

July 1, 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 <metric> be <above/below/between/exactly/at least> <count> <in/before> <quarter>?” 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 <metric> be <above/below/between/exactly/at least> <count> <in/before> <quarter>?” contract (Contract). The Contract will initially be listed after close-of-business on **July 1, 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>**
- **<metric>**
- **<above/below/between/exactly/at least>**
- **<count>**
- **<in/before>**
- **<quarter>**
- **<company>**

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 <metric> be <above/below/between/exactly/at least> <count> <in/before> <quarter>?”

Rulebook: QUARTERKPI

Summary: metric abovebelowbetweenexactlyat least count

Kalshi Contract Category: Other Event

Kalshi Internal Category: World

July 1, 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 <metric> be <above/below/between/exactly/at least> <count> <in/before> <quarter>?” 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: July 1, 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 <metric> be <above/below/between/exactly/at least> <count>
<in/before> <quarter>?”**

Rulebook: QUARTERKPI

QUARTERKPI

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is <metric> as officially reported by <company> in their quarterly earnings release, earnings call, investor presentation, or government filings for <quarter>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are <company>, the official investor relations website of <company>, federal government financial regulatory authorities, The New York Times, the Associated Press, Bloomberg News, Reuters, The Wall Street Journal, Financial Times, CNBC, Fox Business, MarketWatch, Barron's, Yahoo Finance, and Seeking Alpha.

Type: The type of Contract is an Event Contract.

Issuance: The Contract is based on the outcome of a recurrent data release, which is issued on a quarterly basis. Thus, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to the next quarter.

<company>: <company> refers to a business entity specified by the Exchange. This includes the company itself and its consolidated subsidiaries as defined in their financial reporting. If <company> undergoes a merger, acquisition, or restructuring after Issuance but before the reporting date, the market will resolve based on the reporting entity that publishes earnings for <quarter>.

<metric>: <metric> refers to a specific key performance indicator or business metric specified by the Exchange. This may include but is not limited to:

- Subscriber counts (total subscribers, net additions, paying subscribers, active members)
- User metrics (monthly active users, daily active users, registered users)
- Transaction metrics (gross merchandise value, payment volume, number of transactions)
- Operational metrics (store count, square footage, utilization rates)

<quarter>: <quarter> refers to a specific fiscal quarter and year specified by the Exchange (e.g., "Q1 2025," "fiscal Q4 2025"). The quarter designation follows <company>'s fiscal calendar, which may differ from the calendar year.

<count>: <count> refers to a numerical value specified by the Exchange. The Exchange may list iterations of the Contract with <count> levels appropriate to the scale of <metric>, including decimal places where applicable. The <count> used will be based on the source used, as per the Payout Criterion hierarchy.

<in/before>: Temporal operators defined as:

- "In" means the metric value reported for the specified <quarter>
- "Before" means the metric value reported for earlier quarter's data released after Issuance and before <quarter>'s metrics

<date>: <date> refers to a calendar date specified by the Exchange. This date will be set at least four months after the expected end of <quarter> to allow for reporting delays.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values where <metric> is <above/below/between/exactly/at least> <count> as reported by <company> <in/before> <quarter> in their official financial disclosures.

Key clarifications:

- The metric must be explicitly reported by <company> in their earnings materials; calculated or derived metrics by third parties do not qualify
- The first official report of the metric will be used; subsequent restatements or corrections after initial reporting will not affect resolution
- If <company> reports a range instead of a specific number, the midpoint will be used
 - If an open range is used exclusively (e.g. "over X") then that will resolve the market if sufficient to resolve the market to Yes (e.g. if the strike was "over 15 million" but not if the strike was "over 21 million")
- If <company> changes their metric definition or stops reporting <metric>, the market resolves to the last fair market price as determined by the Exchange
- Metrics must be reported for the full quarter unless otherwise specified (not month-to-date or partial quarter)

Reporting hierarchy (in order of precedence):

1. Earnings press release
2. Prepared remarks in earnings call transcript
3. Investor presentation published concurrent with earnings
4. Q&A portion of earnings call (only if specific number stated by company representative)
5. Government filings

Examples that would resolve the market to "Yes":

- Planet Fitness reports 19.7 million total members for Q4 2024, and <metric> is "total members," <count> is "19 million," and operator is "above"
- Netflix reports 278.3 million global paid subscribers, and <metric> is "global paid subscribers," <count> is "275 million," and operator is "at least"

- Peloton reports 2.8 million Connected Fitness subscribers, and <metric> is "Connected Fitness subscribers," <count> is "2.5-3.0 million," and operator is "between"

Examples that would NOT resolve the market to "Yes":

- <company> reports the metric for only part of the quarter
- An analyst estimates the metric but <company> doesn't report it
- <company> reports a "record high" without providing specific numbers
- The metric is reported after <date>
- <company> reports annual figures only without quarterly breakdown

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 <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.

