March 4, 2024

SUBMITTED VIA CFTC PORTAL
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Re: KalshiEX LLC – CFTC Regulation 40.6 Notification Regarding the Amendment of the "Will the settle price of WTI crude oil futures be <above/below/between> <price> for <date>?" Contract

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.6 of the regulations of the Commodity Futures Trading Commission, KalshiEX LLC (Kalshi) hereby notifies the Commission that it is amending the "Will the settle price of WTI crude oil futures be <above/below/between> <price> for <date>?" contract (Contract).

This filing is a straightforward modification of Kalshi's previous "Will the settle price of WTI crude oil futures be <above/below/between> <price> for <date>?" contract. This change will only apply to future iterations of the Contract following the Amendment coming into effect. The changes are as follows:

- The Contract's Underlying was changed such that, starting two days prior to <date>, the Contract will source the settlement price from the ICE WTI crude oil futures contract *following* the front-month.

Along with this letter, Kalshi submits the following documents:

- A clean copy of the amended Contract; and
- A redline showing the changes to Appendix A, the product rules and terms and conditions of the contract.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Elie Mishory
Chief Regulatory Officer
KalshiEX LLC
emishory@kalshi.com

KalshiEX LLC
Official Product Name: Will the settle price of WTI crude oil futures be <above/below/between> <price> for <date>?
Rulebook: WTIOIL
Kalshi Contract Category: Commodity
WTI Oil Future price
March 4, 2024

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, and the Commission's regulations thereunder.

I. Introduction

The "Will the settle price of WTI crude oil futures be <above/below/between><price> for <date>?" Contract is a contract relating to the future price of crude oil. After careful analysis, Kalshi (hereafter referred to as "Exchange") has determined that the Contract complies with its vetting framework.

West Texas Intermediate, a form of sweet (or light) crude oil, is the benchmark of oil pricing in the United States.

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. The Exchange has further imposed position limits (defined as maximum loss exposure) of $25,000 USD on the Contract. 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 are charged in such amounts as may be revised from time to time to be reflected on the Exchange's Website. The Contract's Source Agency can be modified 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. After trading on the Contract has closed, the Expiration Value and Market Outcome are determined. 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 the settle price of front-month WTI oil is <above/below/between> <price> for <date>, 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: March 4, 2024

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 E (Confidential) - Agreement with ICE Data Services

APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: Will the settle price of the front-month WTI crude oil future be <above/below/between><price> for <date>?
Rulebook: WTIOIL

WTIOIL

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the settle price of Intercontinental Exchange's ("ICE") front-month West Texas Intermediate ("WTI") Light Sweet Crude Future for <date>. If the last trading date of the ICE contract is <date>, the day prior to <date>, or two days prior to <date>, the Underlying will be the settle price for the *following* month. For example, if the last trading date of the Apr24 ICE contract is March 19, 2024, then beginning with March 17th, the Underlying will be the settle price of the May24 contract. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: The Underlying can be found here and selecting "T-West Texas Intermediate Light Sweet Crude Future". After accessing the report file for <date>, the Underlying is the number under 'SETTLE' and 'PRICE' for the first month listed. The settlement price can also be accessed to a variety of public sources, including from the Energy Information Administration homepage here. These instructions on how to access the Underlying 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.

Source Agency: The Source Agency is ICE.

Type: The type of Contract is an Event Contract.

Issuance: The Contract is based on the outcome of a recurrent data release, which is issued on a daily basis. Thus, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to the next day, month, and year.

<price>: Kalshi may list iterations of the Contract with <price> levels that fall within an inclusive range between -5,000 and 5,000 at consecutive increments of 0.01. Due to the potential for variability in the Underlying, the Exchange may modify <price> levels in response to suggestions by Members.

<date>: <date> refers to a calendar date specified by Kalshi. Kalshi may list iterations of the Contract corresponding to different statistical periods of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that are <above/below/between> <price>. If the value of <above/below/between> is "between", then <price> shall be a pair of values and the Payout Criterion encompasses Expiration Values that are greater than or equal to the lesser of the pair, and less than or equal to the greater of the pair.

Minimum Tick: The Minimum Tick size for the referred Contract shall be $0.01.

Position Limit: The Position Limit for the $1 referred Contract shall be $25,000 per Member.

Last Trading Date: The Last Trading Date of the Contract will be <date>. The Last Trading Time will be 2:30 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 Expiration Date of the Contract shall be the sooner of the date of the first 6:00 PM, 6:30 PM, 7:00 PM, 7:30 PM, or 7:55 PM ET after the data has been released, or one week following <date>.

Expiration time: The Expiration time of the Contract shall be the sooner of the first 6:00 PM, 6:30 PM, 7:00 PM, 7:30 PM, or 7:55 PM ET following the data release.

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(c) of the Rulebook.

WTIOIL

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