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CFTC Stays KalshiEX Rule Change and Exercises Emergency Authority to Order Fulfillment of Pending Trades

July 14, 2026

WASHINGTON — The Commodity Futures Trading Commission today exercised its authority to stay an emergency rule change proposed by KalshiEX, LLC in response to a Michigan state court order directing the company to cancel certain previously executed trades involving Michigan residents. The CFTC also exercised its emergency authority to order KalshiEX, LLC to fulfill the open trades in accordance with its normal practices.

The Commodity Exchange Act requires the CFTC to provide a uniform national market in derivatives transactions. Market participants must have impartial access to CFTC-regulated markets and registered entities must adopt transparent access criteria that are applied in a non-discriminatory manner. The Commission is also tasked with ensuring continued public confidence in derivatives markets by guaranteeing market resilience and predictability, including in the execution and clearing of transactions.

“A state cannot force a DCM to violate its obligations, and federal law does not permit a DCM to discriminate against a state’s residents,” said Chairman Michael S. Selig. “Canceling trades that have already been executed is an unprecedented step that risks a cascading effect on the entire marketplace and undermines the certainty in contracting that is a necessary component of a functioning market. The Commission will not allow states or state courts to bully registered entities into violating the Commodity Exchange Act and CFTC regulations.”

Although Michigan is the first state to attempt to interfere directly with executed derivatives transactions, states have attempted to bring enforcement actions against CFTC-regulated DCMs in state and federal courts throughout the nation. To protect the jurisdiction granted to it by Congress, the CFTC has filed lawsuits against Arizona, Connecticut, Illinois, Kentucky, Minnesota, New Mexico, New York, Rhode Island, and Wisconsin. The Commission has also filed amicus briefs in the U.S. Court of Appeals for the Sixth and Ninth Circuits and the Supreme Judicial Court of Massachusetts.

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