ROTHERA

July 31, 2026

SUBMITTED VIA WEBSITE

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

Re: Notice of Proposed Rulemaking – Data Reporting Requirements for Certain Event Contracts (RIN 3038–AF73; Docket No. CFTC-2026-1453-0001; 91 Fed. Reg. 40,102)

Dear Secretary Kirkpatrick,

This letter is a response to the Commodity Futures Trading Commission ("CFTC" or "Commission") Notice of Proposed Rulemaking (the "Proposed Rule" or "NPRM") on Data Reporting Requirements for Certain Event Contracts, published in the *Federal Register* on July 1, 2026. 91 Fed. Reg. 40,102 (RIN 3038–AF73). We appreciate this opportunity to provide our comments in response to the CFTC's request for comment.

I. Introduction

Rothera Exchange and Clearing LLC ("Rothera") is a CFTC-registered derivatives clearing organization ("DCO") and designated contract market ("DCM"), created as a joint venture by Robinhood and Susquehanna in 2025 and built on the acquisition of MIAXdx (formerly known as LedgerX) in early 2026. Rothera launched its core platform in June 2026 and currently lists event contracts referencing sports and financial and economic indicators. In the future, Rothera's product offerings will include commodities and digital asset event contracts, among others. Rothera's executives have deep expertise in DCM and DCO operations and regulatory compliance, and include former CFTC and National Futures Association professionals. Rothera's leadership has established relationships with major institutional trading firms, futures commission merchants ("FCMs"), and introducing brokers. As a DCM and DCO offering event contracts to U.S. market participants on an intermediated basis, Rothera is uniquely positioned to comment on the Commission's proposed data reporting requirements for certain event contracts.

Rothera submitted a detailed comment letter in response to the Commission's Advance Notice of Proposed Rulemaking on Prediction Markets[1] on April 30, 2026. This submission is consistent with the views Rothera expressed in that letter, particularly that FCMs already perform extensive customer diligence, provide risk disclosures, and monitor margin on behalf of retail customers such that

[1] 91 Fed. Reg. 12,516 (March 16, 2026).

intermediated markets do not present the same customer-protection gaps as direct-to-retail DCM access.

Rothera generally supports the Commission's effort to codify the existing patchwork of Staff Event Contract Reporting No-Action Letters into a formal, uniform framework, and agrees that moving Covered Event Contracts from the swap reporting regime (Parts 43 and 45) into a futures and options-style reporting regime under Parts 15 through 18 sensibly reflects the economic reality of these fully collateralized, exchange-traded instruments.

However, Rothera respectfully requests that the Commission refine certain aspects of the Proposed Rule. Our principal recommendations are:

- **Collaborate with the SEC.** The Commission should coordinate with the Securities and Exchange Commission ("SEC") and treat this rulemaking as part of broader interagency harmonization efforts. Certain event contracts may touch on securities, and market participants need confidence in a single, coherent reporting regime.

- **Withdraw the Real-Time Public Dissemination Requirement.** The Proposed Rule treats Covered Event Contracts like futures, but proposed § 16.03(f) would import a real-time public data feed requirement that comes from the swap rules. The Commission should withdraw it. The public already benefits from what futures markets provide: free daily trading data under § 16.01, which the Proposed Rule applies to these contracts through proposed § 16.03(b). No other exchange-traded product carries a requirement to publish its transaction data in real time and without charge. If the Commission keeps this requirement, it should apply the following-business-day standard used for futures and options under § 16.01(e), consistent with the "promptly" relief in the Staff No-Action Letters, not a real-time standard, and give intermediated DCMs an alternative way to comply through FCM data dissemination to customers.

- **Allow FCMs to Handle Data Collection Requirements for Intermediated DCMs.** The customer data collection requirement should apply solely to direct-to-retail DCMs to bridge the gap in regulation and mandatory data collection caused by the disintermediation of FCMs. These requirements should not apply to intermediated DCMs, as FCMs are already responsible for AML / KYC processes and hold the record on customer PII.

- **Simplify the CFTC's OCR and Large Trader Reporting Regimes.** The Commission should codify all outstanding no-action relief and simplify an overly complex, highly burdensome set of rules that create a high barrier to entry.

- **Provide Transparency around Prediction Market Rulemakings.** Market participants need visibility into the full scope and sequence of the CFTC's prediction market rulemakings before reporting compliance obligations are finalized.

II. Substantive Comments

A. CFTC-SEC Harmonization

The Proposed Rule acknowledges that certain event contracts "may be security-based swaps or other instruments subject to the jurisdiction of the Securities and Exchange Commission," and provides that the Proposal "is applicable to only those event contracts solely within the CFTC's jurisdiction."[2] This jurisdictional delineation addresses scope but not coordination, and leaves unresolved how event contracts that are security-based swaps will be reported to the SEC, and whether the two agencies will act in tandem so that there are not two separate and disparate reporting regimes.

As the market for event contracts evolves, prediction markets that invest in compliance infrastructure for the CFTC's proposed data reporting regime need assurance they will not later face a duplicative or conflicting SEC reporting requirement. This concern is consistent with the Proposed Rule's own stated purpose of eliminating the uncertainty created by reliance on ad hoc no-action letters and providing "a uniform and consistent approach,"[3] a rationale that applies with equal force at the interagency level.

This coordination framework already exists: on September 5, 2025, SEC Chairman Paul S. Atkins and then-CFTC Acting Chairman Caroline D. Pham issued a Joint Statement[4] identifying reporting and data standards as an area for interagency coordination, and on March 11, 2026 the agencies formalized this commitment through a Memorandum of Understanding Regarding Harmonization in Areas of Common Regulatory Interest[5], establishing a Joint Harmonization Initiative to align regulatory definitions and data-sharing protocols. Rothera respectfully requests that the Commission, in the final rule or through a joint statement with the SEC, commit to aligning the data reporting regime for CFTC-regulated event contracts and SEC-regulated event contracts. The existing MOU and Joint Harmonization Initiative provide a natural vehicle for these commitments.

B. Withdraw the Real-Time Public Dissemination Requirement (Proposed § 16.03(f))

Proposed § 16.03(f) would require all DCMs listing Covered Event Contracts to provide real-time public dissemination of transaction data (execution timestamp, contract ticker symbol, trade quantity, and price) "as soon as technologically practicable," adopting the swap dissemination standard of 17 CFR 43.3(b)(1) instead of the one business day standard for DCMs listing futures and options contracts in 17 CFR 16.01(e).[6] Proposed § 16.03(f) would also require that transaction data remain publicly available on the DCM's website for at least one year, mirroring the requirement applicable to swap data repositories under 17 CFR 43.3(c), and would prescribe the form and manner of the published data by reference to the technical specifications applicable to swap reporting under Part 43.

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[2] 91 Fed. Reg. at 40,103 (citing CEA § 1a(47)(B), § 2(a)(1)(A) and (H); Exchange Act § 3(a)(68)(A), 15 U.S.C. § 78c(a)(68)(A)).
[3] 91 Fed. Reg. at 40,105.
[4] SEC Press Release No. 2025-112; CFTC Press Release No. 9115-25.
[5] SEC Press Release No. 2026-26; CFTC Press Release No. 9192-26.
[6] 91 Fed. Reg. at 40,111.

Rothera submits that proposed § 16.03(f) should be withdrawn because it is inconsistent with the premise of the Proposed Rule itself. The Commission has concluded that Covered Event Contracts are fully collateralized, exchange-traded instruments that belong in the futures and options reporting regime of Parts 15 through 18, not the swap reporting regime. The public transparency framework of that regime is § 16.01, which requires daily publication of trading volume, open interest, prices, and related information, and which the Proposed Rule already applies to Covered Event Contracts through proposed § 16.03(b). Real-time public dissemination of transaction-level data, by contrast, is a Part 43 concept developed for opaque, bilateral over-the-counter swap markets that lacked pre-trade transparency. That transparency problem does not exist on a DCM, where prices form in real time on a transparent central limit order book. Ensuring that "the public may access trade data in near real time" is a swap-regime objective; no other DCM-listed product is subject to a requirement to disseminate transaction-level data to the public in real time and without charge.

For every other futures and options product, real-time transaction data is exchange market data, distributed on fair and impartial terms consistent with a DCM's access requirements, while the public receives daily trading information without charge under DCM Core Principle 8 and § 16.01. The prompt-publication condition in the Staff No-Action Letters was calibrated against the backdrop of the swap regime from which those letters provided relief; it is not evidence that a real-time public tape is appropriate for products the Commission has now concluded should be treated like futures. Withdrawing proposed § 16.03(f) and applying the futures reporting regime consistently, including its transparency model, would create true parity: parity between Covered Event Contracts and every other product listed on a DCM.

If the Commission nonetheless retains a public dissemination requirement, it should apply the following-business-day standard of 17 CFR 16.01(e), consistent with the "promptly" relief in the Staff No-Action Letters, rather than the "as soon as technologically practicable" standard of 17 CFR 43.2(a), which tightens automatically as the technology adopted by other market participants advances. The Commission should likewise not import the one-year website availability requirement or the Part 43 technical specifications, and it should provide an alternative compliance mechanism for intermediated DCMs, whose customers already receive trade and execution data from their FCMs in real time. Finally, in response to Question 10, the Commission should not require publication of any data elements beyond execution timestamp, contract ticker symbol, trade quantity, and price; additional elements, such as order book depth, are properly part of a DCM's market data offering, as they are for every other DCM-listed product.

C. Permit FCMs to Handle the Data Collection Requirements for Intermediated DCMs (Proposed § 16.03(g))

Proposed § 16.03(g) would require DCMs listing Covered Event Contracts to obtain, for all customers (including those whose trades are intermediated through FCMs), each trader's name, physical address, email address, phone number, occupation, employer, and the names of persons

guaranteeing the account or holding a 10% or greater financial interest.[7] This applies uniformly to intermediated accounts even though current § 16.02 does not require this.

Rothera submits that the Commission should reject proposed § 16.03(g) as written, and limit the data collection requirement solely to (i) non-intermediated DCMs (i.e. direct to retail DCMs) and (ii) FCMs. The existing data collection requirement is carried out by FCMs and to apply it to intermediated DCMs as well is duplicative, overly burdensome, confusing and conflicting with other laws and industry practices. This requirement carries the risk of two separate and misaligned data sets, without a means of determining which market participant holds the "golden record." The Commission should consider a bifurcated approach where FCMs collect data for intermediated DCMs; and the Commission's proposal applies only to non-intermediated DCMs. Intermediated DCMs, which operate in the standard market structure tested over time, have relied on intermediaries for data collection up to now and should be permitted to continue to do so. Additionally, the record does not support a standing PII collection mandate for DCMs with intermediated accounts under the cost-benefit analysis that CEA § 15(a) requires. Intermediated DCMs already have FCMs, clearing members, and foreign brokers that collect, maintain, and can produce this information under their existing obligations, and the Commission can obtain trader-identifying information through existing channels (including special calls under 17 CFR 18.04) without imposing a standing collection obligation on an intermediated DCM. That said, it is appropriate to apply this data collection requirement to direct-to-retail DCMs that do not have intermediaries to carry out these requirements and operate in a gap in regulation exempting CFTC-registered DCMs and DCOs from collecting FCM-type information.

Rothera supports the proposed 125,000-contract reporting level,[8] which appropriately excludes retail traders while capturing genuinely large positions. Given that this level would capture only roughly 300 to 400 unique traders at even a single large DCM on a peak trading day,[9] the special call mechanism is a proportionate alternative to a standing mandate. The Commission's own reasoning confirms this scoping. In declining to require DCMs to obtain trader-identifying information under § 16.02, the Commission relied on the fact that "all contracts on DCMs are funneled through clearing members that also are subject to the large trader reporting rules".[10] The Proposed Rule departs from that judgment on the grounds that many DCMs listing Covered Event Contracts now offer non-intermediated trading. Whatever the force of that rationale for non-intermediated accounts, it does not extend to accounts intermediated by FCMs, for which the § 16.02 logic applies with full force.

The Proposed Rule also reflects an understanding that DCMs generally collect trader-identifying information from FCMs for intermediated accounts. That understanding is not accurate for intermediated market structures like Rothera's, in which customer accounts are carried by the FCM on an omnibus basis and the DCM does not receive customer-identifying information in the ordinary course. Said differently, DCMs do not and cannot receive trader-identifying information from

[7] 91 Fed. Reg. at 40,112.
[8] Rothera does not support aggregation of reporting levels across exchanges for large trader reporting of Covered Event Contracts, as products across exchanges are not fungible and have different settlement priorities and mechanisms.
[9] 91 Fed. Reg. at 40,120, Exhibit 3.
[10] 74 Fed. Reg. 12,178, 12,185.

FCMs at account opening, but rather when an inquiry or an investigation arises based on trading behavior. In response to Question 11, these are precisely the burdens proposed § 16.03(g) would impose: a new, standing obligation to collect, transmit, and warehouse customer PII that duplicates information already maintained at the FCM. In response to Question 12, no additional trader-identifying information should be required; the Commission's surveillance interests are fully served by the information available through intermediaries, large trader reporting, and special calls.

A standing mandate to collect and maintain comprehensive PII from all customers also raises significant privacy law compliance obligations under the European Union's General Data Protection Regulation, the California Consumer Privacy Act/California Privacy Rights Act, and analogous state laws, as well as cybersecurity and data-breach notification requirements. The Proposed Rule estimates that the costs of compliance with proposed § 16.03(g) "will be de minimis for most reporting parties."[11] That estimate does not account for privacy policy drafting across multiple jurisdictions, data protection impact assessments, system safeguards updates, vendor coordination, insurance coverage, or ongoing data governance and retention protocols, nor for the burden of creating and securing a second repository of customer PII, duplicative of the information already maintained by FCMs.

If the Commission nonetheless proceeds with proposed § 16.03(g), it should:

- provide a compliance period of not less than eighteen months from publication of a final rule specifically for this requirement, given that the Commission has already recognized that the simpler Part 17 large trader reporting requirements warrant extended implementation timelines, most recently deferring compliance with the 2024 Large Trader Reporting amendments until July 2027[12], and given the need to update privacy disclosures, conduct impact assessments, implement system safeguards, and amend intermediary agreements;

- apply the requirement to new accounts only, grandfathering existing accounts, given the operational burden of retroactively collecting this information from potentially millions of existing customers; and

- implement a six-month testing period before full compliance is required, mirroring the compliance periods the Commission has historically provided during implementation of new reporting requirements.

D. Simplify the CFTC's OCR and Large Trader Reporting Regimes

The Proposed Rule would codify aspects of the Staff Event Contract Reporting No-Action Letters into formal regulations under proposed §§ 16.03(b)–(e), 17.00(j), and 17.01(f). Rothera generally supports this objective and urges the Commission to go a step further to simplify what is

[11] 91 Fed. Reg. at 40,119 (estimating that costs of compliance with proposed § 16.03(g) "will be de minimis for most reporting parties").
[12] CFTC Letter No. 26-02 (Jan. 27, 2026).

currently an overly complex, highly burdensome set of rules that creates a high barrier to entry for derivatives market participants.

At present, on the Commission's Ownership & Control Reporting webpage,[13] derivatives market participants are directed to Staff No-Action Letter 24-14, which extends and augments over 10 years of the Commission's prior OCR no-action letters. The relief itself is 11 pages long, offering technical relief for specific questions in Forms 102A, 102B, 102S, 40 and 40S. Rothera urges the Commission to codify all such relief, where appropriate, so that market participants have clarity on their reporting requirements and certainty that the relief will be permanent.

As the Commission itself recognizes, reliance on the ad hoc no-action process is "an inefficient approach to a recurrent issue that is best addressed through rulemaking."[14] The final rule should codify not only the relief in these letters, but all related staff guidance and interpretive positions, reducing the need for future no-action requests.

The Commission should also consider additional efforts (outside of this rulemaking) to right-size the OCR and Large Trader Reporting data that reporting entities are required to submit, and ensure that systems are in place to actually receive this data. The Commission finalized amendments to its Large Trader Reporting regime in 2024,[15] but has issued multiple compliance delays, culminating in the most recent no-action relief[16] that extends the compliance deadline until July 2027. It is overly burdensome and a detriment to U.S. derivatives markets to be in limbo, waiting for a working CFTC portal and a practicable means of effectuating the rules that the Commission itself promulgated.

E. Provide Transparency Around Prediction Market Rulemakings

The Commission has published this NPRM as one of several rulemakings relating to prediction markets and event contracts. The Advance Notice of Proposed Rulemaking[17] sought comment on a broad range of topics (including DCM Core Principles, public interest determinations, and gaming), many of which may result in additional rulemaking. The Commission recently published a separate NPRM, "Prediction Markets; Public Interest Determinations,"[18] and the SEC and Commission jointly requested information on the definitions of "swaps" and "security-based swaps"[19] with many questions related to event contracts. Both the Part 40 NPRM and the Request for Information bear directly on which event contracts may be listed on a DCM, directly affecting the scope of "Covered Event Contracts" subject to Part 16 reporting under this Proposed Rule. Finalizing reporting requirements before the substantive eligibility and definitional rules are settled risks requiring market participants to build compliance infrastructure for a universe of contracts that may be materially altered.

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[13] Available at: https://www.cftc.gov/Forms/OCR/index.htm.
[14] 91 Fed. Reg. at 40,105.
[15] 89 Fed. Reg. 47,439 (June 3, 2024).
[16] CFTC Letter No. 26-02 (Jan. 27, 2026).
[17] 91 Fed. Reg. 12,516 (March 16, 2026).
[18] 91 Fed. Reg. 35,806 (June 12, 2026).
[19] 91 Fed. Reg. 37,877 (June 24, 2026).

Data reporting requirements do not exist in a vacuum: rules limiting permissible event contracts, new intermediary obligations, or manipulation-related rules could each affect the appropriate scope of the reporting, dissemination, and PII requirements proposed here. Rothera requests that the Commission provide transparency on the full scope of its rulemaking agenda related to prediction markets, and sequence its event contract rulemakings so that market participants understand the full scope of the new regulatory framework before compliance obligations are locked in. Rothera does not suggest delaying the Part 40 rulemaking, which Rothera supports; rather, the Commission should ensure that the reporting obligations adopted here are sequenced to follow, and remain consistent with, the substantive eligibility framework.

III. Conclusion

In conclusion, Rothera appreciates the Commission's efforts to establish an efficient, transparent and fully codified reporting framework for Covered Event Contracts. We urge the Commission to refine the Proposed Rule by: (1) coordinating with the SEC on a harmonized approach to reporting for event contracts, whether swaps or security-based swaps; (2) withdrawing the real-time public dissemination requirement in proposed § 16.03(f), and instead relying on the daily publication requirement under § 16.01(e); (3) rejecting the customer data collection requirements for intermediated DCMs in proposed § 16.03(g); (4) simplifying and codifying the Large Trader and Ownership and Control Reporting regimes; and (5) sequencing this rulemaking relative to other pending event contract rules. This risk-proportionate approach will best serve the long-term growth of event contract markets and the United States' leadership in developing transparent, well-regulated prediction market infrastructure.

Rothera remains available to further discuss our views with the Commission and its staff, and we welcome the opportunity to engage constructively as this important rulemaking proceeds toward finalization.

Respectfully submitted,

/s/ Thomas Chippas

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