

May 14, 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 <player> join <club> before <date>?” 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 <player> join <club> before <date>?” contract (Contract). The Contract will initially be listed on May 15, 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:

- <player>
- <club>
- <date>

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 <player> join <club> before <date>?”

Rulebook: SOCCERJOIN

Summary: Soccer transfers

Kalshi Contract Category: Sports ▾

Kalshi Internal Category: Sports ▾

May 14, 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 <player> join <club> before <date>?” Contract is a contract relating to Sports ▾.

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](mailto:ProductFilings@kalshi.com).



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By: Xavier Sottile  
Title: Head of Markets  
Date: May 14, 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 <player> join <club> before <date>?”

Rulebook: SOCCERJOIN

## SOCCKERJOIN

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the first club that <player> joins after Issuance and before <date>, as specified in the Payout Criterion. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are <club>, official press of the league governing <club>, ESPN, Sky Sports, BBC Sport, and The Athletic.

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.

<player>: <player> refers to a given player or players.

<club>: <club> refers to a given football club.

<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:

- <player> has signed a contract to join <club> (permanent transfer, whether for a transfer fee or as a free agent).
  - If <player> is signed and immediately loaned out, then the team that signs him resolves to Yes and all others resolve to No.
- <player> has been loaned to <club> (temporary transfer of registration).
- <player> has re-signed or extended their contract with <club> (i.e. signs a new deal to continue at the club), or remains with <club> without transferring.
- An official agreement is announced for <player> to join a club at a future date (e.g. a pre-contract or transfer effective in the next window).

If any of the above happen, the market will immediately resolve to Yes for <club> and No for all other clubs.

Moreover:

- If <player> is later loaned out to another club before the transfer window ends, that does not affect the value of the market.
- If <player>'s current contract expires and by the deadline they have not signed with any club (and did not re-sign with their previous club), then all markets resolve to No.
- Once an official signing announcement has occurred and the market is resolved to Yes, any subsequent nullification or reversal of that signing (e.g. voiding of the contract due to failed medical, withdrawn agreement, etc.) will not reverse the outcome.
- Regarding multi-team ownership or registration:
  - If a player is registered to one club and dual-registers with another, then the one that the player joined will resolve to Yes and all others to No.
  - If a player is registered to no clubs and dual-registers simultaneously, then both clubs shall resolve to 50 cents.
  - Economic co-ownership (two clubs share a player's transfer rights) by itself does not resolve the Payout Criterion. If Club A and Club B co-own Player X but only Club A holds his playing registration for the season, only "Will X join Club A?" resolves Yes. "Will X join Club B?" remains No, unless Club B also registers him.
- <player> must sign an official contract with <club> itself (the club's senior team or any team under its direct structure, such as a reserve squad, youth team, or official "B" team) for a Yes. Signing exclusively with a separate affiliate or feeder club that is not the same legal club does not count.
- Agreements that merely grant an option to buy, future transfer rights, or a "loan-in-principle" without registration are not sufficient.

#### Examples:

- Yes – Permanent Transfer: Before the deadline, an official announcement is made that <player> is transferring to a new club. *For example:* On June 15, 2025, an official statement from Real Madrid CF and widely reported by BBC Sport reads, "We are delighted to announce that <player> has signed with Real Madrid on a five-year contract." This confirmed transfer before <date> means the contract resolves Yes.
- Yes – Loan Deal: <player> is officially loaned to another club by the deadline. *For example:* In January 2025, Manchester United's website confirms, "<player> joins on a six-month loan from AC Milan." This news is echoed by Sky Sports and the league's transfer bulletin. The loan move, being a confirmed joining of a team, triggers a Yes outcome.
- Yes – Contract Extension (re-signing): <player> signs a new contract with his current team before <date>. *For example:* By March 2025, <player>'s current club announces that he has signed a three-year contract extension to stay at the club. This counts as a



successful signing (with his current team) and thus the market would resolve Yes.

- Yes – Pre-Contract Agreement: An agreement is reached for <player> to join a new club in the future, and this agreement is announced before the deadline. *For example:* On May 30, 2025, credible sources (the club and major news outlets) announce that <player> has signed a pre-contract to join FC Barcelona on July 1, 2025. Although the actual move happens after <date>, the confirmation before <date> means the contract resolves Yes.
- Yes – Transfer then Immediate Loan Out: <player> transfers to a new club and that club immediately loans him out elsewhere. *For example:* On July 1, 2025, Chelsea FC officially announce they have signed <player> from Club X on a permanent deal, and in the same announcement state he will spend next season on loan at a different club. This still counts as Yes for Chelsea, because <player> did join Chelsea (the new team that signed him) before <date>, even though he will temporarily play elsewhere.

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.

