July 25, 2025

SUBMITTED VIA CFTC PORTAL
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: KalshiEX LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of the “Will <company 1> acquire <company 2> before <date>?” Contract

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, KalshiEX LLC (Kalshi), a registered DCM, hereby notifies the Commission that it is self-certifying the “Will <company 1> acquire <company 2> before <date>?” contract (Contract). The Contract will initially be listed after close-of-business on **July 25, 2025**; it is listed as the day after because of limitations of the Commission's online submission portal. The Exchange intends to list the contract on a custom basis. The Contract’s terms and conditions (Appendix A) includes the following strike conditions:

- **<date>**
- **<company 1>**
- **<company 2>**
- **<company1>**
- **<company2>**

Along with this letter, Kalshi submits the following documents:

- A concise explanation and analysis of the Contract;
- Certification;
- Appendix A with the Contract’s Terms and Conditions;
- Confidential Appendices with further information; and
- A request for FOIA confidential treatment.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Xavier Sottile
Head of Markets
KalshiEX LLC
xsottile@kalshi.com

KalshiEX LLC
Official Product Name: "Will <company 1> acquire <company 2> before <date>?"
Rulebook: ACQANNOUNCE
Summary: Company 1 acquisition of Company 2 timeline
Kalshi Contract Category: Political Decision
Kalshi Internal Category: Companies
July 25, 2025

CONCISE EXPLANATION AND ANALYSIS OF THE PRODUCT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION'S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.2(a)(3)(v), the following is a concise explanation and analysis of the product and its compliance with the Act, including the relevant Core Principles (discussed in Appendix D), and the Commission's regulations thereunder.

I. Introduction

The "Will <company 1> acquire <company 2> before <date>?" Contract is a contract relating to Companies.

Further information about the Contract, including an analysis of its risk mitigation and price basing utility, as well as additional considerations related to the Contract, is included in Confidential Appendices B, C, and D.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange hereby certifies that the listing of the Contract complies with the Act and Commission regulations under the Act.

General Contract Terms and Conditions: The Contract operates similar to other event contracts that the Exchange lists for trading. The minimum price fluctuation is $0.01 (one cent). Price bands will apply so that Contracts may only be listed at values of at least $0.01 and at most $0.99. Further, the Contract is sized with a one-dollar notional value and has a minimum price fluctuation of $0.01 to enable Members to match the size of the contracts purchased to their economic risks. As outlined in Rule 5.12 of the Rulebook, trading shall be available at all times outside of any maintenance windows, which will be announced in advance by the Exchange. Members will be charged fees in accordance with Rule 3.6 of the Rulebook. Fees, if they are charged, are charged in such amounts as may be revised from time to time to be reflected on the Exchange's Website. A new Source Agency can be added via a Part 40 amendment. All instructions on how to access the Underlying are non-binding and are provided for convenience only and are not part of the binding Terms and Conditions of the Contract. They may be clarified at any time. Furthermore, the Contract's payout structure is characterized by the payment of an absolute amount to the holder of one side of the option and no payment to the counterparty. During the time that trading on the Contract is open, Members are able to adjust their positions and trade freely. The Expiration Value and Market Outcome are determined at or after Market Close. The market is then settled by the Exchange, and the long position holders and short position holders are paid according to the Market Outcome. In this case, "long position holders" refers to Members who purchased the "Yes" side of the Contract and "short position holders" refers to Members who purchased the "No" side of the Contract. If the Market Outcome is "Yes," meaning that an event occurs that is encompassed within the Payout Criterion, then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Market Outcome is "No," then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger a Market Outcome of "Yes" are included below in the section titled "Payout Criterion" in Appendix A.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. § 7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.2, 17 C.F.R. § 40.2

Based on the above analysis, the Exchange certifies that:

- ❏ The Contract complies with the Act and Commission regulations thereunder.
- ❏ This submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange's website at https://kalshi.com/regulatory/filings.

Should you have any questions concerning the above, please contact the exchange at ProductFilings@kalshi.com.

By: Xavier Sottile
Title: Head of Markets
Date: July 25, 2025

Attachments:

Appendix A - Contract Terms and Conditions
Appendix B (Confidential) - Further Considerations
Appendix C (Confidential) - Source Agency
Appendix D (Confidential) - Compliance with Core Principles

APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: "Will <company 1> acquire <company 2> before <date>?"
Rulebook: ACQANNOUNCE

ACQANNOUNCE

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the announcement by <company1>/<company2> of an acquisition after Issuance and before <date>. Subsequent revisions to the transaction, regulatory outcomes, or cancellations made after Expiration shall not be considered in determining the Expiration Value.

Source Agency: The Source Agencies are, in hierarchical order, <company 1>/<company 2>'s official investor relations website or press releases; <company 1>/<company 2>'s official social media and the official social media account of <company 1>/<company 2>'s current executives, the entity being acquired by/acquiring <company 1>/<company 2>, the U.S. Securities and Exchange Commission (SEC); Bloomberg News, Reuters, The Wall Street Journal, CNBC, ABC News Australia, BBC, The Guardian, the Financial Times, and The New York Times.

Type: The type of Contract is an Event Contract.

Issuance: After the initial Contract, Contract iterations will be listed on an as-needed basis at the discretion of the Exchange and corresponding to the risk management needs of Members.

<company 1>: <company 1> refers to a business entity specified by the Exchange, including corporations, limited liability companies, partnerships, or other legally recognized commercial organizations. Identification may be based on official name, stock ticker, registration jurisdiction, or other distinguishing features, other distinguishing features, or by characteristic in singular or multiple/plural, or within a set (e.g. 'Meta' or 'any tech company'). This may also take the form of "Any" or "None".

<company 2>: <company 2> refers to a business entity specified by the Exchange, including corporations, limited liability companies, partnerships, or other legally recognized commercial organizations. Identification may be based on official name, stock ticker, registration jurisdiction, or other distinguishing features, or by characteristic in singular form, in multiple/plural, or within a set (e.g. 'Meta' or 'any tech company'). This may also take the form of "Any".

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <company 1> has announced that it has made a deal to acquire <company 2> after Issuance and before <date>.

The deal does not need to close (acquisition is finalized and completed) as long as an agreement has been made. A definitive, binding agreement accompanied by public announcement is sufficient to resolve this market to Yes. The signing of a contract, absent a qualifying public announcement, is not sufficient to resolve this market to Yes.

Letters of intent, memoranda of understanding, or term sheets; or agreements in principle or handshake agreements are not encompassed by the Payout Criterion. Market resolution is based solely on the announcement of a qualifying acquisition. Whether the transaction is later completed, modified, blocked by regulators, abandoned, or terminated has no bearing on resolution.

For clarity, an acquisition refers to a transaction in which <company 1> agrees to purchase <company 2>, resulting in a change of ownership or control. This includes transactions structured as asset purchases, stock purchases, tender offers, SPAC combinations, or takeover agreements. The acquisition must involve the transfer of a controlling interest in the target company or subsidiary, and may be friendly or hostile in nature. Partial stake purchases or non-controlling minority investments do not qualify as acquisitions for the purpose of this Contract.

The following ARE encompassed by the Payout Criterion:

- Press releases issued by <company 1> stating it has agreed to acquire <company 2>
- Announcements of SPAC transactions or reverse mergers
- SEC filings such as Form 8-K, S-4, or Schedule 14A that disclose a signed acquisition agreement
- News reports from Source Agencies quoting <company 1> or <company 2> or their representatives confirming the transaction
- Cross-border transactions requiring regulatory approvals, provided definitive agreement is signed and announcement of said agreement is made

The following are NOT encompassed by the Payout Criterion:

- Letters of intent, memoranda of understanding, or term sheets
- Agreements in principle or handshake agreements
- Rumors, leaks, or speculative reports not confirmed by <company 1> or <company 2> or a Source Agency
- Discussions of “strategic alternatives,” “exploratory talks,” or “preliminary discussions” without confirmation of a deal
- Internal reorganizations, restructurings, spin-offs, or transactions between subsidiaries within <company 1> or <company 2>

- Joint ventures, partnerships, licensing deals, or minority investments that do not involve full or controlling ownership transfer
- Announcements made after <date>, even if the deal was signed earlier

Unless explicitly specified otherwise, the announcement must involve the legal corporate entities identified as <company 1> and <company 2>. Transactions limited solely to assets, or divisions do not qualify unless they represent the majority of <company 1> or <company 2>'s operations or the majority transfer of <company 1> or <company 2>'s equity control. Transactions regarding the acquisition subsidiaries do qualify.

Examples that WOULD resolve the Payout Criterion to YES:

- <company 1> announces a definitive agreement to acquire <company 2>, even though later blocked by courts.
- <company 1> and <company 2> jointly announce a definitive acquisition agreement, even though deal was not completed.
- <company 1> signs a definitive agreement to acquire <company 2> and it happens.
- <company 1> enters into a definitive agreement to acquire <company 2>, and binding terms are published and agreed upon even if regulatory review is pending.

Examples that would NOT resolve the Payout Criterion to YES:

- <company 1> and <company 2> are reported to be "in talks" over a potential acquisition.
- <company 1> and <company 2> announce a memorandum of understanding (MoU).
- The CEO of <company 1> states "we've agreed in principle to buy <company 2>" during an interview.

Minimum Tick: The Minimum Tick size for the Contract shall be $0.01.

Position Accountability Level: The Position Accountability Level for the Contract shall be $25,000 per strike, per Member.

Last Trading Date: The Last Trading Date of the Contract will be the day prior to <date>. The Last Trading Time will be 11:59 PM ET.

Settlement Date: The Settlement Date of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The latest Expiration Date of the Contract shall be one week after <date>. If an event described in the Payout Criterion occurs, expiration will be moved to an earlier date and time in accordance with Rule 7.2.

Expiration time: The Expiration time of the Contract shall be 10:00 AM ET.

Settlement Value: The Settlement Value for this Contract is $1.00.

Expiration Value: The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration time.

Contingencies: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 6.3(d) of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 6.3(b) in the Rulebook.