



Via Portal Submission

October 30, 2015
MGEX Submission No. 15-29

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 and Regulations

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 amendments to MGEX Regulations 1231.00. and Chapter 70, as well as MGEX Regulations 2009.00. and 2062.02., as set forth in the attached Exhibit A, comply with the CEAct and the CFTC Regulations promulgated thereunder. MGEX further certifies that the submission and pending changes to the MGEX Rules and Regulations have been posted on the MGEX website at the following link: <http://www.mgex.com/regulation.html>.

I. AMENDMENTS TO MGEX REGULATIONS.

MGEX continually evaluates its Rules and Regulations to ensure that they are in line with industry best practices and CFTC requirements. After changing the way in which it collects daily stock reporting for North American Hard Red Spring Wheat, and evaluating its recordkeeping rules as they relate to electronic audit trails, MGEX has proposed to amend the MGEX Rules and Regulations as follows.

A. Amendments to MGEX Regulation 1231.00. and Chapter 70.

In 2015, MGEX's Department of Audits and Investigations changed the method of reporting daily stocks and warehouse receipts for North American Hard Red Spring Wheat from a weekly reporting structure to a daily reporting structure. As part of this change, Form 38M, which was used for weekly reporting, is no longer necessary. As a result, MGEX Regulation 1231.00. and Chapter 70 have been amended to remove reference to Form 38M.

B. Amendments to MGEX Regulations 2009.00. and 2062.02.

The proposed amendments to MGEX Regulation 2009.00., Records Of Transactions, simply make explicit what was already implicit in the regulation – that records of electronic trading such as electronic audit trails are required to be maintained by all Members and Market Participants.

The proposed amendments to MGEX Regulation 2062.02., Electronic Audit Trail And Other Recordkeeping Requirements, account for industry practice where Clearing Members assign or delegate certain recordkeeping requirements to individual customers. The proposed amendments contain conditions that ensure appropriate documentation is kept showing the assignment of such recordkeeping requirements.

II. COMPLIANCE WITH CORE PRINCIPLES.

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

- *DCM Core Principle 2, Compliance with Rules:* The Proposed Changes will provide greater clarity to the MGEX Rules and Regulations, and therefore permit MGEX to more efficiently monitor and enforce the applicable rules.
- *DCM Core Principle 7, Availability of General Information:* The Proposed Changes will be publicly available in the MGEX Rules and Regulations. In addition, the Proposed Changes have been disseminated on the MGEX website.
- *DCM Core Principle 10, Trade Information:* The Proposed Changes focus, in part, on clarifying and enhancing existing MGEX Regulations relating to the recording, safe storage, and maintenance of identifying trade information. In turn, this will allow MGEX to more efficiently collect electronic trade data.

Pursuant to the authority set forth in MGEX Rule 210.01., the MGEX Board of Directors unanimously approved the proposed amendments to MGEX Regulations 1231.00., 2009.00., and 2062.02, and Chapter 70 at its meeting held on October 27, 2015. 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) 321-7128. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Nyquist". The signature is fluid and cursive, with the first name "Aaron" and the last name "Nyquist" clearly distinguishable.

Aaron C. Nyquist
Assistant Corporate Counsel

Enclosure

EXHIBIT A

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

1231.00. STOCKS REPORTING FACILITIES.

All Hard Red Spring Wheat Regular facilities must submit accurate stocks reports to the Exchange pursuant to the deadlines below.

Daily Stocks Reports (Form SRM):	1:00 p.m. (Central Time)
Weekly Stocks Reports (Form 38M):	1:00 p.m. (Central Time) Monday (Tuesday if Monday is a MGEX holiday)

All stocks reports received after the scheduled deadlines are subject to fines as follows:

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

The 5th offense and every subsequent offense will be referred to the Disciplinary Committee. Offenses and fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a fine is warranted based on facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee.

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.

C. 2009.00. RECORDS OF TRANSACTIONS.

Any Member or Market Participant initiating or executing transactions on the Exchange must keep full, complete and systematic records of their activity, including, but not limited to, records of their activity in the underlying commodity and related derivatives markets as well as related cash and forward transactions. Such records may include, but are not limited to, records of electronic trading, all orders (filled, unfilled, or canceled), electronic audit trails, trading cards, signature cards, street books, journals, ledgers, canceled checks, copies of confirmations, and copies of statements of purchase and sale.

Additionally, all Members and non-member FCMs and IBs are required to record and maintain all oral and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading, and prices that lead to the execution of a transaction in a commodity or related derivative market, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media. However, this requirement to record oral communications shall not apply to:

- A. Oral communications that lead solely to the execution of a related cash or forward transaction;
- B. Oral communications provided or received by a floor broker that do not lead to the purchase or sale for any person other than the floor broker of any commodity for future

- delivery or commodity option;
- C. An Introducing Broker that has generated over the preceding three years \$5 million or less in aggregate gross revenue from its activities as an Introducing Broker;
 - D. A floor trader;
 - E. A commodity pool operator;
 - F. A Member of the Exchange that is not registered or required to be registered with the CFTC in any capacity.

All records of oral communications required under this Regulation must be retained for a minimum of one year. All other records must be retained for a minimum of five years and readily accessible during the first two years of the five-year period. Additionally, all records must be made available and open to inspection at the request of the Exchange, any representative of the CFTC, or the United States Department of Justice.

2062.02. ELECTRONIC AUDIT TRAIL AND OTHER RECORDKEEPING REQUIREMENTS.

All Clearing Members are required to maintain or cause to be maintained the order routing and front-end audit trail for all electronic orders including, but not limited to: order entry, modification, cancellation and responses to such messages entered into the Electronic Trading System by the Clearing Member or its customers.

The Clearing Member may assign the recordkeeping requirements contained in this Regulation to a customer subject to the following conditions: 1) the Clearing Member and the customer must have applicable written agreements assigning the recordkeeping requirements with particularity; 2) upon request, either the Clearing Member or the customer must provide such agreements to the Exchange.

The Clearing Member must ensure that any written agreements assigning recordkeeping requirements of this Regulation are being followed by any customers. The Clearing Member and/or the customer may be held accountable for failure to maintain or causing to be maintained the recordkeeping requirements of this Regulation.

The data must contain a record of all FIX Tag information and fields, including, but not limited to: transaction date, product, Exchange code, expiration month, quantity, order type, order qualifier, price, buy/sell indicator, stop/trigger price, order number, unique transaction number, account number, session ID, Tag 50 ID, automated or manual indicator (Tag 1028), host order number, trader order number, clearing member, type of action, action status code, customer type indicator, origin and timestamps. For executed orders, records must include the execution time of the trade along with all fill information.

CHAPTER 70 FORMS

Form 4-00.00	Arbitrator Profile	Pages 7001-7006
Form 4-01.00	Impartiality Form	Page 7007
Form 4-10.00	Statement Of Claim	Pages 7009-7010
Form 4-10.01	Petition For Joint Arbitration	Pages 7011-7016
Form 4-14.00	Respondent's Answer	Pages 7017-7018
Form 4-15.00	Statement Of Counterclaim	Pages 7019-7020
Form 5-02.00	Impartiality Form	Page 7021
Form 5-10.00	Statement Of Claim	Pages 7023-7024
Form 5-14.00	Respondent's Answer	Pages 7025-7026
Form 5-15.00	Statement Of Counterclaim	Pages 7027-7028
Form	Response To Non-Member Complaint	Pages 7029-7030
Form 20-36.00	Disposition Order	Page 7031
Form 20-26.00	Required Load-Out Notice	Page 7033
Form 3-10.00(C)	Subordination Agreement	Page 7035
Form 9-00.00	Spring Wheat Application For Becoming A "Regular" Elevator Or Renewal As A "Regular" Elevator	Pages 7037-7039
Form 9-01.01.D	Weekly Report Of Stocks Duluth/Superior "Regular" Elevators	Page 7041
Form 9.01.01.M	Weekly Report Of Stocks Minneapolis/St. Paul "Regular" Elevators	Page 7043
Form 3-20.00	Release To Trade Personal Account	Page 7053
Form 38M	Stocks Of Hard Red Spring Wheat In Deliverable Position Within Switching Districts At Minneapolis/St. Paul, Red Wing And Duluth/Superior	Page 7063