

[Securities Regulation Daily Wrap Up, EXCHANGES AND MARKET REGULATION—Senate bans prediction markets trading for senators and staff, \(May 1, 2026\)](#)

Securities Regulation Daily Wrap Up

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The ban aims to prevent a perception that senators can profit from inside information gained in office.

Responding to concerns about potential insider trading on prediction markets by government officials, the U.S. Senate passed a measure to prohibit Senate members, officers, and employees from trading on event outcomes. The measure was [adopted by unanimous voice vote](#) on April 30 and took immediate effect.

“United States Senators have no business engaging in speculative activities like prediction markets while collecting a taxpayer-funded paycheck, period,” [said](#) Sen. Bernie Moreno (D-Ohio), who sponsored the measure.

Minority Leader Sen. Chuck Schumer (D-NY) said he will work with colleagues to extend the prohibition to the executive branch.

“This is a good start but not enough,” Schumer [said](#). “The administration and its employees must apply these very same rules too—particularly this administration, which shows such a troubling affinity to corruption and self-dealing.”

Trading prohibition. [S. Res. 708](#) amended rule XXXVII of the Standing Rules of the Senate to prohibit Senators from trading on prediction markets. The resolution defines the prohibited conduct broadly without using the terms “prediction markets” or “event contracts.” It provides:

“No Member, officer, or employee of the Senate may enter into, or offer to enter into, an agreement, contract, swap, or transaction that provides for any purchase, sale, payment, or delivery of an excluded commodity, as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a), that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of a specific event or contingency. Nothing in this paragraph shall be construed to apply to insurance for which the insured holds a lawful insurable interest.”

Insider trading concerns. Senators asked the CFTC in [January](#) and [March](#) to act on possible insider trading citing well-timed trades on Polymarket concerning U.S. military activity in Venezuela and Iran, among other areas.

On April 23, the CFTC and DOJ [charged a U.S. Army soldier](#) with trading on the capture of former Venezuelan President Nicolás Maduro on the basis of classified information about the “Operation Absolute Resolve” military operation in January. The defendant is alleged to have made over \$400,000 on the trades. The CFTC action is the first involving prediction markets insider trading. If convicted, the defendant faces up to 60 years in prison.

Kalshi reaction. Kalshi CEO Tarek Mansour praised the measure and urged passage in the House.

“Kalshi already proactively blocks members of congress and enforces against insider trading. This is a great step to increase trust in our markets by making it an industry standard,” said Mansour.

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