August 26, 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 <party> contest <election>?" 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 <party> contest <election>?" contract (Contract). The Contract will initially be listed after close-of-business on **August 27, 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>**
- **<party>**
- **<election>**

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 <party> contest <election>?”
Rulebook: PARTYCONTEST
Summary: Whether <party> will contest <election>
Kalshi Contract Category: Political Decision
Kalshi Internal Category: Elections
August 26, 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 <party> contest <election>?” Contract is a contract relating to Elections.

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.

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By: Xavier Sottile
Title: Head of Markets
Date: August 26, 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 <party> contest <election>?”
Rulebook: PARTYCONTEST

PARTYCONTEST

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is whether <party> officially contests <election>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are the official election commission or electoral authority governing <election>, the government of the jurisdiction holding <election>, official statements from <party>, Reuters, the Associated Press, Bloomberg, The New York Times, The Guardian, The Wall Street Journal, BBC, CNN, Al Jazeera, and the Financial Times.

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.

<party>: <party> refers to a political party, coalition, movement, or electoral alliance specified by the Exchange. May include formal registered parties, electoral coalitions, political movements seeking registration, or merged entities. If <party> changes its official name but maintains legal continuity, the renamed entity is still considered the same <party>.

<election>: <election> refers to a specific democratic election specified by the Exchange, including general elections, presidential elections, parliamentary elections, regional elections, local elections, primaries, by-elections, referendums where parties take official positions, or constituent assembly elections. The election must have a defined date or date range and be conducted under the authority of an official electoral body.

<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 <party> contests <election> by having at least one candidate officially run representing <party> in at least one constituency, district, or electoral unit when voting occurs.

For purposes of this Contract, <party> "contests" <election> if ANY of the following occur:

- <party> has at least one candidate on the official ballot under the party name or symbol
- <party> fields candidates as part of a formal pre-election coalition or alliance that appears on the ballot
- Candidates explicitly endorsed by <party> appear on the ballot with clear party affiliation indicated

- <party> successfully registers candidates who appear on the final ballot after any legal challenges
- Independent candidates appear on the ballot with official <party> endorsement documented by the electoral authority
- <party> participates in a joint ticket where the party name appears alongside coalition partners

For purposes of this Contract, <party> does NOT "contest" <election> if:

- <party> only endorses candidates from other parties without fielding its own
- <party> announces a boycott and has no candidates on the ballot
- All <party> candidates are disqualified or removed from the ballot before voting occurs
- <party> only conducts write-in campaigns without ballot access
- <party> campaigns but fails to meet ballot access requirements
- <party> only contests the election results legally after voting without having participated
- Candidates claiming <party> affiliation appear on ballot but without official party recognition
- <party> merges into another party which contests under the other party's name only
- <party> is banned, dissolved, or deregistered before ballots are finalized

Additional Resolution Details:

- If <election> occurs in multiple phases or rounds, <party> must appear on the ballot in at least one phase
- For elections with multiple simultaneous races (e.g., upper and lower house), contesting any single race counts
- If <election> is postponed but occurs within one year of the original date, the Contract remains valid
- If <election> is cancelled, annulled, or does not occur within one year, the Contract resolves to No
- If ballots are revised after printing but before voting, the final ballot used for voting determines resolution
- For federal systems, <party> contesting in any state/province counts as contesting the federal election
- Electoral alliances count only if <party> is formally named in the alliance registration
- In proportional representation systems, being on the party list ballot counts as contesting
- In countries requiring minimum candidates across constituencies, meeting any legal threshold for ballot access counts

Examples that would resolve to Yes:

- Democratic Party has candidates on the ballot in all 50 U.S. states

- Labour Party appears on the ballot in 500 of 650 UK constituencies
- <party> has just one candidate in a single district by-election
- <party> joins an electoral coalition that appears on ballots as "Alliance including <party>"
- <party> successfully appeals disqualification and appears on revised ballot
- Regional party only contests in one state but appears on official ballots there
- <party> briefly boycotts then reverses decision and fields candidates who appear on ballot

Examples that would NOT resolve to Yes:

- <party> announces it will contest but misses registration deadline
- All <party> candidates are disqualified for eligibility issues before ballots are printed
- <party> endorses another party's candidates but fields none of its own
- <party> supporters run as independents without official party recognition
- <party> is legally banned before ballot access is determined
- <party> only challenges results in court without having fielded candidates
- <party> attempts write-in campaign only without achieving ballot access
- <party> merges into another party which contests under the new party's name only

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 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.