

June 17, 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 <leader> complete their full term?” 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 <leader> complete their full term?” contract (Contract). The Contract will initially be listed after close-of-business on **June 17, 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>**
- **<leader>**
- **<country>**
- **<term end date>**

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 <leader> complete their full term?”

Rulebook: FULLTERM

Summary: Leader's full term completion status

Kalshi Contract Category: Political Decision

Kalshi Internal Category: Politics

June 17, 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 <leader> complete their full term?” Contract is a contract relating to Politics.

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: June 17, 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 <leader> complete their full term?”

Rulebook: FULLTERM

FULLTERM

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official status and actions of <leader> as the sitting head of state or head of government of <country> after Issuance and through the end of their current term. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: Official status can be accessed through the relevant government's official websites, presidential/prime ministerial offices, and constitutional offices. These instructions on how to access the Underlying 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.

Source Agency: The Source Agencies are the official government of <country>, the office of <leader>, the relevant parliament or legislature of <country>, the relevant supreme court or constitutional court of <country>, <leader>, The New York Times, the Associated Press, Bloomberg News, Reuters, Axios, Politico, Semafor, The Information, The Washington Post, The Wall Street Journal, ABC, CBS, CNN, Fox News, MSNBC, BBC, 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.

<leader>: <leader> refers to the sitting head of state, head of government, or equivalent chief executive of <country> as specified by the Exchange. This includes Presidents, Prime Ministers, Chancellors, and other titles depending on the governmental system. This refers to the individual holding the office at the time of Contract issuance.

<country>: <country> refers to a sovereign nation or territory specified by the Exchange.

<term end date>: <term end date> refers to the scheduled end of <leader>'s current term according to the constitution, laws, or established governmental procedures of <country>, as specified by the Exchange.

<date>: <date> refers to a calendar date specified by the Exchange, typically corresponding to <term end date>. 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 <leader> completes their full term by serving as <leader> of <country> from Issuance until <term end date> without permanently leaving office.

For purposes of this Contract, <leader> completes their full term if they remain in their position with full constitutional or legal authority from Issuance through <term end date>, when their successor takes office or their term is extended according to the laws of <country>.

The following scenarios will resolve the market to Yes:

- <leader> serves until <term end date> and transfers power to their successor or begins a new term
- <leader> temporarily delegates power due to illness or travel but resumes full duties and completes the term
- <leader> faces impeachment, no-confidence votes, or other removal proceedings but survives them and completes the term
- <leader> becomes temporarily incapacitated but does not formally transfer power and remains in office until <term end date>
- <leader> completes their term despite political crises, protests, or calls for resignation

The following scenarios will resolve the market to No:

- <leader> resigns from office before <term end date>
- <leader> is removed by the legislature from office (e.g. through impeachment)
- <leader> is removed from office through constitutional procedures or coup d'état
- <leader> voluntarily transfers power permanently to a successor before <term end date>
- <leader> flees the country and loses effective control of government before <term end date>
- <leader> is overthrown or displaced by force and does not regain office before <term end date>

Special Resolution for Death: If <leader> dies in office before <term end date>, this Contract will not resolve to either Yes or No. Instead, the Contract will expire and settle at the last fair trading price as determined by the Exchange pursuant to Rule 6.3(b) of the Rulebook.

Temporary Power Transfers: Temporary transfers of power (such as during medical procedures, foreign travel, or other brief absences) do not constitute leaving office, provided <leader> formally resumes their duties according to the constitutional or legal procedures of <country>. If power is transferred due to incapacity and <leader> does not resume duties before <term end date>, this resolves to No.

Constitutional Extensions: If <leader>'s term is extended beyond the original <term end date> through legal constitutional procedures (such as emergency powers or constitutional amendments), and they serve through the original <term end date>, this resolves to Yes.

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 one week after <term end date>. If an event described in the Payout Criterion occurs, or if <leader> dies in office, 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, except in cases where the Contract expires due to death, in which case settlement will be at the last fair trading price.

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, except in cases of death where the Contract will settle at last fair trading price.

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. In the event of <leader>'s death, the Contract will settle at the last fair trading price regardless of other resolution criteria.

