Kalshi Prime

As of October 29, 2026

Affiliation with KalshiEx LLC, Kalshi Klear LLC, Kalshi Katalyst LLC, and Kalshi Trading LLC

Kalshi Prime LLC (f/k/a Kinetic Markets, LLC) (the "Firm" or "Kalshi Prime") is a futures commission merchant ("FCM") that is wholly owned by Kalshi Inc. Kalshi Inc. also owns KalshiEx LLC ("KalshiEx"), a board of trade designated by the Commodity Futures Trading Commission (the "CFTC") as a contract market, Kalshi Klear LLC ("Kalshi Klear"), a derivatives clearing organization registered with the CFTC, Kalshi Katalyst LLC ('Katalyst"), a lender that lends exclusively to customers of Kalshi Prime for the purpose of partially funding Initial Margin requirements, and Kalshi Trading LLC ("Kalshi Trading"), a market-making entity that trades on KalshiEx.

Because of this common ownership, Kalshi Prime is an affiliate of KalshiEx, Kalshi Klear, Kalshi Trading, and Katalyst, and certain conflicts of interest may exist.

In particular:

- The Firm may act as an FCM for customer transactions executed on KalshiEx and cleared through Kalshi Klear, each of which is an affiliate of the Firm.
- Kalshi Inc. and its affiliates may have overlapping financial interests in the operation and success of KalshiEx, Kalshi Klear, and the Firm. However, none of Kalshi Inc, KalshiEx, or Kalshi Klear guarantee the Firm's obligations, nor do KalshiEx or Kalshi Klear, on the one hand, and the Firm, on the other hand, have any lending or other financing arrangement with each other.
- Certain officers or employees may serve in roles across affiliated entities.
- The Firm's affiliate, Katalyst, may lend to customers of the Firm to partially fund Initial Margin requirements, and the Firm may serve as custodian in connection with any such loan. This relationship creates potential conflicts of interest, including that Kalshi Inc. and its affiliates may have a financial interest in a customer's decision to borrow from Katalyst.
- The Firm's affiliate, Kalshi Trading, is a market maker on KalshiEx and may trade against customers of the Firm. In doing so, Kalshi Trading seeks to earn trading profits, and its positions and economic interests may differ from or conflict with those of customers. To mitigate potential conflicts of interest, the Firm maintains a strict information barrier with Kalshi Trading, does not share material non-public information with it, is not involved in its trading, and operates from a separate location.
- KalshiEx and Kalshi Klear apply their rules, margin requirements, risk controls, and disciplinary processes to all participants in accordance with their respective rulebooks. The Firm is subject to the same rules and regulatory requirements as any other FCM interacting with KalshiEx or Kalshi Klear. Further, KalshiEx, Kalshi Klear, and the Firm maintain rules, policies and procedures designed to mitigate conflicts of interest arising from their affiliate relationships.

If a customer obtains a loan from Katalyst, the customer will grant Katalyst a security interest in the customer's futures account net equity pursuant to a master loan agreement and an account control agreement among the customer, Katalyst, and Kalshi Prime. Under those agreements, the customer may not withdraw funds without Katalyst's joint authorization while a loan is outstanding, and, following a default, Katalyst may direct the disposition of the customer's net equity. Katalyst's claims rank ahead of the customer's interest in the account.

Under the account control agreement, Kalshi Prime sets enhanced margin requirements on borrowing

customers' accounts at a level designed to protect Katalyst's security interest, which will ordinarily exceed the margin otherwise required for a customer's open positions. The affiliate lending arrangement may therefore trigger margin events at levels set to protect Katalyst's interest, not solely for the FCM's prudential risk management purposes.

Under the account control agreement, the priority of claims against a borrowing customer's futures account is: first, Kalshi Prime's claims; second, Katalyst's claims, to the extent of remaining net equity; and third, any surplus to the customer. A customer's recovery from the account in a default or liquidation scenario is therefore subordinate to both the FCM's and the affiliated lender's claims.

Kalshi Prime simultaneously serves as the customer's FCM and as the intermediary implementing Katalyst's security interest and control rights under the account control agreement. The FCM's obligations to Katalyst may not always align with the customer's interests. Customers should consider these relationships and potential conflicts of interest when deciding whether to open or maintain an account with the Firm.