July 27, 2026

Chairman Michael S. Selig
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Submitted via ***Regulations.gov***

Re: Prediction Markets; Public Interest Determinations [RIN 3038—AF65]

Dear Chairman Selig,

The National Football League ("NFL") submits this letter in response to the Commission's proposed amendments to its rules concerning event contract derivatives, which were issued by the Commission on June 10, 2026 and published in the Federal Register on June 12, 2026 (91 Fed. Reg. 35,806 (June 12, 2026)) (the "Proposed Prediction Market Rulemaking").

The NFL's highest priority is preserving the integrity of our games. We believe that this integrity is crucial also to the stable and orderly administration of event contracts that trade on or in connection with our games and to the protection of traders in such contracts. While the Proposed Prediction Market Rulemaking contains several productive proposals, it must be strengthened in key areas. We are encouraged to see the Commission has considered and incorporated some elements from our prior letter, dated May 15, 2026 (the "Prior League Comment Letter"), submitted in response to the Commission's Advance Notice of Proposed Rulemaking and Request for Comments Regarding Event Contract Derivatives, 91 Fed. Reg. 12516 (March 16, 2026) (the "Prediction Market ANPRM"), which is attached at Appendix I.[1]

[1] Given the relevance of the Prior League Comment Letter to the Proposed Prediction Market Rulemaking, we incorporate it in its entirety herein. In particular, we reiterate our position from the Prior League Comment Letter

However, the draft rules fall significantly short of protecting the integrity of sporting events and the fans who participate in these markets. It is surprising that further common-sense integrity and consumer protection measures provided in the Prior League Comment Letter were not adopted. Accordingly, the Proposed Prediction Market Rulemaking must be amended for the reasons we describe below and in the Prior League Comment Letter.

I. Categorical Determinations of Contracts

In the Prior League Comment Letter, we recommended the Commission adopt proactive rules prohibiting certain contracts which are highly susceptible to manipulation or are otherwise objectionable. These contracts include those which are easily manipulable by a single person, are inherently objectionable, depend on discretionary officiating choices, or which are known or knowable in advance of settlement. We believe that permitting these contracts does not serve the public interest as set forth at CEA § 3(a), because they are readily manipulable, do not facilitate economically meaningful price discovery, and furthermore may be generally offensive or otherwise contrary to the public interest. Players, referees, and coaches could likely be threatened and harassed as a result of objectionable contracts. We further recommended that the Commission create a pre-approval process for specified contracts or classes of contracts that are based on individual player performance or are otherwise susceptible to manipulation but that do not present the same public policy concerns.

Although we note that the Commission has stated that many of these contracts may be contrary to the public interest, we are disappointed that the Commission has not adopted a flat prohibition on these contracts. We believe these objectionable contracts are detrimental to the long-term health of these markets, to the public, and to the leagues. Precisely because of the need to provide clear guidelines as to what is and is not permitted, the Commission must expressly prohibit the listing, trading, or clearing of categories of contracts it identifies as particularly susceptible to manipulation or that raise other public policy concerns.

Additionally, we note that the Commission did not address a category of contracts that we refer to as "Knowable in Advance" contracts in the Prior League Comment Letter under the caption "Prohibited Contracts." Knowable in Advance contracts include contracts based on the first play of a game, coaching decisions, and roster or personnel decisions. Like the other categories of contracts that the Commission acknowledged present public policy concerns, Knowable in Advance contracts are among the contracts most susceptible to manipulation, and also directly threaten the integrity of our games. To ensure the integrity of the markets and the league, the Commission must expressly prohibit this category of contracts, along with the other categories of

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that nothing contained herein should be construed as expressing any view that sports event contracts are properly within the jurisdiction of, or are permissible under, the Commodity Exchange Act and regulations thereunder (the "CEA") [or that the CFTC lacks the authority to define "swap" by reference to legislative intent and context. *See* 77 Fed. Reg. 48,208 (Aug. 13, 2012)].

contracts we described under the caption "Prohibited Contracts" in the Prior League Comment Letter.

II. Review Structure and Pre-Approval of Contracts

We are also concerned that the Commission has proposed a system of review that could impair its ability to enforce the CEA. In particular, we are concerned by the Commission's proposed ten-day review window for compliance with the Special Rule and Rule 40.11 and by its operation in the broader regulatory scheme. Proposed § 40.11(c)(1) provides that the Commission "may commence a review under this section only by a written determination of the Commission," and that "[s]uch review must commence no later than 10 days after the date of the listing of an agreement, contract, transaction, or swap under review." 91 Fed. Reg. at 35,861. We believe this ten-day window presents substantial concerns about ongoing compliance, and we also note that integrity and other threats may not be immediately apparent upon listing of a contract.

Moreover, by limiting the ability to initiate such review, non-compliant contracts may be potentially listed. *Id.* at 35,861. As the Commission's own record shows, the volume of event contracts listed for trading has grown exponentially over the last two years – with the daily average number of event contracts listed for trading on one of the largest markets growing from approximately 1,600 in April 2025 to 162,000 in April 2026. *Id.* at 35,844. More than 8,000 distinct event contracts were trading as of May 2026, *id.* at 35,844 n.303, across twenty-five designated contract markets. *Id*. at 35,844 n.298. With reported record trading volume during the 2026 World Cup, the number of contracts will likely continue to increase rapidly. Despite this, the Proposed Prediction Market Rulemaking contains no analysis of how many certified contracts the Commission could plausibly screen in ten calendar days or of staffing demands to discharge this responsibility adequately.

We note further that the current rule requires the Commission to request suspension of trading during the pendency of a review, 17 CFR § 40.11(c)(1) (2025); the Proposed Prediction Markets Rulemaking makes this request discretionary on the part of the Commission. 91 Fed. Reg. at 35,815, 17 CFR § 40.11(c)(5) (proposed); text at 91 Fed. Reg. 35861. We recommend that the Commission preserve this existing structure, particularly given the significant and self-imposed burdens of the proposed review process.

Significantly, the Proposed Prediction Markets Rulemaking is silent as to application of the ten-day window to contracts which have been listed prior to the effective date of the Proposed Prediction Markets Rulemaking. We are concerned that this rule will immunize currently listed contracts (many of which present the public policy issues raised in the Prior League Comment Letter) from review under the Special Rule and § 40.11. It is imperative that the Commission confirm that all currently listed contracts must be in compliance with the final regulation adopted by this rulemaking process.

As noted in the Prior League Comment Letter, the NFL and other sports leagues and governing bodies must be given a defined pathway to request emergency review and suspension of any sports event contract or class of contract upon submission of credible evidence of actual or potential integrity compromise. The review process proposed by the Commission must also suspend the market during the emergency review period and provide the relevant sports leagues and governing bodies with notice and a reasonable comment period for those governing bodies to submit written objections. The Commission should address such written objections in its determination and not approve a contract category over any such written objections without providing a reasoned explanation for its decision to do so.

Separately, and regardless of what review structure is adopted, the Commission must confirm, in its final rulemaking, that the conclusion of review or the expiration of a commencement window does not limit the Commission's separate authority under CEA section 8a(7) or 8a(9) or review in connection with false or materially inaccurate certifications under 17 C.F.R. § 40.2(c).

In response to the Commission's invitation for comment on aspects of the proposed public interest factors, we generally agree with the Proposed Prediction Market Rulemaking's sports-related public-interest factors, with one exception discussed below. The Commission's preliminary assessment (in the cost-benefit analysis of the Proposed Prediction Market Rulemaking) that contracts in disfavored categories "present significant risks of manipulation, offer opportunities for insider access, and may create perverse incentives for harmful behavior," 91 Fed. Reg. at 35,853, is correct, and the NFL urges the Commission to adhere to it in the operative part of any final rule. We note further that the Commission's staff has reached the same assessment. *See* CFTC Staff Advisory No. 26-08.

We believe one element of the proposed public interest factors requires revision. Among the considerations weighing against prohibition, the Proposed Prediction Market Rulemaking includes the likelihood that prohibiting a contract "would push trading activity into less transparent and less regulated foreign markets," and reasons that where demand for an event contract is strong, prohibition is "unlikely to eliminate the activity." 91 Fed. Reg. at 35,831. But the existence of demand for a contract does not override the public interest considerations set forth elsewhere; if there was little or no demand for contracts contrary to the public interest, there would be no need for the Special Rule or Regulation 40.11. In fact, contracts imposing the greatest public interest concerns may be among the highest-traded. We do not believe that otherwise non-compliant contracts should be permitted because they are in high demand or might otherwise be traded on offshore markets. However, we do believe the operation of unregulated offshore markets in the United States is a significant concern, and we encourage the Commission to reaffirm the applicability of its broad-based cross-border enforcement authority to prediction markets that operate in the United States from locations outside of our country's borders in its final rulemaking.

III. Gaming

We note that the Commission has requested comments on the proposed definition of "gaming" in Section 40.11(b). *Id.* at 35,827. Under the proposed definition of "gaming," contracts on "[r]esults or outcomes of honor and award contests" do not involve gaming. *Id.* at 35,828. The Commission must refine the proposed definition for contracts based on events that cannot be meaningfully differentiated from activities that are clearly gaming activity. The Commission uses the example of the Cy Young Award as an example of a "contest" that is not gaming, because its outcome depends on the judgment of a voting panel rather than occurrences in games. *Id.* at 35,864. But many professional sports awards are not severable from the underlying gaming activity in the way the Commission's proposed framework assumes. For example, contracts settling on who will win the Offensive Player of the Year are directly tied to player performance and occurrences during games. A contract does not cease to involve gaming merely because of an intervening vote or adjudicating mechanism. Award contests in which candidates participate in an underlying gaming activity and eligibility or selection is based predominantly on skill, athletic ability, or performance in that underlying activity must be included in any final definition of "gaming." A categorical exclusion for "results or outcomes of honor and award contests" also invites evasion by insertion of an award, vote or other adjudicative step into a sports-performance-based contest solely to avoid the Special Rule.

Similarly, given the volume of contracts submitted, the limited resources of the Commission, and the potential ability of market participants to structure contracts to avoid regulation, it is particularly critical that any final rulemaking contains adequate anti-circumvention provisions. We are concerned by the language in the sports-specific factors that reach contracts that "settle solely by reference to" injuries, officiating decisions, discrete in-game actions or altercations, as well as the reference to random-chance games as depending "entirely" on chance. *Id.* at 35,860. Considering that the Proposed Prediction Market Rulemaking contains a broad, discretionary formulation, we see little need to limit the Commission's ability to capture contracts which may be contrary to the public interest.

IV. Market Integrity

A. Trading on MNPI

The Commission must go further to address the risks posed by insiders trading in sports event contracts on material nonpublic information as relevant to the public interest inquiry. The final rulemaking must take the further step recommended in our Prior League Comment Letter and adopt regulations explicitly clarifying that trading in a sports event contract on the basis of material nonpublic information obtained through a duty of confidence owed to a sports governing body, team, or league (whether directly or as a tippee) constitutes a manipulative or deceptive device within the meaning of CEA § 6(c)(1). Such a clarification would define the class of individuals who owe a duty of confidence to sports leagues and governing bodies and whose trading on confidential information would constitute a violation, providing market participants with clear notice and the Commission with a framework tailored to the specific insider risks that sports prediction markets present.

B. Prohibited Bettors

While the Proposed Prediction Market Rulemaking endorses information sharing agreements as a general concept, the Commission does not fully address our prior recommendation to establish league-specific prohibited bettors lists. Rather than rely solely on prediction markets to police their own markets, the Commission must require our previously proposed league-specific prohibited bettors list as a necessary supplement to any proposed framework. Sports leagues and governing bodies are uniquely positioned to identify individuals with access to material nonpublic information, and a mandatory prohibited bettors list would operationalize the very eligibility screens that the Commission acknowledges are necessary. This exchange of information on prohibited bettors occurs in the most secure means possible.

V. Consumer Protection

In the Prior League Comment Letter, we noted that sports prediction markets "present risks to customers which are distinct from those currently addressed by the CEA or regulations thereunder." Accordingly, we recommended that the Commission mandate certain widely-accepted and commonsense consumer protection tools, including a centralized self-exclusion list, trading tools including deposit and loss limit controls, time and contract notifications, activity summaries, cooldown periods, trade risk controls, and periodic activity notifications. These protections must be mandated by regulation or NFA rule. In particular, self-exclusion and prohibited-persons lists are ineffective if administrated on a platform-by-platform basis; we strongly recommend that these functions be centralized.

The Proposed Prediction Market Rulemaking does not impose a minimum age requirement for any contract. As we noted in the Prior League Comment Letter, the vast majority of states which have legalized sports betting require that participants be 21 years of age or older. We strongly encourage that the Commission impose a minimum age limit of 21 years of age for trading in sports event contracts. We note that such restrictions would be administrable under existing CFTC regulation as an eligibility screen. *See, e.g.*, 17 C.F.R. § 38.151(a) (DCM access requirements); CEA § 5(d)(12), 7 U.S.C. § 7(d)(12) (Core Principle 12, requiring DCMs to establish and enforce rules "to protect markets and market participants from abusive practices committed by any party"); 91 Fed. Reg. at 35,850 (discussing eligibility screens as part of an evaluation of manipulation risk factors). Additionally, the Proposed Prediction Market Rulemaking does not address our prior consumer protection recommendation that the Commission ensure content protected by intellectual property rights is not used by prediction markets without necessary consent. The unauthorized use of league images or branding has the potential to mislead customers into assuming an endorsement of the contract or operator. Addressing intellectual property rights is imperative in order to protect the intellectual property of sports leagues and governing bodies as well as to avoid misleading market participants.

VI. Items Not Addressed by the Proposed Rule

We note that several additional items raised in the Prior League Comment Letter were not addressed by the Commission in its Proposed Prediction Market Rulemaking. We continue to believe these recommendations are necessary for the integrity of both the prediction markets and the underlying sporting events to which they relate including using reliable data, margin trading ban, advertising restrictions, and other important consumer and game integrity protections.

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We appreciate the opportunity to again provide our input on these markets, and we will continue to engage with the Commission as the regulatory process continues to ensure the integrity of our games is preserved. While implementation of our recommendations should not be construed as an NFL endorsement of prediction markets, we must stress that the above measures (including those described in the Prior League Comment Letter and incorporated by reference herein) are necessary to protect the integrity of sports leagues, prevent harassment of coaches, players and referees, and provide essential consumer protections for fans. Without the inclusion of these measures, the underlying integrity of these markets, and the safety of players, coaches and referees, is at significant risk.

Respectfully,

Brendon Plack
SVP, NFL Public Policy and Government Affairs

Appendix I

Prior League Comment Letter

May 15, 2026

Chairman Michael S. Selig
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: [Proposed Regulatory Framework for Integrity and Consumer Protection in Sports Prediction Markets] RIN3038-AF65

Dear Chairman Selig,

The National Football League ("NFL") respectfully submits the following suggestions for regulations that the Commodity Futures Trading Commission (the "Commission") should adopt as part of its development of a comprehensive regulatory framework for sports-related prediction markets.

The NFL's highest priority is preserving the integrity of our games. As you know, we have previously expressed concerns regarding event integrity and consumer protection in the context of sports prediction markets, so we were pleased to hear that the Commission is contemplating additional regulation of these markets and welcome the opportunity to contribute our suggestions to that process. As outlined below, these suggestions are aimed at (i) protecting the integrity of the sporting events to which the prediction contracts relate, and (ii) protecting participants in these prediction markets from fraudulent or manipulative behavior.

As an initial matter, we note that the Commodity Exchange Act (CEA) Section 5c(c)(5)(C) (the "Special Rule") authorizes the Commission to prohibit certain "event contracts" from being listed or made available for clearing or trading on or through a registered entity, if such contracts involve an activity that is enumerated in the Special Rule,[1] including contracts that involve "gaming". Our understanding is that Regulation 40.11 accordingly prohibits any registered entity from listing for trading or accepting for clearing any contract that involves, relates to, or references "gaming".[2] Nothing herein should be understood as expressing any view that sports event contracts are permissible under the CEA.

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[1] CEA § 5c(c)(5)(C), 7 U.S.C. 7a-2(c)(5)(C).

[2] 17 C.F.R. § 40.11.

I. Market Integrity

The NFL takes extremely seriously its obligation to protect the integrity of professional football and preserve public confidence in the league and sport. To that end, the NFL has engaged for years with legal sportsbooks and with state and tribal gaming authorities to support the enactment and enforcement of regulations and legislation designed to provide core integrity protections. Without similar additional regulatory or legislative guardrails, sports-related prediction market contracts, which reference sporting events but lack the robust protections necessary to protect our games and our fans, present significant threats to the integrity of the regulated markets and the underlying sporting events to which they relate.

A. Approval of Sports-Related Event Contracts

The current self-certification system permits Designated Contract Markets ("DCMs") to self-certify that an event contract complies with the CEA and regulations thereunder and begin trading of that contract on the next business day.[3] Although the Commission may initiate a review and stay of a contract or class of contracts to determine compliance, this approach is impractical for many sports event contracts in light of their novel nature and the high volume of self-certifications. To the extent the Commission intends to permit sports event contracts, we encourage the Commission, with consultation from the relevant sports governing bodies, to clarify, restrict or otherwise limit certain sports-related contracts as follows:

Prohibited Contracts: The Commission should proactively prohibit certain categories of contracts that are most susceptible to manipulation or otherwise inherently objectionable. As recommended in recent guidance from the CFTC, the NFL has sent communications to a broad range of DCMs requesting that they refrain from offering specific types of sports event contracts in categories the NFL has long referred to as "objectionable bets." We similarly encourage the Commission to prohibit contracts in the following categories, inclusive of the examples provided and subject to additional recommendations in the future, to best protect our game, as well as our players, coaches, and officials:

- Easily Manipulable by a Single Person
    - Game Related
        - will a kicker miss a field goal
        - will a QB's first pass be incomplete
        - will a receiver's first target be incomplete
        - will a running back rush for fewer than X number of yards on 1st rushing attempt
    - Non-Game Related

[3] 17 C.F.R. § 40.2

        - broadcast mentions
        - fan / celebrity attendance

- Inherently Objectionable:
    - player injuries
    - fan safety
    - player or fan misconduct
- Officiating Related:
    - timing, number, or types of penalties
    - officiating actions
    - replay results
    - officiating assignments
    - timing, number, or results of challenges
- Knowable in Advance:
    - the first play of the game
    - roster / personnel decisions (e.g., which players will start a game, which team will a player sign with, etc.)
    - who will be traded / hired or fired and associated contract timelines and values (including during the offseason)
    - live pick-by-pick contracts on who will be drafted
    - coaching decisions

Other Sensitive Contracts: The Commission should create a pre-approval process through which DCMs are required to submit new contracts or classes of contracts that are based on individual player performance (e.g. prop bets, micro prop bets, etc., to the extent that no leg of any prop or parlay bet constitutes a prohibited contract) or otherwise susceptible to manipulation. Such review process should provide the relevant sports leagues and governing bodies with notice and a reasonable comment period for those governing bodies to submit written objections. The Commission should address such written objections in its determination and not approve a contract category over any such written objections without providing a reasoned explanation for its decision to do so. For this category of contracts, the Commission would be required to affirmatively approve the contracts before the trading commences. This category of contracts should require preemptive guardrails to mitigate breaches of integrity, including, but not limited to, permissible contract size limits and types of statistics that may be utilized.

The Commission should also consider issuing an interim policy statement simultaneously with any proposed rule, announcing it will exercise heightened scrutiny under 17 C.F.R. § 40.2(b) over sports event contract self-certifications (new and existing) during the pendency of rulemaking and until the effective date of any final rule. Without such an interim measure, the effectiveness of any rulemaking could be significantly diminished.

The categories established under this framework should be subject to periodic review to account for changes in market structure, contract design, and manipulation risk. The Commission should also establish an expedited process by which sports governing bodies may request emergency review of any sports event contract category upon submission of credible evidence of actual or potential integrity compromise, including but not limited to evidence of match-fixing, systemic use of material nonpublic information, or manipulation of data sources used for contract settlement.[4]

B. Prohibited Bettors and Trading on Material Non-Public Information

Determining who is allowed to bet on or trade sports prediction contracts is a key component to both market and game integrity. The potential for event manipulation or the misuse of material non-public information by market participants is a serious threat to the integrity of sport and of the sports prediction markets. Accordingly, we recommend that the Commission require the following:

League-Specific Prohibited Bettor Lists: DCMs and other entities offering, clearing, or facilitating access to sports prediction markets (collectively, "Operators") should be required to enter into information-sharing agreements with the NFL and other sports governing bodies and integrity monitoring associations to establish and enforce a uniform prohibited-persons list, which include league and club employees and other personnel. Sports governing bodies should be authorized to submit and update such lists, and Operators should be required to check the registry, which should meet league privacy and security standards, before opening any account for trading in sports event contracts and periodically against existing accounts.

Trading on Material Non-Public Information: The Commission should adopt regulations clarifying that trading in a sports event contract on the basis of material nonpublic information obtained through a duty of confidence owed to a sports governing body, team, or league—including information obtained by athletes, club personnel, coaches, officials, team medical staff, vendors, media partners, and league employees—constitutes a manipulative or deceptive device or contrivance within the meaning of CEA section 6(c)(1).[5] The NFL would welcome the opportunity to work with the Commission on defining the universe of individuals who may have material non-public information as it relates to sports prediction markets.

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[4] *See* CEA § 8a(9), 7 U.S.C. § 12a(9) (emergency authority); CEA § 5(d)(3), 7 U.S.C. § 7(d)(3) (Core Principle 3); CEA § 5(d)(4), 7 U.S.C. § 7(d)(4) (Core Principle 4, market surveillance).

[5] CEA § 6(c)(1), 7 U.S.C. § 9(c)(1).

C. Market Monitoring

Effective monitoring of sports event contract markets that is at least equivalent to sports betting market monitoring requirements at the state level is essential for prohibiting market manipulation and protecting the integrity of sporting events. There are thousands of state gaming regulators monitoring legalized sports betting activity for any suspicious activity. Closing the gap between legalized sports betting market monitoring and prediction market monitoring may require additional federal legislation in addition to effective regulations under the existing CEA. The Commission should establish (or, if it feels it lacks authority to so regulate, advocate that Congress pass legislation establishing) proactive market-monitoring programs that would:

1. operate collaboratively with sports governing bodies, state gaming commissions, and integrity monitors;

2. notify sports governing bodies of suspicious activity and share any transaction data associated with such suspicious activity;

3. establish a process for state gaming commissions, sports leagues and governing bodies, and related market monitors to notify federal regulators of suspicious market activity; and

4. cooperate in any investigations, whether conducted by the sports governing body, federal law enforcement or other market monitor.

Additionally, the Commission should review its internal staff and technology resources to determine if it can effectively manage the increased responsibility of market monitoring needed for a growing sports prediction market. The Commission and Congress should explore if additional resources and third-party monitoring and an expanded role for NFA are needed to ensure the long-term integrity of these markets and their impact on consumers and sporting events.

D. Reliable Sources of Data

We recommend that the Commission require, as a condition for compliance with Core Principle 3, that the most reliable and consistent sources of data available be used for contract settlement in all cases in which contract settlement turns on a statistic from or outcome of an NFL game, consistent with the Commission's longstanding guidance that cash-settled contracts must be settled to a reliable price source that is not readily susceptible to manipulation.[6]

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[6] *See* CEA § 5(d)(3), 7 U.S.C. § 7(d)(3) (Core Principle 3, requiring DCMs to list "only contracts that are not readily susceptible to manipulation"); 17 C.F.R. § 38.200 (implementing Core Principle 3); 17 C.F.R. pt. 38, app. C(b)(2) (providing that cash-settled contracts should be settled "to a price reflecting the underlying cash market" and that the settlement price should "be reflective of the underlying cash market" and "not be readily susceptible to manipulation"); *id*. app. C(c)(3)(i) (providing that a DCM listing a cash-settled contract "should, whenever practicable, enter into an information-sharing agreement" with the provider of settlement price data to "facilitate the monitoring of trading in the underlying commodity"); *id*. app. C(g)(1)(i) (same, for swap contracts); *see also* 17 C.F.R. § 40.2(a)(3)(iv) (continued…)

E. Tokenization

Certain DCMs currently offer tokenization of contracts purchased on their exchange.[7] We believe tokenization is inconsistent with the requirements of the CEA, particularly that transactions be executed "on or subject to the rules of" a DCM, is incompatible with Core Principles 2 and 4, and circumvents the eligibility, KYC, and surveillance requirements otherwise in place for all market participants.[8] We strongly recommend that tokenization be prohibited in all instances relating to sports event contracts (including in secondary market trading thereof).

F. Enhanced Operator Fitness Standards

We recommend that the Commission require enhanced fitness standards under Core Principle 15 for registered entities listing sports event contracts, including verification that principals and key employees have no history of sports integrity violations, involvement in match-fixing, or sanctions by any sports governing body or state gaming regulatory authority.

To further support the integrity of sports prediction markets, we recommend that the Commission require Operators to establish and enforce information barriers between any business unit involved in sports event contract operations and any affiliate or business unit that maintains commercial relationships with sports governing bodies, teams, broadcasters, or sports data providers. We further recommend that the Commission require DCMs listing sports event contracts to disclose any proprietary trading by the DCM or its affiliates in contracts listed on the DCM, and to establish procedures ensuring that proprietary trading activity does not compromise settlement integrity or market surveillance.

We further recommend that the Commission require DCMs listing sports event contracts to adopt enhanced participant identification and verification procedures as a component of their access requirements under Core Principle 2. These procedures should be sufficient to enable Operators to accurately and reliably check participants against the National Futures Association (NFA) self-exclusion registry (as discussed below) and prohibited-persons lists, and to fulfill their information-sharing obligations with such governing bodies. We further recommend that the Commission coordinate with FinCEN to evaluate whether current customer identification program

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(requiring that self-certification filings include a concise explanation and analysis of the contract's compliance with applicable Core Principles, including the settlement procedure).

[7] See John Wang, *Kalshi Goes Crypto: Tokenized Predictions Are Live on Solana*, Kalshi Blog (Dec. 1, 2025), https://news.kalshi.com/p/kalshi-solana-tokenized-predictions

[8] *See* CEA § 4(a), 7 U.S.C. § 6(a) (requiring trading "on or subject to the rules" of a DCM); CEA § 5(d)(2)(A), 7 U.S.C. § 7(d)(2)(A) (Core Principle 2, requiring DCMs to establish, monitor, and enforce compliance with exchange rules, including "access requirements" and "the terms and conditions of any contracts to be traded on the contract market"); 17 C.F.R. § 38.152 (prohibiting abusive trade practices on DCMs); CEA § 5(d)(4), 7 U.S.C. § 7(d)(4) (Core Principle 4, requiring DCMs to have the capacity to prevent manipulation and price distortion through market surveillance, including "methods for conducting real-time monitoring of trading" and "comprehensive and accurate trade reconstructions"); 17 C.F.R. pt. 38, subpt. E (implementing Core Principle 4 market surveillance requirements); CEA § 4i, 7 U.S.C. § 6i (large trader reporting); 31 C.F.R. § 1026.220 (customer identification program requirements for FCMs and IBs as financial institutions under the Bank Secrecy Act); 31 C.F.R. § 1026.320 (suspicious activity reporting requirements for FCMs and IBs).

requirements under 31 C.F.R. § 1026.220 are adequate for sports event contract markets, given the unique integrity risks these markets present. We note that these enhanced identification requirements are effective only to the extent that all holders of sports event contract positions are subject to the Operator's compliance framework, which reinforces our recommendation in Section I.E that tokenization of sports event contracts be prohibited.

II. Consumer Protections

Sports prediction markets present risks to consumers which are distinct from those currently addressed by the CEA or regulations thereunder. To better address these risks, Operators should be subject to enhanced customer protection standards, as follows.

A. Self-Exclusion and Trading Tools

We recommend that the Commission establish and maintain a centralized self-exclusion registry – potentially maintained by the NFA – through which individuals may voluntarily elect to be barred from participating in sports prediction markets. Operators should be required to check the registry before opening any account for trading in sports event contracts and to refuse to open or maintain accounts for, or accept orders from, any individual appearing on the registry.[9] The Commission should direct NFA to explore data-sharing arrangements with state gaming regulatory authorities to enable cross-platform self-exclusion for individuals who have voluntarily excluded themselves from sports wagering in any jurisdiction. Operators should be prohibited from marketing to self-excluded individuals and required to scrub marketing or promotional lists in accordance with the registry.

In addition to the nationwide self-exclusion list discussed above, we recommend that Operators be required to offer users tools to enable responsible participation in sports prediction markets. At minimum, this should include (i) deposit and loss limit controls, (ii) time and contract notifications, (iii) plain-language activity summaries showing total deposits, contracts, net positions, and cumulative profits and losses, (iv) cooldown periods of user-selectable duration, (v) trade risk controls adapted to the settlement characteristics of the contracts offered, including confirmation delays for contracts that settle within the same trading session, and (vi) periodic activity notifications displaying session duration and aggregate net profit or loss.

B. Minimum Age Requirements

Participants in sports prediction markets should be 21 years of age or older. For the vast majority of states that have legalized sports betting, state level policymakers have long held that participants should be 21 years of age or older. With the explosive growth of sports prediction

[9] *See* CEA § 17(b)(3)(C), 7 U.S.C. § 21(b)(7) (requiring NFA rules to be "designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and in general, to protect the public interest"); CEA § 17(p), 7 U.S.C. § 21(p) (authorizing NFA to adopt rules governing the business conduct of its members); *see also* NFA Compliance Rule 2-36 (establishing product-specific customer protection requirements for retail forex transactions); NFA Compliance Rule 2-51 (same, for digital asset transactions).

markets that are widely available to 18- to 20-year-olds, it is imperative that the Commission act to impose a consistent minimum age requirement for participation in these markets.

C. Advertising and Marketing Restrictions

We recommend that the Commission direct NFA to adopt supplemental advertising and promotional standards applicable to Operators. Current NFA Compliance Rule 2-29 establishes general requirements for promotional materials distributed by NFA members, but these requirements do not adequately address the unique characteristics of sports event contracts, which are predominantly marketed directly to retail consumers.[10] At minimum, supplemental standards should require that all promotional materials for sports event contracts include clear and prominent disclosure that trading in event contracts involves risk of loss; prohibit promotional materials that characterize sports event contracts as a form of sports entertainment or that obscure the financial risk of participation; prohibit the use of sign-up bonuses, deposit matches, risk-free trade promotions, or similar inducements that are designed to encourage trading activity without adequate disclosure of associated risks and conditions; and require that all advertising directed at the general public include information regarding the availability of self-exclusion and responsible trading tools. We further recommend that NFA prohibit Operators from directing advertising for sports event contracts to individuals under the age of 21 as well as self-excluded individuals.

Additionally, the Commission should consider requiring Operators to fund problem gambling non-profits such as the National Council on Problem Gambling (NCPG). The NFL is the largest financial supporter to the NCPG, and organizations like the NCPG should also receive support from prediction market operators.

D. Intellectual Property Protections

We recommend that the Commission reaffirm intellectual property protections and ensure content protected by intellectual property rights are not used by Operators without consent. The NFL respects the intellectual property rights of others and takes intellectual property concerns seriously. The use of league, team, or team images or branding without permission potentially misleads the customers into incorrectly assuming an endorsement of a market contract or the Operator.

E. Margin Trading Ban on Sports Markets

We recommend that the Commission prohibit margin trading on all sports-related prediction market contracts. The permittance of event contracts that are not fully collateralized, as some have suggested, particularly related to sports markets, could amplify addictive behavior and loss risk. As such, most states that have legalized sports betting require customers to deposit sufficient funds prior to wagering, blocking wagers that cannot be fully accounted for in their

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[10] *See* NFA Compliance Rule 2-29 (governing communications with the public and promotional material by NFA members); NFA Interpretive Notice 9003 — NFA Compliance Rule 2-29: Use of Promotional Material Directed to the Public (providing guidance on fair and balanced presentation of risks in promotional materials); *see also* CEA § 5(d)(12), 7 U.S.C. § 7(d)(12) (Core Principle 12, requiring DCMs to establish and enforce rules "to protect markets and market participants from abusive practices committed by any party").

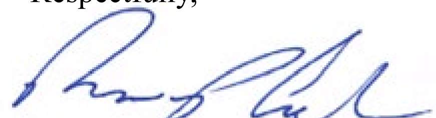
digital wallet. Furthermore, the majority of prominent sports betting operators have banned the use of credit cards to fund customer accounts, with a number of states passing laws to forbid it. The Commission should implement similar restrictions for sports-related event contracts.

F. Statutory Requirement that an Event Contract be Associated with a Potential Financial, Economic, or Commercial Consequence

Finally, we note that the regulatory authority of the CFTC under the CEA is limited to transactions that "provide a means for managing and assuming price risks, discovering prices, or disseminating pricing information."[11] We are concerned that many event contracts currently traded that relate to our games may not further these policy interests. In particular, it is unclear how contracts on sporting events facilitate the transfer of price risks, price discovery, or dissemination of pricing relevant to any material economic activity other than sports wagering. While the price of a sports event contract may serve to aggregate and disseminate information as to underlying odds, this is no different than the setting and adjustment of odds on a state-regulated sportsbook. Unlike weather or election contracts, which directly and predictably bear on broad swathes of economic activity, the financial, economic, or commercial impacts of the winner of a sporting event on entities other than the league, teams, or players is limited at best. And the tangible financial, economic, or commercial impact of the events underlying player-specific prop bets and parlay bets, setting aside the impact of the bets themselves, is even less so. We urge the Commission to evaluate all sports-related event contracts in the context of these CEA mandates.

We appreciate the opportunity to provide our input on these markets, and we look forward to future opportunities to build on these initial comments and work with the Commission as the regulatory process continues. While implementation of these standards should not be construed as an NFL endorsement of prediction markets, we believe the above measures would enhance the integrity of sports prediction markets, provide for necessary customer protections, and support sustainable growth in these novel markets. We welcome the opportunity to provide additional information or perspective as helpful.

Respectfully,



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[11] CEA § 3(a), 7 U.S.C. 5(a).