July 31, 2026

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

Re: Notice of proposed rulemaking: Data Reporting Requirements for Certain Event Contracts (RIN 3038-AF73)

Dear Mr. Kirkpatrick,

B3 S.A. – Brasil, Bolsa, Balcão ("B3"), a company incorporated under the laws of Brazil, authorized to operate securities, commodities and futures exchanges, as well as over-the-counter ("OTC") markets, and also authorized to act as a clearinghouse, foreign exchange clearinghouse, central securities depository and trade repository, welcomes the opportunity to submit comments on the proposed revisions to the Commodity Futures Trading Commission's ("Commission") regulations that would set forth an alternate framework for reporting of data for certain fully collateralized event contracts. B3 is registered with the Commission as a Foreign Board of Trade ("FBOT") registered under Part 48 of Title 17 of the Code of Federal Regulations ("CFR").

The Commission's proposal regarding data reporting requirements for certain fully collateralized event contracts correctly recognizes that these instruments, although they may fall within the statutory definition of "swap", often function economically and operationally more like exchange-traded futures or options, when compared to traditional OTC swaps. The proposal therefore appropriately contemplates that certain covered event contracts should be reported under the futures and options reporting framework rather than through swap data repositories ("SDRs") under Parts 43 and 45 of the CFR.

For the same reasons, B3 respectfully submits that the final rule should include FBOTs within the scope of the alternative reporting framework, provided

that the event contracts made available through direct access to U.S. participants satisfy substantially the same conditions applicable to covered event contracts listed on Designated Contract Markets ("DCMs"). Notwithstanding differences between the obligations arising out of FBOT and DCM registrations, B3 believes it is possible to apply reporting rules regarding futures and options to covered event contracts traded on FBOTs.

The Commission's rationale for the proposed alternative framework does not depend on the domestic location of the trading venue, or the registration category the trading venue possesses. Rather, it rests on the characteristics of the product and the market structure: standardized terms, exchange trading, central clearing, full collateralization, transparent price formation, and reduced counterparty and systemic risk. Where an event contract traded on an FBOT shares the same characteristics, requiring SDR reporting solely based on the foreign status of the venue would create a distortion unrelated to the regulatory risks the proposal seeks to address.

Part 48 of the Commission's rules already establishes a robust regulatory framework for FBOTs that provide direct access to U.S. participants. An FBOT must be registered with the Commission before permitting participants located in the United States to directly access its electronic trading and order-matching systems. To qualify for registration, an FBOT must demonstrate that it (a) possesses the attributes of an established, organized exchange; (b) maintains rules prohibiting abusive trading practices; (c) enforces rules designed to preserve market and financial integrity; (d) is subject to appropriate regulatory oversight; and (e) is overseen by a regulator with the authority to intervene in the market and share information with the Commission.

In addition, Part 48 requires the Commission to consider whether the FBOT and its clearing organization are subject to comprehensive home-country supervision and regulation comparable to the oversight applicable to DCMs and derivatives clearing organizations in the United States. Furthermore, Part 48 requires that contracts made available to U.S. participants through direct access be futures, options, or swaps eligible for trading on a DCM. Such contracts shall also be cleared, not be prohibited from trading by U.S. persons, and not be readily susceptible to manipulation.

Accordingly, where an FBOT offers event contracts which are fully collateralized, centrally cleared, standardized, and traded through an organized electronic market, the same policy considerations supporting the proposed relief from SDR reporting shall apply with equal force. The Commission has stated that

reporting under the futures and options framework can provide sufficient market, transaction, and position data for surveillance, market integrity, transparency, and customer protection purposes. That conclusion shall not change merely because the organized market is an FBOT rather than a DCM, especially due to the fact that an FBOT is already subject to Part 48 conditions and ongoing information-sharing obligations.

In regard, extending the alternative reporting framework to FBOTs would also promote competitive neutrality. If comparable event contracts listed on DCMs are permitted to avoid duplicative SDR reporting, while economically equivalent contracts traded on FBOTs remain subject to SDR reporting, the rule would impose disproportionate costs on foreigners without a corresponding regulatory benefit. Such an outcome could distort competition between trading venues and discourage responsible innovation, contrary to the Commission's stated objectives in proposing a uniform and more efficient reporting framework for covered event contracts.

B3 believes that the final rule should therefore set forth that FBOTs may rely on the same alternative reporting treatment available to DCMs for covered event contracts, provided that the relevant contracts satisfy equivalent substantive conditions. Those conditions should include, at minimum, that the contract:

1. falls within the relevant swap definition applicable to event contracts;
2. is listed on an FBOT and made available to U.S. participants only in accordance with Part 48;
3. is centrally cleared by an appropriate clearing organization;
4. is fully collateralized;
5. has a binary or variable payout structure comparable to the event contracts covered by the proposal; and
6. is subject to market-data, transaction-data, audit-trail, recordkeeping, and information-sharing requirements sufficient to allow the Commission to conduct effective surveillance, which FBOTs are subject to.

Including FBOTs in the final rule would preserve the Commission's access to necessary information while avoiding duplicative and economically inefficient reporting obligations. It would also align the treatment of economically equivalent event contracts across domestic and foreign organized markets, provided that those markets remain subject to comparable regulatory oversight and information-sharing standards.

For these reasons, B3 respectfully submits that the Commission should revise the final rule to provide that fully collateralized event contracts traded on FBOTs in accordance with Part 48, are eligible for the same alternative reporting framework applicable to covered event contracts listed on DCMs, and should not be required to be reported through SDRs under Parts 43 and 45 when the futures and options reporting framework provides the Commission with functionally equivalent information for oversight, transparency, and market integrity purposes.

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B3 appreciates the opportunity to comment on this important and timely matter. We remain at the Commission's disposal to provide any additional information or to engage in further discussions that may assist the Commission in its consideration of the issues addressed in this Notice of Proposed Rulemaking.

Respectfully submitted,

B3 S.A. – Brasil, Bolsa, Balcão