RESEARCH PERSPECTIVE

The Last Mile

Resolution, disputes and the release of capital in event contracts

A known outcome becomes cash on the venue's clock: about half an hour for some weather markets, and four to six days for a disputed decentralized resolution. For a position held to resolution, an event contract is finished only when the venue settles it and the capital can be used again. Venues differ in how they confirm results, handle cancellations and resolve disputes, and those differences change both the risk of a contract's final hours and the capital a market maker must hold.

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KEY TAKEAWAYS

01 A known outcome still has to settle. Venues confirm results on their own clocks, from about half an hour for some weather markets to several days for a disputed decentralized resolution (Exhibit 1).

02 Exceptional events settle differently. Polymarket US uses a last fair market price at a specified moment, and Polymarket International pays $0.50 per token for an Unknown/50-50 resolution. Where Fair Value Settlement applies, NOVIG normally uses pre-disruption pricing, with published fallbacks that can end in a refund. These payoffs belong in the contract's valuation.

03 Settlement time is a cost. The same $100 margin on $10,000 of capital is worth $10 per $1,000 per day if capital returns in one day and $1.67 if a dispute stretches it to six (Exhibit 2).

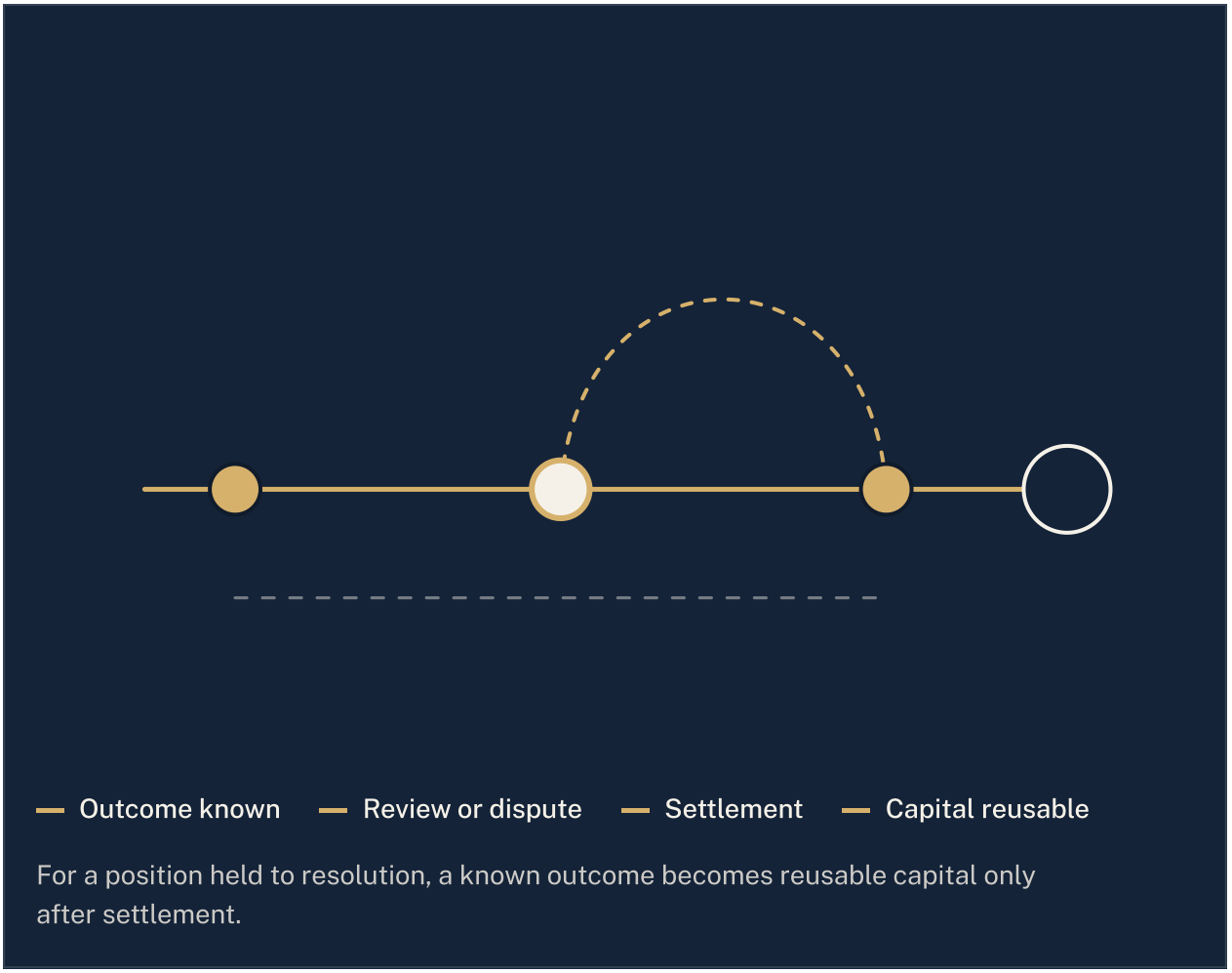
Venue documentation analysis. Only Polymarket US is a current live venue; the others are intended expansion venues. Capital-time arithmetic is hypothetical.

▼ Method, sources and limitations

Study type	Comparative venue analysis
Method	Review of published resolution and settlement documentation for four venues and of press reporting on one disputed resolution, with hypothetical capital-time arithmetic.
Data period	Venue documentation reviewed October 27, 2026, with NOVIG settlement rules rechecked November 2, 2026; case study from March 2025 press reporting.
Source categories	Official resolution and settlement documentation; Press reporting
Limitations	Documentation summaries are not complete contract terms; the specific contract and rulebook govern. The March 2025 case is described from press reports and venue statements, not from an independent investigation. Timing examples describe documented processes, not measured settlement times for any Predict Here Capital position.

The outcome is known, and the contract is still open

Most of the time the end of an event contract is uneventful. The game ends, the source publishes, the venue settles and the position turns into cash. But the sequence has several steps, each with its own clock and its own exceptions, and a market maker's capital stays committed until the last of them is complete, unless the position is closed first.



For a position held to resolution, a known outcome becomes reusable capital only after settlement.

On Polymarket US, settlement begins only after an outcome is finalized. Winning contracts then settle at $1.00 and losing ones at $0.00, unless the market's own rules specify alternative settlement (Market Settlement). Every venue has a version of that sequence. The differences lie in who confirms the result, what happens when the event does not occur as planned and how disagreements are resolved.

Four venues, four routes to finality

EXHIBIT 1

How four venues confirm and settle results, as documented

Polymarket US (live)

Source of truth

Sources named in each market's rules; official league results for sports

Exceptional events

Postponements beyond expiration and cancellations settle at a last fair market price: the prevailing price at a specified moment, not the last trade

Review and timing

Settlement is delayed while an official result is under review; resolutions are final under the rulebook

Polymarket International (intended)

Source of truth

UMA optimistic oracle for most markets; Chainlink averages for crypto up/down markets

Exceptional events

A UMA-resolved market can resolve Unknown/50-50, where neither outcome applies; each token then redeems for $0.50

Review and timing

About 2 hours if undisputed; 4 to 6 days if disputed and escalated to a token-holder vote

Kalshi, weather example (intended)

Source of truth

Final NWS Daily Climate Report at the listed station; The Weather Company for hourly markets

Exceptional events

Rare delays if readings conflict or the final high is below the preliminary report

Review and timing

Daily markets typically the next morning; hourly markets about 25 to 35 minutes after close

NOVIG (intended)

Source of truth

Official league results

Exceptional events

Where Fair Value Settlement applies, it normally uses a 30-minute window ending at the rule-defined reference time. Yes receives the Fair Value Price and No the remaining settlement value. Funds at risk are returned if the published fallbacks cannot establish a reliable price

Review and timing

Results can take up to an hour to post. Fair value is determined by the day after expiration unless a Market Outcome Review Process supplies the timeline. The fair-value determination is final

Sources: Polymarket US Sports FAQs, Market Resolution and Market Settlement; Polymarket resolution documentation; Kalshi Weather Markets; NOVIG settlement, Fair Value Settlement and Fair Value Price articles. Retrieved October 27, 2026; NOVIG settlement rules rechecked November 2, 2026. Summaries, not complete terms.

The exhibit compares documented processes, and we have not measured the outcomes. It shows that "settlement" names different mechanisms on different venues, each with its own failure modes, and a strategy that trades across them inherits all of those mechanisms at once.

Exceptional states have prices

When a game is postponed beyond a contract's expiration or cancelled outright, a Polymarket US contract does not simply refund. It settles at a last fair market price, the prevailing price at a specified moment, typically the official announcement, and explicitly not the last traded price at market close. Trades after such an announcement execute at the trader's own risk (Sports FAQs). On NOVIG, Fair Value Settlement applies when an outcome cannot be determined or the contract requires it. The reference time is the earliest relevant contest interruption, NOVIG trading halt or public report; NOVIG may move it earlier if prices already reflected the news. The usual window covers the preceding 30 minutes, or the period since listing if shorter. The calculation blends margin-adjusted external prices with NOVIG's time-weighted bid–ask midpoint. Yes receives the Fair Value Price and No the remaining settlement value. Missing or unreliable inputs trigger published fallbacks; funds at risk are returned if those steps cannot establish a reliable price. On Polymarket International, a UMA-resolved market can be resolved Unknown/50-50 when neither outcome applies, and each token then redeems for $0.50.

For a market maker the implication is specific. Once the reference moment has passed, the contract's settlement value may already be fixed. A quote still resting on the book can then be filled at a price that differs from that fixed value, turning the fill

into a near-certain gain for one side and a loss for the other. Quotes on markets exposed to postponement or cancellation need a rule for what happens when the announcement arrives.

Disputes are a tail risk with a known shape

Decentralized resolution adds a different path. On Polymarket International, anyone can propose an outcome by posting a bond, typically $750, and anyone can dispute it within a two-hour challenge period. A second dispute escalates the question to a vote of UMA token holders, which takes several more days; the documentation puts a disputed resolution at four to six days in total.

Undisputed proposals resolve in about two hours, but the failure mode is visible. In March 2025, a Polymarket International market asking whether Ukraine would agree to a minerals deal with the United States before April moved from about 9% to 100% between March 24 and 25 and resolved Yes, although Ukraine had not officially agreed to the deal. Users alleged that a large UMA token holder had cast a significant number of votes to produce that resolution. Polymarket said it was aware of the alleged governance attack, that the episode was not a market failure and that it would not issue refunds; a team member called the situation “unprecedented” (The Block, March 26, 2025).

For a market maker the lesson is about where the risk sits on any venue. Near resolution, an all-but-certain outcome can still trade at a small discount to $1. Buying such a contract earns that discount for funding the wait if it settles at $1, but if the outcome surprises or the resolution goes wrong and the contract settles at $0, the buyer loses the full purchase price. That is the small-gain, large-loss profile discussed in The Price of Uncertainty, and we would size it as one.

Settlement time is part of the return

A dispute does not have to change the outcome to cost money. Capital that cannot be reused cannot support new quotes. Exhibit 2 holds a hypothetical margin fixed and

varies only the time until the capital is free.

EXHIBIT 2

The same margin, different capital-time

Days until the capital is reusable	Margin per $1,000 of capital per day
1 day	$10.00
2 days	$5.00
6 days, as in a disputed resolution	$1.67

A $100 margin on $10,000 of committed capital.

Source: Predict Here Capital illustration. Hypothetical figures; costs excluded. Not Predict Here Capital results.

Reporting results on capital-time, meaning capital committed multiplied by the days it is committed, makes those costs visible. It also changes how cross-venue strategies look: when a hedge's legs settle at different times, the unresolved leg still needs funding, and capital released on the faster venue is reusable only within that venue's account rules and any reserve the remaining exposure requires.

What it means for quoting near resolution

Three working rules follow from the documentation. Withdraw or reprice quotes when an official announcement can fix a settlement value. Treat the final hours of contracts with discretionary or decentralized resolution as carrying tail risk, not as riskless carry. And budget capital for the longest plausible settlement path rather than the typical one.

We hold these as research hypotheses to test against the record, and they do not describe controls we have implemented. The test is straightforward to state: compare realized outcomes and capital use in the final hours of contracts by resolution mechanism, including cases where settlement was delayed, disputed or made on alternative terms.

What would change this view

If venues published measured distributions of settlement times and dispute rates, we could set capital budgets from data rather than from process descriptions. Delays would remain a tail risk, but a measured one. Until then, we read the timings above as typical or indicative rather than guaranteed, and we would include stress cases longer than any of them in capital analysis.

Sources and further reading

Sources reviewed October 27, 2026; NOVIG settlement rules rechecked November 2, 2026. Venue rules, fees and programs change; the specific contract and account terms govern. Views are the author's as of the edition date shown above.

1. Polymarket US Sports FAQs. Polymarket US documentation.
2. Polymarket US Market Resolution. Polymarket US documentation.
3. Polymarket US Market Settlement. Polymarket US documentation.
4. Polymarket resolution. Polymarket documentation.
5. Kalshi Weather Markets. Kalshi Help Center.
6. How does settlement work? NOVIG Help Center.
7. What is Fair Value Settlement (FVS)? NOVIG Help Center.
8. How Novig calculates the Fair Value Price. NOVIG Help Center.
9. Park, D. (2025). Polymarket says governance attack by UMA whale to hijack a bet's resolution is 'unprecedented'. The Block, March 26, 2025.