

Product Submission by ForecastEx LLC – Pursuant to 17 C.F.R. §§ 40.2

November 27, 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: ForecastEx LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of “US Presidential Candidate Forecast Contract”

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, ForecastEx LLC (“ForecastEx” or the “Exchange”) hereby notifies the Commission that it is self-certifying the “US Presidential Candidate Forecast Contract”.

The submission includes:

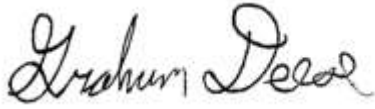
A concise explanation, analysis and background of the Contract;

- Certification;
- Appendix A with the Contract’s Terms and Conditions;
- Confidential Appendices with further information; and
- A request for FOIA confidential treatment.

The Exchange certifies that this submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange’s website.

Any questions regarding this filing, as well as any notices pursuant to Commission Regulation 40.2, should be directed to the attention of the undersigned at gdeese@forecastex.com or 630-743-9013.

Respectfully submitted,

A handwritten signature in black ink that reads "Graham Deese". The signature is written in a cursive, flowing style.

Graham Deese
ForecastEx Chief Regulatory Officer

Encl. (Appendix A)

cc: David Downey, ForecastEx Chief Executive Officer
Andrew Naughton, ForecastEx Chief Financial Officer

Attachments:

Appendix A - Contract Terms and Conditions

Appendix B (Confidential) – Explanation and Analysis of the Product

Appendix C (Confidential) – Certification that Contracts are not Readily Susceptible to Manipulation

Appendix A – Contract Terms and Conditions

Event Question: Will [candidate] win the [Democratic/Republican] nomination for US President in [year]?

Product Code: PC[D/R for Democrat or Republican]

Instructions: The US President is chosen through a process that culminates in a national election held every four years. Prior to this, each of the major political parties has a primary process for choosing the candidate who will represent their party in the general election. At each party's national convention, the parties will formally nominate their candidates and the candidates will accept the nomination.

Underlying: The underlying is the candidate who is nominated for president, and accepts that nomination at the National Convention of their party.

Source Agency: Either the Democratic National Committee or the Republican National Committee.

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01

Listing Cycle: ForecastEx will list one expiration of the US Presidential Candidate Forecast Contract at any time. This contract will correspond to the next Presidential Election cycle.

Thresholds: For each contract expiration thresholds will be listed at ForecastEx's discretion.

Position Accountability: The position accountability level is 250,000 Forecast Contracts in any one Forecast Market.

Last Trading Time: 11:59:59 PM CT on the trading day preceding Resolution Time.

Payout Criteria: The Settlement Value of each US Presidential Candidate Forecast Contract is \$1.00 or \$0 depending on the Outcome of the Event Question. If the Outcome of the Event Question is "Yes", then holders of the "Yes" Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the "No" Position will receive \$0.00. If the Outcome of the Event Question is "No", then holders of the "No" Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the "Yes" Position will receive \$0.00.

Resolution Time: 8:00AM CT on the date following the last day of the respective Republican or Democratic national party convention.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that the Democratic or Republican National Conventions end. The exact dates for conventions are typically not announced until a few months beforehand. ForecastEx will estimate the dates of the convention when it initially lists the contracts. Once the official dates are announced, ForecastEx

will update the expiration dates of its contracts accordingly and release a public notice to its website informing Market Participants of the change. Additionally, because US Presidential Candidate Forecast Contracts are dependent on the National Conventions nominating, and the candidate accepting that nomination, if that process is delayed for whatever reason, ForecastEx will delay the Resolution Time of the Contract until such time as the party's nomination process has been completed. In this case, ForecastEx would release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the contract ultimately resolves.

Expiration Time: Same as Resolution time.

Settlement Time: Settlement for Resolved US Presidential Candidate Forecast Contracts will occur after Resolution Time at 1:00 PM CT that same Business Day in accordance with ForecastEx Rule 603(b)(3).

Trading Restrictions: In Accordance with ForecastEx Rule 509, the following Persons are prohibiting from entering Bids or executing Pairs in US Presidential Election Contracts:

- Persons who are not either US Citizens or US Residents within the meaning of Internal Revenue Code (IRC) Section 7701(b)(1)(A).
- Candidates and paid staff on campaigns for US President.
- Candidates for any other elected federal or statewide public office.
- The existing US President, including a president not running for re-election, and paid White House Staff.
- Existing Members of Congress and their paid staff.
- Paid employees of national party organizations, including the Republican National Committee and Democratic Congressional Campaign Committee.
- Paid employees of Political Action Committees and "Super PACs"
- Paid employees of major polling organizations. This prohibition does not apply to all employees of an organization that contains a polling division.
- Immediate family members, parents, and other household members of any of the above.
- Any of the above listed institutions themselves.