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

DraftKings Inc. ("DraftKings") appreciates the opportunity to comment on the Commission's Notice of Proposed Rulemaking regarding data reporting requirements for certain event contracts (the "Proposal").[1]

DraftKings submits this comment from the perspective of a company that participates in the prediction-markets ecosystem in multiple capacities, including as relevant here, as the owner of Railbird Exchange, LLC, a designated contract market ("DCM") and of DraftKings Predictions, a futures commission merchant ("FCM"). This shapes each of the positions below.

DraftKings supports the Commission's decision to replace ad hoc no-action relief with a codified reporting framework for fully collateralized event contracts.[2] As Chairman Selig stated, the Commission should "no longer regulate market participants through a patchwork of no-action letters."[3] That said, DraftKings has concerns about specific provisions of the Proposal that, as drafted, risk creating reporting gaps or uneven obligations depending on whether a prediction market uses an intermediated or disintermediated model. We describe those concerns below and offer recommendations to address them.

This letter makes three main points:

- **First**, DraftKings supports codifying the alternate reporting framework and the shift from Parts 43 and 45 to Parts 15 through 18 for Covered Event Contracts.
- **Second**, the proposed trader-identifying information requirement in Section 16.03(g) should be refined to avoid duplicative obligations on intermediated models while closing gaps in disintermediated models.
- **Third**, the Commission should address certain operational issues so that the framework works in practice.

[1] Data Reporting Requirements for Certain Event Contracts, 91 Fed. Reg. 40102 (proposed July 1, 2026) (to be codified at 17 C.F.R. pts. 15, 16, 17) (the "Proposal").

[2] See CFTC Press Release No. 9261-26, CFTC Seeks Public Comment on Notice of Proposed Rulemaking Concerning Data Reporting Requirements for Certain Event Contracts (June 25, 2026).

[3] Id. (statement of Chairman Michael S. Selig) ("Under my leadership, the CFTC will no longer regulate market participants through a patchwork of no-action letters, which serve as band-aids for unworkable regulations.").

## I. DraftKings Supports Codifying the Alternate Reporting Framework

The Proposal appropriately recognizes that fully collateralized event contracts do not fit the bilateral-swap reporting infrastructure of Parts 43 and 45.[4] Subjecting such contracts to the reporting regime set forth in Parts 15 through 18 recognizes that Covered Event Contracts have more in common, for reporting purposes, with exchange-traded futures than with over-the-counter swaps.[5]

In its April 2026 comment letter on the Advance Notice of Proposed Rulemaking, DraftKings urged the Commission to "adopt fit-for-purpose rules on clearing, reporting, and liquidity provision" and observed that "[c]leared swaps traded on an exchange should not be subject to duplicative SDR reporting."[6] The Proposal responds to that position, and DraftKings commends the Commission for moving forward with a codified framework that gives market participants greater certainty.

DraftKings also supports the Commission's proposed two-track compliance timeline, which appropriately allows additional implementation time for the large trader reporting provisions that depend on the separately modernized Part 17 data elements and the CFTC Portal.[7]

## II. The Trader-Identifying Information Requirement Should Be Refined

Proposed Section 16.03(g) would require DCMs listing Covered Event Contracts to collect trader-identifying information—including name, address, and other identifying data—sufficient to support surveillance programs.[8] The Commission states that this information is "critical for identifying insider trading and other potential violations of the CEA."[9]

DraftKings shares the Commission's objective of ensuring robust surveillance and the detection of potential insider trading across prediction markets. However, as drafted, Section 16.03(g) raises three concerns.

*First*, the provision is redundant and unnecessary in an intermediated environment. Where an FCM or introducing broker ("IB") intermediates customer access to a DCM, the intermediary already collects trader-identifying information under its existing regulatory obligations, including KYC/AML, account opening, and ongoing customer identification requirements. In this model, the DCM does not have "customers" as that term is used in the Commission's regulations; it has

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[4] Proposal, 91 Fed. Reg. at 40102. Covered Event Contracts are standardized, listed on DCMs, fully collateralized, and typically trade as one-dollar contracts with significant retail participation.

[5] Id. The Proposal would require reporting under Parts 15 through 18 rather than the swap reporting regime in Parts 43 and 45.

[6] DraftKings ANPRM Comment Letter, *available at* https://comments.cftc.gov/Handlers/PdfHandler.ashx?id=35968.

[7] Proposal, 91 Fed. Reg. at 40102. The Commission proposes that the implementation date for the large trader reporting provisions be the later of (a) sixty days following publication of a final rule or (b) July 26, 2027.

[8] Proposal, 91 Fed. Reg. at 40102 (proposed Section 16.03(g)).

[9] Id.

members, many of which are intermediaries acting on behalf of customers, that are themselves registered with the Commission or otherwise regulated.

The DCM does not have direct contact with the customers of its intermediary members and does not typically even know their identities. It is wholly reliant upon its FCM members to engage in the necessary customer due diligence as required by the applicable CFTC regulations and National Futures Association rules.[10] This is by design. Under the CEA's intermediated market structure, the FCM is in direct privity with the customer and bears responsibility for ensuring that its customers are eligible to trade on the relevant DCM. FCMs and IBs are also subject to privacy and customer-information protection requirements that do not apply to DCMs–further evidence that Congress intended FCMs to own the customer relationship and the compliance obligations that accompany it. As noted above, in an intermediated market, if the DCM requires identifying information about its intermediary members' customers, its only mechanism to obtain it is to request it from its members.

*Second*, duplicative collection creates unnecessary data-protection risk without a corresponding benefit to the Commission's surveillance objectives. Requiring both DCMs and intermediaries to collect, store, and maintain trader-identifying information creates more points of exposure to data breaches and adds cybersecurity burdens for both. The Commission's surveillance objectives are already achievable through less invasive means: intermediaries are required to make trader-identifying information available to the DCM when the DCM is investigating activity on the exchange that may require engagement with a customer. And the Commission can itself obtain this information from intermediaries through its existing inspection and examination authority. Codifying these existing mechanisms would achieve the Proposal's stated goals while limiting unnecessary exposure of customers' personal data.

*Third*, where no intermediary stands between the retail customer and the exchange, the DCM is the only regulated entity in a position to collect trader-identifying information, and Section 16.03(g) serves an important purpose. But customers whose personal data is collected by a DCM deserve the same protections that apply when an FCM collects that data: comparable obligations on data protection, permissible use, and customer notification. The registrant holding the information may differ; the customer's entitlement to protection should not.

DraftKings recommends that the Commission draw an express distinction within Section 16.03(g) between intermediated and disintermediated DCMs. For intermediated models, the trader-identifying information obligation should rest with the intermediary under its existing regulatory framework, and the DCM should be able to obtain that information from the intermediary for surveillance purposes consistent with the DCM's obligations under the Core Principles, the Commission's regulations, and the DCM's rulebook. For disintermediated models, the DCM should bear the full obligation to collect the requisite information about its direct access members, subject to safeguards comparable to those that apply to FCMs with respect to the use and safeguarding of personal information. This approach would close the gaps in the disintermediated model without piling duplicative obligations on intermediated markets without a meaningful benefit to either market integrity or customer protection.

[10] See 17 C.F.R. § 1.37(a); 31 C.F.R. §§ 1026.210, 1026.220 (AML program and customer identification program requirements for FCMs and IBs); NFA Compliance Rule 2-30 (customer information and risk disclosure).

## III. Operational and Calibration Issues

DraftKings offers the following additional comments on specific provisions of the Proposal.

***Avoiding duplicative market data reporting.*** The data elements proposed for real-time dissemination under Section 16.03(f)—execution timestamp, contract ticker symbol, trade quantity, and price—are largely consistent with data that DCMs already publish under Sections 16.00, 16.01, and 16.02.[11] DraftKings respectfully requests that the Commission confirm that Section 16.03 is meant to consolidate and clarify existing obligations rather than add new reporting on top of them. Where existing reporting suffices, additional requirements burden exchanges without providing the Commission with new data.

***Operational burden of monthly reporting.*** Current Part 16 daily and monthly reporting requirements involve duplicative data points and operationally cumbersome submission processes—for example, monthly settlement mapping documents that must be transmitted by email and often require manual file splitting due to size limitations. The Commission should consider modernizing the submission process for Covered Event Contracts, including through the CFTC Portal, and eliminating unnecessary duplication between daily and monthly submissions. Additionally, DraftKings believes that registrants would benefit from FAQs and other guidance to facilitate consistency in filings across DCMs.

## Conclusion

DraftKings supports the Commission's effort to replace no-action relief with a codified reporting framework for fully collateralized event contracts. The shift from Parts 43 and 45 to Parts 15 through 18 is sound and matches the actual characteristics of these contracts.

The Commission should also ensure that the final rule: refines Section 16.03(g) to avoid duplicative trader-identification obligations on intermediated markets while closing gaps in disintermediated markets; holds disintermediated DCMs that collect trader-identifying information to customer protection obligations comparable to those imposed on FCMs; and addresses certain operational burdens, including duplicative reporting and outdated submission processes.

DraftKings looks forward to working with the Commission as it finalizes this rulemaking.

Respectfully submitted,

DraftKings Inc.

[11] See Proposal, 91 Fed. Reg. at 40102 (proposed Section 16.03(f), addressing execution timestamp, contract ticker symbol, trade quantity, and price); 17 C.F.R. Sections 16.00, 16.01, 16.02.