

October 15, 2024

**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 – Volume Incentive Program**

Dear Sir or Madam,

KalshiEX LLC (“Kalshi” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) that it intends to implement on October 29, 2024, the Volume Incentive Program (“Program”) as set forth in Appendix A. The most recent iteration of the Program was filed on June 27, 2024. That iteration of the Program excluded trades whose fees are waived under the Exchange’s Fee Waiver Program which was in effect from July through September of this year. The current filing expands the exclusion to generally exclude all trades where there are no fees (not just those subject to the Fee Waiver Program). The current filing also changes the tiers and removes the cap on incentives, and changes the definition of Qualifying Total Weekly Dollar Volume to only include volume between \$.07 and \$.93. The Program will remain in effect until the earlier of October 29, 2025, or a date on which Kalshi amends or terminates the Program.

Appendix A contains a clean version of the Program’s terms, and also contains a track changes version highlighting the changes that were made from the June 27, 2024 filing.

**Compliance with Core Principles**

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 18 - Recordkeeping; Core Principle 21 - Financial Resources.**

Kalshi Rule 3.6(f) allows Kalshi to create programs that provide incentives to Participants that encourage trading. The Program does not impact Kalshi’s ability to perform its trade practice and market surveillance obligations under the CEA. The Program also does not render the Exchange’s contracts readily susceptible to manipulation. 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 staff will continue to monitor for manipulative trading, market abuse and other trading violations, including trading by participants in the Program. Additionally, Kalshi's systems will continue to track Program participants' volume to ensure proper distribution of earned incentives. The terms of the Program will be posted on the Exchange's website and publicly available. The Program does not impact the Exchange's order execution. The eligibility criteria for the Program are set forth in Appendix A, and are non-discriminatory and are designed to encourage wide participation in the Program amongst Kalshi's members. The increased volume and liquidity encouraged by the Program will enhance the competitiveness and efficiency of the market. The Program is anticipated to remain economically sustainable, and Kalshi will monitor the impact and cost of the Program and make necessary amendments should any be necessary. Notification of the filing is posted to Kalshi's website. The terms of all Program iterations will be posted on the Exchange's website prior to implementation. Kalshi will keep records of participation in the Program. Finally, the Program will not negatively impact Kalshi's satisfaction of the financial resources requirements.

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,  
Elie Mishory  
Chief Regulatory Officer  
KalshiEX LLC  
emishory@kalshi.com

Enclosure:  
Appendix A

# Appendix A

## Volume Incentive Program (“Program”) Terms and Conditions (Showing Changes)

### Program Purpose

The purpose of this Program is to increase volume and liquidity on the central limit order book and enhance pricing efficiency. More volume and liquidity on the central limit order book and more efficient pricing benefit all participants in the marketplace.

### Program Scope and Duration

The Program applies to all Kalshi markets **not excluded from the Program**. The Program will be effective **October 29<sup>th</sup>**~~July 11<sup>th</sup>~~, 2024, and continue until the earlier of **October 29<sup>th</sup>**~~July 11<sup>th</sup>~~, 2025, or the date that Kalshi amends or terminates the Program.

### Eligible Participants

All Kalshi members are eligible to participate in the Program, except affiliates of Kalshi are not eligible to participate in the Program, and members who have executed a Market Maker Agreement with Kalshi are not eligible to participate in the Program.

### Program Terms

- Obligations:

In order to be eligible to receive the incentives, participants must meet predetermined trading volume thresholds.

- Incentives:

Participants that satisfy the obligations will receive incentives according to the following schedule:

Tiers	Qualifying Weekly Total Dollar Volume	% Dollar Rebate At Tier
Tier 1	\$50,000 <del>12,500</del>	0.75 <del>0.50</del> %
Tier 2	\$250,000 <del>25,000</del>	0.73 <del>0.625</del> %
Tier 3	\$500,000 <del>62,500</del>	0.80 <del>0.750</del> %
Tier 4	\$1,000,000 <del>125,000</del>	0.95 <del>0.875</del> %

Tier 5	\$2,500,000 <del>12,500</del>	1.4000%
Tier 6	\$5,000,000	1.00%

Qualifying Total Weekly Dollar Volume is all of the participant's trades during a given week that are executed on the central limit order book at prices between \$.07~~3~~ and \$.93~~7~~ (inclusive), ~~except those trades that are excluded and trades on contracts that are excluded.~~

~~Limit on the incentive amount ("Cap"): the maximum rebate under the Program for each week is capped at \$7,000.~~

*Special rule for volume in an annual series<sup>2</sup> of the "Will \$INX close <above/below/between> <value> on <date>?" contract and the annual series<sup>3</sup> of the "Will the Nasdaq-100 close <date> <above/below/between> <value>?" contract:<sup>4</sup> Each \$1 of volume (between \$.07~~3~~ and \$.93~~7~~) on these contract series will only count as \$0.80 for the Program. To illustrate, a Program participant who does \$100 of volume in an INXY contract will have \$80 for the purpose of computing the participant's Qualifying Weekly Total Dollar Volume, not \$100. Similarly, the \$100 of volume in the INXY contract will count as \$80 for the purpose of the "% Dollar Rebate At Tier".*

*Special rule for trades without fees or whose fees are waived pursuant to a Fee Waiver Program: Trades between two members that do not have any fees and trades whose fees are waived pursuant to a Fee Waiver Program are excluded from this ~~Volume Incentive~~ Program.*

**Note: all trading is subject to the rules in Kalshi's Rulebook Chapter 5.13, among other relevant Federal laws and regulations.**

### **Monitoring and Termination of Status**

Kalshi shall monitor trading activity and participants' performance and shall retain the right to revoke participant status and ~~exclude trades from the computation of Qualifying Weekly Total Dollar Volume~~, 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.

Kalshi may end the Program at any time.

---

~~<sup>1</sup> Where a week begins Sunday market open and ends Saturday at market close.~~

<sup>2</sup> The ticker for contracts in this series begins with INXY, as well as the INXD-24DEC31 contract.

<sup>3</sup> The ticker for contracts in this series begins with NASDAQ100Y.

<sup>4</sup> S&P 500 is a registered mark of Standard & Poor's Financial Services, LLC. Kalshi is not affiliated with Standard & Poor's and it, nor its affiliates, sponsor or endorse Kalshi or its products in any way. In particular, the Kalshi Contracts are not sponsored, endorsed, sold or promoted by Standard & Poor's. NASDAQ-100 is a registered mark of Nasdaq, Inc. Kalshi is not affiliated with Nasdaq and neither Nasdaq, nor its affiliates, sponsor or endorse Kalshi or its products in any way. In particular, the Kalshi Contracts are not sponsored, endorsed, sold or promoted by Nasdaq.

# Appendix A

## Volume Incentive Program (“Program”) Terms and Conditions (Clean)

### Program Purpose

The purpose of this Program is to increase volume and liquidity on the central limit order book and enhance pricing efficiency. More volume and liquidity on the central limit order book and more efficient pricing benefit all participants in the marketplace.

### Program Scope and Duration

The Program applies to all Kalshi markets not excluded from the Program. The Program will be effective October 29th, 2024, and continue until the earlier of October 29th, 2025, or the date that Kalshi amends or terminates the Program.

### Eligible Participants

All Kalshi members are eligible to participate in the Program, except affiliates of Kalshi are not eligible to participate in the Program, and members who have executed a Market Maker Agreement with Kalshi are not eligible to participate in the Program.

### Program Terms

- Obligations:

In order to be eligible to receive the incentives, participants must meet predetermined trading volume thresholds.

- Incentives:

Participants that satisfy the obligations will receive incentives according to the following schedule:

<b>Tiers</b>	<b>Qualifying Weekly Total Dollar Volume</b>	<b>% Dollar Rebate At Tier</b>
Tier 1	\$50,000	0.70%
Tier 2	\$250,000	0.73%
Tier 3	\$500,000	0.80%
Tier 4	\$1,000,000	0.95%

Tier 5	\$2,500,000	1.40%
Tier 6	\$5,000,000	1.00%

Qualifying Total Weekly Dollar Volume is all of the participant's trades during a given week that are executed on the central limit order book at prices between \$.07 and \$.93 (inclusive), except those trades that are excluded and trades on contracts that are excluded.

*Special rule for volume in an annual series<sup>5</sup> of the "Will \$INX close <above/below/between> <value> on <date>?" contract and the annual series<sup>6</sup> of the "Will the Nasdaq-100 close <date> <above/below/between> <value>?" contract:*<sup>7</sup> Each \$1 of volume (between \$.07 and \$.93) on these contract series will only count as \$0.80 for the Program. To illustrate, a Program participant who does \$100 of volume in an INXY contract will have \$80 for the purpose of computing the participant's Qualifying Weekly Total Dollar Volume, not \$100. Similarly, the \$100 of volume in the INXY contract will count as \$80 for the purpose of the "% Dollar Rebate At Tier".

*Special rule for trades without fees or whose fees are waived pursuant to a Fee Waiver Program:* Trades between two members that do not have any fees and trades whose fees are waived pursuant to a Fee Waiver Program are excluded from this Program.

**Note: all trading is subject to the rules in Kalshi's Rulebook Chapter 5.13, among other relevant Federal laws and regulations.**

### **Monitoring and Termination of Status**

Kalshi shall monitor trading activity and participants' performance and shall retain the right to revoke participant status and exclude trades from the computation of Qualifying Weekly Total Dollar Volume, 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.

Kalshi may end the Program at any time.

---

<sup>5</sup> The ticker for contracts in this series begins with INXY, as well as the INXD-24DEC31 contract.

<sup>6</sup> The ticker for contracts in this series begins with NASDAQ100Y.

<sup>7</sup> S&P 500 is a registered mark of Standard & Poor's Financial Services, LLC. Kalshi is not affiliated with Standard & Poor's and it, nor its affiliates, sponsor or endorse Kalshi or its products in any way. In particular, the Kalshi Contracts are not sponsored, endorsed, sold or promoted by Standard & Poor's. NASDAQ-100 is a registered mark of Nasdaq, Inc. Kalshi is not affiliated with Nasdaq and neither Nasdaq, nor its affiliates, sponsor or endorse Kalshi or its products in any way. In particular, the Kalshi Contracts are not sponsored, endorsed, sold or promoted by Nasdaq.