

October 19, 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: Kalshi Klear LLC Rule Certification – Amendments to the DCO Rules to Accommodate the Clearing of Security Futures Products

Dear Sir or Madam:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “CEA”), and Commodity Futures Trading Commission (“CFTC” or the “Commission”) Regulation 40.6(a), Kalshi Klear LLC (“Klear”), a derivatives clearing organization (“DCO”) registered with the Commission, hereby certifies amendments to its Rules 1.1, 3.2(D), 4.1(O), 7.10, 12.5(C)(1)(a), 13.1(a), and 13.1(c) (collectively the “Rule Amendments”). The Rule Amendments will become effective on October 30, 2026, ten (10) business days from the date of this self-certification.

Appendix A and B contain the Rule Amendments in both clean and redlined form.

The Rule Amendments update Klear’s DCO Rules to align with Klear’s upcoming clearing of security futures products (“SFPs”). The Rule Amendments define SFPs and related terms, confirm that SFPs are treated as futures contracts under the Rules, establish an eligibility requirement for Members that clear SFPs on behalf of customers, and confirm that SFP positions and related collateral receive the same account-class, segregation, and default treatment as other futures positions. Specifically, the Rule Amendments make the following changes:

- **Rule 1.1 (Definitions).** Adds a definition of: (a) “Commodity” that incorporates for purposes of SFPs, securities as defined in Section 3(a)(10) of the Securities Exchange Act of 1934 (the “Exchange Act”); (b) “SEC”, and (c) “Security Futures Product” or “SFP” by reference to Section 3(a)(56) of the Exchange Act and Section 1a(45) of the CEA.
- **Rule 3.2(D) (Member Eligibility).** Adds a requirement that, in order to effect FCM Customer transactions in SFPs, a Member must be an FCM Member that is also registered or notice-registered with the SEC pursuant to Section 15(b) of the Exchange Act and the SEC’s rules and regulations thereunder.

- **Rule 4.1(O) (FCM Members).** Expands the list of CFTC Regulations with which FCM Members must comply to include Part 41 of the CFTC's regulations governing security futures products, in addition to Part 22, in each case as and to the extent applicable.
- **Rule 7.10 (Separate Account Classes).** Clarifies that the Futures Account Class includes positions in SFPs.
- **Rule 12.5 (Monetary Default; Priority of Payments in Default).** Clarifies that any Defaulted Obligation resulting from a Futures Customer's futures position, including a position in SFPs, held in a Futures Customer Account is satisfied by application of the Futures Customer Collateral held for that Futures Customer, consistent with CFTC Regulation 1.20.
- **Rule 13.1 (Prohibited Conduct for Company Employees, Directors, and Consultants).** Clarifies that "commodity" in the definition of "commodity interest" has the meaning set forth in Rule 1.1, such that the employee trading restrictions extend to SFPs, and expands the definition of "material information" to include information relevant to trading a commodity interest on any venue for transacting that commodity interest, in addition to a DCM or SEF.

Compliance with Core Principles

Klear has reviewed the DCO core principles set forth in Section 5b(c)(2) of the CEA and Part 39 of the Commission's regulations and has concluded that the Rule Amendments comply with the CEA and the Commission's regulations thereunder. In particular, the Rule Amendments may implicate the following core principles:

Core Principle C – Participant and Product Eligibility. Core Principle C requires a DCO to establish appropriate admission and continuing eligibility standards for its members, which must be objective, be publicly disclosed and risk-based, and establish appropriate requirements for determining the eligibility of contracts submitted for clearing. Amended Rule 3.2(D) establishes an objective, publicly disclosed eligibility requirement for Members that clear customer transactions in SFPs, consistent with the dual CFTC and SEC registration framework applicable to intermediaries that carry customer SFP accounts. The new definitions of "Commodity" and "SFP" in Rule 1.1 clearly identify the products that are within the scope of Klear's clearing services.

Core Principle F - Treatment of Funds. Core Principle F requires a DCO to establish standards and procedures designed to protect and ensure the safety of member and participant funds and assets, and to hold such funds and assets in a manner that minimizes the risk of loss or delay in access. The amendments to Rules 7.10 and 12.5 confirm that SFP positions are carried in the Futures Account Class and that customer SFP collateral is held and applied consistent with Section 4d(a) of the CEA

and CFTC Regulation 1.20, so that customer funds supporting SFP positions receive the same segregation protections as other futures customer funds.

Core Principle G – Default Rules and Procedures. Core Principle G requires a DCO to have rules and procedures designed to allow for the efficient, fair and safe management of events during which members become insolvent or default on their obligations. The amendment to Rule 12.5 confirms that defaults arising from customer SFP positions are addressed within Klear's existing default management framework and that the application of customer collateral to such defaults is consistent with CFTC Regulation 1.20, providing certainty to Members and their customers.

Core Principle L – Public Information. Core Principle L requires a DCO to make information concerning its rules and operating procedures available to market participants and the public. Klear will publish the amended DCO Rules on its website, and this submission is being posted concurrently as described below.

Core Principle P – Conflicts of Interest. Core Principle P requires a DCO to establish and enforce rules to minimize conflicts of interest in its decision-making process. The amendments to Rule 13.1 ensure that the restrictions on trading by Company employees, by directors and consultants, and on the use and disclosure of material non-public information, extend to SFPs and to information relevant to trading on any venue on which the relevant commodity interests are transacted.

Klear is not aware of any substantive opposing views to the Rule Amendments.

Klear hereby certifies that the Rule Amendments comply with the CEA and the Commission's regulations thereunder. Klear further certifies that, concurrent with this filing, a notice of pending certification and a copy of this submission were posted on Klear's website and may be accessed at: <https://kalshi.com/regulatory/notices>.

If you have any questions or comments or require further information, please do not hesitate to contact me.

Sincerely,

Rhianna Ross
Regulatory Counsel
Kalshi Klear LLC
rross@kalshi.com

Appendix A

Rulebook Amendment (Clean)

Rule 1.1 Definitions

[Existing definitions not listed below unchanged.]

As used in these Rules, the following terms have the following respective meanings:

Commodity: As defined in Section 1a(9) of the CEA and CFTC Regulation 1.3, and including, for the purposes of Security Futures Products, securities as defined in Section 3(a)(10) of the Securities Exchange Act of 1934.

SEC: The U.S. Securities and Exchange Commission.

Securities Futures Product or “**SFP**”: A security futures product as defined in Section 3(a)(56) of the Securities Exchange Act of 1934, as amended from time to time (the “**Exchange Act**”) and Section 1a(45) of the CEA. An SFP is considered a futures contract for purposes of these Rules. Accordingly, for the purposes of these Rules all references to “futures contract” or “commodity futures” include SFPs.

Rule 3.1 Member Agreements, Eligibility Criteria, Classification and Privileges

[Existing subsections (A) through (C) unchanged.]

D. In order to effect FCM Customer transactions in SFPs, a Member must be an FCM Member that is also registered or notice-registered with the SEC pursuant to Section 15(b) of the Exchange Act and rules and regulations of the SEC thereunder.

Rule 4.1 FCM Members

[Existing subsections (A) through (N) unchanged.]

O. FCM Members shall comply with all Applicable Law, including but not limited to CFTC Regulations 1.10, 1.12, and 1.20 - 1.32 and Parts 22 and 41 of CFTC Regulations, as and to the extent applicable.

Rule 7.10 Separate Account Classes

For the purposes of these Rules, each of the following constitutes a separate account class (references to either or both, as the context requires, an “Account Class”): (i) futures positions (including positions in SFPs) executed on or subject to the rules of an exchange that is registered with the CFTC as a DCM and Margin amounts or other collateral held in an account consistent with section 4d(a) of the CEA and CFTC Regulations thereunder (“Futures Account Class”); and (ii) swap positions held in an account consistent with CFTC Part 22 Regulations (“Cleared Swaps Account Class”). Each Account Class is further divided into a FCM Customer class and proprietary class. Pursuant to Rule 7.7-D and E, the Company will hold FCM Customer positions (i) in the Futures Account Class, in segregated accounts protected under CFTC Regulation 1.20 (“Futures Customer Accounts”); and (ii) in the Cleared Swaps Account Class, in Cleared Swaps Customer Accounts protected under the CFTC Part 22 Regulations.

Rule 12.5 Monetary Default; Priority of Payments in Default

[Existing subsections (A) through (B) unchanged.]

C. the event that at any time a Default occurs on the part of any Defaulting Member, then:

1. The following shall apply:
 - a. If and to the extent a Default relates to a FCM Customer Account, the Defaulted Obligation shall be reduced in the following priority order:
 - i. the Margin, excess Margin, and such other assets of the FCM Customer Account; and
 - ii. by the Margin, any excess Margin, such other assets of the Self-Clearing Member Account of the FCM Defaulting Member, to the extent such funds have not been exhausted to fulfill the requirements of Rule 12.5C-1(b); and
 - iii. the Guaranty Fund deposit of the FCM Defaulting Member.

provided that, any Defaulted Obligation resulting from any (i) Futures Customer’s futures position (including positions in SFPs) in a Contract held in a Futures Customer Account shall be satisfied by application of the Futures Customer Collateral held for the respective Futures Customer consistent with CFTC Regulation 1.20 and (ii) Cleared Swaps Customer’s cleared swap position in a Contract held in a Cleared Swaps Customer Account shall be satisfied by application of the Cleared Swaps Customer Collateral held for the respective Cleared Swaps Customer consistent with CFTC Regulations Part 22. For the avoidance of doubt, any excess funds and assets in the Self-Clearing Member Account of an FCM Defaulting Member shall be applied to cover losses with respect to an FCM

Customer's Default, if the relevant FCM Customer's funds and assets are insufficient to cover the Defaulted Obligation. Notwithstanding any other provision of these Rules, neither the Cleared Swaps Customer Collateral of non-defaulting Cleared Swaps Customers nor the Futures Customer Collateral of non-defaulting Futures Customers shall be applied to cover the Defaulted Obligations of a Defaulting Member.

Rule 13.1 Prohibited Conduct for Company Employees, Directors, and Consultants.

[Existing subsections (A) through (B) unchanged.]

C. As used in this Rule, the following terms have the following meanings:

a. Commodity interest means any commodity futures, commodity option or swap contract traded on or subject to the rules of a DCM, or SEF, or linked exchange, or cleared by a DCO, or cash commodities traded on or subject to the rules of a board of trade which has been designated as a DCM. For the avoidance of doubt, as used in this Rule, the term "commodity" has the meaning set forth in Rule 1.1.

[Existing subsection (C)(b) unchanged.]

c. Material information means information which, if such information were publicly known, would be considered important by a reasonable person in deciding whether to trade a particular commodity interest on a DCM, or an SEF, or any other venue for transacting such commodity interest or to clear a swap or futures contract through a DCO. Material information includes, but is not limited to, information relating to present or anticipated cash positions, commodity interests, trading strategies, the financial condition of members of self-regulatory organizations or members of linked exchanges or their customers, or the regulatory actions or proposed regulatory actions of a self-regulatory organization or a linked exchange.

Appendix B

Rulebook Amendment (**Tracked**)

Rule 1.1 Definitions

[Existing definitions not listed below unchanged.]

As used in these Rules, the following terms have the following respective meanings:

Commodity: As defined in Section 1a(9) of the CEA and CFTC Regulation 1.3, and including, for the purposes of Security Futures Products, securities as defined in Section 3(a)(10) of the Securities Exchange Act of 1934.

SEC: The U.S. Securities and Exchange Commission.

Securities Futures Product or “SFP”: A security futures product as defined in Section 3(a)(56) of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”) and Section 1a(45) of the CEA. An SFP is considered a futures contract for purposes of these Rules. Accordingly, for the purposes of these Rules all references to “futures contract” or “commodity futures” include SFPs.

Rule 3.1 Member Agreements, Eligibility Criteria, Classification and Privileges

[Existing subsections (A) through (C) unchanged.]

D. ~~[Reserved]~~ In order to effect FCM Customer transactions in SFPs, a Member must be an FCM Member that is also registered or notice-registered with the SEC pursuant to Section 15(b) of the Exchange Act and rules and regulations of the SEC thereunder.

Rule 4.1 FCM Members

[Existing subsections (A) through (N) unchanged.]

O. FCM Members shall comply with all Applicable Law, including but not limited to CFTC Regulations 1.10, 1.12, and 1.20 - 1.32 and Parts 22 and 41 of CFTC Regulations, as and to the extent applicable.

Rule 7.10 Separate Account Classes

For the purposes of these Rules, each of the following constitutes a separate account class (references to either or both, as the context requires, an “Account Class”): (i) futures positions

[\(including positions in SFPs\)](#) executed on or subject to the rules of an exchange that is registered with the CFTC as a DCM and Margin amounts or other collateral held in an account consistent with section 4d(a) of the CEA and CFTC Regulations thereunder (“Futures Account Class”); and (ii) swap positions held in an account consistent with CFTC Part 22 Regulations (“Cleared Swaps Account Class”). Each Account Class is further divided into a FCM Customer class and proprietary class. Pursuant to Rule 7.7-D and E, the Company will hold FCM Customer positions (i) in the Futures Account Class, in segregated accounts protected under CFTC Regulation 1.20 (“Futures Customer Accounts”); and (ii) in the Cleared Swaps Account Class, in Cleared Swaps Customer Accounts protected under the CFTC Part 22 Regulations.

Rule 12.5 Monetary Default; Priority of Payments in Default

[Existing subsections (A) through (B) unchanged.]

C. the event that at any time a Default occurs on the part of any Defaulting Member, then:

2. The following shall apply:

a. If and to the extent a Default relates to a FCM Customer Account, the Defaulted Obligation shall be reduced in the following priority order:

- i. the Margin, excess Margin, and such other assets of the FCM Customer Account; and
- ii. by the Margin, any excess Margin, such other assets of the Self-Clearing Member Account of the FCM Defaulting Member, to the extent such funds have not been exhausted to fulfill the requirements of Rule 12.5C-1(b); and
- iii. the Guaranty Fund deposit of the FCM Defaulting Member.

provided that, any Defaulted Obligation resulting from any (i) Futures Customer’s futures position [\(including positions in SFPs\)](#) in a Contract held in a Futures Customer Account shall be satisfied by application of the Futures Customer Collateral held for the respective Futures Customer consistent with CFTC Regulation 1.20 and (ii) Cleared Swaps Customer’s cleared swap position in a Contract held in a Cleared Swaps Customer Account shall be satisfied by application of the Cleared Swaps Customer Collateral held for the respective Cleared Swaps Customer consistent with CFTC Regulations Part 22. For the avoidance of doubt, any excess funds and assets in the Self-Clearing Member Account of an FCM Defaulting Member shall be applied to cover losses with respect to an FCM Customer’s Default, if the relevant FCM Customer’s funds and assets are insufficient to cover the Defaulted Obligation. Notwithstanding any other provision of these Rules, neither the Cleared Swaps Customer Collateral of non-defaulting Cleared Swaps Customers nor the Futures Customer Collateral of non-defaulting Futures Customers shall be applied to cover the Defaulted Obligations of a Defaulting Member.

Rule 13.1 Prohibited Conduct for Company Employees, Directors, and Consultants.

[Existing subsections (A) through (B) unchanged.]

C. As used in this Rule, the following terms have the following meanings:

a. Commodity interest means any commodity futures, commodity option or swap contract traded on or subject to the rules of a DCM, or SEF, or linked exchange, or cleared by a DCO, or cash commodities traded on or subject to the rules of a board of trade which has been designated as a DCM. For the avoidance of doubt, as used in this Rule, the term “commodity” has the meaning set forth in Rule 1.1.

[Existing subsection (C)(b) unchanged.]

c. Material information means information which, if such information were publicly known, would be considered important by a reasonable person in deciding whether to trade a particular commodity interest on a DCM, or an SEF, or any other venue for transacting such commodity interest or to clear a swap or futures contract through a DCO. Material information includes, but is not limited to, information relating to present or anticipated cash positions, commodity interests, trading strategies, the financial condition of members of self-regulatory organizations or members of linked exchanges or their customers, or the regulatory actions or proposed regulatory actions of a self-regulatory organization or a linked exchange.