

December 11, 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 <acquirer>'s takeover of <target company> be announced to succeed in <time period>?” 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 <acquirer>'s takeover of <target company> be announced to succeed in <time period>?” contract (Contract). The Contract will initially be listed after close-of-business on **December 11, 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:

- **<time period>** (the target time period)
- **<acquirer>**
- **<target 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 <acquirer>'s takeover of <target company> be announced to succeed in <time period>?”

Rulebook: TAKEOVERACQ

Summary: Company takeover success announcement

Kalshi Contract Category: Political Decision ▾

Kalshi Internal Category: Companies ▾

December 11, 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 <acquirer>'s takeover of <target company> be announced to succeed in <time period>?” Contract is a contract relating to Companies ▾.

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](mailto:ProductFilings@kalshi.com).



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By: Xavier Sottile  
Title: Head of Markets  
Date: December 11, 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 <acquirer>'s takeover of <target company> be announced to  
succeed in <time period>?”**

**Rulebook: TAKEOVERACQ**

## TAKEOVERACQ

**Scope:** These rules shall apply to this contract.

**Underlying:** The Underlying for this Contract is qualifying public announcements by <target company>, <acquirer>, or Source Agencies regarding the success of <acquirer>'s takeover of <target company> in <time period>. Resolution is based solely on the occurrence of specified public announcements, not on the underlying corporate events themselves. Subsequent revisions made after Expiration shall not be considered in determining the Expiration Value.

**Source Agency:** The Source Agencies are, in hierarchical order, <target company>'s official investor relations website or press releases; <target company>'s official government filings; <acquirer>'s official investor relations website or press releases; <acquirer>'s official government filings; Bloomberg News, Reuters, The Wall Street Journal, Financial Times, CNBC, The New York Times, the Associated Press, ABC News, and BBC.

**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.

**<target company>:** <target company> refers to a business entity specified by the Exchange, including corporations, limited liability companies, partnerships, or other legally recognized commercial organizations that is the subject of a corporate acquisition (hostile or not) by <acquirer>. Identification may be based on official name, stock ticker, registration jurisdiction, or other distinguishing features. <target company> may be specified in singular form, multiple/plural form, or within a defined set (e.g., "Meta" or "any technology company"). This variable may also take the form of "Any," "None," or "None as of [specified date]." If <target company> undergoes a name change, merger, or reorganization prior to Expiration, the Contract shall continue to reference the successor entity for purposes of resolution.

**<acquirer>:** <acquirer> refers to a business entity specified by the Exchange, including corporations, limited liability companies, partnerships, or other legally recognized commercial organizations that is attempting to acquire <target company>. This includes (but is not limited to) acquirers whose takeover attempt is characterized as hostile (i.e., without the initial approval of <target company>'s board of directors). Identification may be based on official name, stock ticker, registration jurisdiction, or other distinguishing features. <acquirer> may be specified in singular form, multiple/plural form, or within a defined set (e.g., "Meta" or "any technology company"). This variable may also take the form of "Any," "None," or "None as of [specified date]." If <acquirer> undergoes a name change, merger, or reorganization prior to Expiration, the Contract shall continue to reference the successor entity for purposes of resolution.



**<time period>:** <time period> refers to a specific period of time as specified by the Exchange. This may be defined by exact dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), an event (e.g., "during the 119th Congress"), or broader intervals (e.g., "Q1–Q2 2027," "January–March 2026," "2026"). "Within" means the relevant date (announcement, submission, effective, or actual departure, as specified) must fall inside <time period>, inclusive of endpoints unless otherwise specified. "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. <time period> may also refer to "Any" or "None", to multiple dates (even if non-consecutive), or to a singular and discrete date or time.

**Payout Criterion:** The Payout Criterion for the Contract encompasses the Expiration Values that qualifying public announcements have been made indicating <acquirer>'s takeover of <target company> has succeeded, in <time period>. Once that occurs, all other markets for any value of <acquirer> will immediately resolve to No.

For purposes of this Contract, <acquirer>'s takeover of <target company> "succeeds" if **BOTH** of the following categories of qualifying public announcements have been made:

**(a) Corporate Approval Announcement:** A qualifying public announcement that shareholders have approved the acquisition OR that <acquirer> has acquired controlling interest in <target company>. Specifically, at least ONE of the following must be publicly announced:

- <target company> or <acquirer> announces that <target company>'s shareholders have voted to approve the acquisition (including via merger agreement, plan of arrangement, scheme of arrangement, or equivalent transaction structure);
- <target company> or <acquirer> files an SEC Form 8-K, Schedule 14A, or equivalent filing disclosing that shareholders have approved the acquisition;
- <target company> announces that shareholders have delivered written consents sufficient to approve the acquisition;
- <acquirer> announces that its tender offer has been successfully completed and that it has accepted for payment shares representing more than 50% of <target company>'s outstanding voting shares;
- <acquirer> files a Schedule TO amendment or Form 8-K announcing acceptance of tendered shares representing more than 50% of <target company>'s outstanding voting shares;
- <acquirer> announces that it has acquired more than 50% of <target company>'s outstanding voting shares through open market purchases, private transactions, or any combination of methods;
- <acquirer> announces it will proceed with a short-form merger following acquisition of the requisite ownership threshold (typically 90% or more).

**AND**

**(b) Conditions Satisfaction Announcement:** A qualifying public announcement that all material conditions to closing the transaction (including required regulatory approvals) have been satisfied or waived. Specifically, at least ONE of the following must be publicly announced:

- <target company> or <acquirer> announces that all conditions to closing have been satisfied or waived;
- <target company> or <acquirer> announces that all required regulatory approvals have been obtained and no other conditions remain unsatisfied;
- <target company> or <acquirer> files an SEC Form 8-K or issues a press release stating that all regulatory approvals (including, as applicable, Hart-Scott-Rodino Act clearance, FTC/DOJ approval, CFIUS clearance, or equivalent foreign regulatory approvals) have been obtained or that applicable waiting periods have expired without challenge, and that no other material conditions to closing remain unsatisfied;
- <target company> or <acquirer> announces a specific expected closing date for the transaction, which constitutes an implicit representation that all material conditions have been or are expected to be satisfied;
- <target company> or <acquirer> announces that the transaction has closed or will close imminently.

**Both (a) AND (b) must be satisfied.** An announcement satisfying only criterion (a) without a corresponding announcement satisfying criterion (b), or vice versa, is not sufficient to resolve the market to Yes. The announcements satisfying (a) and (b) need not occur simultaneously or in the same document; they may occur at different times, provided both occur in <time period>.

**The following ARE encompassed by the Payout Criterion (both (a) and (b) satisfied):**

- <target company> files Form 8-K announcing shareholders approved the merger with <acquirer> at a special meeting [satisfies (a)], and subsequently <target company> issues press release announcing all regulatory approvals obtained and transaction expected to close next week [satisfies (b)].
- <acquirer> files Schedule TO amendment announcing it has accepted 62% of <target company>'s shares for payment [satisfies (a)], and <acquirer> issues press release stating HSR waiting period expired and all conditions to the back-end merger satisfied [satisfies (b)].
- <acquirer> announces successful completion of tender offer with majority control obtained [satisfies (a)], and announces transaction will close on [specific date] [satisfies (b)].
- <target company> shareholders approve acquisition via written consent [satisfies (a)], and <target company> announces FTC has cleared the transaction and closing is expected within five business days [satisfies (b)].

- <target company> files 8-K stating shareholders approved the merger and all closing conditions including regulatory have been satisfied [satisfies both (a) and (b) in single announcement].

**The following are NOT encompassed by the Payout Criterion:**

- <target company>'s board announces agreement to be acquired by <acquirer>, but shareholders have not yet voted (if they are required to) and no conditions satisfaction announcement has been made [neither (a) nor (b) satisfied].
- <target company> announces shareholders approved the merger with <acquirer> [satisfies (a)], but FTC sues to block the transaction and no conditions satisfaction announcement is ever made [only (a) satisfied, not (b)].
- <acquirer> announces successful completion of tender offer with 55% of shares [satisfies (a)], but CFIUS blocks the transaction and no conditions satisfaction announcement is made [only (a) satisfied, not (b)].
- <target company> and <acquirer> announce all regulatory approvals obtained [satisfies (b)], but shareholder vote has not yet occurred [only (b) satisfied, not (a)].
- <target company>'s board recommends shareholders accept <acquirer>'s tender offer, but <acquirer> has not announced it has acquired >50% of shares, and no conditions satisfaction announcement has been made [neither (a) nor (b) satisfied].
- <acquirer> announces commencement of tender offer, but offer is still pending [neither (a) nor (b) satisfied].
- Letters of intent, memoranda of understanding, term sheets, or agreements in principle [neither (a) nor (b) satisfied].
- Rumors, leaks, or speculative reports not confirmed by official company announcements or filings [not qualifying announcements].
- <acquirer> announces it has acquired 48% of <target company>'s shares [does not satisfy (a); threshold not met].
- <target company> shareholders approve acquisition by a different acquirer (e.g., a "white knight") rather than <acquirer> [does not satisfy (a) for this <acquirer>].
- Media reports that regulatory approval is "expected" but no official announcement from <target company> or <acquirer> [not a qualifying announcement].
- Announcements made after <time period>.

**Additional Resolution Rules:**

- **Subsequent Events After Qualifying Announcements:** If both criterion (a) and criterion (b) have been satisfied through qualifying public announcements before the end of <time period>, and the transaction is subsequently terminated, unwound, blocked, or fails to close after Expiration, the market still resolves to Yes. Resolution is based on the announcements, not the ultimate outcome of the transaction.

- **Conditional Language:** Announcements containing conditional language (e.g., "subject to regulatory approval," "pending shareholder vote," "expected to close if conditions are met") do not satisfy criterion (b). Criterion (b) requires an announcement that conditions have been satisfied or waived, not that they are expected to be satisfied.
- **Partial Regulatory Clearance:** An announcement that some but not all required regulatory approvals have been obtained does not satisfy criterion (b). Criterion (b) requires an announcement that all material conditions, including all required regulatory approvals, have been satisfied or waived.
- **Competing Bidders:** If multiple acquirers are pursuing <target company> simultaneously, this market resolves solely based on whether qualifying announcements regarding the specified <acquirer>'s takeover have been made. Announcements regarding a different acquirer's transaction do not satisfy the Payout Criterion for this <acquirer>. If another <acquirer> value resolves to Yes, then all other markets resolves to No immediately.
- **Non-U.S. Targets:** For <target company> entities (or <acquirer> entities) incorporated outside the United States, equivalent regulatory filings and official company announcements in the relevant jurisdiction (e.g., UK Takeover Panel announcements, Australian Securities Exchange filings, Hong Kong Stock Exchange announcements) shall be treated as qualifying public announcements. The principles of this Contract apply regardless of jurisdiction.
- **Implied Conditions Satisfaction:** An announcement of a specific expected closing date (e.g., "The transaction is expected to close on March 15, 2026") constitutes an implied announcement that all material conditions have been or will be satisfied, and therefore satisfies criterion (b). However, an announcement that merely states the transaction "remains on track" or is "progressing" without specifying an expected closing date does not satisfy criterion (b).

**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 last day of <time period>. The Last Trading Time will be one minute prior to the end of <time period>..

**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 the end of <time period>. If events described in the Payout Criterion occur (both criteria (a) and (b) satisfied), 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.