September 2, 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: KalshiEX LLC – Sports Prop Combo Component Legs Liquidity Incentive Program

Dear Sir or Madam,

KalshiEX LLC ("Kalshi" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC") that it is implementing no earlier than September 16, 2026, ten (10) business days following the self-certification date, a Sports Prop Combo Component Legs Liquidity Incentive Program ("Program") as set forth in Appendix A.

This Program will go into effect no earlier than ten (10) business days following the self-certification filing date and will remain in effect until the earlier of January 1, 2027, or a date on which Kalshi amends or terminates the Program. Appendix A contains the Program's terms.

Please note that the FOOTBALLSTATS Liquidity Incentive Program, a separate program submitted to the CFTC on May 9, 2026, shall be terminated upon Exchange notice concurrent with the implementation of this Program, which shall be no earlier than ten (10) business days following the self-certification filing date.

Kalshi Rule 3.13(f) allows Kalshi to create programs that provide incentives to Participants that encourage trading, and the Program is consistent with this Rule. The Program provides incentives specific to Eligible Components within the "sports prop" category, thereby improving liquidity in those components to the benefit of the marketplace. The purpose of the Program is to improve liquidity and execution on the Exchange by encouraging participants to provide liquidity in a greater number of Eligible Components, thereby enhancing pricing efficiency.

Kalshi has concluded that the Program is not inconsistent with the CEA and the CFTC's regulations. The following core principles most directly pertain to the Program: **Core Principle 2 - Compliance with Rules; Core Principle 3 - Contracts not Readily Susceptible to Manipulation; Core Principle 4 - Prevention of Market Disruption; Core Principle 7 - Availability of General Information; Core Principle 9 - Execution of Transactions; Core Principle 12 - Protection of Markets and Market Participants; Core Principle 16 - Conflicts**

of Interests; Core Principle 18 - Recordkeeping; and Core Principle 19 - Antitrust Considerations; and Core Principle 21 - Financial Resources.

Core Principle 2 - Compliance with Rules. The eligibility criteria for the Program are set forth in Appendix A, and are non-discriminatory and designed to encourage participation in the Program amongst Kalshi's members. All Eligible Participants satisfying the criteria in this Appendix A are scored and incentivized using the same objective methodology.

Core Principle 3 - Contracts not Readily Susceptible to Manipulation. Kalshi has evaluated the Program's structure and terms against potential abusive-trading risks, such as wash trading, pre-arranged trading, and money passing, and believes the Program's design does not render the Exchange's contracts readily susceptible to manipulation. Because Rule 5.17's prohibition on these market abuses apply to all transactions regardless of Program participation, and because the total value of incentives to be distributed through the Program shall be capped at a set percentage (the CLIFF) of the total exchange fees paid on volume traded in sports prop combo markets, Kalshi does not believe the Program's structure creates excess risk of manipulation. Should the Exchange detect evidence of market manipulation or other market abuses in markets incentivized by this Program in the future, the Exchange will perform an evaluation of the Program terms and incentives, along with an investigation of the abusive behavior, and if the Exchange determines that the Program is no longer consistent with its goals or the Rules of the Exchange, may take action including but not limited to, terminating the Program, terminating a Program participant's eligibility for incentives, or pursuing disciplinary action and rule enforcement under Chapter 9 of Kalshi's Rulebook.

Core Principle 4 - Prevention of Market Disruption; Core Principle 12 - Protection of Markets and Market Participants. The Program does not impact Kalshi's ability to perform its trade practice and market surveillance obligations under the CEA. Chapter 5 of Kalshi's Rulebook includes prohibitions against fraudulent, non-competitive, unfair or abusive practices, all of which apply to trading under the Program. Kalshi maintains a surveillance and enforcement program dedicated to detecting and enforcing Chapter 5 of Kalshi's Rulebook. Kalshi staff will continue to monitor for manipulative trading, market abuse and other trading violations, with a heightened focus on participants in the Program and their trading activities in the central limit orderbook of applicable markets.

Core Principle 7 - Availability of General Information. The effective terms of the Program will be posted on the Exchange's website and publicly available, under Regulatory Notices and an additional Program-specific webpage. The Program is public and accurate, and available to all participants.

Core Principle 9 - Execution of Transactions. The Program does not impact the Exchange's order execution. Eligible Participants are not afforded any execution priority over non-eligible Participants. Accordingly, the Program does not alter the order matching engine, trade execution protocols, or priority of orders on the central limit order book.

Core Principle 16 - Conflicts of Interests. To minimize the potential for conflicts of interest, Kalshi has determined to exclude any affiliate of the Kalshi from becoming an Eligible Participant under the Program.

Core Principle 18 - Recordkeeping. Kalshi's systems will track Program participants' trade volume to ensure proper implementation of the Program. Kalshi will maintain records of all trades and payments under the Program.

Core Principle 19 - Antitrust Considerations. The Program terms are time-limited and do not create an unreasonable restraint of trade or impose any material anticompetitive burden on trading on the contract market. The Program is voluntary, open to all Eligible Participants on a non-discriminatory basis, and does not restrict any participant's ability to trade on the Exchange or on any other marketplace.

Core Principle 21 - Financial Resources. The incentive amounts are inherently capped at a set percentage of the value of fees in sports prop markets already collected by the Exchange. The Program does not impair the Exchange's financial resources or its ability to satisfy its financial resources requirements.

No opposing views to the contrary have been expressed.

Kalshi accordingly certifies that the program complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder, and certifies that, concurrent with this filing, a copy of this submission was posted on the Kalshi 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
KalshiEX LLC
rross@kalshi.com

Enclosure:
Appendix A (Terms and Conditions)

Appendix A
Sports Prop Combo Market Component Legs Liquidity Incentive Program ("Program") Terms and Conditions

1. Program Purpose

The purpose of the Program is to improve liquidity and execution on the Exchange by encouraging participants to provide liquidity in a greater number of Eligible Components of markets within the FOOTBALLSTATS certification, thereby enhancing pricing efficiency. The Program provides incentives specific to Eligible Components within the "sports prop" category, which is expected to improve liquidity in those components to the benefit of the marketplace.

The methodology of the Program supports this objective by providing a greater reward to Eligible Participants who provide liquidity across a larger number of Eligible Components, which in turn, is expected to reward Eligible Participants that provide more valuable information for the purposes of pricing those markets. More volume and liquidity on the central limit order book and more efficient pricing benefits all participants in the marketplace.

2. Program Scope and Duration

The Program applies to Kalshi FOOTBALLSTATS markets which contain at least one "Sports Prop" <component> and <outcome> ("Sports Prop Combo Markets"). For the avoidance of doubt, "Sports Prop" in this context of this Program, is a market on a property of a sports game (such as the number of points scored by a player) that is not a market directly on the game outcome, point spread, or point total.

The Program will be effective upon Exchange notice which shall be no earlier than ten (10) business days from this self-certification filing date, and continue until the earlier of January 1, 2027, or the date that Kalshi amends or terminates the Program.

3. Eligible Participants

"**Eligible Participants**" are all Kalshi members, except the following: (i) affiliates of Kalshi; (ii) Introducing Brokers ("IBs"), Futures Commission Merchants ("FCMs"), and customers thereof when transacting via the IB or FCM.

There is no cap on the number of Eligible Participants.

Members of Kalshi are not required to opt-in to participate as an Eligible Participant in the Program.

4. Program Definitions

- **"Component Liquidity Incentive Fee Fraction"** (**CLIFF**) (a specified percentage of

25%, which will be applied to the total value of fees on Sports Prop Combos Markets in the incentive distribution methodology of the Program)

- **"Eligible Component"** (the component of a Sports Prop Combo Market which is itself a Sports Prop. For the avoidance of doubt, "Sports Prop" in this context of this Program, is a market on a property of a sports game, such as the number of points scored by a player, that is not a market directly on the game outcome, point spread, or point total).

- **"Eligible Maker Volume"** (with respect to a given Sports Prop Combo market that contains an Eligible Component, the total maker volume traded in the Eligible Components of that market, *provided that* where a given market that is considered a Live Event, only the maker volume traded after the scheduled start of the event is eligible)

- "**Live Event**" (an event, such as a sports game, listed on Kalshi that is currency ongoing, i.e., the event has already started)

- "**Minimum Individual Score"** (a specified individual score value of 0.01, which an Eligible Participant must achieve in order to receive incentive payments).

5. Program Terms and Incentives

A. After all the components of each Sports Prop Combo Market are determined, Kalshi will calculate the total value of the fees collected on the Sports Prop Combo Market. The total value of incentives to be distributed under the Program is capped at the total value of fees collected multiplied by the CLIFF.

B. Thereafter, Kalshi will distribute to Eligible Participants the total value of fees collected on the Sports Prop Combo Market multiplied by the CLIFF, as detailed below and in accordance with the methodology set forth in sub-section C:

   i. For example, if a particular Sports Prop Combo Market's trading generated $100 in total fees, and the CLIFF was 25%, $25 would be distributed to Eligible Participants in the underlying Eligible Components.

   ii. If not all components in a Sports Prop Combo Market are Eligible Components, the incentive distributed in a given market will be scaled by the number of Eligible Components. For example, if ⅘ legs of the combo market components in a given market are Eligible Components and ⅕ components are not eligible (i.e, the component is not a Sports Prop), the incentive payment will be scaled by 80%. Accordingly, where trading generated $100 in total fees and the CLIFF was 25%, the value of fees to be distributed in the incentive for that market would be calculated as follows: $100 total fees * 0.25 CLIFF * ⅘ components = $20 of fees to be distributed as in incentive in that market).

C. Kalshi will use the following methodology to distribute incentives across Eligible

Participants:

Calculation of Eligible Participant Scores: Given a particular Sports Prop Combo Market with Eligible Component outcomes O_1, O_2, … O_n, and a particular Eligible Participant L receives a score of S_L,

$$S_L = (1 + F_1) * (1 + F_2) \dots * (1 + F_N) - 1$$

where F_1, F_2, … F_N is Eligible Participant's L's fraction of the total Eligible Maker Volume in that market

For example, consider that a particular Sports Prop Combo Market's trading generated $100 in total fees, the CLIFF is 25%, the Minimum Incentive Score is 0.01, and all components are Eligible Components. The particular Sports Prop Combo Market had two component outcomes, O_1 and O_2, and a total of three Eligible Participants provided liquidity in these markets:

Eligible Participant 1 (L_1) contributed 90% of the Eligible Maker Volume in O_1 and 50% of the eligible maker volume in O_2.

- Score Calculation: $S_{(L_1)} = 1.9 * 1.5 - 1 = 1.85$

Eligible Participant 2 (L_2) contributed none of the Eligible Maker Volume in O_1 and 50% of the eligible maker volume in O_2.

- Score Calculation: $S_{(L_2)} = 1 * 1.5 - 1 = 0.5$

Eligible Participant 3 (L_3) contributed 10% of the Eligible Maker Volume in O_1 and none of the eligible maker volume in O_2.

- Score Calculation: $S_{(L_3)} = 1.1 * 1 - 1 = 0.1$

Comparing the Eligible Participant's score to the Minimum Individual Score: Eligible Participants with a score above the Minimum Individual Score will receive an incentive payment in proportion to their score. Eligible Participants with a score below the Minimum Individual Score receive no payment.

The following incentive payment proportions would result:

- L_1 receives 1.85/(1.85 + 0.5 + 0.1) = 75.5% of the total incentive payment;
- L_2 receives 0.5/(1.85 + 0.5 + 0.1) = 20.4% of the total incentive payment; and
- L_3 receives 0.1/(1.85 + 0.5 + 0.1) = 4.1% of the total incentive payment.

Distribution of Incentives: As Kalshi collected $100 in total fees on the Sports Prop Combo Market, and the CLIFF was 25%, the total value of fees eligible for distribution in the market under this Program equates to $25. Accordingly, L_1 receives $18.88 ($25 * 75.5 %), L_2 receives $5.10 ($25 * 20.4%) L_3 receives $1.02 ($25 * 4.1%).

A particular Eligible Component may be a component of multiple Sports Prop Combo

Markets. Accordingly, an Eligible Participant's liquidity in that Eligible Component may be scored, and compensated, separately in each Sports Prop Combo Market in which it appears. Kalshi has determined this is consistent with the Program's purpose to incentivize trading in a greater number of Eligible Components because each Sports Prop Combo Market's incentive pool is independently capped at the CLIFF percentage of total fees collected on that market, so the maximum incentive payable with respect to this Program cannot exceed the CLIFF multiplied by the fees collected from all Sports Prop Combo Markets.

D. The incentive payment will be distributed to Eligible Participants in the form of a trade credit ("Bonus Credit") to each Eligible Participant's account. The calculation and distribution of Bonus Credits will take place on a monthly basis with respect to transactions executed during calendar month immediately preceding the calendar month in which the Bonus Credits are issued. The Exchange will make information available to participants including a breakdown of scores by market for those markets where they exceeded the Minimum Individual Score.

6. Compliance with Kalshi's Rulebook

All Eligible Participants under this Program are expected to adhere to Chapter 5 of Kalshi's Rulebook, including Rule 5.17 (Prohibited Transactions and Activities). Accordingly, any transactions resulting from, or subject to inquiry or investigation for potential, self-matching, wash trading, pre-arranged trading, or any other abusive trading practices set forth in Rule 5.17, as well as transactions cancelled or price-adjusted in accordance with Kalshi Rule 5.11, shall be excluded from Aggregate Maker Volume.

Kalshi may also take additional action to preserve market integrity, including but not limited to, termination or modification of the Program terms, in a manner consistent with CFTC rules and regulations, termination of Eligible Participant status under the Program in accordance with Section 7 below, or commencement of disciplinary procedures under Chapter 9 of the Kalshi Rulebook.

7. Monitoring and Termination of Status

Kalshi shall monitor trading activity and shall retain the right to revoke Eligible Participant status if Kalshi's Chief Regulatory Officer concludes from review that a participant's participation in the program is abusive or in any way inconsistent with the purpose of the Program or Kalshi's Rulebook.

In the event of such a determination, Kalshi will implement the following procedures:

- Kalshi shall document the termination of Eligible Participant status under the Program;
- Kalshi shall notify the participant in writing that the participant is no longer eligible to receive incentives under the Program; and
- Upon any effective termination date, any incentives earned for periods ending before the effective termination date will remain earned, except in cases of fraud, willful misconduct, or violation of the Exchange Rulebook.

Kalshi may modify or terminate the Program (or any component thereof) at any time, in a manner consistent with CFTC rules and regulations.