



Via Portal Submission

April 28, 2023
MGEX Submission No. 23-19

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); Amendments to MGEX's Risk Manual & Exhibit A

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c) and Commodity Futures Trading Commission ("CFTC") Regulation 40.6(a), the Minneapolis Grain Exchange, LLC ("MGEX" or "Exchange") hereby submits this self-certification of certain amendments to MGEX's Risk Management Principles Reference Manual ("Risk Manual") & Exhibit A – Bitnomial Bitcoin Margin Methodology ("Exhibit A"). MGEX has respectfully requested confidential treatment for such amendments to the Risk Manual and Exhibit A, which are being submitted concurrently with this submission. The Exchange intends to implement the amendments ten business days following the filing of this submission.

Overview of Amendments

MGEX has amended its Risk Manual and its accompanying Exhibit A, as shown in the attachment accompanying this submission, to make necessary updates and additions pertaining to Bitnomial contracts. Specifically, the amendments add language pertaining to providing margin credit for spread positions held between the BUS (standard size) and BUI (mini size) Bitnomial Bitcoin contracts.

DCO Core Principles

In connection with updating the Risk Manual and Exhibit A, 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 such principles. During

the review, MGEX identified the following DCO Core Principles as potentially being impacted:

- *DCO Core Principle D – Risk Management:* CFTC Regulation 39.13 requires DCOs to possess certain risk management tools and procedures, including establishing margin models. These changes to add language regarding providing margin credit for spread positions held between the BUS and BUI Bitnomial Bitcoin futures contracts serve to update the Exchange’s risk management tools and procedures, and as such, the amendments are consistent with the requirements of Core Principle D, CFTC Regulations 39.13 and 39.36.

MGEX hereby certifies that the amendments to the Risk Manual and Exhibit A comply with the CEAct and the CFTC regulations promulgated thereunder. The Exchange is not aware of any substantive opposing views expressed regarding the amendments or this filing. MGEX further certifies that, concurrent with this filing, a copy of the submission was posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>. If there are any questions regarding this submission, please contact me at (612) 321-7176 or jkrause@mgex.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'JK', is positioned above the typed name and title.

James D. Krause
Associate Counsel, MGEX Clearing

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