September 18, 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

Security Futures Product Rule Submission

Re: KalshiEX LLC—Securities Futures Product Rule Submission: Request for CFTC Approval of New Rules for the Listing and Trading of Perpetual Security Futures Products Pursuant to CFTC Regulations 40.5 and 41.24

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act ("CEA") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulations 40.5 and 41.24, KalshiEX LLC (the "Exchange") hereby submits this request for Commission approval of new Chapter 14 of the Exchange Rulebook (the "Rules") to permit the listing and trading of cash-settled, perpetual duration security futures products ("Perpetual SFPs") on the Exchange. The Exchange intends to make these rules effective on November 2, 2026, or such earlier date as the Commission may permit. The full text of Chapter 14 is provided in Exhibit A hereto. Capitalized terms not defined herein have the meanings assigned to them in the Exchange Rules (including new Chapter 14).

I. Background

This filing represents a "Security Futures Product Rule Submission." The Exchange is a board of trade designated by the CFTC as a contract market ("DCM"). On September 3, 2026, the Exchange, in its capacity as a DCM, submitted a 1-N notice filing to the Securities and Exchange Commission ("SEC") to register as a national securities exchange pursuant to Section 6(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for the limited purpose of trading security futures products. On September 8, 2026, the SEC issued a notice acknowledging receipt of such written notice and effectiveness of the Exchange's notice registration as a national securities exchange contemporaneously with the Exchange's submission of the 1-N notice on September 3, 2026.

The Exchange proposes to list Perpetual SFPs on up to, as of this filing, fifty-eight large-capitalization U.S. exchange-listed equity securities. Perpetual SFPs have no pre-specified expiration date and convey exposure to the price of the security underlying the Perpetual SFP (each, an "Underlying Security") through a daily mark-to-market and a periodic funding rate that anchors the contract price to the Underlying Security's spot price. These contracts are security futures products as defined in Section 1a(45) of the CEA and Section 3(a)(56) of the Exchange Act. The Exchange believes that these products will provide market participants with an efficient, regulated means of obtaining economic exposure to individual U.S. equities within the comprehensive regulatory framework established by the Commodity Futures Modernization Act of 2000.

The Exchange is not aware of any opposing views regarding, or potential anticompetitive effects of, the proposed amendments. The Exchange certifies that, concurrent with this filing, a copy of this submission will be posted on the Exchange's website.

The Exchange certifies that it has submitted the rules covered by this filing to the SEC by filing dated September 18, 2026, in accordance with Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder.

II. Description of New Rules

The Exchange hereby submits for Commission review and approval the following new rules, attached as Exhibit A to this submission. Chapter 14 (Perpetual Security Futures Products) is a new chapter of the Exchange's existing Rulebook establishing a comprehensive framework for the listing, trading, margining, surveillance, and regulation of Perpetual SFPs on the Exchange. Chapter 14 is organized into eleven parts, covering:

Part I: *General Provisions*, setting forth rules relating to the scope and application of Chapter 14, including a conflict-of-rules provision establishing Chapter 14 as controlling for SFP activity, and the relevant new definitions;

Part II: *Listing Standards and Product Eligibility*, including initial listing eligibility criteria for Underlying Securities, categorical exclusions from eligibility as Underlying Securities, maintenance standards, delisting procedures, and the new product approval process;

Part III: *Contract Specifications and Trading Rules*, including contract specifications for Perpetual SFPs (contract unit, tick size, etc.), terms governing periodic transfers and the funding rate mechanism for Perpetual SFPs, trading hours, mark price and daily settlement price calculation methodology, and rules providing for coordinated trading halts as required under CFTC Regulation 41.25(b)(2);

Part IV: *Trading Safeguards*, including provisions relating to pre-trade and intra-trade safeguards for Perpetual SFPs and providing the Exchange discretionary authority to halt, suspend or restrict trading of and modify trading safeguards for Perpetual SFPs;

Part V: *Customer Margin for Security Futures Products*, establishing the 15.50% minimum customer margin requirement for Perpetual SFPs consistent with CFTC Regulations 41.42–41.49 (without exceptions for offsets permitted under those regulations), identifying acceptable margin deposits, describing daily mark-to-market and variation settlement procedures, setting forth member requirements relating to customer margin collection and maintenance, margin calls and undermargined accounts, and setting forth the Exchange's authority to impose special emergency margin requirements;

Part VI: *Position Limits and Reporting*, establishing speculative position limits and position accountability levels pursuant to Regulation 41.25(b)(3), including provisions for equity hedging exemptions, and large trader reporting requirements, and imposing a position limit ceiling of 200,000 Standard Contract Equivalents;

Part VII: *Corporate Actions*, establishing the Chief Regulatory Officer's authority and the governing standard for adjustments in response to corporate actions affecting Underlying Securities, including the treatment of ordinary dividends through the funding rate, per-contract cash amounts or settlement price adjustments for extraordinary distributions and spin-offs, proportional adjustments to the Daily Settlement Price and the number of Perpetual SFP contracts comprising each open position for stock splits, stock dividends, and consolidations, and adjustments for rights distributions where appropriate, the treatment of mergers, tender offers, and reorganizations, accelerated final settlement procedures, reliability of settlement prices and reference data, and related operational provisions;

Part VIII: *Sales Practices*, requiring members intermediating Perpetual SFP transactions for customers ("SFP Broker Members") to comply with the sales practice requirements of the National Futures Association (and other applicable national securities associations) and setting forth risk disclosure obligations for SFP Broker Members;

Part IX: *Market Surveillance*, including real-time surveillance by the Exchange of all trading activity in Perpetual SFPs, the Exchange's membership in the Intermarket Surveillance Group ("ISG") and compliance with ISG requirements for sharing of surveillance information, coordinated surveillance with markets in Underlying Securities and related securities, and audit trail and recordkeeping provisions;

Part X: *Membership and Affiliations*, including SFP Broker Member eligibility criteria and the requirements, conditions and limitations applicable to an SFP Broker Member affiliated with the Exchange, including information-barrier, confidentiality and Third-Party DSRO requirements; and

Part XI: *Miscellaneous*, including interaction of Chapter 14 with the margin and clearing functions with Kalshi Klear LLC as the Clearing House and regulatory filing obligations of the Exchange.

III. Explanation and Analysis

Pursuant to Regulation 40.5(a)(5), the Exchange provides through this submission as supplemented by the Exchange's concurrent product submission under Regulations 40.3 and 41.23(b), which is incorporated by reference herein in its entirety, an explanation and analysis that is complete with respect to the operation, purpose, and effect of the proposed rules and their compliance with applicable provisions of the CEA, including the Core Principles, and the Commission's regulations thereunder, including a description of the anticipated benefits to market participants or others, any potential anticompetitive effects on market participants or others and how the rule fits into the Exchange's framework of self-regulation.

The Perpetual SFP has no pre-specified expiration date. It is marked to market daily, and its periodic funding rate is designed to anchor the contract price to the spot price of the Underlying Security over time. The purpose of the product is to provide market participants with a regulated, centrally cleared means of obtaining economic exposure to individual U.S. equities within the joint CFTC-SEC framework for security futures products established by the Commodity Futures Modernization Act of 2000.

The proposed rules operate prospectively and are confined to Perpetual SFP activity by the terms of Part I of Chapter 14. They do not alter the economics, risk, or operation of any currently listed Exchange contract. Consistent with Regulation 40.5(a)(6), the Exchange has posted, concurrent with this filing, a notice of its request for Commission approval of the proposed rules and a copy of this submission on its website.

IV. Part 41 Certifications

Pursuant to Regulation 41.24(b), the Exchange certifies that this submission includes the documents and certifications required under Regulation 40.5 and the certifications required by Regulation 41.22, which are included in the Exchange's concurrent product submission under Regulations 40.3 and 41.23(b) and incorporated by reference herein.

The Exchange further confirms that the submitted rules satisfy the additional conditions for trading set forth in Regulation 41.25, including the requirements concerning daily market data reporting, regulatory trading halts, speculative position limits, and final settlement prices, and support the certifications required by Regulation 41.22 incorporated by reference herein from the Exchange's concurrent product submission under Regulations 40.3 and 41.23(b) as described in Section VI below.

- The rules establish listing standards for the underlying securities consistent with Regulation 41.21 and support the certification required by Regulation 41.22(a) (*see* Exhibit A, Rules 14.3–14.8);
- The Exchange will comply with the daily market data reporting requirements of Part 16, as required by Regulation 41.25(b)(1) (*see* Section V below);
- The rules provide for regulatory trading halts in the Perpetual SFPs coordinated with regulatory trading halts in the underlying securities, as required by Regulation 41.25(b)(2), and support the certification required by Regulation 41.22(i) (*see* Exhibit A, Rule 14.13);
- The rules establish speculative position limits or position accountability levels consistent with Regulation 41.25(b)(3) (*see* Exhibit A, Rules 14.23–14.24);
- The rules require customer margin consistent with Regulations 41.42–41.49 and support the certification required by Regulation 41.22(j) (*see* Exhibit A, Rules 14.16–14.22);
- Only Participants registered as futures commission merchants or introducing brokers with the CFTC and also registered or notice-registered as broker-dealers with the SEC may effect customer transactions in Perpetual SFPs, consistent with the certification required by Regulation 41.22(d) (*see* Exhibit A, Rule 14.1(d));
- The Exchange does not operate a trading floor on which bids and offers are executed by open outcry, and no market participant is afforded a time or place advantage or the ability to override the Exchange's predetermined matching algorithm; accordingly, the dual trading restrictions of Regulation 41.27 are satisfied, consistent with the certification required by Regulation 41.22(e);

- Trading in the Perpetual SFPs is not readily susceptible to manipulation of the price of the Perpetual SFP, nor to causing or being used in the manipulation of the price of any underlying security or option thereon, consistent with the conditions for trading of Regulation 41.25 and the certification required by Regulation 41.22(f), as discussed in Section V below;
- The Exchange's rules require delivery of a risk disclosure statement to customers prior to the opening of SFP accounts, consistent with the disclosure requirements of Regulation 41.41(b) (*see* Exhibit A, Rule 14.33(b));
- Participants effecting SFP transactions are subject to suitability requirements comparable to those of a national securities association, consistent with the certification required by Regulation 41.22(d) (*see* Exhibit A, Rule 14.33(a));
- The Exchange has procedures for coordinated surveillance with markets on which the underlying securities and related securities trade, including membership in the Intermarket Surveillance Group, consistent with the certification required by Regulation 41.22(g), and the audit trail facilitating coordinated surveillance under Rule 14.36 supports the certification required by Regulation 41.22(h) (*see* Exhibit A, Rules 14.34–14.36);
- Products will be cleared through Kalshi Klear LLC, a CFTC-registered derivatives clearing organization.

Because the Perpetual SFPs are cash-settled, the physical-delivery condition of Regulation 41.25(d) and the corresponding certification required by Regulation 41.22(b) are inapplicable.

V. Compliance with DCM Core Principles

Under Section 5(d)(1)(B) of the CEA and Regulation 38.100(b), the Exchange has reasonable discretion in establishing the manner in which it complies with the Core Principles. The Exchange has reviewed all twenty-three Core Principles and addresses below those most directly implicated by the submitted rules, while relying on its existing Rulebook and regulatory programs for the remaining principles. For the following reasons, the Exchange believes that the submitted rules comply with the CEA and the Commission's regulations thereunder.

Core Principle 2—Compliance with Rules.

Part I of the new Chapter 14 establishes the scope of the SFP rules. Rule 14.1(d) conditions access on dual registration: only Participants registered as FCMs or IBs with the CFTC and registered or notice-registered as broker-dealers with the SEC may effect customer Perpetual SFP transactions. Part X of Chapter 14 sets forth additional objective eligibility criteria (*i.e.*, no statutory disqualification, good standing with securities and futures regulatory authorities and the NFA, etc.) applicable to SFP Broker Members, and imposes heightened obligations and limitations on SFP Broker Members affiliated with the Exchange. These are impartial and transparent access criteria consistent with Regulation 38.151(b).

Membership in the Intermarket Surveillance Group and coordinated surveillance with the underlying markets under Rules 14.34–14.35 give the Exchange the ability and authority to obtain necessary information, including through information-sharing arrangements, contemplated by Regulations 38.150(c) and 38.159. Chapter 14 supplements, and does not displace, the Exchange's existing prohibitions designed to ensure compliance with Core Principle 2 and CFTC regulations thereunder.

In particular, Chapter 5 of the Rulebook sets forth the Exchange's Prohibited Transactions and Activities and specifically prescribes the methods by which Members trade contracts, including Perpetual SFPs. Pursuant to Rule 3.6, each Member is required to cooperate promptly and fully with an Exchange investigation by providing access to information on the activities of the Member in any referenced market, which includes books and records of trading. Pursuant to Rule 9.2, the Exchange may compel testimony, subpoena documents, and require statements under oath from any Member. As described in Rule 9.1, the Exchange conducts trade practice surveillance, market surveillance, and real-time market monitoring to ensure that Members adhere to the Rules of the Exchange. The Exchange, through the compliance department, initiates review and, where appropriate, investigates unusual trading activity. The compliance department also investigates any time it has other reason to believe that inappropriate activity of any sort is taking place on the Kalshi Platform or its website

Core Principle 3—Contracts Not Readily Susceptible to Manipulation.

The Exchange believes that the listing standards for Perpetual SFPs under Part II of Chapter 14 are designed to ensure that Perpetual SFPs and their Underlying Securities will not be readily susceptible to manipulation.

In particular, Part II of Chapter 14 includes several initial and maintenance listing criteria that are significantly more stringent than the listing standards in the sample listing standards described in SEC Staff Legal Bulletin No. 15 ("SLB 15"). Specifically, the Exchange's initial listing standards require that the Underlying Security for a Perpetual SFP have an estimated deliverable supply in excess of 20 million shares (Rule 14.3(f)), a minimum market capitalization of $100 billion (Rule 14.3(b)) and an average daily value of transactions ("ADTV") of at least $450 million over the prior six months or higher for securities with less than six months trading history (Rule 14.3(c)).

Pursuant to Rule 14.6, the Exchange will delist a Perpetual SFP on an Underlying Security that fails to meet its maintenance standards following the expiration of a ninety (90) day cure period or that is subject to an immediate delisting event under Rule 14.6(c). Several of the Rule 14.6 maintenance standards proposed by the Exchange are more stringent than the corresponding standards in SLB 15, requiring the Underlying Security to maintain an estimated deliverable supply in excess of 20 million shares, a market capitalization of at least $50 billion and a minimum ADTV of at least $200 million for the prior calendar quarter or higher for securities that have been listed for trading for less than a quarter. In addition, Rule 14.4 categorically excludes, among other securities, any security that is subject to a trading halt, suspension or revocation of listing by its principal listing exchange, ensuring that securities with cash markets experiencing significant disruption, including due to potential manipulation, may not become Underlying Securities of Perpetual SFPs. And, in addition to these minimum criteria, the

Exchange's New Product Committee shall, pursuant to Rule 14.8, specifically consider the susceptibility to manipulation of a security when determining whether to permit the listing of a Perpetual SFP on such security, and retains discretion to decline to list a Perpetual SFP on any security regardless of whether the security satisfies the aforementioned criteria.

Further, the Funding Rate calculation methodology for Perpetual SFPs is carefully designed to ensure that periodic funding obligations of holders of Perpetual SFPs are resilient to disruptive or anomalous trading behavior affecting both Perpetual SFPs and their Underlying Securities. First, each of the inputs to the Funding Rate calculation is independently resistant to manipulation: the Reference Price reflects real-time consolidated equity cash market data, thereby incorporating the depth, liquidity and competitive price discovery of U.S. cash equity markets, while the Mark Price is calculated through an objective, tiered methodology designed to prevent isolated or anomalous activity from materially affecting the calculation. Further, the Funding Rate calculation is the product of hundreds (390 during a regular 9:30am–4:00pm trading day) of sequential Premium calculations, each equally-weighted and incorporating the Reference Price and Mark Price observed during the applicable respective Computation Interval. Averaging observations across the full trading day substantially dilutes the effect of any isolated distortion and would require a person seeking to manipulate the Funding Rate to sustain a material market influence across numerous Computation Intervals. Such conduct would require repeated exposure to execution risk and transaction costs and would generate an observable pattern of order and trading activity detectable by the Exchange's real-time monitoring and trade surveillance controls.

The Exchange will also maintain several controls external to the Funding Rate calculation methodology to ensure the integrity of daily funding settlements and their resistance to manipulation. As provided in Rule 14.10(i), the Exchange will monitor the performance of the funding mechanism in maintaining economic correspondence between the price of each Perpetual SFP and its corresponding Underlying Price Index, including through surveillance of Premium behavior around the Daily Settlement Time to identify any unusual, potentially manipulative or disruptive trading behavior occurring near a daily settlement period. The Exchange may amend the Funding Rate methodology and related parameters in accordance with applicable Exchange Rules and applicable law. Funding Rates and associated periodic funding payment transfers will also be subject to the Exchange's Market Outcome Review Process, set forth in Exchange Rule 7.1, whereby the Exchange's Outcome Review Committee, a standing committee consisting of three members, two of which must be Public Directors appointed by the Exchange's Regulatory Oversight Committee pursuant to Exchange Rule 2.7(e), may determine the final settlement outcome of the Perpetual SFP for the applicable daily settlement period. The Exchange may initiate the Market Outcome Review Process at its sole discretion and by taking into account circumstances that may have a material impact on the reliability or transparency of the underlying related to a contract (*i.e.*, the Underlying Price Index of a Perpetual SFP). Additionally, pursuant to Rule 14.10(g), the Exchange may initiate the Market Outcome Review Process for any daily settlement for which the Daily Settlement Price cannot be determined under Rule 14.12 and a Perpetual SFP's terms and conditions. Finally, Rule 14.10(j) provides that the Exchange may take such actions as it deems necessary and appropriate in accordance with the procedures set forth in Exchange Rule 2.8—including, but not limited to, temporarily adjusting the Maximum Funding Magnitude, modifying margin requirements or imposing additional risk controls—in the event of an "Emergency" as defined in Exchange Rule 2.8.

Collectively, these controls supplement the already manipulation-resistant funding calculation methodology by ensuring the availability of controls within the discretion of the Exchange to detect, remedy and deter manipulation.

The Exchange's proposed position limits for Perpetual SFPs are also designed to most effectively protect against manipulation. Not only are the speculative position limits and position accountability provisions described in Part VI of Chapter 14 consistent with CFTC Regulation 41.25(b)(3)(i), but the position limits proposed by the Exchange in many respects exceed regulatory requirements in their stringency because they apply regulatory position limits across the life of a Perpetual SFP, rather than only during the last three trading days of a contract, and are capped at 200,000 Standard Contract Equivalents.

In addition, the Exchange is adopting, pursuant to Part IV of Chapter 14, rules regarding trading safeguards applicable to Perpetual SFPs, including pre-trade and intra-trade safeguards, and will have the authority to establish and amend the parameters, procedures and methodologies for such safeguards at its discretion. The Exchange shall also provide self-match prevention functionality for Perpetual SFPs and prohibit insiders and persons in possession of material non-public information in respect of issuers of Underlying Securities from trading Perpetual SFPs.

More generally, Exchange Rule 5.17 imposes prohibitions on any person "engag[ing] in conduct or practices inconsistent with just and equitable principles of trade" or "engag[ing] in any activity that is intended to, or has the effect of, manipulating the market in violation of Sections 6(c) and 9(a)(2) of the CEA," in addition to prohibitions on various other manipulative or deceptive trade practices. These provisions will apply to transactions in Perpetual SFPs on the Exchange. Chapter 9 of the Exchange Rulebook spells out the disciplinary capabilities and processes of the Exchange and Rule 9.5 describes the various penalties that the Exchange may impose on persons violating its rules, which include: fines or penalty fees, disgorgement of profits resulting from the violation plus the cost of damages to counterparties, suspension of trading or member status or privileges and revocation of trading or member status or privileges.

In addition, Regulation 41.25(c) requires the final settlement price of a cash-settled SFP to fairly reflect the opening price of the underlying security, with fallbacks in Regulation 41.25(c)(2) for circumstances where an opening price is not readily available and provision of the clearing organization's authority under Regulation 41.25(c)(3) to determine an alternative settlement price. Notwithstanding their lack of any scheduled final settlement date, the Perpetual SFPs will still be subject to and the Exchange will comply with Regulation 41.25(c) to the extent the Exchange initiates delisting or accelerated final settlement procedures pursuant to Rule 14.7 or Rule 14.30.

These features support reliable settlement and reduce the incentive and opportunity to influence the settlement process.

Core Principle 4—Prevention of Market Disruption.

Section 5(d)(4) of the CEA and Regulations 38.250–38.258 require the Exchange to prevent manipulation, price distortion, and disruptions of the cash-settlement process through surveillance, compliance, and enforcement. Part IX's real-time surveillance program, including monitoring of market conditions, price movements, and volumes, is intended to satisfy Regulation 38.251(c), while Part IX's audit-trail and trade-reconstruction requirements address Regulation 38.251(d) and Regulation 38.256. The Exchange's ability to monitor both Perpetual SFP activity and activity in the relevant underlying markets supports prompt detection and investigation of abnormal trading.

Part IV supplies the exchange-based pre-trade and intra-trade safeguards, together with stressed-market-conditions parameters, required by Regulation 38.251(f) as well as the risk-control mechanisms required by Regulation 38.255. These controls are designed to address order-entry and trading-condition risks without unnecessarily interfering with the centralized market's price-discovery function. Together, Parts III, IV, and V establish layered protections before, during, and after execution.

Because Perpetual SFPs are cash-settled, the surveillance and settlement provisions must conform to Regulation 38.253. Part VI's large trader reporting requirements, together with Regulation 38.254, enable the Exchange to identify concentrated positions, evaluate threats to orderly settlement, and coordinate appropriate responses with the clearing organization and underlying markets.

For a contract based on the price of an equity security, paragraph (b)(5) of the Core Principle 4 acceptable practices Appendix B to Part 38 provides that, to the extent practicable, the DCM's risk controls should be coordinated with similar controls placed on national securities exchanges. Rule 14.13's coordinated trading halts, together with ISG membership and coordinated surveillance under Rules 14.34–14.35, satisfy both that acceptable practice and the mandatory halt condition in Regulation 41.25(b)(2). Coordinated halts help prevent a regulatory halt or other significant event in the Underlying Security from destabilizing the Perpetual SFP market while preserving the Exchange's independent surveillance and emergency authority.

Core Principle 5—Position Limitations or Accountability.

Regulation 41.25(b)(3) frames the required position limit or accountability level for security futures products by reference to positions held during the last three trading days of an expiring contract month. A Perpetual SFP has no expiring contract month, although expiration may be triggered under Rules 14.7 (delisting) or 14.30 (accelerated final settlement). Rule 14.23 therefore applies a default position limit of 50,000 Standard Contract Equivalents at all times other than the last three trading days of an expiring contract, and 25,000 Standard Contract Equivalents during those last three trading days. Rule 14.23 permits the Exchange to assign liquidity-tiered position limits no greater than the equivalent of 12.5% of the estimated deliverable supply of the Underlying Security, either net or on the same side of the market, during the last three trading days of Perpetual SFPs with Underlying Securities that have an estimated deliverable supply in excess of 20 million shares and to adopt a position accountability rule in lieu of a position limit for Perpetual SFPs on Underlying Securities where the Six-Month Total Trading Volume exceeds 2.5 billion shares and that have more than 40 million shares of estimated deliverable supply, in each case consistent with Regulation 41.25(b)(3). However, notwithstanding the foregoing sentence, Rule 14.23 prohibits positions or positions aggregated in accordance Rule 14.23(e) from exceeding 200,000 Perpetual SFP Standard Contract Equivalents. That approach is at least as protective as the regulation contemplates and is consistent with Core

Principle 5's aim to mitigate the potential threats of manipulation and congestion to orderly trading and settlement.

Core Principle 6—Emergency Authority.

Part IV's stressed-market-conditions parameters, Part V's emergency margin authority, and Part VII's accelerated final settlement procedures give the Exchange authority to suspend or curtail trading, require special margin, and address open positions when necessary, consistent with Regulations 38.350–38.351 and Appendix B.

Core Principle 7—Availability of General Information.

The amended Rulebook will be posted on the Exchange's website consistent with Regulation 38.401(a)(3) and (d), and this submission was posted concurrent with filing consistent with Regulation 38.401(c)(1), so that Members and market participants receive clear notice of the Perpetual SFP rules (including contract specifications, funding-rate methodology, and mark-price methodology) and their operation.

Core Principle 8—Daily Publication of Trading Information.

The Exchange will make public daily settlement prices, volume, open interest, and opening and closing ranges for actively traded Perpetual SFPs, and will report market data pursuant to Regulation 41.25(b)(1) and Part 16.

Core Principle 9—Execution of Transactions.

Perpetual SFPs will trade on the Exchange's central limit order book, protecting the price-discovery process of the centralized market.[1] The central limit order book provides a competitive, open, and efficient mechanism for executing transactions consistent with Regulation 38.500.

Core Principle 10—Trade Information.

Part IX's audit-trail requirements capture and retain data relating to Perpetual SFP transactions sufficient to reconstruct transactions and to track a customer order from receipt through fill, allocation, or other disposition. Those requirements are supported by the annual reviews required by Regulation 38.553(a) and by the broader audit-trail requirements in Regulations 38.550–38.552.

Core Principle 11—Financial Integrity of Transactions.

Perpetual SFPs will be cleared through Kalshi Klear LLC, a CFTC-registered derivatives clearing organization, satisfying the mandatory clearing requirement of Regulation 38.601(a). Part V establishes the 15.50% minimum customer margin requirement, acceptable collateral,

[1] Exchange participants may use the Exchange's Request for Quote ("RFQ") pre-execution communications system to solicit interest in a market, subject to placement of resulting orders in the order book on a price-time priority basis as though they were placed manually (at a lower time priority than existing resting orders) and in accordance with Rule 5.3(b).

daily mark-to-market and variation settlement, and procedures for margin calls. These requirements are designed to address the financial integrity of customer transactions from order entry through clearing and settlement.

The Part V framework is consistent with the joint CFTC-SEC customer-margin regulations at Regulations 41.42–41.49 and the SEC's parallel rules at Regulations 242.400–242.406 (collectively, the "Customer Margin Rules"), adopted under authority delegated by the Board of Governors of the Federal Reserve System pursuant to Section 7(c)(2)(A) of the Exchange Act. Under Regulation 41.42(c)(1), those rules do not preclude a self-regulatory authority from imposing higher margin requirements consistent with the Regulation. Because Part V imposes a 15.50% customer margin requirement and does not permit lower margin requirements for certain offsetting positions or exempt market makers and exempted persons (as defined in Regulation 41.43(a)(9)) from its requirements, as permitted under the Customer Margin Rules, the Exchange's rules governing margin requirements for Perpetual SFPs under Part V of Chapter 14 will impose "higher margin levels" as defined in Section 3(a)(57)(C) of the Exchange Act.

The analysis also extends to the minimum financial standards under Regulation 38.602, protection of customer funds under Regulation 38.603, financial surveillance under Regulations 38.604–38.605, and, if direct electronic access is permitted, the pre-trade control requirements of Regulation 38.607. These requirements operate alongside Chapter 14's margin, clearing, reporting, and surveillance provisions to protect customers, clearing resources, and the orderly functioning of the SFP market.

Core Principle 12—Protection of Markets and Market Participants.

Part VIII establishes SFP Broker Member risk-disclosure obligations, including delivery of a risk disclosure statement before a customer's Perpetual SFP account is opened (Rule 14.33(b)). SFP Broker Members effecting Perpetual SFP transactions for customers must also comply with NFA and applicable national securities association suitability and sales-practice requirements (Rule 14.33(a)).

In addition, Part X's activities limitations and unaffiliated designated self-regulatory organization, information-barrier and confidentiality requirements applicable to an Affiliated SFP Broker Member are designed to prevent misuse of order information, self-dealing, and preferential treatment arising from an intermediary's affiliation with the Exchange. Together, these provisions protect markets and market participants from abusive practices and promote fair and equitable trading as contemplated by Regulations 38.650–38.651.

Core Principle 16—Conflicts of Interest.

The Chief Regulatory Officer's authority over corporate-action adjustments under Part VII is exercised against a governing standard set out in the rules, which constrains discretion and minimizes conflicts in decision-making. Part X's provisions relating to Exchange-affiliated SFP Broker Members, discussed above, address conflicts arising from an Affiliated SFP Broker Member. These provisions operate within the Exchange's existing governance framework and are consistent with the requirements of Regulations 38.850–38.851.

Core Principle 18—Recordkeeping.

Records relating to SFP activity will be maintained in accordance with Regulation 1.31 and for at least five years, consistent with Regulations 38.950–38.951. Part IX's audit trail provisions provide transaction-level records necessary for surveillance, enforcement, and regulatory examination.

Core Principle 19—Antitrust Considerations.

The dual-registration access condition in Rule 14.1(d) imposes no unreasonable restraint of trade or material anticompetitive burden because it is a regulatory eligibility condition tied to the joint CFTC-SEC framework and applies equally to all similarly situated Participants. It does not discriminate among Participants within the same class or favor one otherwise-eligible firm over another.

Other Core Principles

The changes in this filing do not impair the Exchange's ongoing compliance with the remaining Core Principles, the Commodity Exchange Act, and other regulations thereunder. Consistent with Regulation 40.5(a)(8), no substantive opposing views were expressed by the Exchange's Board of Directors, members, or market participants that were not incorporated into the rules, and the Exchange has not received any objections from Members regarding the submitted rules.

VI. Concurrent Product Submission Pursuant to CFTC Regulations 40.3 and 41.23(b)

Concurrent with this submission, the Exchange is separately submitting to the Commission, pursuant to Regulations 40.3[2] and 41.23(b), a request for Commission approval of the Perpetual SFP contract, consisting of the Generic Perpetual Security Futures Product Contract Specification and an appendix identifying the eligible Underlying Securities, which is incorporated by reference herein. That submission includes the certifications required by Regulation 41.22, including that each Underlying Security satisfies the requirements of Regulation 41.21, and a certification that the terms and conditions of the contract comply with the additional conditions for trading set forth in Regulation 41.25. The rules submitted herein are intended to become effective in advance of, and to govern the listing and trading of, the Perpetual SFP contract upon its approval. The Exchange will not list any Perpetual SFP for trading until the Commission has approved the contract.

VII. Conclusion

The Exchange respectfully submits the foregoing rules for Commission approval pursuant to Regulations 40.5 and 41.24, concurrently with its request for approval of the Perpetual SFP contract pursuant to Regulations 40.3 and 41.23(b). The Exchange believes that the rules

[2] We note that Regulation 41.23(b) cross-references Regulation 40.5 when discussing voluntary submission of security futures products to the Commission for approval. Subsequent to the adoption of Regulation 41.23, however, the Commission adopted Regulation 40.3 as the regulation governing submission of products for prior approval. Accordingly, we are treating the cross-reference to Regulation 40.5 as a scrivener's error and submitting our product approval request pursuant to Regulation 40.3.

submitted herein are consistent with the requirements of the CEA, Exchange Act, and the joint CFTC-SEC regulatory framework for security futures products, and that they provide a comprehensive and robust framework for the listing, trading, and clearing of Perpetual SFPs on the Exchange.

Should you or the staff have any questions regarding this submission, please contact me at your earliest convenience.

Respectfully submitted,

Xavier Sottile
Head of Markets
KalshiEX LLC

Exhibit A

KalshiEX LLC Rulebook Chapter 14:

Perpetual Security Futures Products