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The CFTC Is Now Telling Prediction Markets How To Avoid Resembling A Sportsbook

WASHINGTON, D.C.— Benjamin Schiffrin, Director of Securities Policy for Better Markets, issued the following statement in connection with the Commodity Futures Trading Commission (CFTC) [telling](#) prediction markets not to use American odds in event contracts:

“The CFTC’s desire to [help prediction markets](#) avoid the inescapable conclusion that their event contracts on sporting events involve gambling knows no bounds. As we recently [highlighted](#), prediction markets allow users to see the chances of a team winning a game in ‘American odds’—the same way as they appear in a sportsbook. The CFTC has now told prediction markets to disable this feature in a desperate attempt to dupe people into thinking event contracts on sporting events are not the gambling devices they so clearly are.

“Prediction markets used to advertise themselves as offering the ability to [bet on sports](#), but when they realized that made them sound like sportsbooks, they switched to saying they offer the ability to ‘trade’ on sports. This shouldn’t fool anyone, as nobody [trades on sports](#). People bet on sports, and that is what event contracts on sporting events let people do.

“Now, the CFTC is telling prediction markets to use a similar sleight of hand, so it appears that event contracts on sporting events do not involve gambling. It is hard to believe that the CFTC would be helping prediction markets disguise the true nature of their event contracts and deceive American consumers. Regardless, the way in which the odds appear cannot change the fact that event contracts on sporting events involve gambling any more than saying event contracts on sporting events involve ‘trading’ rather than ‘betting’ on sports.

“Anyone who goes on prediction market platforms can [see for themselves](#) that their event contracts on sporting events involve sports betting. That is because betting on [the Super Bowl](#), [the Masters](#), or [the World Cup](#) is not trading a financial derivative but gambling. The CFTC must stop [cheerleading](#) for the prediction markets and recognize this reality.”

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