# SMALLESTMOV

**Scope:** These rules shall apply to this contract.

**Underlying:** The Underlying for this Contract is the official vote totals and resulting margins of victory in <elections> as reported by the Source Agencies. The margin of victory is calculated as the absolute difference in vote share (expressed as a percentage of total votes cast) between the first-place finisher and the second-place finisher in each election within <elections>. For elections with more than two candidates/options, only the gap between first and second place is considered. For yes/no referenda, the margin is the absolute difference between yes and no percentages. 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 electoral commissions or secretaries of state for each jurisdiction holding elections within <elections>, official government websites of the relevant jurisdictions, The New York Times, the Associated Press, Reuters, Bloomberg News, CNN, NBC News, ABC News, CBS News, Fox News, The Wall Street Journal, The Washington Post, Politico, FiveThirtyEight, Ballotpedia, and official state or local election division websites.

**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.

**<election/candidate/party>:** <election/candidate/party> refers to either: (i) specific elections or races specified by the Exchange when comparing margins across different contests (e.g., "Virginia Governor's race," "New Jersey Governor's race," "California Senate race"), (ii) specific candidates specified by the Exchange when comparing margins achieved by those candidates across multiple elections (e.g., "Democrat candidates," "Republican candidates," "incumbent candidates"), (iii) specific parties specified by the Exchange when comparing margins achieved by that party's candidates across multiple elections, (iv) geographic subdivisions when comparing margins within those areas (e.g., "Northeast races," "swing state races"), (v) types of elections when comparing within categories (e.g., "Senate races," "gubernatorial races," "ballot measures"), or (vi) "None - tied margins" if the Exchange lists this option for cases where two or more elections have identical margins to the hundredth of a percentage point.

**<elections>:** <elections> refers to multiple specific electoral contests specified by the Exchange occurring within a defined timeframe. May include: gubernatorial elections, senatorial elections, congressional elections, state legislative elections, mayoral elections, ballot measures, referenda, judicial elections, or other democratic contests. Each election must be clearly identified by jurisdiction, office/question, and date. Elections may be filtered by geography (e.g., "all statewide Virginia races"), party (e.g., "all races with Democratic candidates"), type (e.g., "all gubernatorial races"), or other criteria specified by the Exchange. All elections within <elections> must use the same electoral system for valid comparison (e.g., all first-past-the-post, all two-party runoffs after primaries).

**<date>:** <date> refers to a calendar date specified by the Exchange by which all elections in <elections> must be completed and have official or preliminary-but-sufficient results available. The Exchange may list iterations of the Contract corresponding to variations of

<date>. All times are in Eastern Time (ET) unless otherwise specified.

**Payout Criterion:** The Payout Criterion for the Contract encompasses the Expiration Values where <election/candidate/party> has achieved or is associated with the smallest margin of victory among all elections in <elections>.

The margin of victory for each election is calculated as follows:

- For races with two candidates: Winner's vote percentage minus runner-up's vote percentage
- For races with multiple candidates: First place vote percentage minus second place vote percentage
- For yes/no questions: |Yes percentage - No percentage|
- For multiple-choice referenda: First choice percentage minus second choice percentage
- All percentages calculated using total votes cast as denominator

When <election/candidate/party> refers to specific elections: The election with the single smallest margin of victory resolves to Yes.

When <election/candidate/party> refers to specific candidates: The candidate whose election produces the smallest margin of victory resolves to Yes. If a specified candidate appears in multiple elections within <elections>, only their smallest margin counts.

When <election/candidate/party> refers to specific parties: The party whose candidate achieves the smallest margin of victory in any single election within <elections> resolves to Yes.

When <election/candidate/party> refers to geographic or type subdivisions: The subdivision containing the election with the smallest margin resolves to Yes.

Special provisions:

- If official results are not available by <date>, preliminary results from Source Agencies that include at least 95% of expected vote are used
- Write-in candidates count toward margin calculations only where legally valid and officially tallied
- If a candidate wins by default due to opponent withdrawal/death/disqualification after ballots are printed, the margin is calculated using actual votes cast
- For ranked choice/instant runoff elections, the margin from the final round is used
- If elections within <elections> have different total numbers of voters, margins are still compared as percentages, not absolute vote differences
- Tied margins: If two or more elections have identical margins, and the Exchange has listed relevant options, each tied option resolves to Yes at $1.00 divided by the number of tied options

Examples that would resolve to Yes:

- "Virginia Governor" wins by 8.5% while "New Jersey Governor" wins by 3.2% - New Jersey resolves to Yes
- Among Democratic candidates in three races, Candidate A wins by 12.1%, B by 7.3%, C by 9.8% - Candidate B resolves to Yes
- "Senate races" include margins of 2.1%, 5.5%, and 3.3%; "Governor races" include

margins of 6.7% and 4.2% - "Senate races" resolves to Yes (due to 2.1%)
- Republican candidates achieve margins of 15.3%, 8.7%, and 11.2% across specified races - the race with 8.7% margin resolves to Yes

Examples that would NOT resolve to Yes:

- Election is postponed beyond <date> and no results are available
- Race is called but less than 95% of expected vote is counted by <date>
- Election is annulled and re-run after <date>
- Candidate with second-smallest margin when another candidate has smallest margin

**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 day prior to <date>. 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 <date>. 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.