

June 6, 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 the federal government stop <contract_type> with SpaceX?” 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 federal government stop <contract_type> with SpaceX?” contract (Contract). The Contract will initially be listed on **June 6, 2025**. 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>
- <contract_type>

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 federal government stop <contract_type> with SpaceX?”

Rulebook: MUSKNASA

Summary: Event outcome

Kalshi Contract Category: Other Event

Kalshi Internal Category: World

June 6, 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 the federal government stop <contract_type> with SpaceX?” Contract is a contract relating to World.

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 6, 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 the federal government stop <contract_type> with SpaceX?”
Rulebook: MUSKNASA

MUSKNASA

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is official actions by the National Aeronautics and Space Administration (NASA), the Department of Defense, the President of the United States, and the United States Congress regarding contracts with Space Exploration Technologies Corp (SpaceX) 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 NASA, the Department of Defense, SpaceX, the White House, the United States Congress, the Government Accountability Office, the Federal Register, SpaceNews, The New York Times, the Associated Press, Bloomberg News, Reuters, and The Washington Post.

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.

<contract_type>: <contract_type> refers to specific programs or contract vehicles specified by the Exchange, which may include: Commercial Crew Program, Human Landing System, Commercial Resupply Services, Launch Services Program, or, e.g., “any NASA contract.”

<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 any government agency included in the Underlying, the President of the United States, or Congress has, after Issuance and before <date>, taken one or more of the following actions regarding <contract_type> contracts with SpaceX:

A. Contract Termination:

- Issued a written termination for convenience notice for any reason
- Issued a termination for default notice
- Cancelled or announced cancellation of a program where SpaceX is the primary contractor
- Issued a stop-work order

B. Competition Exclusion:

- Published a solicitation that explicitly excludes SpaceX

- Issued a public determination of non-responsibility, debarment, or suspension
- NASA publicly announces SpaceX is excluded from participation in the procurement or other processes of future or existing programs

C. Observable Non-Renewal Actions:

- NASA publicly announces it will not exercise options on current SpaceX contracts and will replace it with a contract with another company or with a procurement process that excludes SpaceX
- NASA issues a new solicitation for services currently provided by SpaceX while SpaceX's contract still has option periods remaining

D. Congressional or Executive Actions:

- A bill becomes law or the President issues an Executive Order (must be formally titled "Executive Order" followed by a number, signed by the President, published in the Federal Register, and have the force of law) including anti-SpaceX provisions, such as:
 - Prohibiting or restricting NASA from contracting with SpaceX
 - Directing NASA to terminate, suspend, or avoid contracts with SpaceX

The following actions explicitly do NOT necessarily satisfy the Payout Criterion:

- Contract expires at its natural end date with no remaining option periods
- NASA conducts a new competitive procurement process (for which SpaceX does not currently have options) where SpaceX is allowed to bid
- Temporary suspensions for:
 - Accident investigations
 - Government shutdowns or continuing resolution impacts
- Cure notices, corrective action requests, or show cause letters that do not result in termination
- Award of additional contracts to other providers while SpaceX contracts remain active for the same program/process
- Delays, schedule adjustments, or milestone modifications
- Congressional funding cuts that affect providers other than SpaceX
- Termination, withdrawal, or non-renewal initiated by SpaceX, including voluntary contract relinquishment, declination of awarded work, contract expiration due to SpaceX electing not to perform under a remaining option period, or failure to accept exercised options.

Examples that WOULD resolve to YES:

- NASA issues termination for convenience of Artemis Human Landing System contract citing "revised lunar exploration priorities"
- NASA stop-work order on Commercial Crew states "indefinite suspension pending policy review"

Examples that would NOT resolve to YES:

- SpaceX Dragon contract ends after all flights completed
- NASA suspends SpaceX contract operations for 60 days after launch anomaly
- Congress cuts NASA budget by 20%; commercial contracts with SpaceX and other companies reduced
- NASA awards additional lunar lander contract to Blue Origin while SpaceX contract continues
- NASA conducts a bidding process for a new contract and SpaceX does not win
- SpaceX voluntarily terminating its contracts with the federal government
 - If the federal government terminates contracts (or takes any of the actions listed in the Payout Criterion) in response to perceived non-compliant behavior by SpaceX, that is encompassed by the Payout Criterion

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 <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 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.