

Annex: Event Contract Reviews (CFTC Rule 40.11)¹

Date:	Firm Name:	General Contract Type:	Event Contract Examples:	Commission Findings:	Commission Action:
<i>Sept. 2023</i>	<i>Kalshi</i>	<ul style="list-style-type: none"> Political “control” 	<ul style="list-style-type: none"> “Control” of a Congressional Chamber (i.e., House of Representatives, Senate) E.g., “will <chamber of Congress> be controlled by <party> for <term>”? 	<ul style="list-style-type: none"> Gaming Unlawful state activity Contrary to the public interest 	Prohibited DCM self-certified event contracts
<i>Aug. 2022 (date of 40.11 review commencement)</i>	<i>Kalshi</i>	<ul style="list-style-type: none"> Political “control” 	<ul style="list-style-type: none"> “Will <party> be in control of the <chamber of Congress>?” 	<ul style="list-style-type: none"> May constitute an Enumerated Activity in CFTC Reg. 40.11(a) and CEA Section 5c(c)(5)(C). 	<ul style="list-style-type: none"> Initiated 40.11 review of DCM self-certified contracts Requested DCM suspend listing and trading of contracts during 90-day review Sought and received public comments relating to the certification <p><i>[pre-approval request withdrawn]</i></p>
<i>Jan. 2022</i>	<i>PolyMarket</i>	<ul style="list-style-type: none"> Political election event 	<ul style="list-style-type: none"> “Will Trump win the 2020 presidential election?” 	<ul style="list-style-type: none"> Contracts constituted commodity option 	Entered into settlement order with decentralized platform, fining respondent \$1.4 million

¹ Certain listings in this Annex are subject to ongoing litigation.

		<ul style="list-style-type: none"> Commodity option Economic indicator 	<ul style="list-style-type: none"> “Will the 2021 Tokyo Olympics take place?” “What will the price of \$ETH be on July 19?” “Will US GDP growth be more than 4.9% in Q1 2021?” “Will inflation be 0.4% or more from April to May?” 	<p>transactions offered off-exchange</p> <ul style="list-style-type: none"> Binary options contracts are swaps requiring registration (as a DCM or SEF) 	
<i>Mar. 2021 (date of self-certification withdrawal)</i>	<i>ErisX</i>	<ul style="list-style-type: none"> Sports betting 	<ul style="list-style-type: none"> NFL futures contract based on the outright winner of a game (“moneyline”) NFL futures contract based on the winner of a game after considering a point spread (“points spread”) NFL futures contract based on the total points scored relative to a predetermined threshold (“over/under”) 	<ul style="list-style-type: none"> May constitute “gaming” May constitute “an activity that is unlawful under any state or federal law” May be “contrary to the public interest” <p>CFTC “would have prohibited” contracts on grounds they involved “gaming” and were “contrary to the public interest.”²</p>	<ul style="list-style-type: none"> Initiated 40.11 review of DCM self-certified contracts Requested that DCM suspend listing and trading of contracts during 90-day review Sought and received public comments relating to the certification <p><i>[Certification withdrawn by DCM]</i></p>
<i>Oct. 2014</i>	<i>Victoria University of Wellington (NZ)/PredictIt</i>	<ul style="list-style-type: none"> Political “control” Economic indicators 	<ul style="list-style-type: none"> Contract details not made publicly available 	<ul style="list-style-type: none"> Market offered event contracts under no-action letter (NAL) 14-130 	<ul style="list-style-type: none"> Market operates pursuant to CFTC NAL 14-130

² See Statement of Commissioner Brian D. Quintenz on ErisX RSBIX NFL Contracts and Certain Event Contracts: Any Given Sunday in the Futures Market, (Mar. 25, 2021), commenting on a Draft Order never released by the CFTC due to the DCM’s self-certification withdrawal. Available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/quintenzstatement032521>.

					<ul style="list-style-type: none"> • CFTC attempted to withdraw NAL 14-130 but has been enjoined from doing so
<i>Apr. 2012</i>	<i>Nadex</i>	<ul style="list-style-type: none"> • Political “control” • Political outcome (i.e., election result) 	<ul style="list-style-type: none"> • Democratic Majority in the U.S. House of Representatives • Republican Majority in the U.S. House of Representatives • Democratic Majority in the U.S. Senate • Republican Majority in the U.S. Senate • U.S. Presidency (10) 	<ul style="list-style-type: none"> • Gaming • Contrary to the public interest 	Prohibited DCM self-certified event contracts
June 1993, preceded by Feb.1992 letter.	<i>Iowa Electronic Markets (IEM)</i>	<ul style="list-style-type: none"> • Political outcome (i.e., election result) • Presidential election results and other election outcomes • Economic indicator contracts 	<ul style="list-style-type: none"> • Democratic Party nomination for U.S. Presidency • Canadian elections (1993) • U.S. House and Senate races (1994) 	Not Applicable	<p>Received no-action letter to operate under limited trading conditions, including:</p> <ul style="list-style-type: none"> • 1,000 - 2,000 traders; • \$5-\$500 limits on select contracts

					Operate solely for research and academic purposes
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