U.S. COMMODITY FUTURES TRADING COMMISSION
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Division of
Market Oversight

Rahul Varma
Acting Director

Re: MIAX Futures Exchange, LLC – Time-Limited No-Action Position with Respect to the Trading of Minneapolis Hard Red Spring Wheat Options on Futures

The Division of Market Oversight ("**Division**") of the Commodity Futures Trading Commission (the "**Commission**" or "**CFTC**") is issuing this letter in response to a request dated June 23, 2025 from MIAX Futures Exchange, LLC ("**MIAX Futures**")[1] pursuant to Commission Regulation 140.99.[2]

MIAX Futures requested that the Division issue a letter stating that the Division will not recommend that the Commission commence an enforcement action against MIAX Futures for temporarily providing for the trading of MIAX Futures' Minneapolis Hard Red Spring Wheat (**"HRSW"**) options on futures (**"HRSW Options"**) exclusively through block trades, due to the lack of availability of an electronic trading system for the HRSW Options and to provide market participants with the opportunity to trade out of or offset open positions.

I. Background

MIAX Futures currently lists for trading HRSW futures contracts and HRSW Options. MIAX Futures' HRSW futures contracts and HRSW Options currently trade on the CME Globex electronic trading platform, under a services agreement between MIAX Futures and the Chicago Mercantile Exchange Inc. (**"CME"**). Market participants may also trade the HRSW futures and HRSW Options via block trades pursuant to MIAX Futures' rules. Among other things, the MIAX Futures rulebook sets the block trade threshold for HRSW Options at 15 contracts and permits only eligible contract participants ("**ECPs**"), as defined in section 1a(18) of the Commodity Exchange Act (**"CEA"**), to engage in block trades.[3]

The HRSW Options market currently has open positions in the September 2025 and December 2025 expirations. Certain open positions are held by market participants who are not ECPs.

On June 29, 2025 (for trade date June 30, 2025), the MIAX Futures HRSW futures will migrate from the CME Globex platform to a new MIAX Futures electronic trading platform ("**Onyx**"). At the time of this migration, electronic trading of HRSW Options on Onyx will not be available;

[1] MIAX Futures operates as a designated contract market ("**DCM**").
[2] 17 C.F.R. § 140.99.
[3] MIAX Futures Rulebook, Rule 51.16 (Block Trades)

MIAX Futures continues to develop and build functionality for options electronic trading on Onyx. MIAX Futures is seeking to provide for the continued trading of HRSW Options exclusively via block trades, until August 29, 2025, in order to provide any position holders, including those that are not ECPs, with the opportunity to trade out of or offset their open positions in the September 2025 and December 2025 expirations.

II. Requested No-Action Position

To allow for HRSW Options to temporarily continue trading once electronic trading is no longer available, in order to provide market participants with the opportunity to trade out of or offset their open positions in the September 2025 and December 2025 expirations, MIAX Futures seeks to amend its rulebook to:

(i) Provide for block trades without a centralized market for the trading of HRSW Options;
(ii) Lower the block trade threshold for HRSW Options from 15 contracts to one contract; and
(iii) Permit non-ECPs to engage in block trades in HRSW Options ((i)-(iii) collectively referred to herein as the "**Temporary HRSW Options Block Trading Protocol**").

In connection with the Temporary HRSW Options Block Trading Protocol, MIAX Futures requests a no-action position, until after the close of trade on August 29, 2025, with respect to the requirements of DCM Core Principle 9,[4] and Commission regulation 1.38.[5]

Further, in order to enable MIAX Futures to amend its rulebook to implement the Temporary HRSW Options Block Trading Protocol before June 30, 2025, when an electronic trading system will no longer be available for HRSW Options, MIAX Futures requests a no-action position with respect to exchange rule submission requirements in CEA section 5c(c) and associated Commission regulations under Part 40.[6]

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[4] CEA section 5(d)(9), 7 U.S.C. 7(d)(9). DCM Core Principle 9 generally provides that a DCM must provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the DCM. DCM Core Principle 9 further specifies particular types of transactions that a DCM may authorize for bona fide business purposes. *See also* 17 CFR § 38.500.

[5] 17 CFR § 1.38. Commission regulation 1.38(a) generally provides that purchases and sales of any commodity for future delivery, and any commodity option on or subject to the rules of a contract market, must be executed openly and competitively, provided that this requirement will not apply to transactions executed non-competitively in accordance with written rules of the contract market that have been submitted to and approved by the Commission specifically providing for non-competitive execution.

[6] CEA section 5c(c), 7 U.S.C. 7a-2(c); and 17 CFR part 40. Among other things, CEA section 5c(c)(2) provides that rule amendments that are (and are eligible to be) certified by a DCM pursuant to CEA section 5c(c)(1) will become effective on the date that is 10 business days after the date on which the Commission receives the certification (or such shorter period as determined by the Commission by rule or regulation) unless the Commission notifies the DCM within such time that it is staying the certification as provided in CEA sections 5c(c)(2)-(3). *See also* Commission regulation 40.6. CEA section 5(c)(4) provides that a DCM must submit to the Commission for prior approval (and, therefore, cannot certify pursuant to CEA section 5c(c)(1)) each rule amendment that materially changes the terms and conditions, as determined by the Commission, of a futures contract in an agricultural commodity enumerated in CEA section 1a(9) (or any option thereon) traded through the DCM's facilities if the rule amendment applies to contracts and delivery months which have already been listed for trading and have open interest. *See also* Commission regulation 40.4. Minneapolis Hard Red Spring Wheat is an enumerated agricultural commodity under CEA section 1a(9). CEA section 5c(c)(4) and Commission regulation 40.5 set forth the timeframe

MIAX Futures has represented that, during the temporary period of blocks-only trading that would be implemented pursuant to the Temporary HRSW Options Block Trading Protocol, MIAX Futures will continue to monitor and surveil trading in HRSW Options to prevent manipulation and price distortions in compliance with Commission regulations.[7]

III. No-Action Position

After considering the request of MIAX Futures and related facts and circumstances, the Division believes that temporary no-action positions are warranted to provide participants in the HRSW Options market with a means to trade out of or offset their open positions in the September 2025 and December 2025 expirations when electronic trading is no longer available. Accordingly, the Division will not recommend that the Commission take an enforcement action against MIAX Futures in connection with the implementation of the Temporary HRSW Options Block Trading Protocol under DCM Core Principle 9 and Commission regulation 1.38.

Further, the Division will not recommend that the Commission take an enforcement action against MIAX Futures under CEA section 5c(c) of the Act and associated Commission regulations under Part 40 if MIAX Futures amends its rulebook to implement the Temporary HRSW Options Block Trading Protocol before June 30, 2025, when an electronic trading system will no longer be available for the HRSW Options.

These temporary no-action positions are subject to the following conditions:[8]

(i) The no-action positions apply only to the trading of HRSW Options in the September 2025 and December 2025 expirations.

(ii) MIAX Futures will promptly file with the Division Director and post on the MIAX Futures website all rule amendments implementing the Temporary HRSW Options Block Trading Protocol.

(iii) MIAX Futures will, in its rulebook, identify all rule amendments implementing the Temporary HRSW Options Block Trading Protocol as being adopted and implemented pursuant to these no-action positions and as being effective only until the expiration of these no-action positions.

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and procedures for Commission approval of a rule amendment submitted by a DCM and, generally, contemplate a Commission review period of at least 45 days.

[7] MIAX Futures represents that its review of block trades submitted pursuant to the Temporary HRSW Options Block Trading Protocol will include evaluating whether block trade prices are fair and reasonable at the time of execution. To determine whether the price is fair and reasonable, the MIAX Futures Market Regulation Department ("Market Regulation") will review each block reported by analyzing other comparable block trade prices, the previous day's settlement prices, the current price of the HRSW futures contract, and high/low ranges. Market Regulation may also request further information from the parties involved, including negotiation details. Additionally, Market Regulation will utilize a proprietary application for options analysis and pricing application to monitor HRSW Options block transactions based on volatility levels.

[8] Some of these conditions regarding no-action positions may constitute a collection of information, as that term is defined in the Paperwork Reduction Act, 44 U.S.C. §§ 3501 et. seq. The Office of Management and Budget (**"OMB"**)—in accordance with 44 U.S.C. § 3507(d) and 5 C.F.R. §§ 1320.8 and 1320.10—has approved collection 3038-0049, entitled "Procedural requirements for requests for interpretative, no-action and exemptive letters," for such purposes. This collection would encompass collections made as part of exemptive or no-action relief from the CFTC. The public is not required to respond to a collection of information that does not have a valid OMB control number.

(iv) MIAX Futures will promptly respond to Division or Commission requests for any additional information related to the trading of HRSW Options pursuant to the Temporary HRSW Options Block Trading Protocol.

(v) MIAX Futures will provide the Division with reasonable advance notice of plans to make HRSW Options available for trading on Onyx.

These temporary no-action positions will be effective from June 29, 2025 until August 29, 2025.

IV. Conclusion

This letter, and the positions taken herein, represent only the views of the Division, and do not necessarily represent the positions or views of the Commission or of any other office or division of the Commission. This letter and the no-action positions taken herein are not binding on the Commission or other Commission staff. The positions provided in this letter do not excuse persons relying on it from compliance with any other applicable requirements contained in the Act, Commission regulations, or any other applicable laws (*i.e.*, securities laws). Further, this letter, and the positions taken herein, are based upon the facts and circumstances presented to Division staff. Any different, changed, or omitted material facts or circumstances might render this letter void.

Finally, as with all staff letters, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms provided herein, in its discretion.

If you have any questions concerning this correspondence, please contact Roger Smith, Associate Chief Counsel, Division of Market Oversight, at (202) 418-5344 or rsmith@cftc.gov, or Andrew Stein, Assistant Chief Counsel, Division of Market Oversight, at (202) 418-6054 or astein@cftc.gov.

Sincerely,

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Rahul Varma
Acting Director
Division of Market Oversight