



**MINNEAPOLIS GRAIN EXCHANGE**

Via Electronic Mail

RECEIVED  
C.F.T.C.

100 MAR 30 PM 3:47

OFFICE OF THE SECRETARIAT

March 30, 2007

Ms. Eileen A. Donovan  
Acting Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, D.C. 20581

**SUBJECT: Rule Certification**

Dear Ms. Donovan:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), the Minneapolis Grain Exchange ("MGEX" or "Exchange") hereby certifies that the attached amended Rule 760.00 and Resolution 2102.00.C. complies with the CEAct and the regulations thereunder. Additions have been underlined while deletions were marked through.

The purpose for amending the Rule and Resolution is to provide the Board of Directors the authority to appoint a designee to increase or decrease the minimum initial and maintenance Exchange margins on behalf of the MGEX. Additionally, the Board of Directors appointed the Clearing House Committee as its designee for Exchange margins.

Pursuant to the authority of MGEX Rule 210.01., the Board of Directors unanimously approved amending the Rule and Resolution. Additionally, the Ownership overwhelmingly approved amending Rule 760.00. The MGEX plans to implement the changes the next business day after receipt of this submission to the Commission.

If there are any questions regarding this submission, please contact me at (612) 321-7190. Thank you for your prompt attention to this matter.

Sincerely,

Sandra S. Sullivan  
Director, Market Regulation

Enclosure  
cc: Anne Reuter

**760.00. MARGINS.**

- A. EXCHANGE MARGINS: This term shall mean United States Funds, negotiable securities or other property deposited with or to the sole credit of an agent or of a Clearing Member Firm as protection against losses incident to a transaction for future delivery.
1. INITIAL MARGIN: This term shall mean a margin (as defined herein) deposited at the initiation of a futures transaction.
  2. MAINTENANCE MARGIN: This term shall mean a margin (as defined herein) maintained during the period a Futures Contract remains open.

Members and nonmember customers of a Minneapolis Grain Exchange Member Firm shall deposit and maintain initial and maintenance margins according to the Member Firm's requirements. Initial margins as established by the Board of Directors, or its designee, shall be charged at a minimum. The Board of Directors, or its designee, may by resolution increase or decrease initial and maintenance margins as market conditions require.

PROVIDED, that the margins on spreading and hedging transactions shall be the requirements of the Clearing House as a minimum, except where a customer specifies that a spread involves a Minneapolis Grain Exchange approved inter-exchange spread. Then the initial margin on the Minneapolis side shall be at a minimum established by the Board of Directors, or its designee. (Margin on the Chicago Board of Trade side or the Kansas City Board of Trade side of the spread to be in accordance with that market's requirements.)

The specific amounts of the initial, maintenance, and spread margins are to be transmitted to the membership by special memorandum.

- B. CLEARING MARGINS: This term shall mean United States Funds or securities approved by the Clearing House Committee deposited with or to the sole credit of the Clearing House as protection against losses incident to a transaction for future delivery (See Regulation 2102.00. and Resolution 2102.00.C.)

03-30-07

Deleted: 02-06-07

Formatted: Font: 11 pt, Not Bold, Not Italic

Formatted: Font: 11 pt

Formatted: Font: 11 pt, Not Bold, Not Italic

**RESOLUTION 2102.00. C.**

The Minneapolis Grain Exchange Board of Directors, or its designee, has adopted the following margins as the minimum amounts that are proper and adequate.

A.	Margins on Futures	<u>Amount Per Contract</u>	<u>Intra-Market Spreads Amount Per Contract</u>
	National Corn Index	\$600	Market
	National Soybean Index	\$850	Market
	Hard Red Winter Wheat Index	\$1300	Market
	Hard Red Spring Wheat Index	\$1300	Market
	Soft Red Winter Wheat Index	\$1300	Market
	Spring Wheat	\$1300	Market

B.	Inter-Commodity Spreads	<u>Spread Credit % Savings</u>
	NCI vs. NSI	50%
	HRWI vs. Spring Wheat	100%
	HRSI vs. Spring Wheat	100%
	SRWI vs. Spring Wheat	100%
	HRWI vs. HRSI	100%
	HRWI vs. SRWI	100%
	SRWI vs. HRSI	100%

C.	Inter-Exchange Spreads - MGEX Side	
	MGEX NCI vs. CBOT Corn	100%
	MGEX NSI vs. CBOT Soybeans	100%
	MGEX HRWI vs. CBOT Wheat	100%
	MGEX HRWI vs. KCBT Wheat	100%
	MGEX HRSI vs. CBOT Wheat	100%
	MGEX HRSI vs. KCBT Wheat	100%
	MGEX SRWI vs. CBOT Wheat	100%
	MGEX SRWI vs. KCBT Wheat	100%
	MGEX Spring Wheat vs. CBOT Wheat	60%
	MGEX Spring Wheat vs. KCBT Wheat	60%

D. Margins on Options. Under the provisions of **Rule 760.00.**, the Board of Directors, or its designee, hereby establishes that minimum margins for options transactions will be determined by the Standard Portfolio of Analysis of Risk margin calculations. SPAN<sup>®</sup> is a registered trademark of the Chicago Mercantile Exchange. The Chicago Mercantile Exchange assumes no liability in connection with the use of SPAN<sup>®</sup> by any person or entity.

Approved by the Board of Directors, or its designee, ~~XXXX 2007~~ effective ~~XXXX 2007~~.

Deleted: October 30,

Deleted: 6

Deleted: October 30,

Deleted: 6