

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Commodity Exchange Act to modify provisions relating to event contracts, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. McCORMICK introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To amend the Commodity Exchange Act to modify provisions relating to event contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prediction Market Act  
5 of 2026”.

6 **SEC. 2. SPECIAL RULES RELATING TO EVENT CONTRACTS.**

7 Section 5c of the Commodity Exchange Act (7 U.S.C.  
8 7a–2) is amended—

9 (1) in subsection (c)(5)(C)—

1 (A) in the subparagraph heading, by strik-  
2 ing “EVENT CONTRACTS AND”;

3 (B) by striking clauses (i), (ii), and (iv);

4 (C) in clause (iii), by striking the clause  
5 designation and heading and all that follows  
6 through “In connection” in subclause (I) and  
7 inserting the following:

8 “(i) IN GENERAL.—In connection”;

9 (D) by redesignating subclause (II) as  
10 clause (ii) and indenting appropriately; and

11 (E) in clause (ii) (as so redesignated), by  
12 redesignating items (aa) and (bb) as subclauses  
13 (I) and (II), respectively, and indenting appro-  
14 priately; and

15 (2) by inserting after subsection (c) the fol-  
16 lowing:

17 “(d) SPECIAL RULES RELATING TO EVENT CON-  
18 TRACTS.—

19 “(1) DEFINITIONS.—In this subsection:

20 “(A) CONTINGENCY.—The term ‘contingency’ means an event or circumstance that  
21 may happen, but is not certain to occur, including the outcome of another event or cir-  
22 cumstance.  
23  
24

1           “(B) EVENT CONTRACT.—The term ‘event  
2 contract’ means a contract for the sale of a  
3 commodity for future delivery, option on such a  
4 contract, or swap based on one or more ex-  
5 cluded commodities that is—

6                   “(i) based upon an occurrence, extent  
7 of an occurrence, or contingency (other  
8 than a change in the price, rate, value, or  
9 levels of a commodity described in section  
10 1a(19)(i)); and

11                   “(ii) listed by a designated contract  
12 market or swap execution facility.

13           “(C) OCCURRENCE.—The term ‘occur-  
14 rence’ means something that happens, such as  
15 an event, including the outcome of another  
16 event.

17           “(2) REVIEW OR APPROVAL OF EVENT CON-  
18 TRACTS.—

19                   “(A) IN GENERAL.—In connection with the  
20 listing of event contracts by a designated con-  
21 tract market or swap execution facility, the  
22 Commission, on a case-by-case basis, may de-  
23 termine that an event contract is contrary to  
24 the public interest if the event contract is based

1 on an occurrence, extent of an occurrence, or  
2 contingency involving—

3 “(i) activity that is unlawful under  
4 any Federal or State law;

5 “(ii) terrorism;

6 “(iii) assassination;

7 “(iv) war;

8 “(v) violence;

9 “(vi) gaming; or

10 “(vii) other similar activity deter-  
11 mined by the Commission to be contrary to  
12 the public interest.

13 “(B) PROHIBITION.—No event contract  
14 determined by the Commission to be contrary  
15 to the public interest under subparagraph (A)  
16 may be listed or made available for clearing or  
17 trading on or through a registered entity.

18 “(C) PUBLIC INTEREST CRITERIA.—

19 “(i) CRITERIA.—The Commission  
20 shall promulgate such rules and regula-  
21 tions as the Commission determines appro-  
22 priate to specify the criteria for deter-  
23 mining that event contracts based on the  
24 activities described in clauses (i) through

1 (vii) of subparagraph (A) are contrary to  
2 the public interest.

3 “(ii) PUBLIC INTEREST.—In the rules  
4 and regulations promulgated under clause  
5 (i), the Commission shall provide that an  
6 event contract is likely to be contrary to  
7 the public interest if the event contract  
8 materially encourages violence or similar  
9 unlawful activity.

10 “(iii) PUBLIC COMMENT.—In promul-  
11 gating rules and regulations under clause  
12 (i), the Commission shall provide not less  
13 than a 60-day public comment period.

14 “(D) ENHANCED CERTIFICATION.—

15 “(i) FORMAT OF SUBMISSIONS.—The  
16 Commission shall prescribe by rule or reg-  
17 ulation standardized requirements, as de-  
18 termined by the Commission, in addition to  
19 the requirements of subsection (c), for the  
20 format of written certifications of des-  
21 ignated contract markets and swap execu-  
22 tion facilities for new event contracts pur-  
23 suant to subsection (c)(1) and for vol-  
24 untary requests for prior approval for new

1 event contracts pursuant to subsection  
2 (c)(4).

3 “(ii) DISCLOSURE REQUIREMENTS.—  
4 The Commission shall prescribe by rule or  
5 regulation disclosure requirements relating  
6 to the material terms and conditions of  
7 event contracts that are reasonably de-  
8 signed to promote retail customer read-  
9 ability.

10 “(iii) FINANCIAL PENALTY.—

11 “(I) IN GENERAL.—The Commis-  
12 sion may prescribe by rule or regula-  
13 tion a financial penalty for a violation  
14 of clause (i).

15 “(II) CONSIDERATIONS.—In de-  
16 termining the amount of a financial  
17 penalty assessed under subclause (I),  
18 the Commission shall consider—

19 “(aa) the gravity of the vio-  
20 lation; and

21 “(bb) similar previous viola-  
22 tions committed by the des-  
23 ignated contract market or swap  
24 execution facility.

1                   “(III) APPEALS.—If the Commis-  
2                   sion prescribes a financial penalty  
3                   under subclause (I), the Commission  
4                   shall establish a procedure for appeal-  
5                   ing such penalties, including in Fed-  
6                   eral courts.

7                   “(3) COMMUNICATIONS WITH THE PUBLIC.—

8                   “(A) IN GENERAL.—In connection with the  
9                   offer of an event contract to a person that is  
10                  not an eligible contract participant, a deriva-  
11                  tives clearing organization shall not use any  
12                  promotional material that—

13                         “(i) is likely to deceive the public;

14                         “(ii) contains any material  
15                         misstatement or omission that makes the  
16                         promotional material misleading;

17                         “(iii) mentions the possibility of profit  
18                         unless accompanied by an equally promi-  
19                         nent discussion of the risk of loss;

20                         “(iv) includes any reference to actual  
21                         past trading profits without mentioning  
22                         that past results are not necessarily indic-  
23                         ative of future results;

24                         “(v) includes any specific numerical or  
25                         statistical information about the past per-

1 formance of any actual account, unless  
2 permitted by the Commission by rule or  
3 regulation; or

4 “(vi) includes a testimonial that—

5 “(I) is not representative of all  
6 reasonably comparable investors;

7 “(II) does not prominently state  
8 that the testimonial is not indicative  
9 of future performance or success; and

10 “(III) if applicable, does not  
11 prominently state that it is a paid tes-  
12 timonial.

13 “(B) RULEMAKING.—The Commission  
14 shall promulgate such rules or regulations as  
15 the Commission determines to be appropriate to  
16 carry out subparagraph (A), consistent with ap-  
17 plicable standards for futures commission mer-  
18 chants, including—

19 “(i) relating to records to be made  
20 available for examination by the Commis-  
21 sion; and

22 “(ii) applicable disciplinary actions or  
23 penalties for noncompliance with this para-  
24 graph.

25 “(4) KNOW YOUR CUSTOMER APPLICATION.—

1           “(A) ANTI-MONEY LAUNDERING COMPLI-  
2 ANCE PROGRAM.—In connection with the offer  
3 of an event contract to a person that is not an  
4 eligible contract participant, a derivatives clear-  
5 ing organization shall have an anti-money laun-  
6 dering compliance program in place in accord-  
7 ance with section 5318(h) of title 31, United  
8 States Code, which shall include—

9           “(i) internal policies, procedures, and  
10 controls reasonably designed to achieve  
11 compliance with subchapter II of chapter  
12 53 of title 31, United States Code, and  
13 chapter 2 of title I of Public Law 91–508  
14 (12 U.S.C. 1951 et seq.) (commonly known  
15 as the ‘Bank Secrecy Act’) (including regu-  
16 lations promulgated under that subchapter  
17 and chapter);

18           “(ii) appointment of one or more indi-  
19 viduals responsible for implementing and  
20 monitoring the program’s day-to-day oper-  
21 ations;

22           “(iii) an ongoing training program;

23           “(iv) independent testing;

1                   “(v) appropriate risk-based procedures  
2                   for conducting customer due diligence, in-  
3                   cluding—

4                   “(I) understanding the nature  
5                   and the purpose of developing a cus-  
6                   tomer risk profile; and

7                   “(II) conducting ongoing moni-  
8                   toring to detect and report suspicious  
9                   transactions and on a risk basis to  
10                  maintain and update customer infor-  
11                  mation, including identifying and  
12                  verifying beneficial owners; and

13                  “(vi) appropriate procedures to verify  
14                  that individual customers have attained the  
15                  age of 18 years.

16                  “(B) RULEMAKING.—The Commission  
17                  shall promulgate such rules or regulations, with  
18                  consideration of the application of the applica-  
19                  ble core principles described in this Act, as the  
20                  Commission determines to be appropriate to  
21                  carry out subparagraph (A), including—

22                  “(i) relating to records to be made  
23                  available for examination by the Commis-  
24                  sion; and

1                   “(ii) applicable disciplinary actions or  
2                   penalties for noncompliance with this para-  
3                   graph.

4                   “(5) FUNDS.—

5                   “(A) SEGREGATION REQUIRED.—In con-  
6                   nection with the offer of an event contract to a  
7                   person that is not an eligible contract partici-  
8                   pant and accessing a derivatives clearing orga-  
9                   nization as a direct clearing member, the Com-  
10                  mission shall promulgate such rules or regula-  
11                  tions as the Commission determines to be ap-  
12                  propriate regarding the segregation of member  
13                  funds from the derivatives clearing organiza-  
14                  tion’s own funds.

15                  “(B) CUSTOMER COMMUNICATION.—A fu-  
16                  tures commission merchant, designated contract  
17                  market, or swap execution facility shall disclose  
18                  to event contract customers the relevant risks  
19                  of loss or potential delay in access to the funds  
20                  and assets.

21                  “(C) DEFAULT FUND.—For default man-  
22                  agement purposes, a derivatives clearing organi-  
23                  zation shall treat funds held for members and  
24                  customers solely trading fully collateralized con-

1 tracts separately from funds held for members  
2 and customers trading leveraged contracts.

3 “(D) RULEMAKING.—The Commission  
4 shall promulgate such rules or regulations as  
5 the Commission determines to be appropriate to  
6 carry out subparagraphs (B) and (C).

7 “(6) ADVISORY COUNCIL ON CONSUMER PRO-  
8 TECTION.—

9 “(A) ESTABLISHMENT.—Not later than 90  
10 days after the date of enactment of the Pre-  
11 diction Market Act of 2026, the Chairman of  
12 the Commission shall establish the Advisory  
13 Council on Consumer Protection (referred to in  
14 this paragraph as the ‘Advisory Council’).

15 “(B) CHAIR AND VICE-CHAIR.—The Chair-  
16 man of the Commission shall appoint a Chair  
17 and Vice-Chair of the Advisory Council from  
18 among the members of the Advisory Council.

19 “(C) MISSION.—The mission of the Advi-  
20 sory Council shall be—

21 “(i) to provide a forum for regular  
22 communication and analysis related to re-  
23 tail investor participation in derivatives  
24 markets;

1           “(ii) to encourage discussions relating  
2           to consumer protection regarding event  
3           contract markets and related markets; and

4           “(iii) to develop recommendations to  
5           ensure that markets promote customer  
6           protection, market integrity, and respon-  
7           sible participation.

8           “(D) MEMBERSHIP.—The Advisory Coun-  
9           cil shall be composed of 15 members, who shall  
10          be appointed by the Chairman of the Commis-  
11          sion and shall include—

12                   “(i) the Retail Advocate described in  
13                   paragraph (7)(C);

14                   “(ii) not fewer than 3 State attorneys  
15                   general;

16                   “(iii) subject matter experts in behav-  
17                   ioral science and health, financial risk, and  
18                   consumer finance; and

19                   “(iv) representatives of —

20                           “(I) the Office of Customer Edu-  
21                           cation and Outreach;

22                           “(II) the Department of Justice;

23                           “(III) State and local law en-  
24                           forcement;

1 “(IV) State and local regulatory  
2 agencies, as appropriate;

3 “(V) market operators; and

4 “(VI) market participants.

5 “(E) DUTIES.—The duties of the Advisory  
6 Council shall include—

7 “(i) meeting not less frequently than  
8 once every 120 days, in a manner to be de-  
9 termined by the Chairman of the Commis-  
10 sion, to provide independent advice and  
11 recommendations to the Commission and  
12 Congress;

13 “(ii) identifying policies to promote  
14 retail customer protection and specific  
15 gaps in investor protections for retail cus-  
16 tomers;

17 “(iii) assessing the viability of a self-  
18 exclusion program, which would allow a  
19 customer to be voluntarily prohibited from  
20 entering into an event contract;

21 “(iv) assessing the viability of a pro-  
22 gram to implement voluntary deposit and  
23 trade limits;

24 “(v) reviewing the considerations of  
25 the retail customer profile, including age,

1 income, and behavioral vulnerabilities,  
2 when assessing investor protection;

3 “(vi) studying behavioral prompts and  
4 marketing features designed to engage cus-  
5 tomers in connection with the offer of an  
6 event contract;

7 “(vii) reviewing the effectiveness of  
8 existing legal or regulatory recommenda-  
9 tions to improve customer protections in  
10 connection with the offer of an event con-  
11 tract; and

12 “(viii) evaluating the design, accessi-  
13 bility, and use of mobile applications,  
14 smartphones, and other personal electronic  
15 devices in connection with the offer of  
16 event contracts.

17 “(F) REPORTS.—The Advisory Council  
18 shall—

19 “(i) not later than 180 days after the  
20 date of enactment of the Prediction Mar-  
21 ket Act of 2026, submit to Congress an  
22 initial report with analysis and rec-  
23 ommendations regarding matters studied  
24 under subparagraph (E), which shall in-  
25 clude consumer protection, market integ-

1 rity, investor profile, marketing features,  
2 and other related topics; and

3 “(ii) twice each year thereafter, sub-  
4 mit to Congress a report containing find-  
5 ings, and recommendations for legislation,  
6 regulations, and oversight, relating to the  
7 matters studied under subparagraph (E).

8 “(G) REVIEW BY COMMISSION.—The Com-  
9 mission shall—

10 “(i) review the findings and rec-  
11 ommendations of the Advisory Council;  
12 and

13 “(ii) make publicly available a report  
14 containing an assessment by the Commis-  
15 sion of any findings and recommendations  
16 of the Advisory Council.

17 “(7) OFFICE OF THE RETAIL ADVOCATE.—

18 “(A) DEFINITIONS.—In this paragraph:

19 “(i) CHAIRMAN.—The term ‘Chair-  
20 man’ means the Chairman of the Commis-  
21 sion.

22 “(ii) OFFICE.—The term ‘Office’  
23 means the Office of the Retail Advocate es-  
24 tablished by subparagraph (B).

1                   “(iii) RETAIL PARTICIPANT.—The  
2                   term ‘retail participant’ means a person  
3                   that—

4                               “(I) is not an eligible contract  
5                               participant; and

6                               “(II) is participating in a des-  
7                               ignated contract market.

8                   “(B) OFFICE ESTABLISHED.—There is es-  
9                   tablished within the Commission the Office of  
10                   the Retail Advocate.

11                   “(C) RETAIL ADVOCATE.—

12                               “(i) IN GENERAL.—The Retail Advo-  
13                               cate shall—

14                               “(I) report directly to the Com-  
15                               mission; and

16                               “(II) be appointed by the Chair-  
17                               man from among individuals with ex-  
18                               perience in advocating for the inter-  
19                               ests of retail participants.

20                               “(ii) COMPENSATION.—The annual  
21                               rate of pay for the Retail Advocate shall be  
22                               equal to the highest rate of annual pay for  
23                               other senior executives who report to the  
24                               Chairman.



1 Commission as necessary to carry out the  
2 functions of the Office.

3 “(ii) EFFECT.—Nothing in this sub-  
4 paragraph authorizes the Retail Advocate,  
5 or staff of the Office, to have access to, or  
6 to release publicly or internally within the  
7 Commission, proprietary or sensitive mar-  
8 ket data, including data and information  
9 that would separately disclose the business  
10 transactions or market positions of any  
11 person and trade secrets or names of cus-  
12 tomers, consistent with section 8.

13 “(iii) POLICIES AND PROCEDURES.—  
14 The Office shall establish and make public  
15 on the website of the Commission policies  
16 and procedures to safeguard the confiden-  
17 tiality of any documents the Retail Advo-  
18 cate or staff of the Office has access to.

19 “(F) ANNUAL REPORT ON OBJECTIVES  
20 AND ACTIVITIES.—

21 “(i) IN GENERAL.—Not later than  
22 September 30 of each year, the Retail Ad-  
23 vocate shall submit to Congress a report  
24 describing the objectives and activities of

1 the Retail Advocate for the following fiscal  
2 year.

3 “(ii) CONTENTS.—Each report re-  
4 quired under clause (i) shall include—

5 “(I) appropriate statistical infor-  
6 mation and full and substantive anal-  
7 ysis;

8 “(II) information on steps that  
9 the Retail Advocate has taken during  
10 the reporting period to improve—

11 “(aa) services to and com-  
12 munication with retail partici-  
13 pants; and

14 “(bb) the responsiveness of  
15 the Commission;

16 “(III) a summary of the most se-  
17 rious problems reported to the Office  
18 or the Commission by retail partici-  
19 pants during the reporting period;

20 “(IV) an inventory of the items  
21 described in subclause (III) that in-  
22 cludes—

23 “(aa) identification of any  
24 action taken by the Commission  
25 and the result of that action;

1                   “(bb) the period of time that  
2                   each item has remained on the  
3                   inventory; and

4                   “(cc) for items with respect  
5                   to which no action has been  
6                   taken, the reasons for inaction,  
7                   and an identification of any offi-  
8                   cial who is responsible for the ac-  
9                   tion;

10                  “(V) recommendations for such  
11                  administrative and legislative actions  
12                  as may be appropriate to resolve prob-  
13                  lems encountered by retail partici-  
14                  pants; and

15                  “(VI) any other information, as  
16                  determined appropriate by the Retail  
17                  Advocate.

18                  “(iii) CONFIDENTIALITY.—No report  
19                  required under clause (i) may contain con-  
20                  fidential information.

21                  “(G) OMBUDSMAN.—

22                  “(i) APPOINTMENT.—Not later than  
23                  180 days after the date on which the first  
24                  Retail Advocate is appointed under sub-  
25                  paragraph (C)(i)(II), the Retail Advocate

1 shall appoint an Ombudsman, who shall  
2 report directly to the Retail Advocate.

3 “(ii) DUTIES.—The Ombudsman ap-  
4 pointed under clause (i) shall—

5 “(I) act as a liaison between the  
6 Commission and any retail participant  
7 in resolving problems the retail partic-  
8 ipant may have with the Commission;

9 “(II) review and make rec-  
10 ommendations regarding policies and  
11 procedures to encourage persons to  
12 present questions to the Retail Advo-  
13 cate regarding compliance with this  
14 Act; and

15 “(III) establish safeguards to  
16 maintain the confidentiality of com-  
17 munications between the persons de-  
18 scribed in subclause (II) and the Om-  
19 budsman.

20 “(iii) LIMITATION.—

21 “(I) PERSONNEL.—In carrying  
22 out the duties of the Ombudsman  
23 under clause (ii), the Ombudsman  
24 shall utilize personnel of the Commis-  
25 sion, to the extent practicable.

1                   “(II) EFFECT.—Nothing in this  
2                   clause shall be construed as replacing,  
3                   altering, or diminishing the activities  
4                   of any ombudsman or similar office of  
5                   any other agency.

6                   “(iv) REPORT ON ACTIVITIES.—

7                   “(I) IN GENERAL.—The Om-  
8                   budsman shall submit to the Retail  
9                   Advocate an annual report that de-  
10                  scribes the activities and evaluates the  
11                  effectiveness of the Ombudsman dur-  
12                  ing the preceding 1-year period.

13                  “(II) SUBMISSION.—The Retail  
14                  Advocate shall include the report re-  
15                  quired under subclause (I) in the re-  
16                  ports required to be submitted by the  
17                  Retail Advocate under subparagraph  
18                  (F).

19                  “(8) RULE OF CONSTRUCTION.—Nothing in  
20                  this subsection may be construed to affect—

21                  “(A) the ability of a State to investigate  
22                  and bring enforcement actions under this Act,  
23                  including pursuant to section 6d; or

24                  “(B) the jurisdiction of the Commission  
25                  described in section 2(a)(1)(A).”.

1 **SEC. 3. INSIDER TRADING AND MANIPULATION.**

2 (a) PROHIBITION ON MEMBERS OF CONGRESS TRAD-  
3 ING EVENT CONTRACTS.—Section 4c(a)(3) of the Com-  
4 modity Exchange Act (7 U.S.C. 6c(a)(3)) is amended—

5 (1) by striking “under section 2 of the STOCK  
6 Act)” each place it appears and inserting “in section  
7 2 of the STOCK Act (5 U.S.C. 13101 note; Public  
8 Law 112–105))”;

9 (2) by redesignating subparagraphs (A) through  
10 (C) as clauses (i) through (iii), respectively, and in-  
11 denting appropriately;

12 (3) in the matter preceding clause (i) (as so re-  
13 designated), by striking “It shall” and inserting the  
14 following:

15 “(A) IN GENERAL.—It shall”; and

16 (4) by adding at the end the following:

17 “(B) PROHIBITION ON MEMBERS OF CON-  
18 GRESS AND EXECUTIVE BRANCH OFFICIALS  
19 TRADING EVENT CONTRACTS.—It shall be un-  
20 lawful for any Member of Congress (as defined  
21 in section 2 of the STOCK Act (5 U.S.C.  
22 13101 note; Public Law 112–105)), the Presi-  
23 dent, the Vice President, or any officer or em-  
24 ployee described in sections 5312 through 5316  
25 of title 5, United States Code, to enter into an

1 event contract (as defined in section  
2 5c(d)(1)).”.

3 (b) RULES OR REGULATIONS.—The Commodity Fu-  
4 tures Trading Commission (referred to in this section as  
5 the “Commission”) shall promulgate such rules or regula-  
6 tions as the Commission determines to be appropriate to  
7 carry out the amendments made by subsection (a).

8 (c) REVIEW OF INSIDER TRADING.—The Commission  
9 shall—

10 (1) determine whether the rules and regulations  
11 of the Commission relating to insider trading should  
12 be revised or updated to require designated contract  
13 markets, swap execution facilities, and futures com-  
14 mission merchants to establish enhanced measures  
15 reasonably designed to detect and deter insider trad-  
16 ing involving event contracts (as defined in sub-  
17 section (d)(1) of section 5c of the Commodity Ex-  
18 change Act ( 7 U.S.C. 7a–2)); and

19 (2) implement any relevant revisions or updates  
20 resulting from the determination under paragraph  
21 (1).

22 (d) FINANCIAL LITERACY.—The Commission shall  
23 conduct, through the Office of Customer Education and  
24 Outreach, financial literacy and customer education activi-  
25 ties specific to retail investor activity related to event con-

1 tracts (as defined in subsection (d)(1) of section 5c of the  
2 Commodity Exchange Act (7 U.S.C. 7a-2)).

3 **SEC. 4. INNOVATION ADVISORY COMMITTEE.**

4 Section 2(a) of the Commodity Exchange Act (7  
5 U.S.C. 2(a)) is amended by adding at the end the fol-  
6 lowing:

7 “(16) INNOVATION ADVISORY COMMITTEE.—

8 “(A) IN GENERAL.—There is established  
9 the Innovation Advisory Committee (referred to  
10 in this paragraph as the ‘Committee’)—

11 “(i) to facilitate discussion and com-  
12 munication on matters of concern to ex-  
13 changes, firms, end-users, and regulators  
14 regarding innovation in the derivatives and  
15 commodity market and the regulation of  
16 those markets by the Commission; and

17 “(ii) to advise the Commission on the  
18 matters described in clause (i).

19 “(B) MEMBERS.—The Commission shall  
20 appoint members to the Committee with a wide  
21 diversity of opinions relating to the matters de-  
22 scribed in subparagraph (A)(i) and who rep-  
23 resent a broad spectrum of interests, includ-  
24 ing—

25 “(i) market makers;

1 “(ii) derivative end-users;

2 “(iii) futures commission merchants;

3 and

4 “(iv) market operators.

5 “(C) ACTIVITIES.—The Committee shall—

6 “(i) conduct public meetings at such  
7 intervals as are necessary to carry out the  
8 functions of the Committee, but not less  
9 frequently than 2 times per year;

10 “(ii) submit reports and recommenda-  
11 tions to the Commission; and

12 “(iii) otherwise facilitate discussion  
13 and communication on the matters de-  
14 scribed in subparagraph (A)(i).

15 “(D) TERMS.—Members of the Committee  
16 shall be appointed to 3-year terms, but may be  
17 removed for cause by vote of the Commission.

18 “(E) REIMBURSEMENTS.—A member of  
19 the Committee shall be allowed travel expenses,  
20 including per diem in lieu of subsistence, at  
21 rates authorized for employees of agencies  
22 under subchapter I of chapter 57 of title 5,  
23 United States Code, while away from their  
24 homes or regular places of business in the per-  
25 formance of services for the Committee.

1                   “(F) CHAPTER 10 OF TITLE 5, UNITED  
2 STATES CODE.—The Committee shall not be  
3 subject to chapter 10 of title 5, United States  
4 Code.

5                   “(G) TERMINATION.—The Commission  
6 may terminate the Committee if the Commis-  
7 sion determines that such termination is appro-  
8 priate.”.

9 **SEC. 5. STUDIES.**

10 (a) DEFINITIONS.—In this section:

11                   (1) COMMISSION.—The term “Commission”  
12 means the Commodity Futures Trading Commission.

13                   (2) EVENT CONTRACT.—The term “event con-  
14 tract” has the meaning given the term in subsection  
15 (d)(1) of section 5c of the Commodity Exchange Act  
16 (7 U.S.C. 7a-2).

17 (b) STUDY ON EVENT CONTRACTS.—

18                   (1) STUDY.—The Commission shall conduct a  
19 study on event contracts that includes—

20                   (A) the size and structure of event con-  
21 tract markets;

22                   (B) the growth of event contract listings  
23 by contract markets designated under the Com-  
24 modity Exchange Act (7 U.S.C. 1 et seq.) and

1 swap execution facilities (as defined in section  
2 1a of that Act (7 U.S.C. 1a));

3 (C) the characteristics of the market struc-  
4 ture and liquidity formation in event contracts  
5 related to—

6 (i) weather;

7 (ii) technology;

8 (iii) science;

9 (iv) economics;

10 (v) government data;

11 (vi) cultural events;

12 (vii) political events;

13 (viii) sports; or

14 (ix) a particular word or phrase to be  
15 potentially mentioned by one or more per-  
16 sons in an oral or written statement,  
17 speech, briefing, address, or other form of  
18 communication;

19 (D) the types of trader or intermediary  
20 conduct unique to event contracts and markets  
21 that should be closely monitored or given spe-  
22 cial consideration; and

23 (E) the provisions of the Commodity Ex-  
24 change Act (7 U.S.C. 1 et seq.) that prohibit  
25 fraud, manipulation, disruptive trading, or

1 other similar conduct and apply to activities  
2 outside the United States related to event con-  
3 tracts.

4 (2) REPORT.—Not later than 1 year after the  
5 date of enactment of this Act, the Commission shall  
6 submit to Congress and publish on a publicly avail-  
7 able website of the Commission a report on the find-  
8 ings of the study required under paragraph (1).

9 (c) JOINT SECURITIES AND EXCHANGE COMMISSION  
10 AND COMMODITY FUTURES TRADING COMMISSION  
11 STUDY.—

12 (1) STUDY.—The Securities and Exchange  
13 Commission and the Commission shall conduct a  
14 joint study on event contracts that includes—

15 (A) the nature of event contracts that  
16 could be in the jurisdiction of the Securities and  
17 Exchange Commission;

18 (B) the harmonization efforts of the Secu-  
19 rities and Exchange Commission and the Com-  
20 mission relevant to event contracts;

21 (C) the nature, size, role, and use of decen-  
22 tralized blockchain applications to offer event  
23 contracts.

24 (2) REPORT.—Not later than 15 months after  
25 the date of enactment of this Act, the Commission

1 shall submit to Congress and publish on a publicly  
2 available website of the Commission a report on the  
3 findings of the study required under paragraph (1).

4 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS; FUNDING**  
5 **FOR EVENT CONTRACT OVERSIGHT.**

6 (a) IN GENERAL.—There is authorized to be appro-  
7 priated to the Commodity Futures Trading Commission  
8 \$30,000,000 for each fiscal years of 2027 through 2031,  
9 to remain available until expended, for the purposes of—

10 (1) implementing this Act and the amendments  
11 made by this Act; and

12 (2) developing policies, rules, and guidance re-  
13 lating to event contracts.

14 (b) USE OF FUNDS.—Amounts made available pursu-  
15 ant to subsection (a) may be used for—

16 (1) oversight, supervision, and enforcement of  
17 event contract markets;

18 (2) rulemakings, reviews, and determinations  
19 required under subsection (d) of section 5c of the  
20 Commodity Exchange Act (7 U.S.C. 7a–2);

21 (3) the studies and reports required under sec-  
22 tion 5;

23 (4) the establishment and operation of the Of-  
24 fice of the Retail Advocate under subsection (d)(6)

1 of section 5c of the Commodity Exchange Act (7  
2 U.S.C. 7a-2); and

3 (5) the development of technological, surveil-  
4 lance, and data analysis capabilities of the Com-  
5 modity Futures Trading Commission.

6 (c) DEFINITION OF EVENT CONTRACT.—In this sec-  
7 tion, the term “event contract” has the meaning given the  
8 term in subsection (d)(1) of section 5c of the Commodity  
9 Exchange Act (7 U.S.C. 7a-2).