

July 10, 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 <person>’s first opponent be <opponent> 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 <person>’s first opponent be <opponent> before <date>?” contract (Contract). The Contract will initially be listed after close-of-business on **July 10, 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>**
- **<person>**
- **<opponent>**

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 <person>’s first opponent be <opponent> before <date>?”

Rulebook: COMPETENEXT

Summary: First opponent before specified date

Kalshi Contract Category: Sports

Kalshi Internal Category: Sports

July 10, 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 <person>’s first opponent be <opponent> before <date>?” Contract is a contract relating to Sports.

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 10, 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 <person>’s first opponent be <opponent> before <date>?”
Rulebook: COMPETENEXT

COMPETENEXT

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the identity of the opponent that <person> competes against in their next official bout after Issuance. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are the organization which oversees or manages the relevant competition, Ultimate Fighting Championship (UFC), ESPN, The Athletic, The New York Times, the Associated Press, Bloomberg News, Reuters, ABC, CBS, CNN, Fox News, 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.

<person>: <person> refers to a professional combat sports athlete specified by the Exchange. May include:

- Active UFC fighters
- Fighters in other MMA organizations
- Boxers considering MMA bouts
- Retired fighters considering comebacks
- "No one/Does not compete"
- "Other fighter not listed"

<opponent>: <opponent> refers to potential opponents specified by the Exchange. May include:

- Named individual fighters
- Groups of fighters (e.g., "Any unranked fighter")
- "No one/Does not compete"
- "Other fighter not listed"
- "Any replacement fighter"

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <person>'s next official bout after Issuance is against <opponent>.

For a bout to count as <person>'s "next" competition:

- The fight must be officially sanctioned by a recognized athletic commission or regulatory body

- Both fighters must make weight (or the bout must proceed despite a weight miss)
- The fight must actually commence (fighters enter the cage/ring and the referee starts the bout)
- Exhibition matches count only if specified in the contract
- Grappling matches or other non-MMA competitions count only if specified

If <person> is scheduled to fight someone but that opponent withdraws and is replaced, the replacement fighter determines the resolution. The originally scheduled opponent does not count if they never compete.

Examples that would resolve to Yes for a specific <opponent>:

- <person> fights <opponent> as originally scheduled
- <person> was scheduled to fight Fighter A, but Fighter A withdraws and <person> fights <opponent> as a replacement
- <person> fights <opponent> after multiple bout announcements that fell through
- <person> fights <opponent> even if the bout is moved to a different date or event, as long as it is before <date> and it is still the first bout after Issuance and before <date>

Examples that would NOT resolve to Yes for a specific <opponent>:

- <person> is scheduled to fight <opponent> but the bout is cancelled and never happens
- <person> fights someone else before fighting <opponent>
- <person> and <opponent> compete in a grappling match when MMA bout was specified
- <person> retires or is suspended indefinitely without competing
- <person> is scheduled to fight <opponent> but <person> withdraws

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 same as the Expiration Date. The Last Trading Time will be the same as the Expiration time.

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 two years after Issuance. 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.