



Via Portal Submission

May 15, 2018
MGEX Submission No. 18-14

Mr. Christopher 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 Regulation 40.6(a); Updates to MGEX Bylaw

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act (“CEAct”) Section 5c and Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), the Minneapolis Grain Exchange, Inc. (“MGEX” or “Exchange”) hereby certifies that amendment of the attached MGEX Bylaw complies with the CEAct and the Commission regulations promulgated thereunder. MGEX further certifies that the submission and pending changes have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

MGEX amended Bylaw 252.00. to better align the Executive Committee’s duties and powers with current practices and needs. Several of the duties included in the Bylaw were no longer reflective of existing practices and were being performed by the Board or Exchange officers. In addition, the amendment focuses the Bylaw on granting the Executive Committee the power to act when the Board is unable to do so, which may be critical if time is of the essence and the Board is unable to convene.

In amending Bylaw 252.00., MGEX is responding to a recommendation from the CFTC Division of Clearing and Risk. These changes will enhance transparency and comply with applicable CFTC regulations. Specifically, the Exchange has reviewed the core principles for derivatives clearing organizations (“DCO Core Principles”) and has determined that the amendments comply with the requirements of the following DCO Core Principle:

- *DCO Core Principle O – Governance Fitness Standards:* CFTC Regulation 39.32 requires Subpart C DCOs to have governance arrangements that are “clear and

documented” and “[c]learly specify the roles and responsibilities of the board of directors and its committees.” The governance arrangements set forth in amended Bylaw 252.00. clearly document and specify the roles and responsibilities of the Executive Committee, a board committee, in compliance with the requirements of this DCO Core Principle.

Pursuant to the authority set forth in MGEX Bylaws 205.01. and 210.01., the MGEX Board of Directors unanimously approved the attached amendment to Bylaw 252.00. As required by MGEX Bylaw 205.01., the MGEX ownership also voted and approved of the amendment. There were no substantive opposing views expressed by the Board of Directors, nor is the Exchange aware of any substantive opposing views of the MGEX ownership with respect to this filing.

The attached amendment is to be effective immediately after the 10th business day following the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7143 or lhopkins@mgex.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Lindsay Hopkins". The signature is written in black ink and is positioned to the left of the typed name.

Lindsay R. Hopkins
Clearing House Counsel

EXHIBIT A

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

252.00. EXECUTIVE COMMITTEE.

There shall be established a Committee of the Board of Directors to be known as the Executive Committee which shall be composed of five (5) directors including the Chairperson of the Board, the First and Second Vice Chairpersons of the Board and no less than two (2) Public Directors elected by the Board. Meetings of the Executive Committee shall be held at such time and place as may be designated by the Executive Committee. The Chairperson of the Board shall be the Chairperson of the Executive Committee and shall have voting privileges.

The Committee shall have the duties and powers to: act on behalf of the Board of Directors when an emergency exists or when the Board is otherwise unable to reach quorum or convene in a timely manner.

- ~~A. Investigate issues and pursue opportunities related to the business of the Exchange, and recommend actions to the Board.~~
- ~~B. Recommend changes to any guidelines, policies or procedures of the Exchange, including those which may govern employee conduct, donations and participation in trade or industry associations.~~
- ~~C. Reallocate funds within the approved budgets as priorities change, provided that any such reallocation will not endanger necessary financial commitments or requirements.~~
- ~~D. Act on behalf of the Board of Directors when an emergency exists and the Board is unable to convene in a timely manner. Emergencies shall include, but not be limited to: discovery of possible illegal activities, security of the building, threats to the financial integrity of the Exchange, Force Majeure, threats to Exchange trading activity due to inclement weather, transportation breakdown or market manipulation. In such instances the Committee may take such actions as necessary including: not opening the markets, delaying the open of the markets, closing the markets early, or order liquidation of a party's positions. Such actions shall not continue beyond such time as the emergency warrants and shall not violate applicable laws and regulations.~~
- ~~E. Offer guidance and provide consultation to the officers of the Exchange.~~

- ~~F. — Extend or delay the opening of river or lake navigation.~~
- ~~G. — Prescribe and approve the forms required by Bylaws or MGEX Rules.~~
- ~~H. — Approve an applicant or Delegate for membership, provided there are no objections or any unresolved issues to be heard by the Board.~~
- ~~I. — Approve changes in Exchange margins as market conditions require, giving due consideration to Risk Management Committee recommendations.~~
- ~~J. — Report and make recommendations to the Board of Directors.~~

