



Via Portal Submission

June 26, 2023
MGEX Submission No. 23-38

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); Amendment to MGEX Rules Chapter 21

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, LLC (“MGEX” or “Exchange”) hereby certifies that the attached amendments to MGEX Rules regarding definition changes and Clearing Member deadline adjustments complies with the CEAct and CFTC Regulations. MGEX further certifies that the submission and pending changes to the MGEX Rules have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

Overview of Rule Amendment

MGEX is proposing the following Rule amendments to properly reflect Bitnomial’s proposed option contract in the MGEX Rulebook Definitions as an option on the Deci Bitcoin contract rather than the full-size Bitcoin contract. Additionally, the Rule amendments remove a Clearing Member reporting requirement that is no longer required following the launch of the new MGEX clearing system.

DCO Core Principles

In connection with adding the following Rule amendments, the Exchange has reviewed the core principles for DCOs (“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*: Core Principle D requires DCOs to maintain the ability to manage risks associated with discharging the responsibilities of the DCO through the use of appropriate tools and procedures. The new MGEX clearing system has updated the tools MGEX utilizes to manage risks associated with discharging its responsibilities as a DCO to satisfy this core principle, which is

reflected by the Rule changes below.

- *DCO Core Principle L – Public Information*: Core Principle L requires DCOs to provide market participants with sufficient information and to have clear and comprehensive rules and procedures. The amendment to these Rules will be incorporated into the Exchange's Rules, which are posted publicly on the MGEX website in satisfaction of this core principle.

Pursuant to MGEX Bylaw 3.1., the MGEX Board of Directors unanimously approved the attached amendments to the MGEX Rules. There were no substantive opposing views expressed by the Board of Directors, nor is the Exchange aware of any substantive opposing views with respect to this filing. The attached amendments are to be effective when incorporated into MGEX's Rules on its website, which will be at least 10 business days following the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7159 or apilon@mgex.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Amanda R. Pilon".

Amanda R. Pilon
Associate Corporate Counsel, MGEX Clearing

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EXHIBIT A

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

CHAPTER 1 DEFINITIONS

BITNOMIAL EXCHANGE CONTRACTS: Any contract listed on the Bitnomial Exchange and approved to be cleared by MGEX. Presently, the Bitnomial Bitcoin Futures Contract, Bitnomial Deci Bitcoin Futures Contract, and Bitnomial Deci Bitcoin Options Contract, each as described in Chapter 12 of Bitnomial Exchange rules.

CHAPTER 23 BITNOMIAL EXCHANGE CLEARING RULES

23.9. DEADLINES AND SUMMARY FINES.

The schedule of deadlines is subject to change at any time by the Exchange. The Exchange has adopted the following schedule of reporting deadlines (all times shall conform to Central Time):

7:30 a.m.	Reporting of gross positions
9:00 a.m.	Settlement and margin payment
11:00 a.m.	Trading directive for same day collateral pledges* Trading directive for same day collateral pledge release*
11:15 a.m.	Weekly account position updates
11:30 a.m.	Intraday variation payment
4:10 p.m.	Unmatched trade adjustments
4:15 p.m.	Last submission of trades Give-up execution
4:20 p.m.	Give-up acceptance
4:30 p.m.	Auto-Exercise Cancellations

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Options position reports on expiration day

5:10 p.m. Bitnomial delivery files

7:30 p.m. Customer gross margin files

***Submitting a Trading directive to the Exchange does not guarantee same day transfers of a security. MGEX is not responsible for delays caused by the inaccuracy or untimely submission of information by a Clearing Member required to facilitate the transfer of securities to or from MGEX's safekeeping accounts.**

Any unresolved unmatched trades may be suspended pending possible resolution the following Business Day as an "as of" trade. "As of" trades can be carried no longer than one Business Day. Any "as of" trade which is subsequently given up must be done in accordance with [Rule 2102.00](#) and the deadlines established in [Resolution 2101.00.C](#).

In addition to the deadlines set forth above, the Exchange has adopted delivery specific deadlines (see [Rule 23.12.4](#)).

Any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a summary fine or other disciplinary action, including but not limited to, the matter being referred to the Disciplinary Committee as determined by the Exchange.

Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in this Rule. All submissions received after the respective deadlines are subject to a warning letter or fine. The schedule is as follows:

1 st Offense:	Warning Letter
2 nd Offense:	\$1,000 fine
3 rd Offense:	\$2,500 fine
4 th Offense:	\$5,000 fine

The 5th offense and every subsequent offense will be referred to the Disciplinary Committee. Offenses and fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or a fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the amount, or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

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CHAPTER 72 RESOLUTIONS

RESOLUTION 2101.00.C.

The Exchange has adopted the following schedule of reporting deadlines (all times listed shall conform to Central Time):

- 7:30 a.m. Reporting of gross positions
Exercise account updates
- 9:00 a.m. Settlement and margin payment
- 11:00 a.m. Trading directive for same day collateral pledges*
Trading directive for same day collateral pledge release*
- ~~11:15 a.m. Weekly account position updates~~
- 11:30 a.m. Intraday variation payment
- 4:10 p.m. Unmatched trade adjustments
- 4:15 p.m. Last submission of trades
Give-up execution
- 4:20 p.m. Give-up acceptance
- 4:30 p.m. Auto-Exercise Cancellation Notices
Options position reports on expiration day
SPK Futures position reports on expiration day
- 4:45 p.m. Long position lists for delivery (HRSW Futures)
Delivery Notices
Exercise Notices
- 5:10 p.m. SPK Futures delivery accounts updates
- 7:30 p.m. Customer gross margin files

***Submitting a Trading directive to the Exchange does not guarantee same day transfers of a security. MGEX is not responsible for delays caused by the inaccuracy or untimely submission of information by a Clearing Member required to facilitate the transfer of securities to or from MGEX's safekeeping accounts.**

Trading activity after five o'clock (5:00) p.m. to four o'clock (4:00) p.m. the following day will be cleared with said following day's trading activity.

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All trades must be submitted no later than four fifteen o'clock (4:15) p.m.
Any unresolved unmatched trades may be suspended pending possible resolution the following Business Day as an "as of" trade. "As of" trades can be carried no longer than one Business Day.

Pursuant to **Rules 2.3.5.** and **1227.00.**, any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a fine or the matter being referred to the Disciplinary Committee as determined by the Exchange.

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