Kalshi

July 31, 2026

SUBMITTED VIA CFTC COMMENTS PORTAL
Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre

1155 21st Street, N.W.
Washington, DC 20581

Re: Data Reporting Requirements for Certain Event Contracts, RIN 3038-AF73

Dear Mr. Kirkpatrick:

Kalshi Inc. (together with its subsidiaries, "Kalshi") respectfully submits this comment in response to the U.S. Commodity Futures Trading Commission's ("CFTC" or "Commission") notice of proposed rulemaking, Data Reporting Requirements for Certain Event Contracts (the "Proposal").[1] Kalshi's subsidiaries include KalshiEx LLC, a designated contract market ("DCM"), and Kalshi Klear LLC, a derivatives clearing organization ("DCO"). Since commencing trading operations in 2021, Kalshi has become the leading regulated prediction market in the United States, listing event contracts across a wide variety of categories.

Kalshi supports the Proposal, with limited suggested refinements. The swap data reporting regime built for over-the-counter transactions is an imprecise fit for standardized, exchange-traded, and cleared event contracts. Codifying an alternate framework under Parts 15 through 18 would replace nine years of serial no-action relief with a uniform rule. Kalshi endorses this approach and offers five comments: first, that the Proposal's premise regarding the character of these contracts is sound; second, that the Commission should coordinate with the SEC, particularly where reporting obligations may overlap; third, that reportable data fields and trader-identifying requirements should be limited to those that serve a practical surveillance or transparency purpose and should not be applied retrospectively; fourth, that reporting thresholds should be clear and carefully calibrated as applied to event contracts; and fifth, that the implementation timeline is sufficient for codification of existing requirements but must give sufficient time for compliance with any new regulatory requirements.

I. The Proposal Correctly Applies Futures-Style Reporting to Covered Event Contracts.

Kalshi agrees with the Commission that certain defining characteristics of a Covered Event Contract resemble listed futures: standardized terms creating fungibility and the ability to exit

[1] Data Reporting Requirements for Certain Event Contracts, 91 Fed. Reg. 40102 (proposed July 1, 2026) (to be codified at 17 C.F.R. pts. 15, 16, 17) (RIN 3038-AF73) (the "Proposal"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Proposal or Commission Regulations.

positions by offset, listing on a single marketplace, and central clearing.[2] Kalshi therefore supports codifying the established no-action relief applying the futures and options on futures reporting regime to such contracts, in lieu of the swap data reporting regime. Kalshi accordingly suggests the Commission adopt proposed § 16.03(a), together with its confirmation that Covered Event Contracts are not subject to §§ 38.8, 38.10, 38.951, 39.20(b)(2), Part 43, and Part 45.[3]

Codification ends a cycle that wastes resources. The CFTC Divisions of Market Oversight and Clearing and Risk ("Divisions") have issued sixteen no-action letters on this question, each reaching the same conclusion.[4] Continuing to negotiate the same relief for substantially similar contracts imposes an unnecessary burden on Commission staff and relief applicants. Ordinary business changes have required amendments necessitating additional use of resources. Though the Divisions have issued an omnibus letter applicable to multiple specified DCMs and DCOs, staff must continue to update the list of beneficiaries of the letter as additional DCMs and DCOs seek the relief.[5] Moreover, no-action letters are staff positions rather than Commission action having the force of law, and only the beneficiary or beneficiaries may rely on the letter. A codified rule provides certainty and gives every DCM the same obligations without individually negotiated relief.[6]

Responding to Question 1, the definition of Covered Event Contract should not be limited to fully collateralized contracts. A margined event contract traded on a DCM would have the same defining characteristics identified above and in the Proposal—indeed, futures typically are margined. Such contracts would also satisfy the other three prongs of proposed § 16.03(a). The Commission expanded the payout prong to cover both binary and variable structures to obviate serial no-action relief; it should also expand the collateralization prong to cover margined contracts. In the alternative, if the Commission retains the collateralization prong, margined event contracts below a *de minimis* threshold should be excepted from Part 43 and Part 45 reporting—for example, akin to the $125,000 notional-equivalence mechanism the Proposal already employs. Margined contracts of *de minimis* notional size would not implicate the systemic risk the Commission identified as a policy concern animating the Part 43 and Part 45 swap data reporting regimes. Moreover, the costs of reporting margined event contract transactions of *de minimis* size to a swap data repository ("SDR") could exceed the economic value of the contracts in many cases.

II. The Commission Should Coordinate With the SEC to Avoid Duplicative or Conflicting Reporting Obligations.

If the Commission determines to require Covered Event Contracts be reported as swaps under Parts 43 and 45, it should delay such a requirement until it has harmonized its required swap data elements with the SEC's requirements for security-based swap data reporting under Regulation SBSDR in light of the potential for regulatory overlap noted by the Proposal. In this regard, Kalshi

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[2] Proposal, 91 Fed. Reg. at 40105-06 (proposed 17 C.F.R. § 16.03(a)(1)-(4)).

[3] Proposal, 91 Fed. Reg. at 40106-07 (proposed 17 C.F.R. § 16.03(a)).

[4] Proposal, 91 Fed. Reg. at 40104-05, 40105 n.29; CFTC Staff Letter No. 17-31 (June 30, 2017); CFTC Staff Letter No. 21-11 (Apr. 22, 2021); CFTC Staff Letter No. 25-44 (Dec. 11, 2025).

[5] CFTC Staff Letter 26-14 (

[6] 17 C.F.R. § 140.99(a)(2); Proposal, 91 Fed. Reg. at 40106.

commends the CFTC and the SEC for issuing a joint request for comment on swap and security-based swap data reporting in support of such harmonization.[7]

III. The Final Rule Should Require Only Those Data Fields That Serve a Practical Surveillance or Transparency Purpose, Consistent with the Status Quo.

Kalshi supports limiting reporting to information relevant to these products. Part 45 includes many fields applicable to traditional swaps, such as CDS index attachment point, exchange rate basis, and physical delivery location, that are not applicable to Covered Event Contracts.[8] The Part 16 framework is familiar and well-integrated, and the Commission believes it sufficient. If the Commission nevertheless requires Part 43 and Part 45 reporting for any event contracts, the reportable fields should be limited to those that are applicable to such contracts. The Commission's own analysis supports using the futures and options data elements it already receives, which it notes overlap in large part with Part 43 and Part 45 data other than fields not relevant to DCM-traded event contracts.[9]

Kalshi supports proposed § 16.03(f) as drafted. Responding to Question 10, additional public data elements are not warranted.[10] Execution timestamp, ticker symbol, quantity, and price give market participants and the public the information needed to assess the market and make trading decisions, in addition to supporting prediction markets' broader information aggregation function. Kalshi already publishes these data on its website promptly after execution under its existing no-action letter, and the data are widely used for economic and other decision-making in a broad variety of applications today, with no indication of a need for additional data elements.[11]

Responding to Question 11, proposed § 16.03(g) would require DCMs to obtain from all customers the trader's name, address, email, phone, occupation, employer, and names of guarantors or 10-percent owners. Unlike existing Part 17 thresholds, these requirements would apply to every customer. Today, employer information is required only under the large trader reporting regime. No rule requires a DCM to obtain occupation or employer information from every customer, and the Commission declined to impose such a duty when it adopted § 16.02, as the Proposal notes. The Commission also recognizes that no automatic transmission mechanism exists, so under the Proposal DCMs would collect information the Commission will not routinely receive.[12] Kalshi urges the Commission to maintain the status quo of requiring collection of such information only for accounts at or above large trader reporting levels (125,000 contracts or the $125,000 notional equivalent under the Proposal).

The absence of a transmission mechanism ensuring that data will actually be used is one reason to limit the requirement to large traders; data security is another. Proposed § 16.03(g) requires DCMs to retain such data for at least five years, and a five-year retention obligation across an entire retail customer base compounds exposure without offsetting regulatory benefit. The same privacy and confidentiality concerns underlying, *inter alia*, certain FOIA exemptions, CEA section 8(a)(1), the

[7] 91 Fed. Reg. 37877 (June 24, 2026).

[8] Proposal, 91 Fed. Reg. at 40107, 40114; 17 C.F.R. pt. 45 app. 1.

[9] *See* Proposal, 91 Fed. Reg. at 40105.

[10] Proposal, 91 Fed. Reg. at 40111-12.

[11] CFTC Staff Letter No. 21-11, at 4 (Apr. 22, 2021); *see also* Proposal, 91 Fed. Reg. at 40111 n.104.

[12] Proposal, 91 Fed. Reg. at 40112-13, 40118-19 (proposed 17 C.F.R. § 16.03(g)).

Privacy Act, and Part 160 counsel against requiring registrants to accumulate data that serves no reporting purpose, particularly as cybersecurity threats become ever more pernicious and in light of the exponential growth of event contract user bases in recent years.

Other core identifying elements would continue to be collected for all customers, preserving the Commission's ability to obtain trader information under § 16.02. As to Question 12, the enumerated categories are sufficient; the Commission should not require additional categories absent a demonstrated surveillance need.

Separately, any newly enumerated data element should apply only prospectively to accounts opened on or after the compliance date, rather than requiring DCMs to obtain the data from every existing accountholder. The Commission has proposed a sixty-day compliance period on the understanding that DCMs already have necessary compliance mechanisms in place under existing no-action relief conditions and other applicable law.[13] Where an element is not already required to be collected, satisfying the requirement retrospectively may mean soliciting a response from millions of accountholders within that period, an impossible task. If the Commission determines to require collection of new data elements retrospectively for existing accounts notwithstanding the substantial burden, we anticipate a compliance period of at least 12-18 months would be needed to collect the required additional data.

IV. Reporting Thresholds Should Be Clear and Carefully Calibrated.

The proposed reporting levels are among the most important calibrations. Kalshi agrees that the 125,000-contract reporting level for Covered Event Contracts (1 USD) is appropriate.[14] The default 25-contract level would sweep in broad swathes of retail traders: the Commission's analysis shows more than one million accounts would meet the "special account" definition, reduced to 300-400 under the proposed level.[15] Kalshi likewise agrees that the 125,000 reportable trading volume level in proposed § 15.04(b) is appropriate.

Raising the thresholds does not meaningfully impair oversight. The Commission would still receive daily position information for the largest participants and appropriately concludes that eliminating reporting for retail traders is unlikely to reduce its ability to detect manipulation.[16]

Kalshi favors a uniform reporting level of 125,000 for all categories of Covered Event Contracts rather than event contract category-specific thresholds, which would require continuous rule revisions to respond to rapidly proliferating contract types. However, Kalshi asks the Commission to make clear that different underlying events are different "commodities" for purposes of the definition of "reportable position" in § 15.00(p) and the reportable position thresholds set forth in § 15.03, rather than treating the nearly boundless variety of events that may underlie an event contract as a single "Event Contract" commodity and aggregating positions across multiple different event contracts for purposes of the 125,000 reportable position threshold.

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[13] Proposal, 91 Fed. Reg. at 40113 (compliance date discussion); proposed 17 C.F.R. § 16.03(g).

[14] Proposal, 91 Fed. Reg. at 40109-10 (proposed amendments to 17 C.F.R. § 15.03(b)).

[15] Proposal, 91 Fed. Reg. at 40119-21, 40126 n.225, 40127 n.239.

[16] Proposal, 91 Fed. Reg. at 40121.

Kalshi understands that Covered Event Contracts with different underlying events could be designated with different product identifiers and thus would not be aggregated for purposes of the 125,000 daily reportable trading volume threshold but requests Commission confirmation that this understanding is correct.

Different event contracts should not be aggregated for purposes of the position and volume reporting thresholds even when executed together as a package, and whether or not the underlying events are related. Kalshi asks the Commission to confirm that such aggregation would not be required for both the reportable position and the reportable trading volume thresholds established by the Proposal.

V. Implementation Should Account for Any New Regulatory Requirements.

Kalshi supports prompt codification and has no objection to a sixty-day compliance date for requirements that track existing no-action relief conditions or other existing regulatory requirements. Though Kalshi does not support retrospective application of new regulatory requirements to existing accounts as discussed above, if the Commission determines to proceed with such retrospective application despite the resulting burden, we emphasize the need for lead time of at least 12-18 months for compliance given the large volume of potentially affected accounts.

Kalshi appreciates the opportunity to comment and welcomes further discussion with the Commission or its staff.

Respectfully submitted,

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Chief Compliance Officer
Kalshi Inc.