

July 30, 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: Data Reporting Requirements for Certain Event Contracts, RIN 3038-AF73, 91 Fed. Reg. 40,102 (July 1, 2026)

Dear Secretary Kirkpatrick:

Talos Trading LLC ("Talos") appreciates the opportunity to submit this comment in response to the Commodity Futures Trading Commission's notice of proposed rulemaking regarding Data Reporting Requirements for Certain Event Contracts, RIN 3038-AF73, 91 Fed. Reg. 40,102 (July 1, 2026) (the "Proposal").

Talos builds and supports institutional trading infrastructure for digital-asset markets. Our technology covers liquidity aggregation, order and execution management, portfolio and risk workflows, settlement workflows, and market data. It connects institutions to more than 100 digital-asset liquidity and service providers, including exchanges, over-the-counter dealers, custodians, and decentralized-finance protocols. Following Talos's acquisition of Coin Metrics in 2025, our capabilities also include digital-asset market and network data, reference rates, indexes, research, and related analytics.

Talos has also started developing infrastructure tooling and data to support institutional access to prediction-market and event-contract venues. Talos submits this letter as a technology and data services provider, not as a prediction-market operator, principal, or market maker. Our perspective is operational: we provide the data and systems institutional firms use to access fragmented markets through controlled workflows and maintain a reconstructible record of their activity.

Talos submits this comment because it has observed a significant increase in institutional interest in prediction-market and event-contract access across a broad range of client types. That interest is not limited to a single trading strategy or customer segment; it reflects broader institutional demand for markets that can support information discovery, risk assessment, and regulated market access. As a technology provider connected to a wide range of institutional clients and liquidity venues, Talos sees how quickly market-structure choices affect where activity forms. Those choices also determine whether clients can access markets through controlled institutional workflows, and whether regulated U.S. venues remain competitive with offshore or less transparent alternatives.

This letter principally addresses the proposed alternate reporting framework for Covered Event Contracts and the key design choices needed for effective reporting, surveillance, and implementation.

Talos supports the core structure of the proposal. Covered Event Contracts are standardized, exchange-traded, centrally cleared, and fully collateralized. For reporting purposes, they more closely resemble listed futures and options than bespoke bilateral swaps. A tailored Parts 15 through 18 framework should give the Commission more relevant information at lower cost than applying the swap data repository framework designed for more complex bilateral swap markets. Codifying this approach is also preferable to continued reliance on staff no-action relief because it gives DCMs, intermediaries, market participants, and technology providers a stable standard against which to build.

Talos also encourages the Commission to treat this rulemaking as more than a codification exercise. The identifiers, public data formats, settlement records, trader-identification workflows, and recordkeeping standards adopted now will determine whether these markets can be monitored, compared, and understood as they grow and as economically related contracts trade across multiple venues. The recommendations below are targeted at that data foundation.

I. Adopt the tailored Parts 15 through 18 framework and avoid mandatory SDR reporting

Talos supports adopting the core structure of proposed section 16.03. Covered Event Contracts should be reported under a tailored Parts 15 through 18 framework rather than through the swap data repository regime designed for more complex bilateral swaps. The final rule should keep clear boundaries around Covered Event Contracts so that traditional swaps remain subject to the existing swap-reporting framework.

Requiring a DCM to register as a swap data repository, or requiring Covered Event Contract data to be routed through a swap data repository, would add operational complexity and cost without a commensurate surveillance benefit. These contracts are listed on DCMs, centrally cleared, standardized, and fully collateralized. The relevant question is whether the framework gives the Commission a complete and usable surveillance record linking trading activity to participants, contract terms, and settlement. A tailored reporting framework can do so more directly.

The cost-benefit case for the proposed framework is strong. Requiring these contracts to be reported through a swap-reporting architecture would impose substantial implementation and ongoing transaction costs without producing materially more useful surveillance data. A tailored Parts 15 through 18 framework would avoid duplicative reporting while preserving the information needed for market oversight.

The proposal should also promote competition and market integrity. A clear, tailored reporting framework gives DCMs and technology providers predictable implementation requirements, lowers barriers to entry, and allows providers to compete on service quality and efficiency. Those benefits would be weakened by prescriptive or duplicative reporting obligations that do not materially improve the Commission's oversight capabilities.

II. Make public transaction data machine-readable, downloadable, and usable

Talos supports public dissemination of the proposed baseline fields: execution timestamp, ticker, quantity, and price. In usable form, those data would allow market participants and the public to assess

how these markets price risk and perform over time. The requirement should therefore make the data practically usable, not merely visible.

Public transaction data should be machine-readable and available through stable, documented bulk downloads, such as CSV or JSON. A webpage that requires scraping should not satisfy this requirement. APIs can be useful, but the core requirement should be stable systematic access rather than any particular delivery architecture. Timestamps should use a consistent convention, preferably UTC, and corrections, cancellations, and trade-condition flags should follow a documented methodology.

The Commission asks whether additional public data elements should be required beyond the proposed baseline. Talos recommends the limited set of venue, instrument, and trade-status fields identified in Appendix A. Those fields would materially improve usability without disclosing account-level information. Lifecycle and resolution metadata can be supplied through a linked reference file rather than repeated on every trade record.

Trader identity, account identifiers, beneficial ownership information, order identifiers, and other account-level details should not be included in public transaction data. Those data belong in the confidential regulatory layer, subject to appropriate access controls, retention rules, and inspection rights.

Proposed § 16.03(f) would require DCMs to keep transaction data publicly available for at least one year after its initial public dissemination. Talos recommends extending that minimum. Prediction markets are probabilistic markets whose reliability and informational value can be evaluated only after many contracts have been resolved. Measuring calibration, longshot bias, market quality, settlement reliability, and correction history requires multi-year data. The Commission should require DCMs to maintain publicly accessible historical transaction files for at least five years, even if only the most recent year must remain readily accessible through the DCM's primary public interface.

III. Use distinct identifiers for instruments, events, outcome sets, and reporting aggregation

The proposed public dissemination requirement includes a contract ticker symbol. Tickers are useful display labels, but they are venue-specific, can change, and do not establish whether contracts are economically related.

Talos recommends that each Covered Event Contract have a stable UIC separate from its display ticker. DCMs should also use an event-family identifier for contracts tied to the same event or measure, an outcome-set identifier for mutually exclusive outcomes, and a reporting-aggregation-group identifier for contracts that should be tested together under large-trader rules. These identifiers should serve different functions. Contracts may share an event-family identifier without necessarily belonging to the same reporting-aggregation group.

A single event can support threshold ladders, above/below pairs, ranges, mutually exclusive outcomes, and contracts with different observation windows or settlement sources. Without reference data connecting those instruments, economically related contracts can appear unrelated. With stable

identifiers assigned at listing, aggregation, surveillance, position analysis, and public research can operate from known relationships rather than after-the-fact inference.

The Commission does not need to prescribe a global taxonomy in this rulemaking. It should, however, require or clearly encourage the standardized reference data described in Appendix A so related contracts can be identified and data can be combined across venues without namespace collisions.

IV. Group related contracts at listing for reporting-threshold analysis

The Commission asks how to measure account size when a trader holds positions across closely related markets. This is a central issue for Covered Event Contracts because a trader can build a large economic exposure across a ladder, range, or outcome set without crossing a reporting threshold in any single contract.

The workable answer is to encode related-contract relationships through reference data at listing. DCMs and intermediaries should not be required to infer related exposures later through subjective correlation analysis. Contracts that share the same underlying event or measure, observation window, settlement source, and resolution period should carry a common reporting-aggregation-group identifier when they should be tested together for reporting purposes.

For example, consistent with the closely related markets identified in the Proposal's request for comment, a trader could hold 80,000 contracts that pay if the average U.S. gas price for a given month exceeds \$3.70 and another 70,000 contracts that pay if the same monthly average exceeds \$3.80. If both contracts use the same observation period, settlement source, and methodology, the trader may have 150,000 contracts of overlapping exposure even though neither position individually reaches the reporting level. A reporting-aggregation-group identifier would allow those positions to be tested together consistently.

For mutually exclusive outcome sets, simple gross addition may overstate exposure. The DCM should calculate the maximum position or maximum payout that can apply across possible outcomes. Opposing positions should reduce the calculation only where their payout terms demonstrably offset. The Commission should illustrate this approach across common contract structures, including how to aggregate positions, calculate maximum payout, and recognize demonstrable offsets.

Encoding relationships at listing makes the obligation predictable for intermediaries and produces data the Commission can use across DCMs. It also reduces implementation burden by replacing case-by-case judgment with reference-data fields that systems can consume automatically.

V. Make settlement and resolution auditable

Talos supports proposed § 16.03(b)(2), which would require DCMs to include settlement-related information in their § 16.01 reporting, including whether the event underlying a contract occurred, the event that occurred, the time and date it occurred, and the source used to make the determination. Settlement and resolution records are the backbone of event-contract surveillance. They allow the Commission to compare trading activity against the information available to the market, and against the information available to the DCM, at relevant times.

To make those records usable, the final rule or adopting release should specify a standard settlement and resolution record for each Covered Event Contract. As detailed in Appendix A, the record should link the final outcome to the governing methodology, source data and timing, and any dispute, correction, or manual intervention.

The DCM should maintain a resolution methodology before trading begins and preserve each version of that methodology. The methodology should identify the primary and backup sources, define the observation window and timing convention, and address revisions, disputes, and manual intervention. It should also state its publication and effective dates. If the methodology changes, the DCM should retain the prior version and identify which trades, contracts, or settlement periods it governed.

The final settlement record should separately identify event time, source-publication time, and DCM-resolution time because those timestamps answer different surveillance questions. Trading before source publication may indicate misuse of information before it became public. Trading before a correction or manual resolution may indicate exploitation of venue-specific knowledge or settlement-process uncertainty. A single settlement timestamp does not provide enough information to distinguish those patterns.

These records need not be public in full. The Commission should have inspection access to the complete record, while public files can provide enough settlement status and resolution metadata to support market analysis without exposing sensitive operational or account-level information.

VI. Retain the proposed thresholds as an initial calibration and review them against observed data

Talos supports the proposed position-reporting level of 125,000 contracts for Covered Event Contracts with a \$1 maximum payout and the \$125,000 notional-equivalent approach for Covered Event Contracts with a higher maximum payout. Talos also supports the separate reportable trading volume level of 125,000 contracts traded during a single trading day on a single reporting market in instruments that share the same product identifier. The position threshold appropriately keeps ordinary smaller accounts out of a reporting regime built for significant traders. The volume threshold is important because market makers and other high-turnover accounts may end the day flat while accounting for substantial market activity.

The Commission should treat these thresholds as an initial calibration rather than as a permanent conclusion. These markets are developing quickly, and the appropriate threshold may change as their structure evolves. Talos recommends that the Commission commit in the adopting release to reviewing the thresholds within 12 to 18 months after implementation.

That review should assess how much activity is captured, which accounts fall above and below the thresholds, and whether surveillance experience warrants broader reporting, including for related contracts.

Talos does not recommend category-specific thresholds at the outset. Categories such as weather, elections, sports, economic indicators, and cultural events say little by themselves about liquidity, participant concentration, contract size, or surveillance need. If category-specific thresholds are later

warranted, they should be based on observed market characteristics rather than on broad event labels.

VII. Implement trader-identifying requirements through secure institutional workflows

Talos supports proposed section 16.03(g). Trader-identifying information is necessary to detect abusive or coordinated trading and attempts to evade account-level surveillance. Without reliable identity and account-linkage information, transaction and position reports are materially less useful for surveillance.

Implementation should account for ordinary institutional market structure. Institutional access often occurs through intermediated, omnibus, managed-account, or API-based arrangements. A DCM may not have a direct relationship with the underlying trader or the individual account controller. Requiring a DCM to duplicate an intermediary's onboarding process would add cost, create inconsistent copies of customer records, and may not improve identity quality.

The final rule should make clear that a DCM may satisfy section 16.03(g) by obtaining required information through intermediaries using secure, standardized data transfer, subject to appropriate audit rights and Commission access. The DCM should remain responsible for compliance with the rule, but the collection mechanism should work through the access model actually used by institutional participants.

For legal entities, the Commission should encourage use of legal entity identifiers, together with account-controller identifiers and relevant affiliate-group identifiers. These fields improve the ability to link accounts and detect coordinated activity while reducing unnecessary collection of duplicative personal information. The Commission should also permit appropriate confidential treatment of sensitive trader-identifying information and should not require such information to appear in public transaction data.

A workable approach to identity can also support regulated-market participation. If identity collection cannot accommodate institutional intermediation, some activity may migrate to less transparent venues where supervisory access and account linkage are weaker. The Commission should avoid that result by allowing secure intermediary workflows that preserve DCM responsibility and Commission access.

VIII. Protect sensitive data and align recordkeeping with inspection needs

The final rule should apply risk-based safeguards to confidential trader and account-linkage data throughout its lifecycle. At a minimum, covered data should be transmitted and stored securely, access-controlled and auditable, subject to correction and retention rules, and limited to what surveillance and regulatory oversight require.

A surveillance regime is not improved by copying personal or confidential business information into more systems than necessary. The Commission should specify the regulatory objective and minimum data elements while allowing DCMs, intermediaries, and service providers to design secure workflows that meet those objectives.

The applicable recordkeeping framework should cover the reference, settlement, trader-identification, and related records described in Appendix A. Those records should be inspection-ready and linkable to the contracts and accounts they support.

IX. Publish specifications early and phase in genuinely new technical requirements

Much of the Proposal codifies reporting practices that DCMs already follow under staff no-action relief. Those elements can proceed on the Commission's proposed timeline. The Commission should, however, resolve an internal inconsistency in that timeline. Section II.C states that the implementation date for proposed §§ 16.03(b)(1) and 16.03(c) would be the later of six months after publication of a final rule or July 26, 2027, while Section III states that the implementation date would be the later of 60 days after publication or July 26, 2027. The final rule should specify a single implementation date for these provisions.

If the final rule adopts any of the additional data or workflow requirements suggested here or by other commenters, implementation will require systems work by DCMs, intermediaries, and technology providers.

Talos recommends that genuinely new technical requirements become effective no sooner than 180 days after the Commission publishes final technical specifications. Specifications should fully define the data model and its validation, correction, and version-control rules. They should also include sample files and test cases and, where practicable, a test environment or structured conformance process.

Early specifications are more important than mandating any particular technology stack. The Commission should remain vendor-neutral by defining data-quality principles and required outputs while allowing DCMs and service providers to choose architectures that satisfy those requirements. This approach would reduce implementation risk, support competition, and make the resulting data more consistent.

Summary of recommendations

- Adopt the proposed alternate Parts 15 through 18 framework for Covered Event Contracts.
- Avoid mandatory swap data repository registration or SDR reporting for these contracts.
- Require or clearly encourage stable UICs, event-family identifiers, outcome-set identifiers, and reporting-aggregation-group identifiers.
- Make public transaction data machine-readable, downloadable, documented, and available for a meaningful historical period.
- Add the targeted public fields suggested in Appendix A.
- Require the auditable settlement and resolution records suggested in Appendix A.
- Group related contracts at listing rather than relying on after-the-fact correlation analysis.
- Adopt the proposed position and volume thresholds discussed in Section VI, including the notional-equivalent approach for contracts with a higher maximum payout. Review both thresholds after 12 to 18 months of observed data.

- Permit trader-identifying information to be obtained through secure intermediary workflows while preserving DCM responsibility and Commission access.
- Apply lifecycle data-protection standards to confidential trader and account-linkage records.
- Phase in genuinely new technical requirements after final specifications are published, and remain vendor-neutral by defining data-quality principles rather than mandating providers or architectures.

Conclusion

This rulemaking will set the data foundation for Covered Event Contracts in the United States. The Proposal gets the basic framework right: these contracts should be reported through a tailored listed-market framework rather than through a swap data repository architecture that does not fit their structure.

Together, the data architecture and implementation measures recommended above would give the Commission a durable foundation for monitoring these markets as they grow. They are technology-neutral and can support effective oversight without dictating a particular architecture.

A clear, workable reporting framework grounded in the operational realities of these markets will also help determine whether growing institutional demand develops through transparent, supervised U.S. infrastructure or migrates to venues and structures with less regulatory visibility. By pairing effective oversight with implementable data requirements, the Commission can support both market integrity and continued development within the regulated U.S. market.

Talos would welcome the opportunity to work with Commission staff on these data and implementation issues.

Respectfully submitted,



Josh Peschko, CFA
Global Head of Compliance and Regulatory Strategy

cc: The Honorable Michael S. Selig, Chairman

Appendix A - Suggested core data elements

The fields below are illustrative. Talos recommends that the Commission define required data functions and field meanings while remaining vendor-neutral as to delivery architecture.

Public trade record

- Execution timestamp in UTC;
- venue identifier;
- stable UIC;
- display ticker;
- event-family identifier;
- trade quantity;
- price;
- contract multiplier or maximum payout;
- trade-condition flag; and
- correction or cancellation flag.

Contract reference record

- UIC;
- display ticker;
- contract title;
- event-family identifier;
- outcome-set identifier;
- reporting-aggregation-group identifier;
- contract type and payout structure;
- multiplier or maximum payout;
- listing time;
- last trading and expiration times;
- expected resolution time;
- observation window;
- settlement source;
- methodology version;
- lifecycle and halt status; and
- amendment history.

Resolution-methodology record

- UIC or covered contract group;
- methodology version;
- publication and effective dates;
- primary and backup sources;
- source hierarchy;
- observation window;
- timing convention;
- revision policy;
- material edge cases;
- dispute process;
- manual-intervention standard; and
- change history.

Settlement record

- UIC;
- event-family identifier;
- methodology version;
- final outcome or settlement value;
- relevant event time or observation-window end;
- source-publication time;
- DCM-resolution time;
- source used;
- dispute status;
- correction history;
- manual-intervention flag; and
- final settlement timestamp.

Confidential trader-identification and linkage record

- trader name;
- physical address;
- email address;
- phone number;
- occupation and employer;
- guarantor information, where applicable;
- persons with a financial interest of 10 percent or more, where applicable;
- legal entity identifier, where available;
- account identifier;
- account-controller identifier;
- affiliate-group identifier, where applicable;
- intermediary identifier;
- beneficial-owner or control information required by applicable rules;
- effective dates for account and control relationships;
- source of the information and last update timestamp; and
- error-correction or update history.