

Carl Kennedy Weighs In on CFTC's Bold Defense of Prediction Markets

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Partner and Financial Markets and Regulation Co-Chair Carl Kennedy spoke with *iGaming Business* regarding the Commodity Futures Trading Commission's (CFTC) dramatic shift in its approach to prediction markets. Under the new leadership of Chairman Michael Selig, the CFTC has shifted over the past year from saying very little to actively defending it in court.

Carl explained that there are established federal rulemaking procedures the CFTC will need to follow as it pursues new regulations for prediction markets. "There's an effective date, a compliance date and generally [all of] that's tied to when the final rule hits the *Federal Register*," with him noting the CFTC can then "build any sort of implementation timeline they want," which can become "a substantive issue" for licensees.

Given the intense interest prediction markets have generated from entities in other industries, Carl observed that the volume of public comments will likely extend the timeline of review. However, he emphasized that the Commission "has in the past been comfortable addressing very controversial rules" and is "very skilled" at analyzing and grouping large sets of feedback.

Drawing on the Commission's track record, Carl pointed to the joint adoption of new product definitions by the CFTC and Securities and Exchange Commission (SEC) in 2012 as an example of the agency's ability to navigate high-stakes rulemaking. That process took two years from the notice of advanced rulemaking in August 2010 to the final rule posting in August 2012. "There were a lot of comments to get through and that's why it took two agencies a lot of time to finalize those rules, but they did it," Carl said. "So the CFTC has a lot of experience in that, and I don't think that they would take their responsibility lightly."

Looking ahead, Carl anticipates that Chairman Selig's withdrawal of a previous proposal involving sports contracts will lead to a broader discussion about contract listing standards. "I believe what Chairman Selig intends to do is to come up with standards for how these instruments will be traded, whether certain categories of instruments require additional protections, whether certain products

need to go through more aggressive review processes by the agency before they're able to be listed and traded on an exchange."

["Selig's CFTC signals court backing for prediction markets, but will anything change?"](#), *iGaming Business*, February 19, 2026

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