
CFTC Event Contract Proposal Outlines the Way Ahead for Prediction Markets

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The CFTC just proposed to draw the line between the prediction market contracts it will allow and the ones it will not. Its June 12, 2026 Proposal would replace CFTC rules that categorically ban five kinds of “event contracts,” the yes/no contracts that prediction market platforms are built on, with a discretionary, contract-by-contract public-interest review.

Contracts settling on aggregate sports outcomes, like a final score or a season-long stat, are favored; contracts riding on one person’s actions or pure chance (the classic “prop” bet) are not. Operators, traders, and sportsbooks need to figure out where their products land and weigh in before comments close July 27, 2026.

Read our key takeaways and analysis here:

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