May 11, 2026

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 <person> de facto hold <role> at the end of <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 <person> de facto hold <role> at the end of <time period>?” contract (Contract). The Contract will initially be listed after close-of-business on **May 12, 2026**; 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>**
- **<person>**
- **<role>**
- **<time period>**

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 <person> de facto hold <role> at the end of <time period>?”
Rulebook: DEFACTOLEAD
Summary: Whether person holds role at period end
Kalshi Contract Category: Political Decision
Kalshi Internal Category: Politics
May 11, 2026

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 <person> de facto hold <role> at the end of <time period>?” Contract is a contract relating to Politics.

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 C, D, and E.

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: May 11, 2026

Attachments:

Appendix A - Contract Terms and Conditions
Appendix B - Trading Prohibitions
Appendix C (Confidential) - Further Considerations
Appendix D (Confidential) - Source Agency
Appendix E (Confidential) - Compliance with Core Principles

APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: “Will <person> de facto hold <role> at the end of <time period>?”
Rulebook: DEFACTOLEAD

DEFACTOLEAD

Scope: These rules shall apply to this Contract.

Underlying: The Underlying for this Contract is whether <person> de facto holds the position of <role> at the end of <time period> as documented by the Source Agency. 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, Reuters, the Associated Press, Agence France-Presse, Bloomberg News, The New York Times, The Wall Street Journal, The Washington Post, the Financial Times, The Economist, BBC News, NPR, Foreign Policy, Foreign Affairs, the International Crisis Group, the Council on Foreign Relations, the Center for Strategic and International Studies, the International Institute for Strategic Studies, the United Nations, and the United States Department of State.

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.

<person>: <person> refers to the specific individual identified by the Exchange, including their full legal name and any commonly used professional names, regnal names, or titles. If <person> legally changes their name, adopts a new regnal or professional name, or is otherwise re-identified, the Contract refers to the same individual regardless of such change. May also take the form "No qualifying individual" where the Exchange lists a strike corresponding to the absence of any de facto holder.

<role>: <role> refers to the specific position, title, office, or recognized governing function specified by the Exchange, including its associated jurisdiction (such as a country, sub-national entity, supranational entity, religious institution, or other recognized governing body). This includes the exact title and organizational placement, the powers and authorities customarily attached to the position as exercised at the time the Contract is listed, and any successor title where the position is formally renamed without substantive change in function.

<time period>: <time period> refers to a specific duration or range of time as specified by the Exchange. May be expressed as a calendar year (e.g., "2026"), a calendar month and year (e.g., "January 2026"), a calendar quarter (e.g., "Q1 2026"), a specific week, a season, or other bounded time periods as appropriate to the contract subject matter. All time periods are interpreted in Eastern Time (ET) unless otherwise specified. The end of <time period> is defined as 11:59:59 PM ET on the final day of the specified period. The Exchange may list iterations of the Contract corresponding to variations of <time period>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values where, at the end of <time period>, <person> de facto holds the position of <role> as documented by the Source Agency.

For the purposes of this Contract, "<person> de facto holds <role>" means that, at the end of <time period>, <person> is the individual who primarily exercises the governing authority and core powers customarily attached to <role>, regardless of <person>'s formal title, constitutional designation, formal appointment, domestic legal status, foreign recognition, or international recognition.

The Source Agency's determination of whether <person> de facto holds <role> shall be based on objective indicators of governing authority over the functions attached to <role>, which may include, without limitation:

- control over the executive ministries, administrative apparatus, bureaucracy, and state institutions associated with <role>;
- issuance of binding national directives, decrees, orders, or instructions that are observably obeyed and enforced within the relevant jurisdiction; control over the official seat of power, capital, headquarters, principal residence, or principal infrastructure associated with <role>;
- treatment by the domestic state institutions associated with <role> as the operative holder of <role>;
- and treatment by foreign governments, multilateral institutions, and credentialed media as the operative holder of <role>.

The following alone will NOT qualify as de facto holding <role>:

- holding the formal or constitutional title to <role> without exercising the core powers customarily attached to <role>;
- serving in an acting, interim, caretaker, provisional, or temporary capacity that is subordinate to and accountable to a principal who continues to exercise the core powers customarily attached to <role>;
- nomination, designation, election, appointment, or confirmation to <role> prior to the effective transfer of governing authority;
- status as successor, heir apparent, or designated replacement to <role> prior to assumption of governing authority;
- symbolic, ceremonial, or honorary status without exercise of the core powers customarily attached to <role>, except where <role> is itself a primarily ceremonial position and <person> performs the ceremonial functions associated with <role> without operative displacement;
- foreign or international recognition as the holder of <role> without exercise of operative governing authority within the relevant jurisdiction;

- leadership from exile, in detention, or otherwise removed from the operating seat of <role>, where another individual is observably exercising the core powers customarily attached to <role> without subordination to <person>;
- and holding a different role with general political, religious, military, or institutional influence over <role> without personally exercising the core powers customarily attached to <role>.

If, at the end of <time period>, the Source Agency does not identify any individual as exercising primary governing authority over the core powers customarily attached to <role> (including where <role> has been abolished, suspended, declared vacant, or where governing authority is genuinely fragmented among multiple individuals such that no individual primarily exercises the powers customarily attached to <role>), the Payout Criterion shall not be satisfied with respect to any <person>.

If, at the end of <time period>, more than one individual claims or is claimed to de facto hold <role>, the Source Agency shall determine the de facto holder by reference to which individual primarily exercises the indicators of governing authority described above; in any such determination, the higher-ranked Source Agencies shall prevail over lower-ranked Source Agencies. If multiple persons are determined to do so equally, all those persons' markets shall resolve to $1/n, rounded down, where n is the number of persons who do so and who have a strike listed.

Examples that would resolve the market to Yes for <person>:

- <person> is sworn into <role> and controls the executive ministries and bureaucracy associated with <role>, issues binding directives that are observably obeyed within the relevant jurisdiction, and is treated by the domestic state institutions and credentialed media as the operative holder of <role> at the end of <time period>.
- <person> assumed power outside of the formal constitutional process (such as through a coup, revolution, or extra-constitutional transfer) and, regardless of formal title or international recognition, at the end of <time period> commands the armed forces and security services associated with <role>, controls the executive ministries and bureaucracy associated with <role>, issues binding directives that are observably obeyed within the relevant jurisdiction, and is documented by credentialed media as the operative holder of <role>.
- <role> is a primarily ceremonial position, and <person> performs the ceremonial functions associated with <role> at the end of <time period>, with no other individual having displaced <person>'s exercise of those ceremonial functions.
- <person> is removed from the operating seat of <role>, but at the end of <time period> the relevant state institutions continue to operate under <person>'s direction, with major executive decisions attributed to <person> or made by subordinates whose authority is

derived from and accountable to <person>, the relevant state institutions identifying <person> as the holder of <role> in their official communications, as documented by the Source Agency.

Examples that would NOT resolve the market to Yes for <person>:

- <person> is the constitutionally appointed or elected holder of <role>, but at the end of <time period> another individual exercises command over the armed forces and security services associated with <role>, controls the executive ministries and bureaucracy associated with <role>, and issues binding directives that are observably obeyed within the relevant jurisdiction, without subordination to <person>.
- <person> serves in an acting, interim, caretaker, provisional, or temporary capacity subordinate to and accountable to a principal who continues to exercise the core powers customarily attached to <role>, even where <person> is the named officeholder for administrative purposes.
- <person> has been nominated, designated, elected, appointed, or confirmed to <role> but, at the end of <time period>, the effective transfer of governing authority associated with <role> has not occurred.
- <person> exercises political, religious, military, or institutional influence over <role> but does not personally exercise the core powers customarily attached to <role>, where another individual personally exercises those powers at the end of <time period>.
- <person> leads a government in exile or an opposition movement that is recognized by foreign governments as legitimate but exercises no operative governing authority within the relevant jurisdiction at the end of <time period>.
- <role> has been abolished, suspended, or remains in a recognized vacancy at the end of <time period>, with no individual primarily exercising the core powers customarily attached to <role>.
- The relevant jurisdiction has fragmented and multiple individuals exercise authority over separate portions, where no individual primarily exercises the core powers customarily attached to <role> across the relevant jurisdiction at the end of <time period>.

If a natural person who is the primary subject of a Contract's Underlying or Payout Criterion dies prior to Expiration, Kalshi may, in its sole discretion, settle the Contract at the last traded price prior to the death. If Kalshi determines that trading activity was materially affected by the circumstances giving rise to the death, Kalshi may instead use the last traded price prior to such circumstances becoming known or reasonably anticipated by market participants. For purposes of this Rule, Kalshi may rely on an approximate time where the precise time is unknown or cannot be reasonably determined. If Kalshi determines that no last traded price represents a fair settlement, the Outcome Review Committee shall determine the fair settlement price. Kalshi may halt or pause trading in any such Contract (with public notice on Kalshi's website or the Platform) if it reasonably believes that the death of such person has occurred, is imminent, or that circumstances giving rise to the death may be occurring. Determinations of Kalshi and the Outcome Review Committee under this Rule are final and not subject to review.

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 11:59 PM ET.

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 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.

APPENDIX B – TRADING PROHIBITIONS

In addition to the general prohibition against trading on material nonpublic information, the Exchange will institute additional prohibitions for trading the contract. Persons under 18 years of age are not permitted to create Kalshi accounts. The following individuals will be prohibited from trading:

- Active-duty members of the armed forces, intelligence services, or special operations units of any country with operational, planning, or intelligence portfolio related to the jurisdiction of <role>, including without limitation U.S. military and intelligence personnel involved in operations targeting <person> or any credible alternative claimant to <role>.
- Current employees of any country's foreign affairs ministry, national security council, or intelligence agency with the jurisdiction of <role> within their assigned portfolio.
- Current diplomats accredited to, posted in, or covering the jurisdiction of <role>, and their immediate household members.
- Current officials, analysts, and staff of multilateral institutions (United Nations, Organization of American States, African Union, European Union, ASEAN, Arab League, and equivalent bodies) directly handling the jurisdiction of <role>.
- Current officeholders, candidates, party officials, senior staff, advisors, and credentialed delegates of the governing institutions, opposition movements, and major political parties within the jurisdiction of <role>.
- Current officers, senior staff, and operational personnel of the armed forces, security services, intelligence services, and presidential or executive guard of the jurisdiction of <role>.
- Individuals with current security clearance and active access to classified intelligence reporting on the jurisdiction of <role>, the location or status of <person>, or pending operational matters affecting <role>.
- <person>, any credible alternative claimant to <role>, their immediate family members, their personal physicians, their personal legal counsel, their household staff, and their senior personal advisors.
- Senior officers and operational personnel of private military companies, private intelligence firms, and security contractors with active engagements within the jurisdiction of <role>.
- Senior journalists and editors with current non-public operational knowledge of pending leadership developments in the jurisdiction of <role>.
- Registered lobbyists, foreign agents under FARA, and government affairs personnel under active retainer regarding the jurisdiction of <role> or regarding <person>.
- Officers and senior staff of opposition governments-in-exile, transitional councils, or shadow cabinets formed in relation to <role>.

- Employees of Kalshi, Kalshi affiliates, and the Source Agencies listed above who have access to non-public information regarding the resolution of this Contract.