

September 24, 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 <body> take a stake of <above/below/exactly/at least/between> <value> in <entity> 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 <body> take a stake of <above/below/exactly/at least/between> <value> in <entity> before <date>?” contract (Contract). The Contract will initially be listed after close-of-business on **September 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>**
- **<body>**
- **<above/below/exactly/at least/between>**
- **<value>**
- **<entity>**
- **<comparison>**

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 <body> take a stake of <above/below/exactly/at least/between> <value> in <entity> before <date>?”

Rulebook: COMPANYSTAKE

Summary: <body> <comparison> stake <value> in <entity> by <date>

Kalshi Contract Category: Political Decision

Kalshi Internal Category: Companies

September 24, 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 <body> take a stake of <above/below/exactly/at least/between> <value> in <entity> 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 5.16 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 3.13 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: September 24, 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 <body> take a stake of <above/below/exactly/at
least/between> <value> in <entity> before <date>? ”**

Rulebook: COMPANYSTAKE

COMPANYSTAKE

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is <body> acquires or otherwise obtains a stake of <above/below/exactly/at least/between> <value> in <entity> after Issuance and before <date>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are, in hierarchical order, official announcements or filings by <body> or <entity> (including, but not limited to, press releases, official websites, social media channels, securities filings, regulatory filings, and government disclosures), The New York Times, the Associated Press, Bloomberg News, Reuters, The Financial Times, The Wall Street Journal, The Washington Post, Axios, Politico, Semafor, The Information, CNBC, CNN, Fox News, MSNBC, ABC, CBS, and NBC.

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.

<body>: <body> refers to an individual, natural person, fictional character, organization, corporation, department, team, government, place, or body specified by the Exchange. <body> may refer to a singular body (e.g. The Washington Nationals), to multiple bodies using AND/OR logic, or to singular or multiple bodies by distinguishing feature or more broadly (e.g. any baseball team).

<entity>: <entity> refers to an item, individual, natural person, project, fictional character, organization, corporation, department, team, place, or body specified by the Exchange. <entity> may refer to a singular entity (e.g. The Washington Nationals), to multiple entities using AND/OR logic, or to singular or multiple entities by distinguishing feature or more broadly (e.g. any baseball team).

<above/below/exactly/at least/between>: <above/below/exactly/at least/between> refers to comparison operators. "Above" means greater than (>), "below" means less than (<), "exactly" means equal to (=) when rounded to two decimal places, "at least" means greater than or equal to (\geq), and "between" means within an inclusive range (\geq lower bound and \leq upper bound).

<value>: <value> refers to the numerical ownership threshold specified by the Exchange against which <body>'s stake in <entity> will be assessed. For the purposes of this Contract, <value> may be expressed as:

- Percentage of ownership in <entity>'s outstanding equity or voting rights (e.g., 10%, 25%).
- Monetary value of the stake (e.g., USD 1 billion worth of equity, as disclosed in public filings).
- Absolute unit count of ownership (e.g., number of shares, partnership units, or equivalent).

Unless otherwise specified in the Contract iteration, <value> refers to the percentage of total outstanding equity ownership in <entity>, including common shares and any other securities convertible into equity that are treated as equivalent by securities regulators or disclosed in official filings.

<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 <body> has taken a stake of or announced it is taking a stake of <above/below/exactly/at least/between> <value> in <entity> after Issuance and before <date>.

For the purposes of this Contract, “taking a stake” means:

- Acquiring direct equity ownership, voting shares, or equivalent ownership interests in <entity>;
- Acquiring indirect ownership through a wholly controlled investment vehicle of <body>;
- Acquiring rights convertible into equity (such as warrants, convertible debt, or options) where the transaction is reported publicly as equivalent to holding equity;
- Any acquisition announced, executed, or filed with securities or regulatory authorities that, if completed, establishes <body>'s ownership in <entity>.

The following ARE encompassed by the Payout Criterion:

- Public announcements of stake acquisitions by <body> that meet the specified threshold.
- Mandatory securities filings (e.g., SEC 13D/13G, F-4, S-4, equivalent international filings) showing <body>'s stake in <entity>.
- Sovereign wealth fund, state-owned enterprise, or government investment arm acquiring equity in <entity> that is attributed to <body>.
- Completed transactions where <body>'s stake crosses or falls within the contract's specified threshold.

The follow ARE NOT encompassed by the Payout Criterion:

- Rumors, leaks, or unconfirmed reporting not validated by a Source Agency.
- Non-equity financial instruments (e.g., bonds, loans, swaps) that do not constitute equity ownership.
- Stakes acquired by private actors without direct attribution to <body>.

Additional clarification(s):

- Ownership across share classes and listings (common stock, ADRs, dual listings) is aggregated for the purpose of measuring <body>'s stake.
- Crossing the threshold of ownership at any point after Issuance and before <date> satisfies the Payout Criterion, regardless of subsequent reductions or increases.
- Stakes are referred to in total, meaning that pre-existing stakes or ownership by <body> counts toward the required threshold <value>.
- Changes in stake due to corporate actions (dilution, buybacks, stock splits) are encompassed if <body> holds, at some point, a stake of <above/below/exactly/at least/between><value> in <entity>.
- Indirect stakes acquired through wholly owned or controlled entities of <body> are deemed equivalent to direct stakes. Such entities, subsidiaries, or sovereign wealth funds must be directly tied to <body> by official statements made by <body>.

Examples that WOULD resolve the market to Yes:

- A sovereign wealth fund owned by <body> announces and completes the purchase of a 10% stake in <entity> before <date>.
- <body> directly purchases voting shares in <entity> that bring its ownership above the Contract <value> threshold.
- <body> acquires convertible securities and publicly files that these are treated as equivalent to a stake exceeding <value>.

Examples that WOULD NOT resolve the market to Yes:

- <body> lends money to <entity> but does not acquire equity ownership.
- Press speculation that <body> may buy into <entity>, without confirmation by a Source Agency.
- <body>'s stake remains at 9.9% when the Contract <value> is set to "at least 10%".

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 7.1 of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 7.1 in the Rulebook.