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# Trading, Gambling, or Something Else? Prediction Markets and the Payments Puzzle

## SPEAKERS

[Stephen C. Piepgrass](#) | [Keith J. Barnett](#)

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In this crossover episode, *Regulatory Oversight* host Stephen Piepgrass teams up with *Payments Pros* host Keith Barnett to unpack how prediction markets, gaming, and payments intersect in a rapidly evolving and legally uncertain landscape. Drawing on Keith's extensive regulatory experience, they explain what prediction markets are, why these contracts are treated as swaps rather than securities, and how that distinction affects insider trading issues. Stephen and Keith then address the growing tension between federal regulators and state attorneys general over whether these products are trading or unlicensed sports betting, the CFTC chair's recent criticism of "regulation by enforcement," and the NCAA's push to pause college sports contracts. They close by examining what this evolving landscape means for banks, payment processors, and other service providers navigating know-your-customer and "lawful transaction" obligations while the law remains in flux.

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