Proskauer Submits Letter to the Commodity Futures Trading Commission Regarding a Notice of Proposed Rulemaking entitled "Prediction Markets; Public Interest Determinations"

July 27, 2027

Proskauer submitted a comment letter to the Commodity Futures Trading Commission (the "Commission") regarding proposed guidance on the listing of event contracts. Proskauer recommends refinements that would provide greater certainty for designated contract markets ("DCMs"), encourage innovation while preserving market integrity, and improve the administration of the Commission's proposed public interest review framework.

Proskauer recommends that the Commission:

- Establish an optional pre-listing safe harbor review process for novel event contracts that do not clearly fall within the Commodity Exchange Act's enumerated prohibited activities, allowing DCMs to obtain regulatory certainty before listing new products.
- Narrow and clarify the Commission's authority to consolidate multiple event contracts for review by limiting consolidation to closely related contracts and ensuring that any determination applies only to the specific contracts under review.
- Provide additional guidance on how it will apply the public interest framework, including how it will balance the benefits of event contracts against potential risks and when a contract will be considered to involve an enumerated prohibited activity.

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