



Via Portal Submission

June 23, 2022  
MGEX Submission No. 22-27

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); Amendment 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 of MGEX Rules 86.4., 87.4., 88.4., and 89.4. regarding the timing of BRIXX Index component changes as set forth in Exhibit A comply with the CEAct and the Commission regulations promulgated thereunder (the “Proposed Amendments”). 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**

Chapters 86 through 89 of MGEX’s Rules contain the product rules for the four BRIXX Index futures contracts: the BRIXX Retail Index Futures, BRIXX Office Index Futures, BRIXX Residential Index Futures, and BRIXX Hospitality Index Futures (collectively, the “BRIXX Futures”). The Proposed Amendments apply to the same rule in each of the BRIXX Futures product rules and are meant to move the time of reconstitution of the BRIXX indexes up a day to account for certain corporate actions. The effective date of the BRIXX Index reconstitutions remains unchanged.

### **DCM Core Principles**

In connection with the Proposed Amendments, the Exchange has reviewed the core principles for DCMs (“DCM Core Principles”) and has determined that the amendment complies with the requirements of such principles. During the review, MGEX identified the following DCM Core Principle as potentially being impacted:

- *DCM Core Principle 7*: Core Principle requires DCMs to provide market participants with sufficient and accurate information on the terms and conditions of the contracts. The amendments will be incorporated into MGEX’s publicly available Rulebook, thus ensuring that the information available to the public is accurate, clear, and comprehensive.

Pursuant to MGEX Bylaw 3.1., the MGEX Board of Directors unanimously approved the attached Proposed Amendments at its meeting held on June 23, 2022. There were no substantive opposing views expressed

by the Board, nor is the Exchange aware of any substantive opposing views with respect to this filing. The attached Proposed Amendments are to be effective when incorporated into the MGEX Rulebook 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) 321-7144 or [mleisen@mgex.com](mailto:mleisen@mgex.com). Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Matthew Leisen". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Matthew Leisen  
Corporate Counsel, MGEX Clearing

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## EXHIBIT A

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

### 86.4. BRIXX RETAIL INDEX: COMPONENT CHANGES.

The composition of the BRIXX Retail Index is determined at the time of its reconstitution, which occurs on the ~~Thursday~~Wednesday before the third Friday of each quarter-end month (March, June, September, and December). In the event such ~~Thursday~~Wednesday is a holiday, the reconstitution will be moved one day prior to ~~Wednesday~~Tuesday. The reconstitution will be effective after the close on the ~~first Business Day~~Friday following the reconstitution. If that Friday is a holiday, the reconstitution will be effective after the close on the preceding Business Day. No changes shall be made to the BRIXX Retail Index components except at the quarterly reconstitution unless a component entity closes a merger transaction, files for bankruptcy, or is delisted from its principal exchange (each, a "Corporate Action"). If a Corporate Action takes place prior to the quarterly reconstitution, the affected component shall be replaced with a new eligible component prior to the next trading day. In the event there are no eligible components, the weighting of the removed component will be proportionally redistributed over the remaining index components. A third party shall monitor and make all BRIXX Retail Index reconstitutions.

The component weights of the BRIXX Retail Index are adjusted and reset on a monthly basis after the close of business on the third Friday of each month. In the event the third Friday of the month is a holiday, the reset will be moved one day prior to Thursday. The newly calculated component weights for the BRIXX Retail Index will be effective on the first Business Day following the reset. This monthly reset adjusts the weights of the BRIXX Retail Index components, but no changes, additions, or deletions are made to the individual components.

Should an index reconstitution result in the BRIXX Retail Index becoming a narrow-based security index as defined in section 1a(35) of the CEA, the Exchange would follow applicable CFTC regulations governing the transition period for trading purposes.

### 87.4. BRIXX OFFICE INDEX: COMPONENT CHANGES.

The composition of the BRIXX Office Index is determined at the time of its reconstitution, which occurs on the ~~Thursday~~Wednesday before the third Friday of each quarter-end month (March, June, September, and December). In the event such ~~Thursday~~Wednesday is a holiday, the reconstitution will be moved one day prior to ~~Wednesday~~Tuesday. The reconstitution will be effective after the close on the ~~Friday~~first Business Day following the reconstitution. If that Friday is a holiday, the reconstitution will be effective after the close on the preceding Business Day. No changes shall be made to the BRIXX Office Index components except at the quarterly reconstitution unless a component entity closes a merger transaction, files for bankruptcy, or is delisted from its principal exchange (each, a "Corporate Action"). If a Corporate Action takes place prior to the quarterly reconstitution, the affected component shall be replaced with a new eligible component prior to the next trading day. In the event there are no eligible components, the weighting of the removed component will be proportionally redistributed over the remaining index components. A third party shall monitor and make all BRIXX Office Index reconstitutions.

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The component weights of the BRIXX Office Index are adjusted and reset on a monthly basis after the close of business on the third Friday of each month. In the event the third Friday of the month is a holiday, the reset will be moved one day prior to Thursday. The newly calculated component weights for the BRIXX Office Index will be effective on the first Business Day following the reset. This monthly reset adjusts the weights of the BRIXX Office Index components, but no changes, additions, or deletions are made to the individual components.

Should an index reconstitution result in the BRIXX Office Index becoming a narrow-based security index as defined in section 1a(35) of the CEA, the Exchange would follow applicable CFTC regulations governing the transition period for trading purposes.

#### **88.4. BRIXX RESIDENTIAL INDEX: COMPONENT CHANGES.**

The composition of the BRIXX Residential Index is determined at the time of its reconstitution, which occurs on the ~~Thursday~~Wednesday before the third Friday of each quarter-end month (March, June, September, and December). In the event such ~~Thursday~~Wednesday is a holiday, the reconstitution will be moved one day prior to ~~Wednesday~~Tuesday. The reconstitution will be effective after the close on the ~~Friday~~first Business Day following the reconstitution. If that Friday is a holiday, the reconstitution will be effective after the close on the preceding Business Day. No changes shall be made to the BRIXX Residential Index components except at the quarterly reconstitution unless a component entity closes a merger transaction, files for bankruptcy, or is delisted from its principal exchange (each, a “Corporate Action”). If a Corporate Action takes place prior to the quarterly reconstitution, the affected component shall be replaced with a new eligible component prior to the next trading day. In the event there are no eligible components, the weighting of the removed component will be proportionally redistributed over the remaining index components. A third party shall monitor and make all BRIXX Residential Index reconstitutions.

The component weights of the BRIXX Residential Index are adjusted and reset on a monthly basis after the close of business on the third Friday of each month. In the event the third Friday of the month is a holiday, the reset will be moved one day prior to Thursday. The newly calculated component weights for the BRIXX Residential Index will be effective on the first Business Day following the reset. This monthly reset adjusts the weights of the BRIXX Residential Index components, but no changes, additions, or deletions are made to the individual components.

Should an index reconstitution result in the BRIXX Residential Index becoming a narrow-based security index as defined in section 1a(35) of the CEA, the Exchange would follow applicable CFTC regulations governing the transition period for trading purposes.

#### **89.4. BRIXX HOSPITALITY INDEX: COMPONENT CHANGES.**

The composition of the BRIXX Hospitality Index is determined at the time of its reconstitution, which occurs on the ~~Thursday~~Wednesday before the third Friday of each quarter-end month (March, June, September, and December). In the event such ~~Thursday~~Wednesday is a holiday, the reconstitution will be moved one day prior to ~~Wednesday~~Tuesday. The reconstitution will be effective after the close on the ~~Friday~~first Business Day following the reconstitution. If that Friday is a holiday, the reconstitution will be effective after the close on the preceding Business Day. No

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changes shall be made to the BRIXX Hospitality Index components except at the quarterly reconstitution unless a component entity closes a merger transaction, files for bankruptcy, or is delisted from its principal exchange (each, a “Corporate Action”). If a Corporate Action takes place prior to the quarterly reconstitution, the affected component shall be replaced with a new eligible component prior to the next trading day. In the event there are no eligible components, the weighting of the removed component will be proportionally redistributed over the remaining index components. A third party shall monitor and make all BRIXX Hospitality Index reconstitutions.

The component weights of the BRIXX Hospitality Index are adjusted and reset on a monthly basis after the close of business on the third Friday of each month. In the event the third Friday of the month is a holiday, the reset will be moved one day prior to Thursday. The newly calculated component weights for the BRIXX Hospitality Index will be effective on the first Business Day following the reset. This monthly reset adjusts the weights of the BRIXX Hospitality Index components, but no changes, additions, or deletions are made to the individual components.

Should an index reconstitution result in the BRIXX Hospitality Index becoming a narrow-based security index as defined in section 1a(35) of the CEA, the Exchange would follow applicable CFTC regulations governing the transition period for trading purposes.

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