June 23, 2025

Mr. Rahul Varma
Acting Director, Division of Market Oversight
Commodity Futures Trading Commission
1155 21st Street NW
Washington, D.C. 20581

VIA ELECTRONIC MAIL

SUBJECT: Request for Time-Limited Relief from Competitive Execution and Part 40 Requirements for HRSW Options

Dear Mr. Varma:

In accordance with Commodity Futures Trading Commission ("Commission" or "CFTC") Regulation § 140.99, MIAX Futures Exchange, LLC ("MIAX Futures" or "Exchange") submits this letter to respectfully request time-limited relief from the Division of Market Oversight ("DMO") of the CFTC for MIAX Futures, as a designated contract market, for not providing a competitive and open market for executing options on futures transactions under the Commodity Exchange Act ("CEA") sections 5(d)(9) and 5c(c)), and CFTC Regulations § 1.38 and 38.500, and for not filing certain related rule amendments under CFTC Regulation § 40.6(a) and 40.4.

Relief from these requirements would allow for the trading of Minneapolis Hard Red Spring Wheat options on futures ("HRSW Options") exclusively via block trades and is warranted for a temporary period. The requested relief would be effective from June 29, 2025 until close of trade on August 29, 2025.

I. Factual Background

MIAX Futures currently lists for trading and clears Minneapolis HRSW Futures and Options contracts. These contracts play a critical role in the U.S. agricultural market, allowing hedgers to manage their price risk in the wheat market. For nearly two decades, HRSW Futures and Options have traded on the CME Globex® electronic trading platform under a services agreement between MIAX Futures and CME. Market participants may also trade HRSW Futures and Options via block trades pursuant to MIAX Futures Rules. On June 29, 2025 (for trade date June 30, 2025), HRSW Futures will migrate from CME Globex® to a new MIAX Futures electronic trading platform ("Onyx"). At the time of this migration, electronic trading of HRSW Options will not be available on Onyx as MIAX Futures continues to develop and build functionality for electronic trading of options.

To address this temporary lack of electronic trading and to allow for market participants to wind down their positions or take on offsetting positions, the Exchange plans to allow for the trading of HRSW Options exclusively via block trades until close of trade August 29, 2025. Thereafter, trading of options will not be available on MIAX Futures until it makes options available for trading electronically on Onyx, or until such other time as may be allowed pursuant to CFTC regulatory approval.

The MIAX Futures' HRSW Options market currently has open positions in September and December 2025 expirations. As of June 20, 2025, open interest in the September 2025 contract is 3,798, and open interest in the December 2025 contract is 644. Of this open interest, the Exchange estimates that 88% are Eligible

Contract Participants ("ECPs"), as defined in Section 1a(18) of the Commodity Exchange Act, and 12% are non-ECPs. The Exchange also estimates that there are approximately 198 position holders in the September and December 2025 contracts.

In preparation for the transition to block only trading for HRSW Options, MIAX Futures communicated its plans to temporarily transition HRSW Options to block only trades in two separate trading alerts issued on June 12, 2025[1] and June 20, 2025[2]. MIAX Futures notes it has not represented to the marketplace that Onyx would include electronic options and plans to continue to disseminate additional information to position holders and the public.

Existing Exchange Rules allow for the trading of block trades by ECPs in minimum quantities of 15. To allow any position holders, including those that are non-ECPs, to trade out of their positions or take on offsetting positions after the temporary transition to block only trading, MIAX Futures filed rule amendments with the CFTC on June 12, 2025, which it intends to withdraw upon MIAX Futures receiving DMO's letter in response to this request for no action relief. Those amendments made two notable changes to the Rules governing HRSW Options block trading that would be effective as of the June 29th transition:

i. the removal of the requirement that only ECPs, as defined in Section 1a(18) of the Commodity Exchange Act, be allowed to trade HRSW Options via block trades; and
ii. the lowering of the block trading threshold from 15 to 1 contract.

MIAX Futures deems these changes necessary to allow any open position holder to trade out of their positions or take on offsetting positions after June 29, 2025.

During this temporary period of block only trading in the HRSW Options market, MIAX Futures will continue to monitor and surveil trading to prevent manipulation and price distortions in compliance with CFTC Regulations. MIAX Futures will review all block trades submitted, and this review 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. Additionally, similar to EFRPs, Market Regulation may request further information from the parties involved. The information received can provide negotiation details (chat logs, emails, audio recordings, etc.) that may allow Market Regulation to see any internal controls or approval processes for such transactions. In the case of a price deviation, such documentation may explain why the block trade was transacted and may be a violation of MIAX Futures Rules as a result.

Additionally, Market Regulation will utilize a proprietary application for options analysis and pricing application to monitor HRSW Options block transactions based on volatility levels. The application provides a variety of tools for comparing trade execution to prior settlement volatility values and has been integrated into the Exchange's suite of market tools to monitor MIAX Futures products. MIAX Futures currently uses the application to conduct analyses and is confident in how it has implied vols and tracked trades during that time.

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[1] https://www.miaxglobal.com/alert/2025/06/12/miax-futures-exchange-minneapolis-hrsw-options-transition-block-only

[2] https://www.miaxglobal.com/alert/2025/06/20/miax-futures-exchange-update-transition-minneapolis-hrsw-options-block-only

MIAX Futures will enter each block trade into the application's trade blotter and determine how the implied volatility of the individual contract or multi-legged spreads compare(s) to the prior day's settlement volatility values. A sample trade blotter was provided to the Commission via letter dated June 11, 2025, and more information is available upon request.

II. Need for No Action Relief

It is critical for MIAX Futures to be able to provide a means by which HRSW Options may continue to be traded for a temporary period after the transition from CME Globex®. Pursuant to the provisions of CFTC Regulations §§ 1.38 and 38.500, designated contract markets are required to provide an open and competitive mechanism to execute futures and options contracts that protects the price discovery process of trading.[3] MIAX Futures recognizes that DMO staff may question whether these regulations support allowing block only trading for HRSW Options. In order to avoid any market disruption and provide regulatory certainty to open position holders, MIAX Futures is submitting this request for no-action relief. This relief, which would be limited in scope to HRSW Options only, would be effective on June 29, 2025 and expire after close of trade on August 29, 2025.

While MIAX Futures is requesting relief from the above mentioned CFTC Regulations, it emphasizes that this request is also made in furtherance of MIAX Futures' obligations as a DCM under CFTC Regulation § 38.650, which requires DCMs to establish and enforce rules to promote fair and equitable trading. As mentioned above, there are approximately 198 position holders at the time of this request, most of which are commercial hedgers, with open positions in the September and December 2025 HRSW Options contracts, holding a combined 4,442 open positions. The customer harm that will certainly occur if this relief is not granted is likely significant. If DMO does not grant the relief requested herein, each of these market participants (most of whom are commercial hedgers) will be forced to liquidate their positions immediately. Therefore, this relief is necessary and appropriate to facilitate MIAX Futures' fulfillment of its obligations under § 38.650.

MIAX Futures recognizes the requirements of Part 40 of the CFTC Regulations, namely § 40.6(a) and/or § 40.4, which necessitates that the Exchange file with the Commission certain amendments to its rules prior to implementation. As DMO staff may question whether the following rule amendments materially change the HRSW Options contract's terms and conditions, MIAX Futures intends to withdraw its Submission No. 25-20 made under § 40.6(a) and is requesting relief from filing under § 40.6(a) and § 40.4 to implement the following rule changes effective June 29, 2025 ("Proposed Amendments"):

51.1. PRODUCT TRADING PLATFORM.

Minneapolis HRSW Options are only available for trading via Block Trades pursuant to Rule 51.16. until close of trade August 29, 2025. Thereafter, HRSW Options will not be available for trading until further notice from the Exchange.

51.16. BLOCK TRADES.

[3] But see CFTC Reg. 1.38(b) (providing for the noncompetitive execution of trades).

For the purpose of this Rule, Block Trades are transactions that are privately negotiated off the Exchange's Electronic Trading System ~~and can only be entered into by Eligible Contract Participants, as defined in Section 1a(18) of the Commodity Exchange Act. Clearing Members are responsible for ensuring Market Participants, including customer accounts, conducting Block Trades are Eligible Contract Participants~~.

Block Trades are permitted to be executed in the Minneapolis Hard Red Spring Wheat Options Contract, provided they are in accordance with the following provisions:

A. A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders for different accounts may not be aggregated in order to achieve the minimum transaction size. The Block Trade minimum threshold in the Minneapolis HRSW Options Contract is ~~15~~ 1 contract~~s~~.

B. A Party shall not execute any order as a Block Trade for a customer unless such customer has specified that the order be executed as a Block Trade.

C. The Block Trade is executed competitively at a price that is fair and reasonable in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract at the relevant time, and (C) the price and size of Trades in other relevant markets, at the relevant time. The minimum price increment for a Block Trade in the Minneapolis HRSW Options Contract is 1/8 cent per bushel.

D. ~~Block Trades will not trigger conditional orders or otherwise affect orders in the underlying Minneapolis HRSW Options Contract traded on the Electronic Trading System~~Reserved.

E. Clearing Members must ensure that each side of the Block Trade is reported to the Exchange within fifteen (15) minutes and in the manner specified by the Exchange. The reporting of each side of the Block Trade must include the: contract, contract month, price, quantity of the transaction including quantities for each leg, buy/sell side, CTI and Regular (House) or Segregated (Customer) indicators, Transaction Type Indicator (B), account number, the respective Clearing Member(s) code, the time of execution, strike price, put or call designation, expiration month, and any other information required in accordance with MIAX Futures Rules.

F. Each counterparty to a Block Trade must have a separate and independent bona-fide legal or business purpose for entering into the Block Trade.

G. Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of such communication to any other party for any purpose other than to facilitate the execution of the Block Trade.

III. Relief Requested

For the reasons set forth herein, MIAX Futures respectfully requests that DMO will not recommend an enforcement action against MIAX Futures for failing to comply with the following Commission Regulations, or the related CEA provisions pursuant to which they were promulgated:

- CFTC Regulations § 40.4 (Amendments to terms and conditions of enumerated agricultural products) and 40.6(a) (Self-certification of rules)
- CFTC Regulations § 1.38 (Execution of transactions) and 38.500 (Core Principle 9 – Execution of Transactions), and CEA sections 5(d)(9) and 5c(c))

Each of the above requests are conditioned upon (i) MIAX Futures providing DMO with any additional reporting of block trades executed on HRSW Options, as may be requested by the CFTC; (ii) the relief from CFTC Regulations § 40.4 and 40.6(a) expiring at such time as options become available for electronic trading on the Exchange; and (iii) the relief from CFTC Regulations § 1.38 and 38.500 and CEA sections 5(d)(9) and 5c(c)) expiring after close of trade on August 29, 2025.

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Thank you for your attention to this request. Please do not hesitate to contact me at lhopkins@miaxglobal.com for any further information the Commission or its staff may require in connection with this request.

Sincerely,

Lindsay Hopkins

Lindsay R. Hopkins
VP, Chief Compliance Officer, Senior Counsel

Certification and Undertaking Pursuant to Regulation 140.99(c)(3):

I hereby certify that the material facts set forth in the attached letter dated June 23, 2025 are true and complete to the best of my knowledge. If at any time prior to issuance of a Letter, any material representation made in the request ceases to be true and complete, the person who made the undertaking will ensure that Commission staff is informed promptly in writing of all materially changed facts and circumstances. If a material change in facts or circumstances occurs subsequent to issuance of a Letter, the person on whose behalf the Letter is sought (or that person's authorized representative at the time of the change) must promptly so inform Commission staff.

Sincerely,

Lindsay Hopkins

Lindsay R. Hopkins
VP, Chief Compliance Officer, Senior Counsel