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July 31, 2026

**VIA ELECTRONIC SUBMISSION**

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

**Re: Request for Comment on Notice of Proposed Rulemaking Concerning Data Reporting Requirements for Certain Event Contracts (RIN 3038–AF73)**

Dear Mr. Kirkpatrick:

Robinhood Derivatives, LLC ("Robinhood Derivatives")[1] respectfully submits this letter in response to the Commodity Futures Trading Commission's ("Commission" or "CFTC") above-referenced Notice of Proposed Rulemaking (the "Proposal") concerning data reporting requirements for certain event contracts. As an active participant in these rapidly developing markets, Robinhood Derivatives has a direct interest in a reporting framework that is clear and calibrated to how event contracts are actually traded.[2] Robinhood Derivatives commends the Commission for undertaking this effort and supports a streamlined data reporting framework, one that keeps pace with innovation, reflects the costs borne by market participants, and preserves the Commission's ability to oversee these markets effectively.

[1] Robinhood Derivatives, LLC is a registered futures commission merchant ("FCM") and member of the National Futures Association ("NFA"). Robinhood Derivatives is a wholly owned subsidiary of Robinhood Markets, Inc. ("Robinhood"). Robinhood Derivatives also provides Robinhood Financial LLC's ("Robinhood Financial") self-directed retail customers access to prediction markets and other CFTC-regulated derivatives.

[2] *See* Data Reporting Requirements for Certain Event Contracts, 91 Fed. Reg. 40102 (proposed July 1, 2026).

## I. Background on Robinhood Derivatives; Overview of Response

Robinhood's mission is to "democratize finance for all" by making financial markets more accessible. Robinhood Derivatives is a registered FCM that provides Robinhood Financial's[3] self-directed retail customers access to derivatives markets regulated by the Commission. Robinhood Derivatives enables individuals to trade derivatives on CFTC-regulated marketplaces through the Robinhood mobile and web platform. As relevant here, Robinhood Derivatives provides prediction market offerings for its customers, allowing customers to hedge or otherwise take positions on, among other things, climate, economic, political, and sporting events through event contracts.

Robinhood Derivatives supports the Proposal. The Commission's decision to codify the event contracts reporting framework, to replace the ad hoc no-action letter process with a rule of general applicability, and to recalibrate large trader reporting thresholds to reflect the retail character of these markets is a sensible one, and Robinhood Derivatives encourages the Commission to finalize it.

Separately, Robinhood Derivatives writes to address one aspect of the proposed large trader reporting provisions, namely how a trader's positions should be measured for reporting purposes. In Robinhood Derivatives' view, aggregation should not be applied to large trader reporting for Covered Event Contracts (as defined in the Proposal). Robinhood Derivatives also writes in support of proposed § 16.03(g) to the extent it serves the Commission's cross-platform surveillance interest and closes a customer-identification gap for non-intermediated, direct-access customers.

## II. Robinhood Derivatives Supports Codifying the Event Contracts Reporting Framework and the Proposed Changes to Large Trader Reporting Thresholds

The Commission's Proposal would establish a tailored, streamlined framework for reporting data on a defined category of fully collateralized "Covered Event Contracts" under the futures and options reporting regime rather than the swaps regime. Robinhood Derivatives supports this codification. Replacing the existing patchwork of case-by-case staff no-action letters with a uniform, transparent rule would provide predictability for a rapidly growing market while preserving the Commission's core objectives of reducing systemic risk, promoting market integrity, and protecting the investing public.

Robinhood Derivatives likewise supports the Proposal's adjustments to the large trader reporting thresholds. The default thresholds (25 contracts for positions,[4] 50 contracts for daily

[3] Robinhood Financial is a registered broker-dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

[4] 17 CFR § 15.03.

volume[5]) were designed for institutional futures markets, not prediction markets where they would sweep in retail participants who are "not well-suited" to the associated burdens of reporting and who generate data of limited use for surveillance given the $1 notional value of the contracts.[6] The Commission's proposed recalibration to 125,000 contracts (or the $125,000 notional-value equivalent)[7] could reduce the number of potentially reportable special accounts by 97 to 99 percent. The Proposal applies the same 125,000-contract threshold to the § 15.04 reportable trading volume level, previously set at 50 contracts. Together, these adjustments should meaningfully reduce compliance costs for reporting parties while sparing the Commission an influx of data with limited surveillance value.

**III. The Commission Should Not Apply Aggregation to Large Trader Reporting for Covered Event Contracts**

The Commission has requested comment on how to measure the size of a trader's position for reporting-threshold purposes when the trader holds positions in closely related event contracts.[8] Robinhood Derivatives believes that aggregation across related contracts ("cross-contract aggregation")[9] should not be applied to large trader reporting thresholds.[10] For traditional futures contracts, the reporting level is measured by aggregating a trader's positions across all expiry months for a given underlying asset and contract size, reflecting the risk that a dominant position in a deliverable commodity can distort prices or enable cornering. Event contracts do not present that dynamic. Because their payouts turn on the occurrence of a specified event rather than on a limited physical supply, the number of contracts that can be created is effectively unbounded, and no participant can corner an event contract market.[11] The same

[5] 17 CFR § 15.04.

[6] *See* Proposal, 91 Fed. Reg. at 40110.

[7] *Id.* at 40109–11.

[8] *Id.* at 40122 (requesting comment on how the Commission should "measure the size of an account's position for the determination of whether a trader exceeds the applicable reporting level when the trader has positions in closely related markets").

[9] Robinhood Derivatives is not aware of any provision of the Proposal that would apply aggregation across designated contract markets ("DCMs") for large trader reporting purposes, and the Commission has not requested comment on that question in this rulemaking. Nor does the existing Part 17 framework the Proposal extends to Covered Event Contracts aggregate positions or trading volume across markets for any product: § 17.00(a) requires position reporting "separately for each reporting market," and § 15.04 defines the reportable trading volume level by reference to a "single reporting market." This comment is directed at the cross-contract aggregation question the Commission has raised in connection with the reporting level for Covered Event Contracts.

[10] Robinhood Derivatives does not address, and does not dispute, cross-account aggregation (i.e., the aggregation of positions or trading volume held in multiple accounts by the same trader in the identical contract on the same exchange). See 17 CFR § 150.4.

[11] *See* Proposal, 91 Fed. Reg. at 40120 (measuring reportable positions for each Covered Event Contract "on its own," in contrast to traditional futures, for which "reportable positions are determined by

reasoning applies to the § 15.04 reportable trading volume level: because no participant can corner an event contract market regardless of trading volume, aggregating volume across related contracts is no more warranted than aggregating positions across them.[12]

The Commission's own proposed reporting threshold is consistent with this. Rather than targeting the customary goal of capturing 70 to 90 percent of open interest, the Commission set the reporting threshold at 125,000 contracts specifically because significant retail participation and low contract notional values made the standard approach impractical and would have swept in ordinary retail traders with small positions.[13] Layering a cross-contract aggregation requirement (combining positions or trading volumes in related contracts on the same exchange) onto a threshold the Commission has deliberately set at a high level would be inconsistent with that considered, retail-sensitive design.

Beyond the structural mismatch, cross-contract aggregation requires a clear definition of which contracts are "related"—a line the Proposal's example illustrates but does not resolve.[14] It is not clear, for instance, whether contracts on the same event at adjacent strike levels or contracts on thematically similar but distinct events should be treated as related. The Commission has not answered those questions, and there is no principled basis for doing so here.

Robinhood Derivatives urges the Commission to codify the reporting framework and threshold increases described above and to measure reportable positions and trading volumes on a per-contract basis, without aggregation.

**IV. Proposed § 16.03(g) Addresses Cross-Platform Surveillance as Well as Potential Gaps in Customer Identification**

Robinhood Derivatives recognizes that the Commission has a legitimate cross-platform surveillance interest. The Proposal itself notes that multiple DCMs list contracts on the same underlying event and that "cross-platform surveillance is important... in order to holistically understand traders' positions and trading... on multiple DCMs."[15] Robinhood Derivatives supports proposed § 16.03(g) as the appropriate tool to address that interest, by requiring DCMs to collect and maintain trader-identifying information (name, employer, and financial interest holders) for every customer. That requirement is particularly valuable because it reaches non-intermediated, direct-access customers—for whom no other party in the

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aggregating traders' positions on a DCM across all expiry months for a given underlying asset and contract size").

[12] To the extent the Commission's interest in observing a trader's overall activity across related contracts reflects a surveillance concern rather than a cornering concern, proposed § 16.03(g)'s trader-identifying information, discussed in Section IV below, already allows the Commission to link that activity by trader identity without requiring DCMs to aggregate trading volume or positions for reporting-threshold purposes.

[13] *See* 91 Fed. Reg. at 40109–10.

[14] *Id.* at 40122.

[15] *Id.* at 40112–13.

transaction chain holds this information—bringing those customers into parity with intermediated customers, for whom FCMs already collect comparable information as part of their existing customer identification obligations.[16] That information allows the Commission to link accounts across venues and identify economically related positions, achieving the cross-platform surveillance objective the Commission identifies.

**V. Conclusion**

Robinhood Derivatives commends the Commission for developing a coherent, codified reporting framework for Covered Event Contracts, supports the proposed increases to the large trader reporting thresholds, and endorses proposed § 16.03(g) to the extent it serves the Commission's cross-platform surveillance and customer-identification goals. The Commission should not apply aggregation to large trader reporting for Covered Event Contracts. Robinhood Derivatives appreciates the opportunity to comment and looks forward to continued engagement with the Commission and its staff.

Please contact Lucas Moskowitz (lucas.moskowitz@robinhood.com) or Jon DeBord (jon.debord@robinhood.com) if you have any questions or comments.

Respectfully submitted,



JB Mackenzie
President
Robinhood Derivatives, LLC

[16] Robinhood Derivatives views proposed § 16.03(g) as a step in the right direction toward aligning the customer-identification obligations of DCMs and FCMs in prediction markets. Robinhood Derivatives continues to encourage the Commission to consider further alignment of DCM and FCM obligations in this space, so that retail customers receive comparable protections regardless of how they access the market. To that end, and to align with FCM obligations, Robinhood Derivatives suggests two refinements to proposed § 16.03(g)'s ownership and control language. First, the Commission should revise the 10 percent financial-interest threshold to 25 percent, matching the beneficial-ownership threshold FCMs already apply under the customer due diligence rule ("CDD Rule") promulgated by the Financial Crimes Enforcement Network, 31 CFR § 1010.230, so that the ownership-identification prong can likewise be satisfied from information FCMs already collect. Second, "guarantor of the account" is not a standard data element under either the CDD Rule or the customer identification program ("CIP") requirements applicable to FCMs under 31 CFR § 1026.220, and the Commission should clarify how DCMs are expected to obtain this information, since no existing FCM obligation would otherwise produce it.