

February 5, 2026

**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 the U.S. federal government be shut down for <above/below/exactly/at least/between> <count> days <time period>?” 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 the U.S. federal government be shut down for <above/below/exactly/at least/between> <count> days <time period>?” contract (Contract). The Contract will initially be listed after close-of-business on **February 5, 2026**; 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:

- **<above/below/exactly/at least/between>**
- **<count>**
- **<time period>**

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 the U.S. federal government be shut down for <above/below/exactly/at least/between> <count> days <time period>?”

Rulebook: **GOVTSHUTLENGTH**

Summary: Predictions regarding length of government shutdown

Kalshi Contract Category: **Political Decision** ▾

Kalshi Internal Category: **Politics** ▾

February 5, 2026

## **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 the U.S. federal government be shut down for <above/below/exactly/at least/between> <count> days <time period>?” 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 5.16 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](mailto:ProductFilings@kalshi.com).



---

By: Xavier Sottile  
Title: Head of Markets  
Date: February 5, 2026

**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 the U.S. federal government be shut down for  
<above/below/exactly/at least/between> <count> days <time period>?”

**Rulebook:** GOVTSHUTLENGTH

## GOVTSHUTLENGTH

**Scope:** These rules shall apply to this contract.

**Underlying:** The Underlying for this Contract is the number of days the United States federal government is at least partially shut down due to a lapse of appropriations <time period>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

**Source Agencies:** The Source Agencies are, in hierarchical order: (1) Primary: Office of Management and Budget (OMB) and United States Office of Personnel Management (OPM); (2) Secondary: New York Times, Wall Street Journal, Associated Press, Reuters, Bloomberg News, The Guardian, and Politico.

**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.

**<time period>:** <time period> refers to a specific range of time as specified by the Exchange. This may be defined by, but is not constrained to definition by, exact dates and/or times (e.g., "between October 1, 2025, and November 15, 2025"), relative markers (e.g., "before the continuing resolution expires," "after appropriations lapse"), an event, or broader intervals (e.g., "Q4 FY 2025," "January–March 2026," "the 2025 fiscal year"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. When used as "in <time period>," it defines a window during which an event must occur (e.g., "in Q1 2026" means days are counted only within the stated time window - in this case Q1). <time period> may also refer to "Any" or "None", to multiple dates (even if non-consecutive), or to a singular date or time (e.g., "September 30, 2025 at 11:59 PM ET"). Unless otherwise specified, the time period may be assumed to be ET.

**<above/below/exactly/at least/between>:** <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 (≥), and "between" means within an inclusive range (≥ lower bound and ≤ upper bound), unless otherwise specified.

**<count>:** <count> refers to a specific numerical value specified by the Exchange. <count> may be expressed as a single number, a range (when used with "between"), or may take the values "Any" or "None".



**Payout Criterion:** The Payout Criterion for the Contract encompasses the Expiration Values that the United States federal government is at least partially shut down due to a lapse in appropriations for <above/below/exactly/at least/between> <count> days <time period>.

**Additional Clarification(s):**

- A shutdown is defined as the government's orderly suspension of agency work that is not legally excepted, typically accompanied by furloughing the employees who perform that work, when funding is unavailable. Shutdown status is recorded at 10:00 AM ET each day. A shutdown lasting "at least X days" requires the shutdown to be in effect at 10:00 AM ET on X+1 consecutive days. For example, if a shutdown is first in effect at 10:00 AM ET on October 1, 2026, and remains in effect at 10:00 AM ET on October 2, 2026, the shutdown has lasted at least 1 day. If a shutdown goes into effect at 12:00PM ET on October 1, 2026, and remains in effect at 10:00AM ET on October 2, 2026, it shall be considered to have lasted at least 0 days, but not yet having reached 1 day.
- Shutdown days are counted as consecutive calendar days, including weekends and federal holidays. If the government remains shut down on a Saturday, Sunday, or federal holiday, that day counts toward the total shutdown duration, provided the shutdown status check at 10:00 AM ET confirms the shutdown remains in effect.
- Where the Primary Source Agencies have not published timely guidance, or there exists conflict between Primary Source Agencies, Secondary Source Agencies may be used to determine resolution. In this case, Secondary Source Agencies merely stating that the government has "shut down" is not sufficient; it must be reported consistent with the definition above, indicating that agencies have suspended non-excepted operations or that employees have been furloughed. Similarly, Secondary Source Agencies stating that the government has "reopened" is not itself sufficient unless accompanied by text relating to the recommencement of government operations and/or restoration of funds.

**Examples that would count toward the shutdown day count:**

- OMB releases a formal directive that orders heads of the affected agencies to "execute plans for an orderly shutdown," which is in effect as of 10:00 AM ET on the relevant date
- OPM posts a current operating status that indicates that "due to a partial lapse in appropriations, Federal Government operations vary by agency"
- During an ongoing shutdown, OPM posts a status referencing an Executive Order excusing employees for a holiday, but does not indicate the government has resumed normal operations

**Examples that would NOT count toward the shutdown day count:**

- A technical lapse in appropriations occurs, but OMB directs agencies to continue standard operations
- Government closures or operating status changes resulting exclusively from Federal holidays, inclement weather, or other emergencies, unless such closures coincide with a shutdown due to a lapse in appropriations.

**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 day 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 the earliest of: (1) twelve hours following an event encompassed by the Payout Criterion, (2) twelve hours following the resumption of normal government operations after a shutdown, or (3) 10:00AM ET on the first day following the end of <time period>.

**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 Agencies 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.