



Via Portal Submission

December 28, 2023
MGEX Submission No. 23-63

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

RE: CFTC Regulation 40.6(a) Certification: Delisting of SPIKES Volatility Index Futures

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act Section 5c and Commodity Futures Trading Commission Regulation 40.6(a), the Minneapolis Grain Exchange, LLC (“MGEX”) hereby certifies the delisting of SPIKES Volatility Index Futures. There is no open interest for this product. In conjunction with the delisting, the SPIKES Volatility Index Futures rules will be stricken and removed from the MGEX Rulebook. See *Attachment A*.

MGEX reviewed the Core Principles for designated contract markets (“DCM Core Principles”) and identified that delisting SPIKES Volatility Index Futures may impact the following DCM Core Principles:

- *DCM Core Principle 6, Emergency Authority:* Because there was no open interest in the product, there will not be any resulting market disruption.
- *DCM Core Principle 7, Availability of General Information:* The Exchange has publicly made available a memo detailing the delisting of SPIKES Volatility Index Futures, which is located on the MGEX website at <https://www.miaxglobal.com>.

Pursuant to MGEX Bylaw 2.4. and 3.3., the Exchange has the authority to delist SPIKES Volatility Index Futures. There were no substantive opposing views expressed, nor is the Exchange aware of any substantive opposing views with respect to this filing.

The delisting of SPIKES Volatility Index Futures is effective after the close of trading (4:00pm CT) on Friday, December 29, 2023. Removal of the product rules from the Rulebook will become effective as soon as practical. MGEX certifies that the delisting of SPIKES Volatility Index Futures complies with the CE Act and CFTC Regulations promulgated thereunder. MGEX further certifies that this submission has been posted on the MGEX website at the following link: <https://www.miaxglobal.com/markets/us-futures/mgex/rule-filings>.

MINNEAPOLIS GRAIN EXCHANGE, LLC

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If there are any questions regarding this submission, please contact me at (612) 321-7128 or psparby@miaxglobal.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter D. Sparby', is written in a cursive style.

Peter D. Sparby
Vice President, Counsel

Enclosure

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Attachment A

2011.02. LAST DAY FOR EXCHANGE FOR PHYSICAL AND RISK TRANSACTIONS.

The last day that a National Corn Index, National Soybean Index or Wheat Index futures contract may be exchanged for, or in connection with, a physical (“EFP”) or risk (“EFR”) transaction shall be the last business day of the contract month.

~~The last day that a SPIKES futures contract may be exchanged for, or in connection with, an EFR transaction shall be the last trading day of that contract.~~

The last day that a Spring Wheat futures contract may be exchanged for, or in connection with, an EFP or EFR transaction shall be the sixth (6th) business day following the last trading day of the contract month.

After the last trading day of the Spring Wheat futures contract, EFP and EFR transactions are permitted only for the purpose of liquidating futures positions. Such transactions shall not be permitted to initiate or establish new futures positions.

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*
11:30 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.

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.

~~CHAPTER 83. SPIKES VOLATILITY INDEX FUTURES~~

~~83.1. AUTHORITY.~~

~~Trading in SPIKES Volatility Index Futures (base symbol 'SPK') may be conducted under such terms and conditions as the Board of Directors and/or the Exchange will determine, subject to the CEA and CFTC Regulations.~~

~~83.2. SCOPE OF CHAPTER.~~

~~This Chapter is limited in its application to Futures trading of the SPIKES Volatility Index. Electronic trading, clearing, daily settlement, delivery of cash settlement, and any other matters not specifically covered in this Chapter will be governed by the MGEX Rules, or otherwise delegated to the Exchange to establish policies and procedures that implement the MGEX Rules. In the event the provisions of this Chapter conflict with any other MGEX Rules, those listed within this Chapter and as applicable to the SPK Futures Contract supersede such MGEX Rules outside of this Chapter.~~

~~83.3. SPIKES VOLATILITY INDEX: DEFINITION.~~

~~The SPIKES Volatility Index ("SPIKES") is a real time market index that measures the expected 30 day forward looking volatility in the SPDR S&P 500 ETF Trust ("SPY"). SPIKES is calculated using SPY option prices and interpolates between two expirations' computed variances to determine the 30 day expected volatility.~~

~~83.4. CONTRACT TRADING UNIT.~~

~~The unit of trading will be the value of the SPK Futures Contract multiplied by one thousand U.S. dollars (\$1,000). For example, if the SPIKES value was 13.5, one SPK Futures Contract would equal \$13,500 (13.5 x \$1,000.00.)~~

~~83.5. MINIMUM PRICE INCREMENT.~~

~~Except as provided in this Rule, the minimum price increment in the SPK Futures Contract will be 0.01 index points, which has a value of \$10.00. All prices are quoted in U.S. dollars.~~

~~For spread trades, the individual legs and net prices in the SPK Futures Contract may be in increments of 0.01 index points, which has a value of \$10.00.~~

~~83.6. TRADING MONTHS.~~

~~The months available for trading in SPK Futures Contracts and the number of months available for trade at one time will be determined by the Board of Directors.~~

~~83.7. TRADING DAYS AND HOURS.~~

~~A trading day is a Business Day on which trading of SPK Futures Contracts is permitted. Trading days are determined by the Exchange. The Hours of Trading for SPK Futures Contracts during extended and regular Hours of Trading will constitute a single trading session for a Business Day. All times noted below are in Central Time.~~

~~Unless otherwise specified by the Exchange in relation to Exchange holidays, the Hours of Trading for SPK Futures will be the following:~~

~~Regular Trading Hours:~~

~~8:30 a.m.—3:00 p.m. Monday—Friday~~

~~Extended Trading Hours:~~

~~5:00 p.m.—8:30 a.m. Sunday—Friday*~~

~~3:00 p.m.—4:00 p.m. Monday—Friday~~

~~For the avoidance of doubt, the start of each new trading day begins with the start of trading at 5:00 p.m. Central Time.~~

~~* The extended trading hours for Friday trade dates begin at 5:00 p.m. on Thursday and end at 8:30 a.m. Central Time on Friday.~~

~~83.8. LAST TRADING DAY.~~

~~The last trading day is at 8:00 a.m. (Central Time) on the settlement day, generally the Wednesday thirty (30) calendar days preceding the third Friday of the following calendar month. In the event Wednesday is a scheduled holiday, the settlement date will be moved one day prior to Tuesday. In the event Wednesday is an unscheduled holiday, the settlement date will be moved one day later to Thursday. Should the third Friday of the following calendar month be a holiday, the settlement date will be moved one day prior to Tuesday.~~

~~83.9. DAILY PRICE LIMITS.~~

~~For the purpose of this Rule, Price Limits and the following provisions are applied only to extended Hours of Trading as defined in MGEX Rule 83.7.:~~

- ~~A. — Each SPK Futures Contract will have a price limit that is seventy percent (70%) above the daily settlement price for that SPK Futures Contract for the prior Business Day (“Upper Price Limit”) and a price limit that is thirty percent (30%) below the daily reference price for that SPK Futures Contract for the prior Business Day (“Lower Price Limit”). An Upper Price Limit and a Lower Price Limit may jointly be referred to as a “Price Limit.”~~
- ~~B. — Price Limits will be applicable with respect to the execution of single leg SPK orders. Price Limits will apply to SPK spread orders with respect to the individual legs and may not be executed at a price that is above the Upper Price Limit, or below the Lower Price Limit, for a respective single leg SPK Futures Contract.~~
- ~~C. — Price Limits are in effect during the opening process for a SPK Futures Contract.~~
- ~~D. — In calculating a Price Limit, if the calculation results in a Price Limit that falls between two minimum price increment sizes for the SPK Futures Contract, the Upper Price Limit will always be rounded down and the Lower Price Limit will always be rounded up.~~
- ~~E. — The daily settlement price that will be utilized to calculate the Price Limits for a newly listed SPK Futures Contract will be the daily settlement price of the SPK Futures Contract with the nearest expiration date, in calendar days, to the expiration date of the newly listed SPK Futures Contract. If there is an equal amount of calendar days between a SPK Futures Contract with an earlier expiration date and a SPK Futures Contract with a later expiration date, the daily settlement price of the SPK Futures Contract with the earlier expiration date will be utilized.~~
- ~~F. — Notwithstanding any provisions of this Rule, the Exchange may, in its absolute and sole discretion, take any action it determines necessary or advisable to protect market integrity, including but not limited to, modifying or eliminating the Price Limit parameters established above.~~

~~83.11. DAILY SETTLEMENT PRICE.~~

The Exchange will calculate the daily settlement price for each SPK Futures Contract in the following manner for each Business Day. The settlement price will be consistent with the minimum fluctuations of the contract.

- A. ~~The settlement price for the lead month will be determined by the volume weighted average of outright trades and applicable bids and offers made in the closing period on the Electronic Trading System. For purposes of this Rule, the lead month will be determined by the Exchange and is generally the most active month. The lead month will change at the time when the daily volume and open interest in the contract month following the current lead month is greater than the daily volume and open interest in the lead month for two (2) consecutive business days. If there is no volume weighted average of the outright, then the last trade price is compared to the current bid/ask. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price. If there is no last trade price available, then the prior settlement is compared to the current bid/ask. If the prior settlement is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the prior settlement is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.~~
- B. ~~All non lead months are deferred contract months and settle based upon the volume weighted average of calendar spread transactions made in the closing period on the Electronic Trading System. If there are no relevant calendar spreads, bids and offers in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and best possible ask, and the contract will settle at the midpoint of the bid/ask spread.~~
- C. ~~Notwithstanding the above, if such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price will be prepared.~~
- D. ~~The Exchange may in its sole discretion modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record will be prepared setting forth the basis for any modification. In addition, the Exchange reserves the right to change which contract month is the lead month when, in its discretion, doing so is in the best interest of the marketplace. If any such change to the lead month is made pursuant to this Rule, the Exchange shall provide notification to the public via the MGEX website or other means it deems effective~~

~~83.12. TRADING HALTS.~~

~~The Exchange will take into consideration any trading halt in the SPY and/or the SPIKES Options contract in determining whether to halt trading in the SPK Futures Contract.~~

~~Additional trading halts can be triggered by volatility in the underlying S&P 500 Index, including the following market declines:~~

- ~~A. Level 1: 15 minute trading halt following a seven percent (7%) decline in the S&P 500 Index (unless decline occurs after 2:25 p.m. Central Time or 11:25 a.m. Central Time in the case of early close).~~
- ~~B. Level 2: 15 minute trading halt following a thirteen percent (13%) decline in S&P 500 Index (unless decline occurs after 2:25 p.m. Central Time or 11:25 a.m. Central Time in the case of early close).~~
- ~~C. Level 3: Trading halt for the remainder of the trading session following a twenty percent (20%) decline in the S&P 500 Index, effective during all regular Hours of Trading.~~

~~Additional trading halts in the SPK Futures Contract can be triggered from a correlated trading halt in the E-mini S&P Futures Contract traded on CME during the extended Hours of Trading.~~

~~83.13. CASH SETTLEMENT.~~

~~Settlement of SPK Futures Contracts will result in the delivery of a cash settled amount on the Business Day immediately following the settlement date. The final cash index settlement price of the expiring SPK Futures Contract is determined by the opening prices of the SPY options market as traded on the Miami International Securities Exchange LLC ("MIAX"). The final settlement price of the SPK Futures Contract will be rounded to the nearest \$0.01. If the settlement price is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement price will be determined in accordance with Exchange Procedures.~~

~~MIAX and the Exchange make no warranty, express or implied, as to the results of the final cash index settlement price. Information included in, or used in the calculation of, such index is obtained from sources believed to be reliable, but neither MIAX nor the Exchange guarantee its accuracy or completeness and will have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the index or its calculation, or arising out of any errors or delays in calculating or disseminating such index.~~

~~83.14. OFFSETS AND TRANSFER TRADES.~~

~~Positions reported as offsets and/or position change data must be reported to the Clearing House each day by the established deadlines and in a manner that meets the provisions of MGEX Resolution 2101.00.C. Positions that have been offset at the Exchange may not subsequently be re-opened at the Exchange.~~

~~Except by same-day trade activity, existing SPK Futures positions in an expiring SPK Futures Contract month may not be offset during the period beginning two (2) Business Days prior to the first Business Day of the expiring month and continuing through the end of the settlement date of the expiring SPK Futures Contract ("Prohibition Period"). Clearing Members will be responsible for compliance with this requirement by their omnibus accounts. This prohibition also applies to transfer trades where no change in ownership is involved when the date of execution or exercise of the position being transferred is not the same as the transfer date. Such positions are required to be offset by trading. If such positions are carried on the books of different Clearing Members, the receiving Clearing Member is responsible for compliance with this Rule.~~

~~At its sole discretion, the Department of Audits and Investigations may permit an offset during the Prohibition Period via netting, transfer, or position adjustment. Such adjustments are permissible to correct a bona fide clerical or operational error for an amount less than five percent (5.0%) of the published open interest reported the same morning for which the offset will be reported by the Clearing Member's morning position reporting deadline. Moreover, such adjustments are only permissible if the Department of Audits and Investigations reasonably believes the offset will not adversely impact the market. Such permission does not prohibit the Department of Audits and Investigations from investigating or taking disciplinary action for any alleged violation of the Rulebook.~~

~~83.15. TRADE AT SETTLEMENT.~~

~~A Trade at Settlement (“TAS”) is a transaction at a price equal to the daily settlement price, or at a specified differential above or below the daily settlement price. The TAS transaction price will be determined following execution and based upon the daily settlement price of the respective SPK Futures Contract month.~~

~~TAS transactions are permitted in the SPK Futures Contract as outright or spread transactions. TAS transactions are available for trading only during the regular Hours of Trading of 8:30 a.m. — 2:58 p.m. Central Time. However, TAS transactions in an expiring SPK Futures Contract are not permitted during the Business Day of its final settlement date.~~

~~The permissible price range for permitted TAS transactions is from 0.50 index points below the daily settlement price to 0.50 index points above the daily settlement price. The permissible minimum increment for a TAS transaction is 0.01 index points.~~

~~83.16. RESERVED.~~

~~83.17. BLOCK TRADES.~~

~~For the purpose of this Rule, Block Trades are defined as large transactions that are privately negotiated off the Exchange’s Electronic Trading System and can only be entered into by Eligible Contract Participants, as defined in Section 1a(18) of the Commodity Exchange Act.~~

~~Block Trades are permitted to be executed in the SPK Futures Contract, provided they are in accordance with the following provisions:~~

- ~~A. — A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders for different accounts may not be aggregated in order to achieve the minimum transaction size. The Block Trade minimum threshold in the SPK Futures Contract is 25 contracts.~~
- ~~B. — A Party shall not execute any order as a Block Trade for a customer unless such customer has specified that the order be executed as a Block Trade.~~
- ~~C. — The Block Trade is executed competitively at a price that is fair and reasonable with consideration to the prevailing market price of either the SPK Futures Contract. The minimum price increment for a Block Trade in the SPK Futures Contract is 0.01 index points.~~
- ~~D. — Block Trades will not trigger conditional orders or otherwise affect orders in the underlying SPK Futures Contract traded on the Electronic Trading System.~~
- ~~E. — Clearing Members must ensure that each side of the Block Trade is reported to the Exchange within fifteen (15) minutes (but in no case later than 4:15 p.m. Central Time) and in the manner specified by the Exchange. The reporting of each side of the Block Trade must include the: contract, contract month, price, quantity of the transaction including~~

quantities for each leg, buy/sell side, CTI and Regular (House) or Segregated (Customer) indicators, account number, the respective Clearing Members, the time of execution, and any other information required in accordance with MGEX Rules.

- ~~F. Each counterparty to a Block Trade must have a separate and independent bona fide legal or business purpose for entering into the Block Trade.~~
- ~~G. Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of such communication to any other party for any purpose other than to facilitate the execution of the Block Trade.~~

~~83.18. POSITION ACCOUNTABILITY.~~

~~The position accountability levels for SPK Futures Contracts are as follows:~~

- ~~A. Ownership or control at any time of more than 50,000 contracts net long or net short in all SPK Futures Contracts combined;~~
- ~~B. Ownership or control of more than 30,000 contracts net long or net short in the expiring SPK Futures Contract, effective at the start of Hours of Trading for the Friday prior to the final settlement date of the expiring SPK Futures; or~~
- ~~C. Ownership or control of more than 10,000 contracts net long or net short in the expiring SPK Futures Contract, effective at the start of the Hours of Trading for the Business Day immediately preceding the final settlement date of the expiring SPK Futures.~~

~~For the purpose of this Rule, each new trading day commences with the start of trading at 5:00 p.m. Central Time.~~

~~83.19. AGGREGATION OF POSITIONS.~~

~~In determining whether any person has exceeded the position accountability levels, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading must be included with the positions held by such person. Such positions accountability levels will apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person. The Exchange will follow the CFTC definition of aggregation and the procedures for aggregating positions as described in CFTC Regulations as applicable.~~

~~83.20. REPORTABLE POSITION AND TRADING VOLUME.~~

- ~~A. Pursuant to CFTC Regulation 15.03 and Part 17, any open position level in the SPK Futures Contract at the close of trading on any trading day equal to, or in excess of, 200 contracts on either side of the market is required to be reported to the CFTC. All such positions will be reported in a manner and form as designated by the CFTC or the Exchange.~~

~~B. Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the SPK Futures Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.~~

~~83.21. CONTRACT MODIFICATIONS.~~

~~Specifications are fixed for the duration of the contract month upon the first trade in that contract month. However, a change in any Federal law, regulation, ruling, directive, or order that conflicts with these Rules or specifications will become effective upon notice by the Exchange. Additionally, the Board of Directors and/or the Exchange are granted the authority to change contract specifications as it deems appropriate or necessary, or to conform to any other applicable law, rule, or regulation that conflicts with these Rules or specifications, for any unopened contract month, as well as change contract specifications for any contract month with open interest upon approval by the CFTC.~~

~~To maintain the purpose and viability of the Futures Contract, the Board of Directors and/or the Exchange are granted the authority to change the MGEX Rules not directly affecting contract specifications at any time and implement such change as may be determined.~~

~~83.22. EMERGENCIES.~~

~~In the event of an emergency, as determined by the Exchange, the Board of Directors will have the authority and power to follow the procedures described in MGEX Bylaw 2.4. The Board of Directors may delegate such powers as it deems necessary to the Executive Committee, Exchange Officer(s), or other Exchange employees.~~

~~An emergency may include, but is not limited to, events of Force Majeure, interference, interruptions, breakage of communication, accident, or any event or occurrence that is causing or may cause disruption in the marketplace.~~

~~Additionally, in the event of an emergency, the Board of Directors or its delegate(s) will have the authority and power to utilize such sources, means, or methods that it determines to be in the best interest of the Exchange and the market.~~

~~The decision of the Board of Directors, Executive Committee, Exchange Officer(s), or other Exchange employees as delegated, will be final and binding upon all parties. The Exchange will not be liable to any party because of actions and decisions taken in good faith.~~