



Via Portal Submission

May 23, 2017
MGEX Submission No. 17-12

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 Resolution 804.00., as set forth in the attached Exhibit A, complies with the CEAct and the CFTC Regulations promulgated thereunder. 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 and Rulebook to ensure compliance with CFTC regulations as well as general principles of law, in addition to assessing whether changes would enhance and modernize MGEX’s contract market. The MGEX Resolution requires that delivery of Hard Red Spring Wheat (“HRSW”) Futures Contracts be made exclusively with electronic warehouse receipts, instead of paper warehouse receipts. As additional background, MGEX’s Hard Red Spring Wheat Committee spearheaded this Resolution after determining that transitioning from paper to electronic warehouse receipts for the delivery of HRSW would be beneficial to MGEX’s contract market.

II. COMPLIANCE WITH CORE PRINCIPLES.

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

- *DCM Core Principle 2, Compliance with Rules:* The Resolution will enhance MGEX's ability to more efficiently monitor the physical delivery of HRSW Futures Contracts.
- *DCO Core Principle C.* MGEX acknowledges that Core Principle C relates, in part, to a clearing member's ability to meet delivery obligations imposed by a DCO. This Resolution relates to Core Principle C, but does not materially impact any existing, applicable obligations.
- *DCO Core Principle E.* MGEX acknowledges that Core Principle E relates, in part, to a DCO's obligations regarding physical deliveries. This Resolution relates to Core Principle E, but does not materially alter any existing, applicable obligations.

Pursuant to the authority set forth in MGEX Bylaw 210.01., the MGEX Board of Directors unanimously approved the Resolution at its meeting held on April 25, 2017. 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.

This Resolution is 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) 321-7141. Thank you for your attention to this matter.

Regards,



Adam Wysopal
Associate Corporate Counsel

Enclosure

EXHIBIT A

Resolution 804.00. ELECTRONIC WAREHOUSE RECEIPTS.

Effective with the September 2017 contract month, delivery of any Hard Red Spring Wheat Futures Contract shall be made by the delivery of a USDA approved negotiable electronic warehouse receipt issued by a MGEX approved regular facility.

Any holder of any paper warehouse receipt may take one of the following actions with respect to such paper warehouse receipt:

- 1) Convert such paper warehouse receipt to an electronic warehouse receipt and pay any outstanding storage cost;
- 2) Carry such paper warehouse receipt indefinitely;
- 3) Cancel such paper warehouse receipt for load-out purposes; or
- 4) Transfer the paper receipt to another entity

Further, effective with the September 2017 contract month, any reference to “warehouse receipt” in any MGEX Rule pertaining to the delivery of a Hard Red Spring Wheat Futures Contract means “electronic warehouse receipt”.

Unless otherwise instructed by the Exchange, electronic warehouse receipts are to be issued via and transferred exclusively using e-Grain, Inc. (also known as the eGrain System).

The Exchange may from time to time determine or modify the electronic fields that are required to be completed when creating or issuing an electronic warehouse receipt.

In addition, any Regular Facility that receives a request to convert a paper warehouse receipt to an electronic warehouse through December 26, 2017 shall promptly fulfill the request, and shall not charge any fee to the requesting party.