

CFTC Withdraws Proposed Rule on Prediction Markets

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Stephen Piepgrass, a partner in Troutman Pepper Locke's Regulatory Investigations, Strategy, and Enforcement Practice Group, was quoted in the January 30, 2026 *Corporate Compliance Insights* article, "[CFTC Withdraws Proposed Rule on Prediction Markets](#)."

"Taken together, these statements leave observers unclear about what position the CFTC may ultimately take on insider trading-type behaviors," Stephen Piepgrass, a partner in the Richmond office of Troutman Pepper Locke, told *Corporate Compliance Insights*. "That indicates to me that the CFTC itself is still grappling with this difficult question."

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Selig's remarks made one thing clear: The CFTC intends to be the primary authority governing these platforms, Piepgrass said, significant given ongoing legal wrangling with certain state regulators that have asserted they have the authority to regulate prediction markets as they would sports gambling.

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"Chairman Selig's remarks make clear that the CFTC is planting the flag as the preeminent and exclusive regulator of prediction markets," Piepgrass said. "His statement is clearly intended to reassure market participants that event contracts are here to stay and that the CFTC intends to establish clear standards governing them."

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Piepgrass said that language, combined with Selig's withdrawal of the prior cautionary guidance about sports-related event contracts, signals the CFTC may be considering intervening in litigation over whether states can regulate these platforms as gambling.

"If that happens, it could shift the current direction of those cases significantly where state regulators have been heartened by recent victories in some federal courts," Piepgrass said. "If the CFTC intervenes and asserts federal jurisdiction, that should carry great weight with the judges considering these issues and could shift the direction of litigation in many courts in favor of platforms like Kalshi that are on the legal front lines of those issues."

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