January 7, 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 <entity> break <record> 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 <entity> break <record> in <time period>?" contract (Contract). The Contract will initially be listed after close-of-business on **January 8, 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>**
- **<entity>**
- **<record>**
- **<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 <entity> break <record> in <time period>?"
Rulebook: RECORDBREAKING
Summary: Breaking a specific record within set timeframe
Kalshi Contract Category: Sports
Kalshi Internal Category: Sports
January 7, 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 <entity> break <record> in <time period>?" 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 5.16 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: January 7, 2026

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 <entity> break <record> in <time period>?"
Rulebook: RECORDBREAKING

RECORDBREAKING

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is whether <entity> breaks <record> 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 governing body, sanctioning organization, or recordkeeping authority for <record> (e.g., Guinness World Records, World Athletics, FIFA, NCAA, Elias Sports Bureau, governing sport federation), <entity>, the official website or registry where <record> is maintained, The New York Times, ESPN, Associated Press, Reuters, Sports Illustrated, The Athletic, 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.

<entity>: <entity> refers to an individual, team, organization, or group specified by the Exchange. This may include (but is not limited to):

- A specific named individual with their legal name or widely recognized professional name
- A team, club, or franchise identified by official name (e.g., "New York Yankees," "Manchester United")
- An organization or institution (e.g., "NASA," "University of California")
- Multiple entities using AND logic (all must break the record) or OR logic (any one suffices)
- "Any" entity within a specified category (e.g., "any MLB team," "any individual")
- “Any” or “None”

The identity shall remain consistent throughout - name changes, transfers, or rebranding do not create a new entity for purposes of this Contract unless the entity fundamentally ceases to exist and is replaced by a distinct successor. Determination of continuity will be made by the Exchange in its sole discretion.

<record>: <record> refers to a specific measurable achievement, benchmark, or milestone as defined by the Exchange and recognized by an official governing body or recordkeeping authority. <record> may refer to records including but not limited to:

- Sports performance records (e.g., "most home runs in a single season," "fastest 100-meter dash")
- Business or financial records (e.g., "highest quarterly revenue for a tech company")
- Scientific or technical achievements (e.g., "deepest ocean dive," "highest altitude reached by aircraft")
- Cultural or entertainment milestones (e.g., "highest-grossing film opening weekend")
- Singular or multiple records, records as elements in a set, or records by distinguishing characteristics
- "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 2026 season") or subset of that event (e.g. "during Week 13", or broader intervals (e.g., "Q1–Q2 2027," "the 2026 calendar year"). "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. Where timezone is not explicitly specified, it may be assumed to refer to ET.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <entity> breaks <record> in <time period>.

To be considered as having broken a record:

- <entity> achieves a performance, measurement, or outcome that surpasses the existing <record> according to the official criteria established by the relevant recordkeeping authority
- The record-breaking achievement occurs within <time period> and is reported by a Source Agency before Expiration.

Additional clarification(s):

- A record is considered "broken" only when officially recognized and reported by the relevant governing body or Source Agency. Unofficial reports do not constitute breaking the record for settlement purposes.
- If <entity> ties the existing <record> exactly but does not exceed it, this does NOT constitute breaking the record unless the recordkeeping authority officially recognizes ties as breaking the record for that specific category.
- If <entity> breaks <record> multiple times within <time period>, only the first instance is required for the Contract to resolve to "Yes." Subsequent record-breaking performances do not affect settlement.
- If <entity> initially breaks <record> but the achievement is subsequently disqualified, reversed, or invalidated by the official governing body before the Expiration Date, the

Contract will still resolve to “Yes” on the basis of the initial record being broken. Reversals occurring after the Expiration Date will not affect settlement.

- For records involving relay teams or group efforts, <entity> must be officially credited as part of the record-breaking performance according to the governing body's rules. All members must meet eligibility requirements as defined by the recordkeeping authority.
- If <record> has specific conditions (e.g., "wind-legal," "drug-tested," "official competition"), these conditions must be satisfied according to the governing body's requirements for the record to be considered broken.
- If <record> exists in multiple categories (e.g., "outdoor" vs. "indoor," "professional" vs. "amateur"), the specific category will be defined in the Contract listing. The record must be broken in the specified category to resolve to "Yes."
- Records set posthumously (e.g., through data analysis of past performances) do not count unless they occur through a live performance or official re-timing within <time period>.
- If the measurement methodology or technology for <record> changes during <time period>, and this results in the recordkeeping authority establishing a new record baseline, the Exchange will determine whether the new performance constitutes breaking the pre-existing record.

Examples that would resolve the market to Yes:

- <entity> achieves a performance that exceeds <record> and is officially verified by the governing body within <time period>
- <entity> breaks <record> on the first day of <time period>, even if others subsequently break the new record
- <entity> breaks a record with specific conditions (e.g., altitude-adjusted, wind-legal) that fully satisfy the official criteria

Examples that would NOT resolve the market to Yes:

- <entity> achieves a performance that ties but does not exceed <record>
- <entity> breaks <record> outside of <time period>
- <entity> achieves an unofficial or unverified performance that is not recognized by the governing body
- <entity> breaks a different record than the one specified in the Contract

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 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 one month after the final day 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.