

## Kalshi: Prediction Platform Faces Geofencing Possibility Amid Mounting Court Cases

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Cadwalader partner **Peter Malyshev** was recently quoted in The Capitol Forum discussing the emerging regulatory landscape for sports prediction markets, including how companies are preparing for increased scrutiny at both the federal and state levels.

Peter noted that several companies exploring entry into sports prediction markets are already taking proactive compliance steps, not only by considering registration with the CFTC as commodity exchanges, futures commission merchants (“FCMs”) or introducing brokers (“IBs”), but also by testing geolocation boundaries across individual states and implementing robust know-your-customer (“KYC”) controls.

“They’re looking at a future when there may be a time when there could be a court-created test of what gambling is,” Peter said, explaining that firms want to ensure they can comply with potential state-by-state restrictions even if federal rules evolve. “Instead of shutting down some contracts on the federal level, they want to be ready on the individual state level as a back-up,” said Peter.

Read the full article [here](#) (subscription required).