

December 15, 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> be <added to/removed from> <index> in <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 <company> be <added to/removed from> <index> in <time period>?” contract (Contract). The Contract will initially be listed after close-of-business on **December 16, 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 basis. The Contract's terms and conditions (Appendix A) includes the following strike conditions:

- <date>
- <company>
- <added to/removed from>
- <index>
- <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 <company> be <added to/removed from> <index> in <time period>?"

Rulebook: INDEXMEMBERSHIP

Summary: Company index inclusion or removal timing

Kalshi Contract Category: Science/Technology

Kalshi Internal Category: Financials

December 15, 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> be <added to/removed from> <index> in <time period>?" Contract is a contract relating to Financials.

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: December 15, 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> be <added to/removed from> <index> in <time period>?”

Rulebook: INDEXMEMBERSHIP

INDEXMEMBERSHIP

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the membership status of <company> in <index> during <time period>. 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, the organization that maintains and administers <index> (e.g., S&P Dow Jones Indices, FTSE Russell, MSCI, Nasdaq), <index>'s official website and press releases, Bloomberg, Reuters, The Wall Street Journal, Financial Times, CNBC, The New York Times, Dow Jones Newswires, and MarketWatch.

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>: <company> refers to a publicly traded corporation, entity, or security specified by the Exchange. This may include:

- A specific named company identified by its legal name, common name, or ticker symbol
- Multiple companies using AND logic (all must meet the condition) or OR logic (any one suffices)
- Companies identified by distinguishing characteristics (e.g., "any semiconductor company," "the largest IPO of 2026")
- "Any" or "None"

For purposes of this Contract, <company> refers to the legal entity or its publicly traded securities eligible for inclusion in <index>. If <company> undergoes a merger, acquisition, restructuring, or name change during <time period>, the successor entity will be tracked for purposes of this Contract only if the index administrator treats it as a continuation of the original entity. This will be announced by the Exchange if relevant.

<index>: <index> refers to a specific stock market index, benchmark, or composite specified by the Exchange (e.g., S&P 500, Dow Jones Industrial Average, NASDAQ-100, Russell 2000, FTSE 100, MSCI World Index). The Exchange may list iterations of the Contract corresponding to variations of <index>. <index> may refer to:

- A singular index
- Multiple indices using AND or OR logic
- An index family or category (e.g., "any major U.S. index")

- An index identified by distinguishing characteristics

If the name or methodology of *<index>* changes but the index continues in substantially equivalent form, the successor index will be tracked for purposes of this Contract. This will be announced by the Exchange if relevant. *<added to/removed from>*: *<added to/removed from>* refers to the type of membership change:

- "Added to" means *<company>* becomes a constituent member of *<index>* during *<time period>*, whether through regular rebalancing, special addition, IPO fast-track inclusion, or any other mechanism by which the index administrator includes the company.
- "Removed from" means *<company>* ceases to be a constituent member of *<index>* during *<time period>*, whether through regular rebalancing, deletion due to corporate action (merger, acquisition, delisting, bankruptcy), or any other mechanism by which the index administrator excludes the company.

<time period>: *<time period>* refers to a specific range of time as specified by the Exchange. This may be defined by exact dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), an event (e.g., "during Q2 2026 rebalancing"), or broader intervals (e.g., "Q1–Q2 2027," "calendar year 2026"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. *<time period>* may also refer to "Any" or "None", to multiple dates (even if non-consecutive), or to a singular and discrete date or time.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that *<company>* is announced to be *<added to/removed from>* *<index>* in *<time period>*.

Additional clarification(s):

- For "added to" Contracts: The Payout Criterion is met when the index administrator officially announces that *<company>* will be added to *<index>*, or when *<company>* officially becomes a constituent of *<index>*, whichever occurs first during *<time period>*. The effective date of inclusion need not fall within *<time period>*; only the announcement or addition event must occur within *<time period>*.
- For "removed from" Contracts: The Payout Criterion is met when the index administrator officially announces that *<company>* will be removed from *<index>*, or when *<company>* officially ceases to be a constituent of *<index>*, whichever occurs first during *<time period>*. The effective date of removal need not fall within *<time period>*; only the announcement or removal event must occur within *<time period>*.
- Temporary suspensions: If *<company>* is temporarily suspended from *<index>* but not permanently removed, this does not constitute removal unless the index administrator explicitly states the removal is permanent or the suspension extends beyond the period typically considered temporary by the index methodology.

- Announced but not completed: If an addition or removal is officially announced during <time period> but subsequently reversed or cancelled before the effective date, the Contract will resolve based on whether the announcement occurred, not the ultimate outcome, unless the Exchange determines at its discretion that the reversal occurred due to error or was announced within <time period>.
- Spin-offs, mergers, and acquisitions: If <company> is removed from <index> due to merger, acquisition, delisting, bankruptcy, or ceasing to meet eligibility criteria, this constitutes removal. If a spin-off or successor entity is immediately added in place of <company>, the original <company> is still considered removed.
- Multiple changes: If <company> is both added to and removed from <index> during <time period>, only the specified action in the Contract (added to/removed from) determines resolution. For example, if the Contract asks "Will <company> be added to <index>?" and the company is added then later removed within <time period>, the Contract resolves "Yes."
- Index rebalancing: Regular scheduled rebalancing events count as additions or removals if <company>'s status changes during such rebalancing.
- No public announcement: If no official announcement is made by the Source Agency regarding <company>'s status in <index> during <time period>, and <company>'s membership status does not change, the Contract resolves "No."

Examples that WOULD resolve to "Yes" (for "added to"):

- The index administrator announces during <time period> that <company> will join <index>.
- <company> appears as a constituent member of <index> during <time period> when it was not a member at the start of <time period>.
- <company> is added through IPO fast-track inclusion or special addition during <time period>.

Examples that would NOT resolve to "Yes" (for "added to"):

- The addition is announced before <time period> begins, even if the effective date falls within <time period>.
- <company> was already a member of <index> at the start of <time period> and remains a member throughout.
- The addition is announced during <time period> but subsequently cancelled before the effective date and before <time period> ends.

Examples that WOULD resolve to "Yes" (for "removed from"):

- The index administrator announces during <time period> that <company> will be removed from <index>.
- <company> ceases to be a constituent member of <index> during <time period> due to delisting, merger, acquisition, or failing to meet index criteria.
- <company> is removed during regular rebalancing within <time period>.

Examples that would NOT resolve to "Yes" (for "removed from"):

- The removal is announced before <time period> begins, even if the effective date falls within <time period>.
- <company> was not a member of <index> at any point during <time period>.
- <company> is temporarily suspended but not permanently removed during <time period>.

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 final day of <time period>. The Last Trading Time will be one minute before the final time of <time period>.

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 the final day of <time period>. 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.

