



Via Portal Submission

November 7, 2014
MGEX Submission No. 14-24

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 2054.00. and 2054.01., 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 BOARD OF ARBITRATION AND CUSTOMER CLAIMS ARBITRATION PANEL FEES.

The purpose of the amendments to MGEX Regulations 2054.00. and 2054.01. is to bring fees for the initiation of a MGEX administered arbitration closer in line with the fees of comparable agencies offering dispute resolution services to the agricultural derivatives industry, such as the National Grain and Feed Association ("NGFA") and the National Futures Association ("NFA"). The proposed amendments are further designed to reflect the cost of time and resources that MGEX expends during the course of an arbitration. At the same time, these proposed amendments are intended to maintain cost-effective access to MGEX arbitration for market participants and other customers.

In developing these amendments and their potential impact, MGEX analyzed comparable arbitration fees from the NGFA, NFA, and CME Group®, among others. MGEX also assessed its internal costs from past arbitration proceedings. After evaluating both these factors and the minimal number of arbitrations held over the prior year, MGEX does not believe these amendments will adversely impact MGEX itself, its members, cash market participants, or MGEX market participants.

II. 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:* MGEX arbitration is available as a means to address all disputes arising out of trades, contracts, agreements, or other transactions that are governed by the MGEX Rules and Regulations. The proposed amendments will improve MGEX’s capability to support the arbitration process and therefore, improve its ability to enforce compliance with MGEX Rules and Regulations.
- *DCM Core Principle 14, Dispute Resolution:* The proposed amendments allow MGEX to operate a more efficient and cost-effective arbitration program. The proposed amendments also modernize MGEX’s arbitration fee structure to be in line with fees charged by other institutions providing dispute resolution services to the agricultural derivatives industry.

Pursuant to the authority set forth in MGEX Rule 210.01., the MGEX Board of Directors unanimously approved to adopt the proposed amendments to Regulations 2054.00. and 2054.01 at its meeting held on October 28, 2014. There were no substantive opposing views expressed by the Board of Directors.

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,



Aaron C. Nyquist
Assistant Corporate Counsel

Enclosure

cc: Thomas J. Bloom

EXHIBIT A

2054.00. BOARD OF ARBITRATION: FEES.

Pursuant to the provisions of **Rule 441.00.**, the Board of Directors adopted this Regulation:

For each case involving claims and counterclaims by a member, the following fees will apply:

For each case involving up to <u>Up to \$10,000.00</u>	_____ <u>\$6400.00</u>	_____ <u>+</u>
<u>1% of total value</u>		
For each case involving more than \$10,000.00 <u>\$10,001 to \$50,000</u>	_____ <u>\$750.00</u>	_____ <u>\$700 + 1% of total</u>
<u>value</u>		
For any non-monetary claims <u>\$50,001 to \$100,000</u>	_____ <u>\$1,000 + ½% of total value</u>	
<u>\$100,001 to \$200,000</u>	_____ <u>\$2,000 + ¼% of total value</u>	
<u>\$200,001 and above</u>	_____ <u>\$2,500 + ¼% of total value</u>	
	_____ <u>\$750.00</u>	
<u>Any non-monetary claims</u>	_____ <u>\$1,500</u>	

For each case involving claims and counterclaims by a nonmember, the following fees will apply:

<u>Up to \$10,000</u>	<u>\$700 + 1% of total value</u>
<u>\$10,001 to \$50,000</u>	<u>\$800 + 1% of total value</u>
<u>\$50,001 to \$100,000</u>	<u>\$1,100 + ½% of total value</u>
<u>\$100,001 to \$200,000</u>	<u>\$2,100 + ¼% of total value</u>
<u>\$200,001 and above</u>	<u>\$2,600 + ¼% of total value</u>
<u>Any non-monetary claims</u>	<u>\$1,600</u>

Furthermore, the Board of Directors authorizes the Corporate Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to Chapter 4 of the MGEX Rules and Regulations. Any such actual costs or other expenses may be allocated between the parties by the Board of Arbitration pursuant to **Rule 443.00.**

~~For each case involving up to \$10,000.00~~ \$500.00
~~For each case involving more than \$10,000.00~~ \$1,000.00
~~For any non-monetary claims~~ \$1,000.00

2054.01. CUSTOMER CLAIMS ARBITRATION PANEL: FEES.

Pursuant to the provisions of **Rule 535.00.**, the Board of Directors adopted this Regulation:

For each case involving claims and counterclaims by a customer, the following fees will apply:

<u>Up to \$10,000</u>	<u>\$400</u>
<u>\$10,001 to \$50,000</u>	<u>\$750</u>
<u>\$50,001 to \$100,000</u>	<u>\$850</u>
<u>\$100,001 to \$200,000</u>	<u>\$1,000</u>
<u>\$200,001 and above</u>	<u>\$1,200</u>
<u>Any non-monetary claims</u>	<u>\$1,000</u>

Furthermore, the Board of Directors authorizes the Corporate Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to Chapter 5 of the MGEX Rules and Regulations. Any such actual costs or other expenses may be allocated between the parties by the Board of Arbitration pursuant to **Rule 535.00.**

~~For each case involving up to \$10,000.00 — \$400.00~~

~~For each case involving more than \$10,000.00 — \$750.00~~

~~For any non-monetary claims \$750.00~~