



Via Portal Submission

May 15, 2018  
MGEX Submission No. 18-16

Mr. Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> 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 the addition of MGEX Rules 2.1.1., 2.1.2., 2.1.3., 2.1.4., and the deletion of MGEX Rule 2092.00., as set forth in the attached Exhibit A, comply with the CEAct and the CFTC Regulations promulgated thereunder (the “Proposed Amendments”). MGEX further certifies that the submission and pending deletion of MGEX 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 Rulebook to ensure compliance with CFTC regulations as well as general principles of law. The Proposed Amendments are part of a larger, gradually ongoing initiative to better organize the overall MGEX Rulebook. This includes methodically reorganizing rules in a more logical order and adding rules where necessary to ensure transparency and improve efficiency for all users of the Rulebook. In addition, through this process, MGEX will conduct a review of certain rules to update language, style, and structure, as appropriate.

The Proposed Amendments also include a new numbering system that provides each rule with a chapter, section, and rule number. This new system allows for improved organization, usability, and flexibility of the Rulebook over time. The new system will be implemented in conjunction with this ongoing process, with the objective of minimizing disruption and maintaining usability.

## 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 enhance MGEX’s ability to more efficiently establish certain foundational rules earlier in the MGEX Rulebook.
- *DCM Core Principle 7, Availability of General Information:* The Proposed Amendments have been disseminated on the MGEX website. The Proposed Amendment will be available in the MGEX Rulebook, which is accessible online.
- *DCM Core Principle 12, Protection of Markets and Market Participants:* The Proposed Amendments will incorporate these foundational rules earlier in the MGEX Rulebook and as a result, further MGEX’s ability to protect the market and market participants by making these rules more readily accessible.
- *DCM Core Principle 13, Disciplinary Procedures:* The Proposed Amendments will clarify and enhance the ability of MGEX to enforce its rules through more clear language addressing these foundational topics.

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 24, 2018. 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 Proposed Amendments are intended to become effective ten (10) business days from the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7128. Thank you for your attention to this matter.

Best regards,



Peter D. Sparby  
Associate Corporate Counsel

Enclosure

## Exhibit A

The following MGEX Regulations are to be amended. Additions are underlined while deletions are ~~marked through~~.

### 2.1.1. SCOPE.

This Chapter prescribes Rules applicable to general Exchange activities.

### ~~2092.00. JURISDICTION.~~

~~Any Person initiating or executing a transaction on or subject to the MGEX Rules and Regulations directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the MGEX Rules and Regulations in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.~~

### 2.1.2. CONSENT TO JURISDICTION.

Any Person who engages in activity subject to MGEX Rules or any Person for whose benefit such activity is made, whether directly or indirectly, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with MGEX Rules in relation to such activity.

### 2.1.3. CONSENT TO INVESTIGATORY AND DISCIPLINARY PROCESSES.

Any Person subject to MGEX Rules expressly consents to cooperate and participate in investigatory and disciplinary processes conducted by the Exchange.

### 2.1.4. MGEX RULES, INTERPRETATION, AND ENFORCEMENT AUTHORITY.

The Exchange has adopted the MGEX Rules, and from time to time adopts amendments to such Rules (See Bylaw 204.00. and 204.01.), to promote a free and open market on the Exchange, to maintain appropriate business conduct, and to provide protection to the public. The Exchange, in its sole discretion, will interpret and enforce the MGEX Rules not inconsistent with applicable provisions of the Commodity Exchange Act, as amended, and Commodity Futures Trading Commission (“CFTC”) regulations promulgated thereunder.