PREDICTION MARKET CONSUMER PROTECTION STANDARDS

Minimum Internal Control Standards

What a covered operator must do: exclusion, limits, disclosure, integrity, settlement, audit.

DESIGNATION	PREPARED BY	PUBLISHED BY	LOCATION
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VERSION	SUPERSEDES	STATUS
1.3	v1.2	WORKING DRAFT

PREFATORY NOTE

These are the minimum internal control standards in the PMCPS family. They state what a covered operator must do. They are the second of three layers:

LAYER	DOCUMENT	FEDERAL ANALOGUE	QUESTION ANSWERED
Classification	PMCPS-C	25 C.F.R. pt. 502	Is the product in scope?
Minimum internal controls	**PMCPS-M**	25 C.F.R. pt. 543	What must the operator do?
Technical standards	PMCPS-T (reserved)	25 C.F.R. pt. 547	What must the system do, and how is it tested?

The model for this document is 25 C.F.R. part 543, the Minimum Internal Control Standards for class II gaming. Part 543 was written for a gaming class that Congress had defined but not specified, by an agency building the specification from scratch. That is the same position a prediction market standard occupies now, and part 543's organization, each standard stating who must do what, at what frequency, and with what documentation, is the organization used here.

These Standards are written to be jurisdiction neutral. A prediction market operating as a designated contract market under the Commodity Exchange Act, an operator licensed under a state wagering program, and an operator subject to a tribal-state compact can each be measured against them. Nothing here resolves which authority governs prediction markets. That question is contested, and these Standards take no position on it.

The gap they address is documented, not assumed. The Commission's proposed rule on prediction markets published June 9, 2026 contains no requirement addressing deposit limits, problem gambling, or age verification, and refers to self-exclusion once. The Commodity Exchange Act and its implementing regulations contain extensive market integrity requirements and no participant protection requirements comparable to those in force in every state that regulates online wagering. An operator that satisfies every obligation currently imposed on it by federal derivatives law will still fall short of the protections a participant would receive on a licensed sportsbook in Ohio, New Jersey, Virginia, or Nevada.

Part 500 addresses contract integrity and settlement. No existing gambling or derivatives regime regulates it in the form these markets require, because no regulator has previously supervised a consumer-facing product whose payout depends on the resolution of a contested question of fact. It is the newest material here and the part most in need of comment.

Requirements in these Standards are stated as internal controls, verifiable by an assessor examining records, procedures, and evidence. They are not technical standards, and are not written as specifications a testing laboratory can certify against. Where a requirement here implies a testable system behavior, that behavior will be specified in PMCPS-T. Until PMCPS-T is issued, § 208 requires independent testing against the requirements of § 207.

Each Part closes with a Basis note identifying the primary sources from which the requirements are derived, following the convention of the Code of Federal Regulations. Sources are held locally and indexed at `research/SOURCES.md`.

PART 200

SCOPE, APPLICATION, AND OPERATOR REQUIREMENTS

§ 201 Purpose

These Standards establish minimum internal control requirements for the protection of participants in prediction markets, addressing participant exclusion, financial limits, disclosure, problem gambling, age and identity verification, market integrity, contract resolution, records, reporting, and certification.

§ 202 Application

(a) These Standards apply to a covered operator with respect to each covered contract offered to a participant.

(b) Whether a product is a covered contract, and whether a person is a covered operator, are determined under PMCPS-C § 104. A covered operator shall make and retain the classification determination required by PMCPS-C § 105, and shall file it where PMCPS-C § 105(d) requires. The filing obligation governs the route by which a determination reaches an authority; it does not alter what PMCPS-C § 104 and PMCPS-C § 105 determine, and applicability under this paragraph is unchanged by it.

(c) These Standards state minimum requirements. A covered operator remains subject to all obligations imposed by applicable law. Where applicable law imposes a stricter requirement, the stricter requirement governs.

(d) Compliance with these Standards is not a defense to any charge arising under applicable law, and is not evidence that a covered contract is lawful in any jurisdiction.

(e) Where a product ceases to be a covered contract, these Standards continue to apply to positions opened while it was a covered contract, until those positions settle or are closed.

§ 203 Definitions

(a) The definitions in PMCPS-C § 103 apply to these Standards.

(b) In addition, as used in these Standards:

Assessor means a person meeting the requirements of § 701.

Excluded participant means an individual enrolled in an exclusion program under Part 300.

Influencing person means an individual who, with respect to the event underlying a covered contract, is reasonably capable of affecting the occurrence, non-occurrence, magnitude, or timing of that event, or who has access to material non-public information concerning it. The term includes the categories identified in § 402(b).

Material non-public information means information that has not been disseminated in a manner making it available to participants generally, and that a reasonable participant would consider important in deciding whether to enter into, hold, or close a position in a covered contract.

Resolution source means the data source, publication, official determination, or other authority designated under § 501 as governing settlement of a covered contract.

Resolution specification means a machine-readable, versioned data object published at listing which encodes the precise condition that determines settlement, including any threshold, normalisation, filter, and tie-breaking rule; identifies the resolution source or sources by unique identifier and access method; states the exact time in Coordinated Universal Time at which the resolution source will be consulted; and records the fallback procedure if the primary source is unavailable or ambiguous. A resolution specification shall be content-addressed, and its cryptographic hash recorded in the contract's immutable listing record.

§ 204 Organizational requirements

(a) A covered operator shall designate an individual responsible for compliance with these Standards. The designated individual shall have direct reporting access to the covered operator's governing body and sufficient authority and resources to discharge the responsibility.

(b) A covered operator shall maintain written policies and procedures implementing each Part of these Standards, shall review them not less than annually, and shall document each review.

(c) A covered operator shall not delegate responsibility for compliance with these Standards to a participant, an affiliate, or a third-party service provider. A covered operator may contract for performance of a function but remains responsible for the result.

§ 205 Fitness

(a) A covered operator shall establish and apply written criteria addressing the fitness of its principals, key employees, and beneficial owners holding five percent or more of its equity, covering criminal history, financial responsibility, prior regulatory action, and undisclosed conflicts.

(b) A covered operator shall re-evaluate fitness upon a change of control and not less than every three years.

§ 206 Segregation and protection of participant funds

(a) A covered operator shall hold participant funds separately from its operating funds.

(b) A covered operator shall at all times maintain unencumbered assets sufficient to satisfy the aggregate of participant account balances and the maximum aggregate settlement obligation on open positions.

(c) A covered operator shall not lend, pledge, hypothecate, or invest participant funds except in instruments permitted by applicable law for the custody of customer funds.

(d) A covered operator shall calculate and document its compliance with this section not less than daily, and shall report a deficiency to the assessor and to any applicable regulatory authority within one business day.

§ 207 System standards

(a) A covered operator shall maintain systems that:

(1) accurately record each order, execution, position, deposit, withdrawal, and settlement, with a timestamp sufficient to reconstruct sequence;

(2) enforce every limit, exclusion, and restriction required by these Standards at the point of acceptance of an order into the covered operator's authoritative order book, and not rely solely on post-hoc review. Where the covered operator's market structure results in an upstream order-submission path, including a third-party gateway, sponsored access, or a pre-validated order feed, such that enforcement may occur upstream of order acceptance, the covered operator shall satisfy this paragraph by one of the means in paragraph (a-1);

(3) prevent an excluded participant from opening an account, entering an order, or depositing funds;

(4) remain capable of producing, on request, the complete activity history of any participant account; and

(5) fail in a manner that rejects orders rather than accepting them, where a control required by these Standards is unavailable.

(a-1) The means by which a covered operator may satisfy paragraph (a)(2) are:

(A) **Direct enforcement at order acceptance.** The venue enforces the control before accepting the order into its authoritative order book, rejecting a non-compliant order in real time with a rejection code identifying the control that triggered.

(B) **Upstream assertion with a verifiable acceptance token.** The covered operator accepts a pre-validated order only where the submitting party supplies a cryptographically verifiable enforcement assertion, opaque to the participant, demonstrating that the order passed the controlling check at the time of submission. The covered operator shall verify the assertion before order acceptance, log the result, and reject the order if verification fails.

(C) Where subparagraph (B) is relied on, the covered operator shall retain, and produce to an assessor on request, an auditable record tying each accepted order to its enforcement assertion, including the timestamped assertion, the verifying metadata, and the rejection reason codes for orders that failed verification.

(D) **Transition.** Where implementing subparagraph (A) or (B) requires modification of a third-party gateway, network path, or client software, a covered operator already offering covered contracts may adopt documented compensating controls for not more than six months from the date these Standards take effect, provided it logs every pre-accepted order, attempted rejection, and upstream check outcome; submits a migration plan to its assessor within thirty days; and implements subparagraph (A) or (B) within that six months. During the transition the system shall continue to satisfy paragraph (a)(5).

`(a-2)` Paragraph (a)(2) is not satisfied by reliance on an opaque upstream broker check without the verifiable linkage and real-time rejection behaviour described in paragraph (a-1). Assessing compliance requires the records specified in paragraph (a-1)(C).

`(b)` A covered operator shall submit a material change to a system governed by paragraph (a) to independent testing under § 208 before deployment.

`(c)` A covered operator shall document, and report under § 603, each incident in which a control required by these Standards failed, was bypassed, or was disabled.

`§ 208` Independent testing: evidence and alternative pathway

`(a)` **Covered operator that is not a registered designated contract market.** The covered operator shall obtain and retain written certification from an independent testing laboratory that its systems satisfy § 207. The laboratory shall be independent of the covered operator, shall not be an affiliate, and shall not have participated in the design or implementation of the systems tested. The laboratory's report shall include at minimum:

`(1)` a statement of the laboratory's independence and of the absence of any prior design or implementation role;

(2) the scope of testing mapped to each obligation in § 207 that was tested, including itemised test cases demonstrating enforcement of limits and exclusions at order acceptance, rejection-on-failure behaviour, timestamp fidelity, reconstruction of activity history, and blocking of an excluded participant;

(3) the test procedures and pass or fail results, with dates, the system build versions tested, and a list of any test exceptions;

(4) evidence of remediation for each exception, being the remediation plan, evidence of completion, and retest results;

(5) a vulnerability and penetration test summary, with any critical finding and evidence of its mitigation; and

(6) the date of the report, the signature or attestation of the lead tester, and retention of the raw test artefacts for five years.

(b) **Evidence to be produced.** On request to an assessor or any applicable regulatory authority, the covered operator shall produce the full report required by paragraph (a), the remediation records, and a copy of the laboratory's credentials and scope of accreditation.

(c) **Frequency and triggers.** Certification shall be renewed not less than every two years and upon any material change under § 207(b). Evidence of a renewal or of a material-change retest is the report described in paragraph (a).

(d) **Alternative pathway for a registered designated contract market.** A covered operator that is a registered designated contract market may satisfy paragraphs (a) through (c) by producing, in place of a separate laboratory report, the contemporaneous testing, attestation, and submissions required of it under the Commodity Exchange Act and 17 C.F.R., including system safeguard testing and attestation under 17 C.F.R. §§ 38.1050 and 38.1051 and any product or system testing contained in Part 40 self-certification materials. It shall produce:

(1) date-stamped copies of the filings made to the Commission and any independent laboratory report relied on in those filings;

(2) the internal test plans and post-change test results, mapped to the obligations in § 207; and

(3) the remediation evidence and working papers necessary to verify the testing conclusions.

(4) a redaction log, where any material produced under this paragraph is redacted because it would reveal a trade secret, proprietary source code, or third-party confidential information.

The log shall identify each redacted item, state the basis for the redaction, and cite each obligation in § 207 for which the redacted item is claimed not to be material;

(5) where material is produced in redacted form, an arrangement for access to the unredacted material by an assessor or an applicable regulatory authority on terms that preserve commercially sensitive information, which may be review on site under controlled conditions, secure read-only remote access, or review under a confidentiality protocol acceptable to the assessor or authority. The covered operator shall retain contemporaneous records of the arrangement, including access logs, timestamps, and the identity of each person granted access;

(6) a mapping that ties each filing, testing artefact, attestation, and independent report to the obligation in § 207 it covers, identifying for each the test identifiers, the test dates, and the scope of the test. Where a system build version is material and can be disclosed without revealing proprietary implementation detail, the mapping shall state the build version and its date; where it cannot, the covered operator may instead supply vendor test identifiers or test-version markers used in the testing lifecycle, together with a contemporaneous attestation describing how the metadata supplied is equivalent; and

(7) any directive, stay, or advisory issued by the Commission or its staff that affects the covered operator's testing, monitoring, or listing practices, together with evidence of contemporaneous compliance with it.

(e) Where the testing scope required under the Commodity Exchange Act diverges from the items mapped to § 207, the covered operator shall supply the additional test artefacts necessary to demonstrate compliance with each element of § 207 not covered by those filings.

(f) **Retention.** Every report and raw test artefact required by this section shall be retained for five years and produced to an assessor or any applicable regulatory authority on request.

Basis: 25 C.F.R. pt. 543 (NIGC Minimum Internal Control Standards for Class II Gaming); 25 C.F.R. pt. 547; 17 C.F.R. pt. 38; Ohio Admin. Code 3775-9-01, 3775-15-01, 3775-16-01, 3775-16-02, 3775-16-06, 3775-16-15; N.J.A.C. 13:69D; N.J.A.C. 13:69O-1.2; UKGC Remote Gambling and Software Technical Standards.

PART 300

CONSUMER PROTECTION STANDARDS

§ 301 Exclusion program

(a) **Availability.** A covered operator shall enable a participant to enroll in an exclusion program at any time, through the same platform on which the participant trades, without contacting customer service and without a waiting period. Enrollment shall not be conditioned on the participant closing positions, withdrawing funds, or providing a reason.

(b) **Terms.** A covered operator shall offer, at minimum, exclusion terms of one year, five years, and lifetime. A participant may at any time extend the term of an exclusion. A participant may not shorten an exclusion term once elected.

(c) **Effect on account access.** Upon enrollment a covered operator shall immediately:

(1) cancel all of the participant's resting orders;

(2) block entry of any new order that would open a position or increase an existing position;

(3) block all deposits; and

(4) block access to credit, complimentary services, promotional credit, and any loyalty or tier benefit.

(d) **Excluded participant position management.** A covered operator shall not void, cancel, or involuntarily close a participant's open position solely by reason of the participant's enrollment in an exclusion program. The excluded participant retains the right to receive any amount owed on a position under paragraph (c), including an amount becoming due on settlement. At the moment an exclusion takes effect a covered operator shall:

(1) permit the excluded participant to place a risk-reducing order and a position-closing order notwithstanding paragraph (c)(2), without penalty and without an additional margin requirement, and permit withdrawal of the resulting proceeds;

(2) provide the excluded participant, in human-readable form and as a machine-readable file linked from the interface and recorded in the record retained under § 601(a)(11), a clear statement of the exit options available under this paragraph; and

(3) where the covered operator elects to offer a one-time optional liquidation at a firm reference price, disclose in plain language the liquidation procedure, the method by which the

reference price is determined, the settlement timeline, and any fee or adjustment that will apply, and record that disclosure and the participant's acceptance or refusal of it.

> **DRAFTING NOTE**
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> Paragraph (d) is the point at which prediction markets depart from every existing self-exclusion regime. A sports wager cannot be sold, so Ohio Admin. Code 3772-12-03(C) and 3772-12-04(I) need only preserve the participant's right to be paid on a pending wager. A position in a covered contract is tradeable, and an excluded participant who cannot close it is exposed to continuing market risk they have asked to stop taking. Blocking all order entry therefore harms the participant it is meant to protect. Permitting only risk-reducing orders resolves this. A mandatory one-time liquidation at a reference price was required at v1.2 and is optional again at v1.3: the committee found that mandating a price the operator must engineer created a dispute the participant bears, and that the right to exit at prices the participant chooses is what exclusion requires. Where an operator does offer one, paragraph (d)(3) governs it.

(e) **Marketing.** A covered operator shall cease all direct marketing to an excluded participant not later than fifteen days after enrollment, and shall exclude the participant from all marketing audiences, including audiences constructed by an affiliate or a third-party advertising service.

(f) **Reinstatement.** A covered operator shall not remove a participant from an exclusion program automatically at the expiration of the elected term. Removal requires an affirmative, unaltered application by the participant made after the term has expired. For a lifetime exclusion, removal additionally requires that not less than five years have elapsed and that the participant has completed a problem gambling awareness program.

(g) **Confidentiality.** A covered operator shall maintain the identity of an excluded participant in confidence and shall use exclusion data only for the purposes of these Standards.

(h) **Interoperability.** A covered operator shall honor an exclusion recorded in any national or multi-operator exclusion program to which it is subject, and shall support transmission of an exclusion to such a program.

(i) **Declination taxonomy.** A covered operator shall publish, within the problem gambling programme documentation retained under § 601(a)(9), the complete taxonomy it uses to categorize its reasons for declining to designate a participant as at risk. The taxonomy shall be established before the covered operator first reports under § 602(a)(10), shall remain stable for each calendar year, and shall be amended only prospectively.

§ 302 Financial and time limits

(a) A covered operator shall enable a participant to set each of the following, at durations of twenty-four hours, seven days, and one month:

(1) a **deposit limit**, capping funds credited to the account;

(2) a **spend limit**, capping funds placed at risk; and

(3) a **loss limit**, capping net losses.

(b) A covered operator shall enable a participant to set a **session time limit** on a daily basis.

(c) A covered operator shall prompt the participant to set a limit under paragraph (a) at registration or at the point of first deposit, whichever occurs first.

(d) **Asymmetry.** A decrease in a limit shall take effect immediately, and in no case later than the participant's next log-in. An increase in a limit shall take effect only after the period of the existing limit has expired and the participant has reaffirmed the increase after that expiry.

(e) Where a participant has set limits of differing durations, the most restrictive applicable limit governs.

(f) A covered operator shall enforce a limit at the point of order entry or deposit, and shall inform the participant of the limit that caused a rejection.

(f-1) At account registration, at the first deposit, and on the order-entry screen before the participant submits a first order in any covered contract, a covered operator shall present a notice that the participant cannot dismiss without acting, stating:

(1) the participant's verified minimum-age status and the minimum age applied;

(2) whether the participant's current jurisdiction permits trading of the covered contract offered and, where it does not, that trading is blocked, together with the means to close positions, cancel resting orders, and withdraw funds;

(3) the available exclusion terms under § 301(b), with controls to enroll immediately without contacting customer service; and

(4) the deposit, spend, and loss limits under paragraph (a) and the session time limit under paragraph (b), with controls to set each immediately, and the suspension option under paragraph (g).

(f-2) A covered operator shall not accept a participant's first order in a covered contract until the participant has either set a limit or enrolled in an exclusion program through the notice required by paragraph (f-1), or has affirmatively elected to proceed without setting a limit and acknowledged the risk of total loss. The election and the acknowledgement shall be recorded and retained under § 601.

(g) A covered operator shall enable a participant to suspend the account for a period of not less than seventy-two hours. Paragraphs (c) and (d) of § 301 apply during a suspension.

§ 303 Participant disclosure

(a) A covered operator shall disclose, clearly and conspicuously, before a participant's first order and at all times thereafter through a persistently accessible page:

(1) that a covered contract carries risk of total loss of the amount at risk;

(2) all fees, commissions, spreads, and charges, including any charge applied on settlement or withdrawal;

(3) the participant's right to set limits under § 302 and to enroll in an exclusion program under § 301, with direct links to both;

(4) the covered operator's dormancy policy and its consequences for account balances and open positions;

(5) the treatment of a position on system malfunction or disconnection;

(6) the expected time to withdraw funds;

(7) the complaint procedure under § 305 and the applicable regulatory authority, if any, with contact information; and

(8) problem gambling help resources, including a free national helpline and, where an adopting authority designates a helpline number, that number. The covered operator shall update the number within seven calendar days of a regulatory notice designating it.

(b) A covered operator shall make available to each participant, on demand and not less than monthly, a statement of that participant's deposits, withdrawals, amounts placed at risk, and net position, expressed in currency, for the preceding twelve months.

(c) A covered operator shall display elapsed session time to the participant, and shall provide a reality check at intervals the participant may set.

(d) A covered operator shall not describe a covered contract as an investment, a hedge, or a form of financial planning in participant-facing material unless the description is accurate for the contract as offered to that participant.

§ 304 Problem gambling program

(a) A covered operator shall adopt a written problem gambling plan, which shall address at minimum:

(1) the goals of the plan, the procedures implementing it, and the timetable for implementation;

(2) the position responsible for implementing and maintaining the plan;

(3) procedures for compliance with § 301, including procedures preventing an excluded participant from trading, procedures for terminating marketing, and procedures for preventing access to credit and promotional benefit;

(4) procedures for identifying participants exhibiting indicators of gambling harm, including procedures specific to loyalty, rewards, and marketing programs;

(5) procedures for responding to a participant who discloses a gambling problem, and for responding to a report from a third party such as a family member;

(6) the duties of employees under the plan, and an employee training program covering recognition of gambling harm, response to disclosure, and response to third-party reports, with periodic reinforcement and a certification process verifying completion;

(7) provision of written material educating participants about gambling harm, exclusion, and treatment resources;

(8) procedures to prevent participation by individuals below the minimum age; and

(9) a list of public and private treatment services, peer support groups, and related programs; and

(10) the designation of a responsible gaming lead, with contact information; the data-driven triggers by which a participant is identified for intervention, which may include cumulative

deposits, turnover thresholds, frequency of withdrawal or reversal, frequency and duration of sessions, and repeated access to the self-exclusion page; and the phased interventions to be applied when a trigger is met.

(b) A covered operator shall submit quarterly to its assessor and to any applicable regulatory authority:

(1) the number of participants identified by each trigger under paragraph (a)(10) and the remediation applied;

(2) the number of participants added to any at-risk list the operator maintains and the basis for each determination, together with the number identified by a trigger but not designated at risk and a written explanation for each, retained for five years; and

(3) confirmation that marketing suppression and account restrictions were applied within fifteen calendar days of enrollment in an exclusion program.

(c) A covered operator shall submit quarterly updates and an annual report on adherence to the plan under § 602.

(d) A covered operator shall contribute to the funding of problem gambling research, prevention, and treatment. The contribution shall be calculated as a stated percentage of gross gaming revenue or an equivalent measure, shall be disclosed publicly, and shall be paid to an entity independent of the covered operator.

> **DRAFTING NOTE**
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> Paragraph (c) has no analogue in federal derivatives law. There is no fee, levy, or fund into which a CFTC-regulated event contract contributes anything for problem gambling purposes. State frameworks fund these programs through gaming tax allocations, which is a mechanism unavailable to a federally regulated exchange. The percentage is left open pending comment on whether these Standards should specify a rate or require only disclosure of the rate chosen.

§ 305 Complaints

(a) A covered operator shall maintain a documented complaint procedure, shall acknowledge a complaint within two business days, and shall resolve it within thirty days or explain the delay in writing.

(b) A covered operator shall maintain a complaint register recording the date, the participant, the substance, the resolution, and the elapsed time, and shall report under § 602.

(c) A covered operator shall not condition resolution of a complaint on the participant waiving a right under applicable law.

§ 306 Advertising and promotion

(a) A covered operator shall not advertise in a manner that:

(1) targets individuals below the minimum age under § 403, uses branding likely to appeal to them, or places material where the majority of the audience is presumed to be below that age;

(2) misrepresents the likelihood of a return;

(3) presents trading a covered contract as a solution to financial difficulty; or

(4) is directed to an excluded participant.

(b) A covered operator shall not offer a financial incentive, including bonus funds or trading credit, that is triggered by a participant's account approaching or reaching a zero balance.

(c) A covered operator shall not design a covered contract or platform feature that encourages a participant to increase the amount at risk in order to recover a prior loss, or that encourages continued trading after the participant has indicated an intention to stop.

(d) A covered operator shall disclose the full terms of a promotion, including all conditions on withdrawal, at the point the promotion is presented.

Basis: Ohio Admin. Code ch. 3772-12 (Ohio Voluntary Exclusion Program), 3775-16-08, 3775-16-09, 3775-16-21; N.J.A.C. 13:69O-1.2, 13:69O-1.3; N.J.A.C. 13:69G; UKGC Licence Conditions and Codes of Practice; UKGC Remote Gambling and Software Technical Standards RTS 2, RTS 8, RTS 12, RTS 13, RTS 14; Nev. Gaming Comm'n Reg. 5.170; 11 Va. Admin. Code 5-80; S. 4060, 119th Cong. §§ 5, 7(b)(2)(E), 9(c) (2026).

PART 400

MARKET INTEGRITY

§ 401 Prohibited conduct

(a) A person shall not use material non-public information concerning the event underlying a covered contract for gain in connection with that contract.

(b) A person shall not enter into a covered contract with respect to an event that the person is capable of influencing.

(c) A person shall not engage in conduct intended to affect the price or settlement of a covered contract other than through legitimate trading, including making a material misrepresentation concerning the underlying event while holding a position in it.

(d) A covered operator shall publish rules prohibiting the conduct described in this section and shall enforce those rules against its participants.

> **DRAFTING NOTE**
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> Paragraph (c) reflects the conduct charged in *In re George Anthony Devolder Santos*, CFTC Docket No. 26-05 (July 31, 2026), in which the respondent traded a contract on his own attendance at an event while making misrepresentations about his intentions. That action was brought under Commodity Exchange Act § 6(c)(1) and 17 C.F.R. § 180.1, which are general anti-fraud and anti-manipulation provisions, because no rule specific to prediction markets addressed the conduct. Section 402 is the structural remedy: the exchange should be required to identify and restrict such persons in advance rather than leave the matter to enforcement after settlement.

§ 402 Influencing persons

(a) A covered operator shall employ commercially reasonable methods to prevent an influencing person from entering into a covered contract on the event that person is capable of influencing.

(b) For each covered contract, a covered operator shall identify the categories of individuals who are influencing persons with respect to that contract. Categories include, according to the nature of the event:

(1) a participant in, official of, or decision-maker with respect to the event;

(2) an individual holding a position, office, or candidacy whose conduct determines or materially affects the outcome;

(3) an employee, agent, immediate family member, or contractual counterparty of a person described in paragraph (b)(1) or (b)(2), where the relationship provides influence or access to material non-public information;

(4) an individual employed by or contracted to the resolution source; and

(5) an employee, officer, director, or contractor of the covered operator or an affiliate.

(c) A covered operator shall, before listing a covered contract, document the categories identified under paragraph (b) and the methods by which it will identify and restrict persons within them.

(d) A covered operator shall not list a covered contract for which it cannot identify the categories of influencing persons, or for which it has no reasonable method of restricting them.

(e) A covered operator shall maintain a restricted list, shall screen accounts against it, and shall keep its contents confidential, using it solely for the purposes of this Part.

(g) A covered operator shall log each instance in which an individual is matched against, added to, or blocked by the restricted list maintained under paragraph (e), recording the date, the covered contract concerned, the version of the list applied, and the action taken. The log shall be retained under § 601(a) and produced on request to an assessor or any applicable regulatory authority.

(f) Where the event underlying a covered contract is governed or administered by an organizing body, a covered operator shall establish a procedure for receiving from that body a list of individuals involved in the event, and shall protect the personal information received.

§ 403 Age, identity, and location verification

(a) A covered operator shall not permit an individual below the applicable minimum age to register or to enter into a covered contract. Absent a stricter requirement under applicable law, the minimum age is twenty-one years.

(b) A covered operator shall verify the full legal name, date of birth, and location of each participant before permitting the first order, and shall re-verify an existing account before permitting further activity where verification has not been performed to this standard.

(c) A covered operator shall employ location verification reasonably designed to prevent a participant from trading from a jurisdiction in which the covered operator is not authorized to offer the covered contract, and shall re-evaluate on a change of location. Where the participant's

detected location indicates such a jurisdiction, the covered operator shall present the notice required by § 302(f-1) at log-in and shall block order entry for that contract type. The covered operator shall not route, proxy, or otherwise arrange for trading from that location through an affiliate or a third party.

(d) A covered operator shall screen each applicant against applicable exclusion programs, restricted lists under § 402, and sanctions lists before permitting the first order, and periodically thereafter.

§ 404 Customer identification and anti-money laundering

(a) A covered operator shall maintain a written customer identification program that identifies and verifies each participant, retains verification records, and screens against government lists.

(b) A covered operator shall identify the beneficial owner of any account not held in the name of the individual trading it, and shall prohibit an account maintained for the benefit of an undisclosed person.

(c) A covered operator shall monitor for, and report in accordance with applicable law, transactions indicating possible structuring, layering, use of a third party's funds, or trading unconnected to any apparent economic purpose.

(d) A covered operator shall not permit a participant to fund an account by a method that defeats identification of the source of funds.

(e) A covered operator shall not extend credit to a participant for the purpose of entering into a covered contract.

§ 405 Surveillance and independent integrity monitoring

(a) A covered operator shall conduct automated surveillance of trading in covered contracts sufficient to detect conduct prohibited by § 401, including trading patterns correlated with the timing of non-public developments in the underlying event.

(a-1) **Surveillance evidence.** For each surveillance rule or analytic used, a covered operator shall retain and produce on request the written surveillance policy and rulebook, including the purpose and detection logic of each rule; the historical threshold and configuration values with a change log recording who changed them, when, and why; alert logs showing each triggered alert, timestamped analyst notes, inquiries opened, and final disposition; a sample of output

demonstrating detection of at least one true positive and one false positive, with the corresponding remediation or tuning record; and exception reports for the preceding twelve months together with metrics for mean time to detect and mean time to respond.

(b) A covered operator shall engage an independent integrity monitor that is not an affiliate and has no financial interest in the covered operator's trading volume. The covered operator shall retain and produce on request the engagement letter specifying independence, scope, deliverables, reporting cadence, confidentiality protections, and escalation paths; the monitor's written methodology and its data access to trading and resolution artefacts; every report the monitor issued in the preceding twelve months, with redaction permitted only where law requires it; evidence that the covered operator acted on each corrective recommendation; the qualifications and training records of the monitor's personnel; and records of information shared with other monitors. The monitor shall:

(1) collect and analyze information to identify integrity concerns;

(2) report unusual activity to the covered operator, to any applicable regulatory authority, and where relevant to the body governing the underlying event, promptly upon identification;

(3) share reports with other integrity monitors to the extent necessary to identify cross-platform conduct;

(4) take corrective action upon discovery of nonconforming work or unfollowed procedure, and notify the covered operator and any applicable regulatory authority;

(5) maintain a training program for its personnel, with records retained not less than three years; and

(6) retain records of its monitoring activity not less than five years.

(c) A covered operator shall report to any applicable regulatory authority, within twenty-four hours of identification, any conduct it reasonably believes violates § 401.

(d) **Alignment for a registered designated contract market.** Where the covered operator is a registered designated contract market, it may satisfy paragraphs (a-1) and (b) by producing the surveillance program, surveillance logs, monitoring reports, and materials sent or required to be made available to the Commission under 17 C.F.R. Part 38, including evidence supporting continuous monitoring and staffing. Where its rules or monitoring activity are the subject of a Commission stay or directive, the covered operator shall produce that directive and evidence of compliance with it to the assessor alongside the records required by this section.

(e) Integrity monitoring reports and surveillance logs are confidential and shall not be used for any purpose other than those stated in this Part. They shall be produced to an assessor and to any applicable regulatory authority on request, and the covered operator shall document the legal basis for any redaction.

Basis: 7 U.S.C. §§ 6c, 7, 7a-2; 17 C.F.R. §§ 38, 40.11, 180.1; In re Santos, CFTC Docket No. 26-05 (July 31, 2026); CFTC Division of Enforcement Advisory (Feb. 25, 2026); CFTC Letter 26-08 (Mar. 12, 2026); Ohio Admin. Code 3775-16-10, 3775-16-12, ch. 3775-14; N.J.A.C. 13:69G, 13:69O-1.3; 31 C.F.R. pts. 1010, 1021; 31 U.S.C. ch. 53; S. 4060, 119th Cong. §§ 4, 9 (2026).

PART 500

CONTRACT INTEGRITY AND SETTLEMENT

INTRODUCTORY NOTE

This Part has no direct precedent. Gaming regulators specify approved wager types and require that outcomes be verifiable, but the outcome of a sporting event is determined by an official scoreboard and is rarely contested. Contracts on elections, policy decisions, corporate actions, weather, and public statements resolve against sources that may be ambiguous, revisable, delayed, or absent. The participant's loss in such a case is caused not by the event but by the operator's discretion in reading it. That discretion is unregulated everywhere in the surveyed corpus, and it is the exposure most specific to this product.

§ 501 Resolution criteria

(a) A covered operator shall, before listing a covered contract and continuously thereafter, publish for that contract a resolution specification as defined in § 203(b), containing:

(1) the precise condition that determines settlement, expressed so that the outcome can be determined by applying the specification to the identified resolution source without discretionary interpretation by the covered operator where that is feasible;

(2) the resolution source, identified specifically and by a unique identifier suitable for machine access;

(3) the time, stated in Coordinated Universal Time, at which the resolution source will be consulted;

(4) the treatment of the contract if the resolution source does not publish, publishes ambiguously, or ceases to exist, encoded as a deterministic fallback where that is feasible;

(5) the treatment of the contract if the underlying event is cancelled, postponed beyond a stated date, or materially altered;

(6) the treatment of the contract if the resolution source revises its determination after settlement, and the period within which a correction under § 503(b) or § 503(b-1) may be made, which shall not exceed fourteen calendar days from the date on which the settlement was published; and

(7) the facts to be presented to the participant before the participant submits an order, and again in the order confirmation, in both human-readable form and as a machine-readable file accessible from the interface, being:

(A) the resolution source by name and by a unique machine identifier, such as a URL or a content-addressed identifier;

(B) the settlement condition under paragraph (a)(1), stated in one plain-language sentence;

(C) the time under paragraph (a)(3), stated in Coordinated Universal Time;

(D) whether the resolution source is independent of the covered operator, or is the covered operator, an affiliate, or a person it compensates;

(E) whether that resolution source or the contract type is subject to a known regulatory review, prohibition, or stay;

(F) whether the resolution source has a documented record of timely and unambiguous publication of determinations for not less than twelve months before listing, and where it does not, the covered operator's reasons for believing the source will perform reliably; and

(G) the covered operator's policy for settlement correction under § 503(b) and § 503(b-1), including the period within which a correction may be made and the procedure by which a participant may contest a settlement under § 504.

(a-1) **Evidence of the disclosure made.** For each order submitted, a covered operator shall create and retain for not less than five years the evidence described in either paragraph (a-1)(1) or paragraph (a-1)(2), and shall make that evidence available to the participant as required by paragraph (a-1)(3). The covered operator may choose between the two routes for a given order or disclosure, and shall preserve the form it chose.

(1) **Per-order snapshot.** An immutable, timestamped, content-addressed record capturing the human-readable text and the machine-readable file presented to that participant before order entry, and the order confirmation delivered to that participant, together with the participant account identifier, the order identifier, the system timestamp, and the machine identifier of the resolution specification.

(2) **Contract-version artefact with a per-order reference.** Where the disclosure presented is identical to a disclosure artefact already created for the same version of the contract, a timestamped, content-addressed disclosure artefact comprising the human-readable text together with the machine-readable file, and, for each order, an immutable per-order record stating the participant account identifier, the order identifier, the system timestamp, and the machine identifier of the artefact shown. The per-order record shall be sufficient to demonstrate which artefact was presented to that participant when the order was placed.

(3) **Participant access.** A covered operator shall make the evidence created under paragraph (a-1)(1) or (a-1)(2) available to the participant from the participant's account order history, without the participant contacting customer service. The order confirmation shall state the machine identifier of the disclosure and how the associated evidence may be obtained from that history.

(b) A covered operator shall not list a covered contract for which the matters in paragraph (a) cannot be stated in advance.

(c) A covered operator shall not amend the resolution criteria of a listed covered contract after the first order has been executed, except to correct a manifest error under § 503. A covered operator shall not change the resolution source after a participant has submitted an order for that contract, except to correct such an error. Where it does so after orders have been executed, it shall notify affected participants within twenty-four hours and shall permit them to close or reduce their positions without fee for forty-eight hours following that notice.

(d) A covered operator shall refuse to list a covered contract unless its resolution specification either encodes an unambiguous determination rule capable of being applied to the identified resolution source, or, where such a rule is not feasible, designates a pre-identified independent adjudicator or panel together with an unambiguous review standard and that adjudicator's commitment to be bound by it. Where the covered operator is itself the designated adjudicator, it shall disclose that fact at the point of order entry, and the determination is subject to review under § 504 by a person independent of the covered operator.

(e) A covered operator shall implement a resolution specification for every newly listed covered contract within six months of the date these Standards take effect, and shall convert the resolution criteria of contracts already listed within nine months. During conversion it shall publish a human-readable resolution statement together with the interim mapping to the specification. After nine months, a listing without a resolution specification shall be withdrawn.

§ 502 Independence of the resolution source

(a) A resolution source shall be independent of the covered operator and of its affiliates.

(b) A covered operator shall not designate itself, an affiliate, or a person it compensates for the determination as the resolution source, except where paragraph (c) applies.

(c) Where no independent resolution source exists for an event, a covered operator may determine the outcome only if it:

(1) discloses that it is the resolution source, prominently and at the point of order entry;

(2) publishes in the resolution specification the evidence it will consider and the standard it will apply;

(3) publishes its determination with the reasoning and the evidence relied on;

(4) records the evidence and the reasoning in an append-only, timestamped record; and

(5) submits determinations under this paragraph to review under § 504.

(d) A covered operator shall not list a covered contract whose outcome depends on a determination by a person holding a position in that contract.

(e) **Proof of independence and contemporaneous capture.** For every resolution source identified in the resolution specification of a covered contract under § 501, a covered operator shall retain, and produce on request:

(1) either a written conflict-of-interest and independence statement for the resolution source, signed by an authorized representative of that source, or, where such a statement cannot reasonably be obtained, a signed conflict checklist maintained by the covered operator describing each known affiliation, commercial relationship, or other matter relevant to the source's independence from the operator and its affiliates at the time the source was designated;

(2) for each settlement that uses a resolution source, a contemporaneous archival capture of the item consulted at settlement, with retrieval metadata sufficient for an assessor to reconstruct the retrieval and verify its integrity. For a machine-accessible source the capture shall include the full response body returned, the relevant transport metadata, the request issued, the retrieval timestamp in Coordinated Universal Time, and a cryptographic hash of the response body. For a source that is not machine-accessible the capture shall include a contemporaneous signed transcript, recording, or other documentary record of the item consulted, the retrieval timestamp in Coordinated Universal Time, and the operator's contemporaneous description of the method of retrieval and of the identity of each person who performed it;

(3) linkage metadata tying each capture required by paragraph (e)(2) to the settled contract and to the settlement that used it, by recording the contract identifier, the settlement timestamp, and the internal settlement transaction identifier or its equivalent; and

(4) where the documentation retained under paragraph (e)(1) shows that the resolution source is, or was when designated, affiliated with the covered operator or otherwise fails to satisfy § 502(a), the resolution specification shall identify and bind a pre-identified independent adjudicator or an alternative independent source as § 501(d) permits.

(f) **Transition.** Where a covered operator's settlement workflow did not produce every item required by paragraph (e) on the date that paragraph took effect, the covered operator shall achieve full compliance not later than twelve months after that date. During the transition the covered operator shall preserve and produce any contemporaneous capture and metadata its existing practices did generate, and shall provide a written statement of the steps being taken to achieve full compliance. For a contract settled before that date, the covered operator shall produce on request any available contemporaneous record for the two years preceding it and, where no contemporaneous record exists, shall attest to that fact.

§ 503 Settlement, error, and revision

(a) A covered operator shall settle a covered contract promptly after the resolution source is consulted, and shall publish the settlement value and the basis for it.

(b) **Manifest error.** A covered operator may correct a settlement only where the settlement resulted from a manifest error, being a demonstrable failure to apply the published resolution criteria to the published resolution source. A correction shall be made within a period stated in advance, shall be published with reasons, and shall be reported under § 603.

(b-1) **Revision by the resolution source.** A covered operator may also correct a settlement where the resolution source itself revises the factual determination on which the settlement relied, provided the correction is made within the period published under § 501(a)(6), is published together with the source's revised determination and the covered operator's basis for relying on it, and is reported under § 603. A covered operator shall notify each affected participant of a revision by the resolution source within twenty-four hours of learning of it, with a plain-language explanation of the revision and of its effect on settlement, and shall permit an affected participant to contest the revised settlement under § 504 notwithstanding that the original settlement was already published.

(c) A covered operator shall not reverse a settlement on the ground that the outcome was unexpected, that the resolution source was mistaken, or that the covered operator would have preferred a different resolution, where the published criteria were correctly applied to the resolution source's determination as it stood at settlement and no revision under paragraph (b-1) has occurred.

(d) **Early settlement.** A covered operator shall not settle a covered contract before the time stated under § 501(a)(3) unless the condition determining settlement has been irreversibly satisfied and the covered operator publishes the basis for that conclusion.

(e) **Voiding.** A covered operator shall not void a covered contract except in the circumstances published under § 501(a)(4) and (a)(5), or where required by applicable law. On voiding, the covered operator shall return the amount at risk to each participant holding a position and shall publish the reason.

(f) A covered operator shall not apply a fee or charge to a voided contract.

§ 504 Settlement disputes

(a) A covered operator shall maintain a procedure by which a participant may contest a settlement, stating the information the participant must provide and the time within which the covered operator will respond. A participant may contest a settlement within fourteen calendar days of publication of the settlement value. On filing a contest, the participant may request a provisional hold on the contested settlement proceeds, and the covered operator shall grant it until the contest is resolved or the hold period stated in its published procedure expires.

(b) A covered operator shall not require a participant to waive a right under applicable law as a condition of using the procedure.

(c) A covered operator shall provide for review of a contested settlement by a person who did not make the original determination.

(d) A covered operator shall publish, not less than quarterly, the number of settlements contested, the number sustained, and the number reversed.

(e) Where the covered operator was itself the resolution source under § 502(c), the review under paragraph (c) shall be conducted by a person independent of the covered operator.

§ 505 Contract review before listing

(a) A covered operator shall document, before listing a covered contract, that:

(1) the outcome is verifiable;

(2) the outcome is generated by a process independent of the covered operator and its participants;

(3) the outcome is unlikely to be affected by the trading of the contract itself;

(4) the categories of influencing persons have been identified under § 402;

(5) the resolution criteria satisfy § 501;

(6) the cryptographic hash of the resolution specification published under § 501(a), which shall be retained with the documentation under § 601; and

(7) the covered operator has reviewed the publication history of the resolution source, where one is available, and has documented its assessment that the source is capable of publishing determinations in accordance with the resolution specification.

(b) A covered operator shall retain the documentation under paragraph (a) and shall produce it on request.

Basis: Original. Informed by 17 C.F.R. § 40.11; 7 U.S.C. § 7a-2(c)(5)(C); Ohio Admin. Code 3775-10-01, 3775-11-01, 3775-16-04; N.J.A.C. 13:69O-1.2; UKGC Remote Gambling and Software Technical Standards RTS 2, RTS 9; S. 4060, 119th Cong. §§ 4(d), 7(b)(2)(B) (2026).

PART 600

RECORDS, REPORTING, AND AUDIT

§ 601 Records

(a) A covered operator shall retain, for not less than five years:

(1) participant account records, including verification records under § 403 and § 404;

(2) the complete order, execution, position, and settlement history of each participant;

(3) exclusion program records, including enrollment, effect on positions, marketing suppression and the logs evidencing it, and reinstatement;

(4) limit records under § 302, including each limit set, each change, and each order or deposit rejected;

(5) documentation under § 402(c), the screening log under § 402(g), and the documentation under § 505(a), for each covered contract listed;

(6) settlement records, including resolution source consulted, value published, corrections, voidings, and disputes;

(7) complaint records under § 305;

(8) surveillance and integrity monitoring records under § 405; and

(9) problem gambling plan documentation and training records under § 304, the trigger event logs under § 304(a)(10), the at-risk designation records, and each written explanation retained under § 304(b)(2) for a decision not to designate a participant as at risk, held in a de-identified form accessible only to the covered operator's compliance personnel and to an authorized examiner;

(10) where the covered operator offers a one-time optional liquidation under § 301(d)(3), a record of the offer, whether it was accepted or refused, the reference price quoted, the execution records if it was accepted, and the notifications sent;

(11) logs demonstrating that risk-reducing orders by an excluded participant were accepted and executed, including timestamps and execution receipts;

(12) the disclosure artefacts, per-order snapshots, and per-order records created under § 501(a-1), each retained for not less than five years and made available to the participant from the

participant's account order history as that paragraph requires; and

(13) the archival captures, retrieval metadata, independence documentation, linkage metadata, and chain-of-custody records required by § 502(e), retained in tamper-evident archival form with cryptographic hashes, timestamps, and chain-of-custody logging sufficient to permit an assessor to reconstruct the retrieval and verify its integrity, for not less than five years from the date of settlement.

(b) Records shall be retained in a form permitting reconstruction of the covered operator's activity and shall be produced on request.

§ 602 Periodic reporting

(a) A covered operator shall report not less than quarterly:

(1) the number of participants enrolled in an exclusion program, by term elected, and the number reinstated;

(2) the number of attempted registrations, deposits, and orders blocked by reason of exclusion;

(3) the number of participants with limits in effect under § 302, by limit type, and the number of orders and deposits rejected by limit;

(4) complaint volume and resolution times under § 305;

(5) settlement disputes under § 504(d); and

(6) adherence to the problem gambling plan under § 304(c);

(7) the number of participants identified by each trigger under § 304(a)(10), the action taken, and the number identified but not designated at risk, with the explanation retained under § 304(b)(2);

(8) the number and timing of marketing suppression actions, with the suppression logs; and

(9) the number of exclusion enrollments by term, the number of orders and deposit attempts blocked, and the number and type of closing orders executed by excluded participants, including any liquidation under § 301(d)(3); and

(10) the number of participants whose accounts were flagged by a trigger under § 304(a)(10) but for whom the covered operator declined to designate at-risk status, reported in aggregate and de-identified consistently with applicable privacy law, aggregated by the taxonomy

published under § 301(i), and presented in bands with any cell containing fewer than five participants suppressed.

(b) A covered operator shall report annually:

(1) the amount contributed under § 304(d) and the recipient;

(2) the results of independent testing under § 208;

(3) the results of the audits under § 604; and

(4) any information received concerning bankruptcy, criminal proceeding, or suicide of a participant, where reported to the covered operator and connected to trading on its platform.

§ 603 Incident reporting

A covered operator shall report to any applicable regulatory authority, and to its assessor, within twenty-four hours of identification:

(a) a failure, bypass, or disablement of a control required by these Standards;

(b) a deficiency under § 206(d);

(c) a settlement correction under § 503(b) or a voiding under § 503(e);

(d) a breach of participant data, including exclusion program data; and

(e) conduct reportable under § 405(c).

§ 604 Audit

(a) A covered operator shall maintain an internal audit function independent of the operations it reviews, which shall test compliance with each Part of these Standards not less than annually and report its findings to the covered operator's governing body.

(b) A covered operator shall obtain an annual audit by an independent public accountant of its compliance with § 206.

(c) A covered operator shall obtain an annual assessment by an assessor accredited under § 701 of its compliance with these Standards as a whole.

(d) A covered operator shall document the corrective action taken in response to each finding under this section and the date of completion.

Basis: 25 C.F.R. pt. 543; 25 C.F.R. pt. 542; Ohio Admin. Code 3775-1-05, 3775-16-17, 3775-16-18, 3775-16-19, 3775-16-20, 3772-12-06(B); N.J.A.C. 13:69D; 17 C.F.R. pt. 38; Nev. Gaming Comm'n Regs.

PART 700

CERTIFICATION AND ENFORCEMENT

§ 701 Assessors

(a) An assessment of compliance with these Standards shall be conducted by an assessor that:

(1) is independent of the covered operator and its affiliates;

(2) has no financial interest in the covered operator's trading volume or revenue;

(3) did not design or implement the systems or procedures under assessment; and

(4) maintains documented competence in gaming regulatory compliance, derivatives market regulation, and information systems audit.

(b) An assessor shall not provide consulting services to a covered operator on the subject matter of an assessment during the assessment period or the twelve months preceding it.

§ 702 Assessment

(a) An assessment shall test each requirement of Parts 200 through 600 and shall state, for each, whether the covered operator is compliant, partially compliant, or non-compliant.

(b) An assessment shall be based on examination of evidence, including transaction records, system testing, and interviews, and not solely on the covered operator's representations.

(c) An assessment report shall identify each finding, the requirement to which it relates, and the remediation required.

§ 703 Certification

(a) A covered operator is eligible for certification under these Standards where an assessment records no non-compliant finding and each partially compliant finding is subject to an accepted remediation plan.

(b) Certification is valid for one year and requires annual reassessment.

(c) Certification shall be withdrawn where a covered operator fails to complete accepted remediation, where an incident under § 603 demonstrates a systemic control failure, or where the covered operator makes a material misrepresentation to its assessor.

(d) A covered operator shall not represent that it is certified under these Standards except while a valid certification is in effect, and shall not represent that certification constitutes approval by any regulatory authority.

§ 704 Enforcement by an adopting authority

Where a regulatory authority adopts these Standards, in whole or in part, the following are recommended:

(a) graduated sanctions, including corrective action plans, civil monetary penalties, suspension of the authority to list specified covered contracts, and revocation;

(b) penalties calculated with reference to the revenue derived from the non-compliant conduct, so that a penalty is not treatable as a cost of doing business;

(c) individual accountability for the person designated under § 204(a) where a failure resulted from that person's knowing act or omission;

(d) restitution to affected participants as a component of resolution; and

(e) publication of enforcement outcomes.

Basis: 25 C.F.R. pt. 543; Ohio Admin. Code 3775-1-08, 3775-14-01 through 3775-14-04, 3775-15-01; 17 C.F.R. pt. 38; S. 4060, 119th Cong. § 10 (2026).

APPENDIX A

MATTERS ON WHICH COMMENT IS INVITED

1. **Section 301(d), open positions on exclusion.** Whether permitting risk-reducing orders is the correct treatment, or whether a covered operator should be required to offer a one-time liquidation at a reference price.
2. **Section 304(c), problem gambling funding.** Whether these Standards should specify a contribution rate, and if so on what base, given that no federal mechanism exists.
3. **Section 402(d), refusal to list.** Whether a prohibition on listing contracts for which influencing persons cannot be identified is workable across the range of events these markets cover.
4. **Section 502(c), operator as resolution source.** Whether operator determination should be permitted at all, and if so whether the procedural conditions stated are sufficient.
5. **Section 503(d), early settlement.** Whether the irreversibility standard is administrable.
6. **Minimum age.** Whether twenty-one is correct where an operator is regulated as a derivatives market rather than as a gaming operator.

APPENDIX B

DOCUMENTED GAPS IN EXISTING REGULATION

The following table records what the surveyed regimes do and do not require. Counts of regulatory-term occurrences supporting it are in `research/analysis/01-gap-analysis.md`.

REQUIREMENT	CEA AND CFTC RULES	STATE GAMING REGIMES	UK LCCP AND RTS	PMCPS-M
Participant exclusion program	None	Ohio, New Jersey, Virginia, Nevada	Yes, national scheme	§ 301
Participant-set financial limits	None	New Jersey only	Yes, RTS 12	§ 302
Session time limits	None	New Jersey	Yes, RTS 13	§ 302(b)
Participant-facing risk disclosure	None	Ohio, New Jersey	Yes	§ 303

REQUIREMENT	CEA AND CFTC RULES	STATE GAMING REGIMES	UK LCCP AND RTS	PMCPS-M
Problem gambling plan	None	Ohio, Nevada, Virginia	Yes	§ 304
Problem gambling funding	None	Via gaming tax	Yes	§ 304(d)
Minimum age	None specific	Yes, 21	Yes, 18	§ 403
Advance restriction of influencing persons	None	Ohio, for sports	Not applicable	§ 402
Post-hoc manipulation enforcement	Yes, CEA § 6(c)(1)	Yes	Yes	§ 401
Independent integrity monitoring	None	Ohio	No	§ 405(b)
Published resolution criteria	Partial, § 40.11 review	Approved wager types	No	§ 501
Resolution source independence	None	Not applicable	No	§ 502
Settlement dispute procedure	None	Complaint rules only	No	§ 504
Minimum internal control standards	Core principles only	Yes	Yes	Parts 200, 600

End of PMCPS-M Version 1.3 Working Draft.

REVISION HISTORY

VERSION	DATE	CLASS	SUMMARY	EXTENT
1.3	2026-11-01	**Substantive**	Committee amendments of 2026-10-02. Seven adopted suggestions applied. Order-entry disclosure in section 501(a)(7) restructured and extended, with per-order evidence of what each participant was shown and a right of access to it. Resolution source independence now requires documentary proof and a contemporaneous capture of the item consulted at settlement. Settlement correction capped at fourteen days with notice within twenty-four hours. The mandatory liquidation offer to an excluded participant becomes optional, with disclosure required where it is offered. Confidentiality handling added to the designated contract market testing pathway. At-risk declination reporting and its taxonomy added.	69 rendered lines, 31 to 35 pages
1.2	2026-09-11	**Substantive**	Committee amendments of 2026-09-09. Eleven adopted suggestions applied as twenty-six amendments across both documents. One section replaced, eighteen edited. Machine-readable resolution specification required, evidence requirements attached to testing and surveillance, one-time liquidation for excluded participants, point-of-entry participant notices, restricted-person screening log.	136 rendered lines, 25 to 31 pages
1.1	2026-08-11	**Editorial**	License and imprint blocks added. No normative text changed.	not published
1.0	2026-08-10	**Editorial**	First publication.	not published

Rendered both versions to plain text, normalised whitespace, diffed, counted changed lines, excluding the version string, the Supersedes value and the closing line. Produced by framework/tools/revdiff.py. Version 1.2 is the first build rendered with a correct print stylesheet. Earlier PDFs were produced at a width that clipped roughly a third of each page, so a page held materially less readable text than a page of this version does. Page counts recorded for versions before 1.2 are therefore not comparable like for like with those from 1.2 onward, and the before figure in the Extent column of the 1.2 row should be read with that in mind.

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