



Via Portal Submission

April 29, 2016
MGEX Submission No. 16-10

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

RE: Rule Certification Submission Pursuant to CFTC Regulation 40.6(a); Update to MGEX Rules

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act (“CEAct”) and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), the Minneapolis Grain Exchange, Inc. (“MGEX”) hereby certifies that MGEX Rule 1226.00., as set forth in the attached Exhibit A, complies with the CEAct and the CFTC Regulations promulgated thereunder (the “Proposed Amendments”). MGEX further certifies that the submission and pending changes to the MGEX Bylaws and Rules have been posted on the MGEX website at the following link: <http://www.mgex.com/regulation.html>.

I. AMENDMENTS TO MGEX RULES

MGEX continually evaluates its Rules to ensure compliance with CFTC regulations and industry best practices. MGEX and its Department of Audits & Investigations enforces the MGEX Rules. The Proposed Amendments concern MGEX Rule 1226.00., which provides for MGEX to generally request documents from market participants. It also outlines disciplinary action, including summary fines, which may be assessed for failure to submit requested documentation.

The Proposed Amendments enhance and clarify Rule 1226.00., in particular setting expectations for information that is submitted according to this Rule. The Proposed Amendments require that documentation, data, and records must not only be submitted but that such submissions be accurate, complete and timely. Additionally, the Proposed Amendments include changes to enhance readability.

II. COMPLIANCE WITH CORE PRINCIPLES.

MGEX has reviewed the core principles for designated contract markets (“DCM Core Principles”) and identified that the Proposed Amendments may impact the following DCM Core Principles:

- *DCM Core Principle 2, Compliance with Rules:* The Proposed Amendments will provide greater clarity to the MGEX Rules, and therefore permit MGEX to more efficiently monitor and enforce the applicable rules. Specifically, the Proposed Amendments provide for complete, timely, and accurate information be submitted to MGEX. This will facilitate the enforcement of the MGEX Rules prohibiting abusive trade practices and facilitate sanctions against any person in violation of the MGEX Rules.
- *DCM Core Principle 12, Protection of Markets and Market Participants:* The Proposed Amendments will further enhance MGEX’s ability to enforce rules that protect the market and market participants from abusive practices committed by any party.
- *DCM Core Principle 13, Disciplinary Procedures:* The Proposed Amendments will enhance MGEX’s ability to collect information that is complete, accurate, and timely in order to enforce Rules through disciplinary procedures established by MGEX.

Pursuant to the authority set forth in MGEX Bylaw 210.01., the MGEX Board of Directors unanimously approved the Proposed Amendments at its meeting held on April 26, 2016. There were no substantive opposing views expressed by the Board of Directors, nor is MGEX aware of any substantive opposing views with respect to this filing.

These amendments are intended to become effective ten (10) days from the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7188. Thank you for your attention to this matter.

Best regards,

A handwritten signature in blue ink that reads "Emily Spott". The signature is written in a cursive, flowing style.

Emily Spott
Associate Corporate Counsel

Enclosure

EXHIBIT A

1226.00. GENERAL REQUESTS.

Data, records and other information requested by the Exchange must be accurate, complete and timely submitted. ~~All general request are to be submitted to the Exchange by their designated deadlines.~~ Such requests include, but are not limited to, the following documents:

- Tag 50 Information Forms
- EFR/EFP Document Requests
- Audit Trail Requests
- Trading Cards and Orders
- Account Statements

Failure to submit accurate, complete and timely information requested by the Exchange is ~~All submissions received after their designated deadlines are~~ subject to a warning letter or a fine, ~~plus an additional \$200 fine for every one (1) day late.~~ The fine schedule is as follows:

1 st Offense:	Warning Letter
2 nd Offense:	\$1,000 fine
3 rd Offense:	\$2,500 fine
4 th Offense:	\$5,000 fine

Submissions received after their designated deadlines are subject to an additional \$200 fine for every one (1) day late.

The 5th offense and every subsequent offense will be referred to the Disciplinary Committee. Unless otherwise stated, offenses and fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any given document request.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.