December 15, 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 <person> be pardoned 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 <person> be pardoned in <time period>?” contract (Contract). The Contract will initially be listed after close-of-business on **December 16, 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>**
- **<person>**
- **<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> be pardoned in <time period>?”
Rulebook: GENERALPARDON
Summary: Pardon of specified individual within stated period
Kalshi Contract Category: Political Decision
Kalshi Internal Category: Politics
December 15, 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 <person> be pardoned in <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 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.

By: Xavier Sottile
Title: Head of Markets
Date: December 15, 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 <person> be pardoned in <time period>?”
Rulebook: GENERALPARDON

GENERALPARDON

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is whether <person> receives a pardon, clemency, or substantially equivalent official act of legal forgiveness in <time period>. 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 government body, agency, or authority with constitutional or legal power to grant pardons or clemency in the relevant jurisdiction (e.g., Office of the President, Ministry of Justice, Royal Court, Pardon Commission), official government gazettes or registries, The New York Times, the Associated Press, Bloomberg News, Reuters, The Washington Post, The Wall Street Journal, Financial Times, CNN, Fox News, MSNBC, NBC, ABC, CBS, CNBC, Politico, ABC News Australia, Deutsche Welle, BBC News, The Times of Israel, The Guardian, and Al Jazeera English.

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 an individual specified by the Exchange. This may include (but is not limited to):

- A specific named individual with their legal name or widely recognized public name
- Multiple individuals using AND logic (all must be pardoned) or OR logic (any one suffices)
- Individuals identified by their position or title if unambiguous (e.g., "the sitting Prime Minister of [Country]")
- "Any member of" a specified group
- “No member of” a specified group

The identity shall remain consistent throughout - name changes or title changes do not create a new person for purposes of this Contract. <person> may refer to individuals of any nationality or jurisdiction. <person> may also take the forms “Any” or “None”.

<time period>: <time period> refers to a specific range 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 current presidential term"), or broader intervals (e.g., "Q1–Q2 2027," "January–March 2026"). "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. Timezones are assumed to be ET unless specified otherwise.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <person> receives a pardon, clemency, or substantially equivalent official act of legal forgiveness from a competent authority in <time period>.

For the purposes of this Contract, a "pardon" includes:

- Full pardons that completely absolve <person> of criminal liability
- Partial pardons that reduce sentences or eliminate specific penalties
- Conditional pardons that forgive crimes subject to certain conditions
- Commutations of sentence that reduce or eliminate punishment
- Amnesties that apply to <person>
- Presidential, royal, gubernatorial, or other executive clemency
- Legislative or parliamentary acts of clemency specific to <person>
- Judicial pardons or legal forgiveness where such mechanisms exist
- Any other official act by a competent authority that legally forgives, nullifies, or substantially reduces the legal consequences of criminal conviction or charges

Additional clarification(s):

- For individuals subject to multiple jurisdictions, a pardon from any competent authority counts. Note, the pardoning authority must have legal power over the crimes or charges for which <person> is being pardoned. Therefore, if <person> is convicted or charged in multiple jurisdictions, a pardon from one jurisdiction counts even if charges remain in others
- The pardon must be officially granted, announced, or take legal effect during <time period>
- If a pardon is announced publicly but formal documentation follows later, the announcement date controls if confirmed by official sources
- If a pardon is signed but not publicly announced during <time period>, it counts if subsequently confirmed to have been granted during <time period>
- Pardons that are revoked after <time period> ends still count if they were in effect during <time period>

The following ARE encompassed by the Payout Criterion:

- A formal pardon issued by the head of state, head of government, or other constitutionally authorized body in <person>'s jurisdiction

- A pardon issued by any government authority with legal power to grant clemency to <person> (including but not limited to: presidents, prime ministers, monarchs, governors, pardon boards, legislatures acting in clemency capacity)
- Pardons announced officially through government channels, even if not yet formally documented
- Pardons that are announced OR take effect during <time period>, regardless of when they were announced
- Posthumous pardons of <person>
- Conditional pardons where the conditions are accepted or fulfilled during <time period>
- Pardons granted to <person> for specific crimes, even if <person> faces other charges
- Commutations that effectively eliminate all remaining punishment
- Pardons announced even if later explicitly revoked before taking legal effect.
- Legal acts that achieve substantially the same effect as a pardon, even if called by another name (e.g., "amnesty," "clemency," "exoneration by executive decree")
- Pardons granted by foreign governments if <person> is subject to that jurisdiction
- Pardons granted while appeals or other legal proceedings are ongoing
- Blanket or categorical pardons that include <person> within their scope

The following are NOT encompassed by the Payout Criterion:

- Dropped charges, dismissed cases, or prosecutorial decisions not to pursue charges (these are not pardons)
- Acquittals, overturned convictions, or judicial findings of innocence (these are legal determinations, not pardons)
- Proposed pardons, pardons under consideration, or pardons promised but not officially granted
- Plea agreements, settlements, or negotiated resolutions
- Expungement or sealing of records (unless accompanied by an official pardon)
- Informal statements of forgiveness without legal effect
- Pardons granted or announced after the end of <time period>
- Conditional pardons where the conditions have not been met or accepted during <time period>

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 Expiration Date. The Last Trading Time will be 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 two weeks 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.