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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To prohibit a covered individual from engaging in covered transactions
involving prediction market contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TORRES of New York introduced the following bill; which was referred
to the Committee on _____

A BILL

To prohibit a covered individual from engaging in covered
transactions involving prediction market contracts, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Public Integrity in Fi-
5 nancial Prediction Markets Act of 2026”.

1 **SEC. 2. PROHIBITION ON COVERED TRANSACTIONS IN-**
2 **VOLVING PREDICTION MARKET CONTRACTS.**

3 (a) IN GENERAL.—It shall be unlawful for a covered
4 individual to knowingly engage in a covered transaction
5 if the covered individual—

6 (1) at the time of the covered transaction, pos-
7 sesses material nonpublic information relevant to
8 such covered transaction; or

9 (2) may reasonably obtain such material non-
10 public information in the course of performing offi-
11 cial duties, including when such information would
12 not otherwise be available to a member of the public
13 exercising reasonable diligence.

14 (b) DEFINITIONS.—In this section:

15 (1) COVERED INDIVIDUAL.—The term “covered
16 individual” means—

17 (A) an elected official of the Federal Gov-
18 ernment;

19 (B) a political appointee; or

20 (C) an employee of an Executive agency,
21 as defined in section 105 of title 5, United
22 States Code.

23 (2) MATERIAL NONPUBLIC INFORMATION.—The
24 term “material nonpublic information” means infor-
25 mation—

1 (A) that a reasonable investor would con-
2 sider important in making an investment deci-
3 sion; and

4 (B) that is not publicly available.

5 (3) PREDICTION MARKET CONTRACT.—The
6 term “prediction market contract” means any finan-
7 cial instrument, contract, or derivative—

8 (A) listed on or offered by a platform en-
9 gaged in interstate commerce; and

10 (B) tied to the occurrence or non-occu-
11 rence of a future event, including market-based
12 event contracts.

13 (4) COVERED TRANSACTION.—The term “cov-
14 ered transaction” means the purchase, sale, or ex-
15 change of any prediction market contract related to
16 a—

17 (A) government policy;

18 (B) government action; or

19 (C) political outcome.