

July 10, 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 <athlete> <play/drive> for <team> 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 <athlete> <play/drive> for <team> before <date>” contract (Contract). The Contract will initially be listed after close-of-business on **July 10, 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>**
- **<athlete>**
- **<play/drive>**
- **<team>**
- **<play>**
- **<drive>**

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 <athlete> <play/drive> for <team> before <date>”

Rulebook: SPORTSTEAMMEMBER

Summary: Will athlete play for team by deadline?

Kalshi Contract Category: Sports

Kalshi Internal Category: Sports

July 10, 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 <athlete> <play/drive> for <team> 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.



By: Xavier Sottile
Title: Head of Markets
Date: July 10, 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 <athlete> <play/drive> for <team> before <date>”

Rulebook: SPORTSTEAMMEMBER

SPORTSTEAMMEMBER

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official participation status of <athlete> as a player or driver for <team> in an officially sanctioned professional match, game, race, or event 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, in hierarchical order, the official league or federation governing the sport that <team> participates in (e.g., NFL, NBA, MLB, NHL, FIFA, UEFA, ATP, WTA, F1, FIA), <team>'s official press releases or game reports, verified social media accounts of <team>, <athlete>, league/federation of/in which <team> is a member or participant, ESPN, CBS Sports, NBC Sports, Fox Sports, The Athletic, BBC Sport, Sky Sports, Motorsport.com, Formula1.com, The New York Times, the Associated Press, Bloomberg News, Reuters, Axios, Politico, Semafor, The Information, The Washington Post, The Wall Street Journal, ABC, CBS, and CNN..

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.

<athlete>: <athlete> refers to an individual professional or collegiate athlete (or set of athletes) specified by the Exchange. <athlete> may refer to a named individual or individuals identified on the basis of specified characteristics (e.g., “any British athlete”). <athlete> is tracked through legal name changes or through the use of nicknames.

<team>: <team> refers to a specific professional or collegiate sports team specified by the Exchange. This may include a set of teams (e.g., “all football clubs in the Premier League”) and may be additionally identified by league where relevant.

<play/drive>: <play/drive> refers to the type of athletic participation specific to the sport in which <athlete> competes. <play> refers to the <athlete>'s participation in an officially sanctioned non-motorsport professional sporting event (e.g., match, game, or competition) by either starting or entering the game during regulation or overtime as a player for <team>. <drive> refers to the <athlete> officially entering and competing as a driver for <team> in a sanctioned motorsport race (e.g., Formula 1, Formula E, IndyCar) and is listed in the official starting classification or final results.

<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 <athlete> did <play/drive> for <team> before <date> in an officially sanctioned sporting event. For the purposes of this Contract, an “officially sanctioned sporting event” is defined as a regular season or post-season game or race that is recognized by the primary league or governing body under which <team> competes. The event must count toward team standings, championship progression, or be part of the league's official competition calendar. The following do not qualify as officially sanctioned sporting events under this Contract unless explicitly specified otherwise: pre-season games, exhibition matches, promotional or friendly matches, all-star games, sprint races (in the context of Formula 1), or any auxiliary, unofficial, or ceremonial events.

To be considered as having played or driven, an <athlete> would need to have either:

- appeared on the field, court, or surface during regulation matchtime excluding the warm-up (for <play> Contracts)
- appeared on the grid or inside a competing vehicle during the race - that is, after the start of the formation lap and before the end of the race (for <drive> Contracts). If a vehicle on the grid is unable to move during the start of a formation lap or unable to move from the start outside of a formation lap (due to technical or other reasons), the appearance of the <athlete> in these positions will resolve the market to Yes.

Examples that would resolve the market to Yes:

- <athlete> appears in the official game log, box score, or racing classification as a participant for <team> on <date>.
- <athlete> competes in any part of the event as a starter or substitute.
- <athlete> is confirmed by the official team source or governing body to have taken part in the competition.
- An F1 driver starts a Grand Prix for <team> on <date>.
- A basketball player enters a game for <team> before <date> even if only for 1 minute.

Examples that would NOT resolve the market to Yes:

- <athlete> is listed as “inactive,” “Did Not Start (DNS),” or “Did Not Play (DNP)” for the event.
- <athlete> is under contract with <team> but does not appear in the official event record.
- <athlete> is registered with <team> but suspended, injured, or benched for the event.
- <athlete> participates in unofficial practice, warm-up, or qualifying sessions only.
- <athlete> is on the roster but benched for the full event.
- <athlete> is listed as an alternate or reserve and does not participate.
- <athlete> is withdrawn before the race or is replaced before kickoff.

If the game or race originally scheduled for <date> is rescheduled, the Contract will remain live and will resolve based on whether the <athlete> did or did not <play/drive> in the rescheduled official event.

If the game or race is canceled and not played at all (if applicable), or is forfeited without gameplay, the Contract will resolve to No. If the event is declared official by the governing body but no play occurred (e.g., due to weather, walkover, or administrative decision), the Contract will also resolve to No, unless the athlete is formally recorded as having participated under the governing authority's official event report.

In cases where a game or race starts but is suspended and later resumed, the athlete must have played or driven (for <play> and <drive> Contracts, respectively) at any point before the suspension or during the resumed portion for the Contract to resolve to Yes.

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 the 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.