

I am writing to express my strong opposition to the proposed ban on election contracts and prediction markets. This decision seems to lack sufficient data, engagement, and justification. I believe it is crucial for the CFTC to address several important questions regarding this proposal:

1. What specific data or evidence does the CFTC have to support the claim that election markets pose a significant risk to the integrity of elections?
2. How does the CFTC differentiate between gambling and legitimate financial risk management in the context of prediction markets?
3. What engagement has the CFTC conducted with stakeholders, including prediction market platforms, investors, and the public, to assess the potential impacts of this ban?
4. Why does the CFTC believe that banning election markets will prevent potential election tampering or misinformation campaigns, as opposed to regulating them to ensure transparency and integrity?
5. How does the CFTC address concerns that banning these markets might push them to offshore and illegal platforms, where there is no regulation or consumer protection?
6. What are the economic implications of this ban for businesses and investors who use these markets as tools for hedging against political risks?
7. How does the CFTC plan to address the legal challenges posed by platforms like Kalshi and PredictIt, which argue that the agency has overstepped its authority?
8. What measures does the CFTC propose to implement to ensure that innovation in financial markets is not stifled by this ban?
9. How does the CFTC reconcile its decision with the fact that prediction markets have provided valuable data for gauging public sentiment and economic forecasting?
10. What alternative solutions has the CFTC considered that would allow election markets to operate under a regulated framework, ensuring both market integrity and consumer protection?

I urge the CFTC to reconsider its proposal and provide clear answers to these questions. It is essential to recognize the potential benefits of regulated prediction markets and to develop a framework that allows them to operate safely and effectively within the U.S. financial system.

