



Via Portal Submission

September 22, 2023  
MGEX Submission No. 23-52

Mr. Christopher Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**RE: Rule Certification Submission Pursuant to Regulation 40.6(a); Amendments to MGEX Rules**

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 amendments to MGEX Rules: 1225.00., 1226.00., 1227.00., 1228.00., 1229.00., 1230.00., 1231.00., and the addition of MGEX Rule 1232.00. (the “Proposed Amendments”), as set forth in Exhibit A, comply with the CEAct and the Commission regulations promulgated thereunder. 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 Amendments**

The Proposed Amendments to the above-referenced Rules enhance MGEX’s authority and ability to enforce MGEX Rules through the issuance of summary fines.

### **DCM Core Principles**

MGEX has reviewed the Core Principles for designated contract markets (“DCM Core Principles”) and identified that the Proposed Amendments may impact the following DCM Core Principles:

- *DCM Core Principle 2 – Compliance with Rules:* The Proposed Amendments enhance MGEX’s authority and ability to enforce MGEX Rules through the issuance of summary fines.
- *DCM Core Principle 7 – Availability of General Information:* The Proposed Amendments have been disseminated on the MGEX website, and will be available in the MGEX Rulebook, which is accessible online.
- *DCM Core Principle 12, Protection of Markets and Market Participants:* The Proposed Amendments will protect the market and market participants through the enhanced authority and ability to enforce MGEX Rules through the issuance of summary fines.
- *DCM Core Principle 13, Disciplinary Procedures:* The Proposed Amendments enhance MGEX’s authority to discipline market participants that violate certain rules through the issuance of summary fines.

Pursuant to MGEX Bylaw 3.1., the Proposed Amendments were approved on September 18, 2023. There were no substantive opposing views expressed with respect to this filing. The Proposed Amendments are to be effective when incorporated into the MGEX Rulebook and posted 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) 321-7188 or [randerson@mgex.com](mailto:randerson@mgex.com). Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan Anderson', with a long horizontal line extending to the right.

Ryan Anderson  
Associate Counsel

Enclosure

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EXHIBIT A

The following MGEX Bylaws and Rules are to be amended. Additions are underlined while deletions are ~~marked through~~.

CHAPTER 12  
DISCIPLINE RULES

1225.00. SUMMARY FINES: GENERALLY.

A. — The Exchange shall have the authority and sole discretion to impose summary fines on Market Participants or other Persons approved as Regular, not to exceed \$7,500~~5,000~~ per offense for individuals and not to exceed \$15,000~~40,000~~ per offense for entities, for violations of the requirements set forth in the summary fine rules~~schedules~~ of the Exchange or failing to meet any other obligation of the Exchange. The imposition of summary fines shall be final. There is no appeal to the Board of Directors or any other MGEX authority.

B. — Notwithstanding anything to the contrary, the Exchange~~Department of Audits and Investigations~~ may, at any time, take further disciplinary action including, but not limited to, referring violations to the Disciplinary Committee.

C. — In the event a summary 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.

1226.00. SUMMARY FINES: GENERAL INFORMATION REQUESTS~~GENERAL REQUESTS.~~

Data, records and other information requested by the Exchange must be accurate, complete and timely submitted. Such requests include, but are not limited to, the following documents:

- Tag 50 Information Forms
- EFR/EFP Document Requests
- Audit Trail Requests
- ~~▪ Trading Cards and Orders~~
- Account Statements

Failure to submit accurate, complete and timely information requested by the Exchange is subject to a warning letter or up to a \$15,000 fine per offense.~~a fine. The fine schedule is as follows:~~

<del>1<sup>st</sup> Offense:</del>	<del>Warning Letter</del>
<del>2<sup>nd</sup> Offense:</del>	<del>\$1,000 fine</del>
<del>3<sup>rd</sup> Offense:</del>	<del>\$2,500 fine</del>
<del>4<sup>th</sup> Offense:</del>	<del>\$5,000 fine</del>

Submissions received after their designated deadlines are subject to an additional \$250~~200~~ fine for every one (1) day late.

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~~The 5<sup>th</sup> offense and every subsequent offense will be referred to the Disciplinary Committee. Unless otherwise stated, o~~ffenses and summary fines shall be based upon events occurring within a rolling ~~twenty-four~~twelve (24~~12~~) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, ~~increase the fine amount,~~ or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any given document request.

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.

#### **1227.00. SUMMARY FINES: TRADING SESSION SUBMISSIONS.**

Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C.**

All submissions received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense~~a fine.~~ ~~The schedule is as follows:~~

<del>1<sup>st</sup> Offense:</del>	<del>Warning Letter</del>
<del>2<sup>nd</sup> Offense:</del>	<del>\$1,000 fine</del>
<del>3<sup>rd</sup> Offense:</del>	<del>\$2,500 fine</del>
<del>4<sup>th</sup> Offense:</del>	<del>\$5,000 fine</del>

~~The 5<sup>th</sup> offense and every subsequent offense will be referred to the Disciplinary Committee.~~ Offenses and summary fines shall be based upon events occurring within a rolling ~~twenty-four~~twelve (24~~12~~) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, ~~increase the fine 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.

#### **1228.00. SUMMARY FINES: FINANCIAL STATEMENTS.**

All FCMs, Clearing Members, non-FCMs with cash trading privileges, and Regular facilities are required to submit accurate financial statements by their designated deadline.

All submissions received after their designated deadlines are subject to a warning letter or up to a \$7,500 fine per offense~~a fine~~ plus an additional ~~\$250~~200 fine for every one (1) day late. ~~The fine schedule is as follows:~~

<del>1<sup>st</sup> Offense:</del>	<del>Warning Letter</del>
<del>2<sup>nd</sup> Offense:</del>	<del>\$1,000 fine</del>
<del>3<sup>rd</sup> Offense:</del>	<del>\$2,500 fine</del>
<del>4<sup>th</sup> Offense:</del>	<del>\$5,000 fine</del>

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~~The 5<sup>th</sup> offense and every subsequent offense will be referred to the Disciplinary Committee.~~ Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any required statement.

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.

#### **1229.00. SUMMARY FINES: FINANCIAL OBLIGATIONS.**

Settlement, margin, and intraday variation payments must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C.**

All payments received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense. ~~a fine. The schedule is as follows:~~

- ~~1<sup>st</sup> Offense: Warning Letter~~
- ~~2<sup>nd</sup> Offense: \$2,500 fine~~
- ~~3<sup>rd</sup> Offense: \$5,000 fine~~
- ~~4<sup>th</sup> Offense: \$10,000 fine~~

~~The 5<sup>th</sup> offense and every subsequent offense will be referred to the Disciplinary Committee.~~ Offenses and summary fines shall be based upon events occurring within a rolling ~~twenty-four~~twelve (24) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, ~~increase the fine 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.

#### **1230.00. SUMMARY FINES: REGULAR FACILITIES.**

All Regular facilities must submit their renewal applications by their designated deadlines.

All renewal applications received after the scheduled deadlines are subject to a warning letter or up to a \$2,500 fine per offense ~~a fine~~ plus an additional ~~\$250~~200 fine for every one (1) day late. ~~The fine schedule is as follows:~~

- ~~1<sup>st</sup> Offense Warning Letter~~
- ~~2<sup>nd</sup> Offense \$1,000 fine~~

~~The 3<sup>rd</sup> offense and every subsequent offense will be referred to the Disciplinary Committee.~~ Offenses and summary fines shall be based upon events occurring within a rolling thirty-six (36) month period. The

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Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any application.

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.

#### **1231.00. SUMMARY FINES: STOCKS REPORTING FACILITIES.**

All Hard Red Spring Wheat Regular facilities must submit accurate stocks reports to the Exchange pursuant to the deadlines below.

Daily Stocks Reports (Form SRM): 1:00 p.m. (Central Time)

All stocks reports received after the scheduled deadlines are subject to a warning letter or up to a \$7,500 fine per offense. ~~fines as follows:~~

<del>1st Offense:</del>	<del>Warning Letter</del>
<del>2nd Offense:</del>	<del>\$1,000 fine</del>
<del>3rd Offense:</del>	<del>\$2,000 fine</del>
<del>4th Offense</del>	<del>\$3,000 fine</del>

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

#### **1232.00. SUMMARY FINES: BLOCK TRADES.**

All block trades must comply with the Exchange Rule on block trades for each respective product.

All block trades that do not comply with the Exchange Rule on block trades for the product in question are subject to a warning letter or up to a \$7,500 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee.

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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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