event contract level, the most granular level at which contracts are listed and traded" (91 FR 40121).

The analysis therefore appears to assume instrument-level aggregation, while the rule text retains market-designated product aggregation. For event-contract markets, which list large numbers of distinct instruments, with each outcome, threshold, and date a separate contract, the two methods can identify different reportable accounts, depending on the reporting market's designation practices. The rule text does not say which method is intended.

Suggested correction. State which aggregation method is intended and conform the rule text and the cost analysis to it. If the instrument-level method used in the cost analysis is intended, replace the concluding aggregation language of § 15.04(b) with "in each Covered Event Contract, with purchases and sales in that contract aggregated."

IV. The Published Transaction Data Should Be Machine Readable (§ 16.03(f) Request for Comment; Question 10)

Proposed § 16.03(f) prescribes the form of the quantity and price elements on the ground that data disseminated by different designated contract markets will be interoperable (91 FR 40112), and it requires the market to publish instructions on how to download, save, and search the data. The rule does not, however, require a machine readable or openly documented format, complete or bulk retrieval, or any standard for the file in which the data is provided; a download in a non-standard proprietary format would satisfy the rule as drafted. Interoperable field formats without a consumable publication do not achieve the interoperability the Commission describes, and the published record is the Proposal's stated substitute for real-time public dissemination under part 43. Other commenters on this docket have likewise recommended a documented, machine-readable format supporting bulk retrieval.

One element-level item warrants conforming attention in the same paragraph, and it is responsive to Question 10. The preamble's overview of the Proposal describes the published price as expressed in U.S. dollars (91 FR 40105), while § 16.03(f)(4) requires only a numeric value expressed as a decimal, with no currency or unit stated.

Suggested correction. Amend § 16.03(f) to state: "The data required by this paragraph shall be made available in a commonly used, machine readable format that permits automated retrieval of all transactions for at least one complete trading day." Amend § 16.03(f)(4) to state

that price means the price at which the trade was executed, expressed in United States dollars and populated as a numeric value expressed as a decimal.

V. The Rule Text and Preamble Should State One Unit for Reportable Trading Volume (Questions 7 and 9)

The revised § 15.03(b) table sets the position reporting level at 125,000 contracts for a one dollar contract size and, in table footnote 1, scales that level by notional equivalence for other contract sizes. Revised § 15.04(b) sets the reportable trading volume level as a flat count of "125,000 or more contracts," with no notional scaling. The preamble describes the volume level both as "$125,000 in transactions" (91 FR 40119) and as "daily trading volume of 125,000 contracts" (91 FR 40121). The two descriptions measure different economic quantities for any contract size other than one dollar, and for the variable-payout contracts the Proposal accommodates, the unit of measure determines who becomes a volume-based reportable account.

Position and volume triggers serve different surveillance purposes and need not share a unit as a matter of law. The defect is narrower: neither the rule text nor the preamble consistently states which unit is intended.

Suggested correction. State the intended unit and conform the rule text, preamble, and burden estimates to it. If notional value is intended, consistent with the position level and the preamble's dollar description, revise § 15.04(b) to measure trading volume by aggregate notional value of 125,000 USD or more during a single trading day, and define aggregate notional value as contract quantity multiplied by contract size, summed across purchases and sales.

VI. Trader-Identifying Information: the Text and the Preamble State Different Duties (Question 12)

Proposed § 16.03(g) requires the designated contract market to obtain and maintain specified trader-identifying information for each transaction or order. It contains no submission requirement. Existing § 16.02 requires trader-identifying data to accompany trade reports only upon request, and only if the reporting market maintains such data. The preamble, however, states that the Proposal would "require DCMs to obtain and to report trader-identifying information for transactions in a standardized manner" (91 FR 40124).

Suggested correction. State which duty is intended. If routine reporting is intended, as the preamble describes, add to § 16.03(g): "The designated contract market shall include such trader-identifying data with the daily trade and supporting data reports submitted to the Commission under § 16.02, in the form and manner specified by the Commission or its designee." If collection with production upon request is intended, conform the preamble's description in the final rule.

VII. Drafting Corrections

Six further items appear to be drafting errors, noted so they can be conformed before finalization:

1. **Compliance date.** Section II.C of the preamble states the implementation date for § 16.03(b)(1) and (c) as the later of six months after publication of a final rule or July 26, 2027 (91 FR 40109); section III states the same date as the later of sixty days after publication or July 26, 2027 (91 FR 40113). The two formulations yield the same result only if the final rule is published early enough; otherwise they diverge. The more specific implementation discussion in section II.C supports the six-month period for these provisions; the General Request for Comment invites comment on the compliance date, and another commenter on this docket has identified the same discrepancy.

2. **Commodity name.** Proposed § 16.03(e) fixes the reporting level by reference to the "Covered Event Contract (1 USD)" commodity enumerated in § 15.03, but the revised § 15.03(b) table enumerates the commodity as "Event Contract (1 USD)" (91 FR 40131). The cross-reference points to a commodity name the table does not contain. Changing the table entry to "Covered Event Contract (1 USD)," the more precise term, resolves it.

3. **Scope of the § 16.03(h)(1) carve-out.** Proposed § 16.03(h)(1) requires compliance with applicable swap requirements "other than recordkeeping requirements contained in" the enumerated provisions, which include parts 43 and 45 (91 FR 40132). Because parts 43 and 45 are principally reporting requirements, the carve-out as worded does not reach them, and the paragraph read literally requires the reporting that § 16.03(a) exempts. Replacing the quoted phrase with "the requirements identified in paragraph (a) of this section" resolves the contradiction.

4. **Missing verb and rounding rule in the § 15.03(b) table footnote.** The sentence "For Covered Event Contracts with contract size other than 1 USD, the applicable reporting level of notional value equivalent to 125,000 USD" (91 FR 40131) lacks an operative verb, and no rule addresses contract sizes for which 125,000 USD is not a whole multiple. A conforming revision: "the applicable reporting level is the smallest whole number of contracts having an aggregate notional value equal to or greater than 125,000 USD."

5. **The § 16.03(h)(2) production obligation omits the derivatives clearing organization.** The paragraph (h) chapeau covers both the designated contract market and the derivatives clearing organization, but § 16.03(h)(2) places copy production "at the designated contract market's expense" and directs only the designated contract market to provide copies. It also uses the capitalized term "Required Records," which the proposed rule text does not define. Conforming both clauses to "the designated contract market or derivatives clearing organization, as applicable," and using an uncapitalized description of the records, resolves both items.

6. **Part references in § 16.03(e).** Section 16.03(e) assigns the position reporting level "for purposes of part 17" and the volume level "for purposes of part 18," while §§ 15.03(b) and 15.04(b) each apply their quantities to reports filed under parts 17 and 18 together. Changing both phrases in § 16.03(e) to "for purposes of parts 17 and 18" conforms the cross-references.

VIII. Conclusion

The Proposal's framework is workable. The revisions suggested here would align the submission duties with the stated reporting design, identify the aggregation methods and units used for the reporting thresholds, specify how the public transaction data can be retrieved and interpreted, and correct internal drafting inconsistencies. Each recommendation is confined to provisions proposed in this rulemaking. We would welcome technical discussion of any point, and we can supply cost and burden information for the Commission's consideration under section 15(a) of the Act on request.

Respectfully submitted,

Michael Izhaky Chief Executive Officer PredictRails michael.izhaky@predictrails.ai