July 31, 2026

VIA ELECTRONIC SUBMISSION

Christopher Kirkpatrick
Secretary of the Commission
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; 91 FR 40102; CFTC Press Release No. 9261-26)

Dear Secretary Kirkpatrick:

KOR Reporting Inc ("KOR") respectfully submits these comments in response to the Commission's Notice of Proposed Rulemaking on Data Reporting Requirements for Certain Event Contracts (the "Proposal"). KOR is a registered CFTC Swap Data Repository ("SDR"), SEC Securities Based Swap Data Repository, pan-Canadian Trade Repository, and Australian Derivatives Trade Repository, and has received in-principle approval from the Monetary Authority of Singapore to operate as a licensed foreign trade repository. We receive, validate, and maintain reported trade data across all asset classes and observe firsthand the practical consequences of regulatory design choices, effective and otherwise, for data quality, reporting infrastructure, and the Commission's ability to use reported data for meaningful oversight. Our comments draw on that experience.

We welcome the Proposal's stated commitment to replacing open-ended no-action relief with durable, codified obligations. The series of no-action letters that have governed event contract reporting has left the market in a state of prolonged uncertainty, discouraged investment in proper reporting infrastructure, and deprived the Commission of consistent, reliable data. Moving to codification is overdue and we support it without reservation. That said, several elements of the Proposal, and several omissions from it, warrant the Commission's attention before a final rule is adopted.

1. DCM Registration as an SDR

The Proposal leaves open the possibility that a Designated Contract Market ("DCM") could register as an SDR and thereby report event contract data to itself. KOR does not take the position that the Commission should prohibit that structure.

The concern is that an under-resourced SDR produces poor-quality data, and that outcome

disserves the Commission regardless of who holds the registration.

A DCM is not prohibited from seeking SDR registration, and market-driven decisions by venue operators to expand into adjacent regulatory functions are not without precedent. That kind of voluntary, independent expansion is categorically different from a Commission rulemaking that, by its structure, points DCMs toward self-reporting as the path of least resistance. The Commission should be clear that the Proposal does not intend to direct or encourage DCMs toward self-registration, and that any DCM electing that path does so voluntarily, subject to the full requirements of Part 49 on equal terms with every other applicant.

What we do ask is that the Commission be direct about what that path actually entails. SDR registration is not a fast or light process. The Commission's historical experience with SDR registration applications makes clear that review is a multi-year undertaking involving detailed scrutiny of technical architecture, operational controls, data governance frameworks, legal and compliance arrangements, and ongoing examination programs. Repositories that are registered today invested years and material resources in satisfying those requirements, and they remain subject to ongoing oversight obligations. A DCM that pursues SDR registration in connection with this Proposal should expect the same process. The Commission should say so plainly, both in the preamble to any final rule and in direct guidance to market participants, so that DCMs do not build business plans around a compressed timeline that does not exist. The Commission should also confirm that any SDR registration arising from this context will be evaluated under the full requirements of Part 49, with no abbreviated review, and that the Commission's standard of rigor will not vary depending on the applicant's existing regulatory status.

The Commission should also be clear about the full scope of what SDR registration requires. A DCM seeking SDR registration must plan to service the entire market for the asset classes it registers for, not merely its own trading activity. Under Part 49, a registered SDR must accept reporting from all market participants across those asset classes, regardless of whether they trade on that DCM's venue. That means building and maintaining infrastructure capable of receiving, validating, and processing data at market-wide scale, with the governance, operational controls, and examination readiness that entails. A DCM contemplating SDR registration should be asking not whether it can self-report, but whether it can credibly commit to operating as a market-wide infrastructure provider for all participants in those asset classes.

2. Off-Facility Look-Alike Contracts

The Proposal's most significant omission is the near-total absence of any discussion of off-facility event contracts. Event contracts traded OTC, look-alikes to the covered DCM-listed products, are reportable under Parts 43 and 45. The Proposal offers virtually no guidance on how that reporting is to work in practice for products that were not contemplated when the Part 43 and Part 45 rules were designed. That gap will create real problems at implementation and the Commission should address it now rather than through subsequent guidance.

A few issues, in particular, require the Commission's attention.

Product identification and taxonomy. OTC event contracts require a product identifier. Under the current UPI framework, product taxonomy for novel asset classes flows through ANNA DSB. The DSB taxonomy process has historically taken a year or more for new product types, and in some cases longer. That timeline is plainly incompatible with a market that moves as quickly as event contracts. The Commission should work directly with the DSB to prioritize and accelerate taxonomy development for event contract products or, if that proves impractical, should publish its own product standards for these contracts in coordination with SDRs, DCMs, and market participants. We would also note that OTC event contracts fall within the CFTC's commodities jurisdiction, where the Commission to date has not established a standard product structure for this class. Defining a clear product taxonomy here would serve a function beyond UPI compliance: it would establish a common reference framework that supports surveillance, position monitoring, and any future regulatory action across the full population of OTC event contracts. That is a regulatory benefit that extends well beyond the reporting infrastructure question.

Scope of required fields. The Part 43 and Part 45 field sets were built around traditional swaps and apply poorly in both directions to event contracts. There are fields that have no relevance to a short-dated, binary-payoff contract and carry no reporting guidance for this product type, leaving reporters to populate them with placeholder values, leave them blank, or make inconsistent interpretive choices across counterparties. At the same time, some fields that capture the core economics of an event contract simply do not exist. The Commission's current Technical Specifications contain no dedicated field for the event or outcome definition, the specific condition whose occurrence determines whether and how the contract settles. For a binary contract referencing an election outcome, a central bank decision, or an economic indicator crossing a threshold, that condition is the most commercially significant term of the instrument and the most relevant to position surveillance, and it does not fit cleanly into any existing field.

The Commission should update the Technical Specifications in both respects. Fields that are not applicable to event contracts should be designated as not required, with explicit validation rules to that effect. And the field set should be expanded to capture the economic terms that event contracts actually have: the outcome or event being referenced, the determination methodology and source, the binary settlement amount or bounded payoff range, and the event determination date where it is distinct from the settlement date.

Public tape and masking. Under Part 43, the product underlier is publicly identified on the tape only where the swap is related to a futures contract listed in Appendix B to Part 43 or traded on a registered platform. Where neither condition is met, the underlier is masked. OTC event contracts satisfy neither: they are traded off-facility and they reference outcomes such as election results, economic indicator thresholds, and similar events, none of which appear in Appendix B. Trades in these products are therefore reported with the underlier masked on the

public tape and will remain so unless the Commission updates the appendix or establishes a separate disclosure pathway for event contract underlyings that does not require a listed futures reference as the gateway to public identification.

3. Position Reconciliation Across DCM and OTC Markets

The Proposal does not meaningfully address how the Commission intends to construct a consolidated view of positions across on-facility and off-facility event contracts. Under the Proposal as written, on-facility data flows through a Parts 15-18 framework while OTC look-alike reporting remains under Parts 43 and 45. Those are distinct data streams, with different fields, different formats, and different receiving entities. Unless the Commission designs both streams with explicit product-level linkage in mind from the outset, the data will exist in parallel silos that are difficult to aggregate or use for position surveillance. Parallel reporting frameworks, once built to different specifications, are significantly harder to reconcile after the fact than they are to align from the start.

The Commission should require, as a design constraint rather than an implementation afterthought, that both reporting pathways use consistent product identifiers across the Parts 15-18 and Parts 43/45 data streams. The goal is not trade-level linking between counterparties, but product-level aggregation: the Commission should be able to look across both pathways and understand total exposure to a given event contract product at both the market level and the counterparty level, whether that exposure is held on-facility, off-facility, or both. Where a binary event contract is traded on-facility by some participants and off-facility by others in economically equivalent form, the Commission should be able to see that picture in aggregate. Consistent product references, standardized counterparty identification, and a common product classification framework are what make that analysis possible. Without them, the Commission holds two data sets that describe the same market from different angles but cannot be combined into a coherent view of exposure.

4. Data Quality, Validation, and Cost-Benefit Considerations

The Proposal's cost-benefit analysis warrants revision in two respects.

First, the Commission has an established infrastructure for direct receipt of Parts 15-18 data, and we understand that infrastructure is actively being updated. The question the Proposal does not address is whether that framework, as it exists or as currently planned, has the staff resources and technical capacity to add event contract-specific fields and validations. Event contracts have different economic terms than the instruments that framework was designed around, and building out product-specific validation logic, defining required fields, specifying permitted values, and maintaining those rules as new event contract types emerge is not a trivial undertaking. The same standard of technical rigor that registered repositories are required to meet applies here: structured intake validation, defined error and rejection handling, and a clear correction framework. The cost-benefit analysis should account explicitly for what it will

take to build, staff, and maintain that capability for a novel product class, and should address whether the Commission has planned for those resources on an ongoing basis rather than treating the initial build as a one-time cost.

Second, the cost-benefit analysis appears to rely on SDR fee schedules for the general commodities asset class as a proxy for event contract reporting costs. That may not be an accurate basis. SDR fees are reviewed and updated when new product types formally enter the reporting framework, with pricing calibrated to the actual cost of handling that instrument class. Event contracts have not gone through that process because on-facility products have operated under no-action relief. When they do, SDRs are likely to evaluate and price event contract reporting separately from general commodities, and the result may differ materially from the proxy the Commission has used. The cost-benefit analysis should acknowledge that the current estimate rests on an untested assumption and should be revisited once event contracts are brought into scope and SDRs have had the opportunity to assess the actual cost of servicing this product class.

More broadly, the Commission should ensure that the Technical Specification is not embedded in or directly tied to the rule text in a way that requires formal rulemaking each time a field, validation, or product definition needs to change. The history of swap reporting demonstrates that product innovation consistently outpaces rulemaking timelines, and a framework that requires notice-and-comment to update a permitted value or add a product identifier will fall behind the market regardless of how well the underlying rule is designed. The Technical Specification should sit outside the rule text with a defined administrative process for updates, so the Commission can adapt to new products, not only event contracts but any novel instrument that enters the reporting framework, without the lead time and resource burden of a full rulemaking each time. Codification of the substantive obligations is the right goal; the mechanism for keeping the specification current should be built to move at the speed the market requires.

5. Public Reporting Timeliness

The Proposal relies on "as soon as practicable" as the operative timing standard for public dissemination. KOR urges the Commission to replace that formulation with a defined, objective time limit. "As soon as practicable" is not a standard; it is a placeholder that each reporting party will interpret according to whatever its technology happens to support. A DCM that batches its reporting and disseminates at the end of day is not, on the face of that language, in violation. That outcome is inconsistent with the Commission's stated interest in timely, reliable data and would produce wide variation in reporting timeliness with no basis for enforcement.

The Commission should establish a defined outer limit for event contract reporting. Given the nature of these products, short-dated, binary-payoff contracts that settle on discrete, observable events, a reporting window of no longer than 15 minutes from execution is a reasonable benchmark and consistent with what the market has demonstrated it can achieve for

comparable products. The Commission should also be mindful that timing standards for SDR reporting are under active consideration in the concurrent harmonization rulemaking. To the extent that process produces a calibrated timing standard, the Commission should align the event contract reporting deadline with that standard rather than allow the two frameworks to diverge without justification. The applicable limit should be stated explicitly in the final rule and apply regardless of the reporting pathway selected.

The Commission should also confirm that DCMs may satisfy their reporting obligations by delegating the reporting and public dissemination functions to a qualified third-party service provider. Delegation is established practice in swap reporting and there is no principled basis for treating event contract reporting differently. The Commission should confirm it is available to DCMs under this framework and that its use is consistent with the timeliness requirements of any final rule.

Where a DCM reports event contract data directly to the market rather than through an SDR or the Part 43 public reporting framework, the Commission should require a standardized ticker format for that public disclosure. Without one, each DCM publishes its own tape in its own structure, and anyone seeking to aggregate data across venues must reconcile incompatible formats before the information is usable. The Commission should prescribe the required format for DCM-published event contract data, covering at minimum trade price, size, product identifier, and event classification, and apply it uniformly across all DCMs that report directly.

6. A Related Gap: Fully Collateralized Swap Contracts Referencing Similar Outcomes

The Proposal addresses reporting for event contracts traded on DCMs under CEA Section 5c(c)(5)(C). It does not address a related and growing category of contracts: fully collateralized swap contracts referencing binary or bounded outcomes that are economically similar to event contracts but legally distinct. These instruments are swaps under the CEA, not futures, and they are not covered by the 5c(c)(5)(C) framework the Proposal codifies.

Reporting obligations for that category have been managed almost entirely through no-action relief. For example, CFTC Letter No. 26-01, issued earlier this year, extended no-action relief from Parts 43 and 45 reporting requirements for certain binary and bounded swaps referencing digital assets, economic indicators, and financial outcomes. The letter also explicitly declined to address whether those contracts qualify as event contracts under CEA Section 5c(c)(5)(C), leaving that classification question entirely open. The reporting treatment for that category thus remains unresolved, pending both classification and codification.

The Commission should clarify, in connection with this rulemaking or through a parallel proceeding, how it intends to treat fully collateralized swap contracts of this type on a permanent basis. Indefinite reliance on no-action letters is not a regulatory framework. As the Commission moves to codify reporting requirements for event contracts, it should also articulate a path forward for the economically comparable, fully collateralized, swap contracts that fall outside

that codification. If the reporting framework the Commission is building for event contracts is sound, there is a reasonable question whether it should be extended, in some form, to cover those instruments as well. If not, the Commission should explain why the distinction warrants different permanent treatment and what the codification path looks like for the no-action category.

7. Toward a Unified Reporting Architecture

The Commission has an opportunity, as it brings event contracts into a codified framework, to take a broader look at how reporting obligations across Parts 15-18, Parts 43 and 45, and Part 49 relate to one another. The current structure has developed incrementally, and the result is a set of parallel regimes with overlapping obligations, inconsistent field structures, and data that is difficult to aggregate across markets.

A rationalized, unified approach is worth pursuing. ESMA has undertaken a comparable effort, working toward an integrated reporting framework that reduces duplication and supports cross-market surveillance. As the Commission considers a similar architecture, it should engage with how that effort is developing, both to benefit from what is working and to avoid repeating what is not.

One lesson from that work is that the design of the underlying data standard matters as much as the reporting mandate itself. Frameworks that depend on external standards bodies for routine changes, adding a field, updating a permitted value, accommodating a new product type, consistently fall behind the markets they are meant to observe. Coordination through external standards processes can take years; product and market development does not wait.

The Commission should design its reporting infrastructure to work with global standards where they apply while retaining the flexibility to move independently when they do not. A framework built entirely on external standards bodies for field definitions and permitted values risks being locked into slow consensus processes at precisely the moments when speed matters: when a new product class arrives, when a field needs updating, or when a reporting error requires a quick correction. Global standards provide a useful baseline; the Commission's own technical specification should be able to layer on top of them, extending or adapting as needed without waiting for external agreement. Standardization and operational agility are not mutually exclusive, and the Commission should not have to choose between them.

KOR remains committed to supporting the Commission's efforts to establish a durable, functional reporting framework for event contracts and is available to discuss any of the foregoing in more detail with Commission staff at their convenience.

Respectfully submitted,

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KOR