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Electronic Mail

December 13, 2004

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, D.C. 20581

SUBJECT: Rule Certification

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission (ACommission@) Regulation 40.6(a), the Minneapolis Grain Exchange (AMGEX@) hereby certifies that the attached definitions and amended Regulation 2100.00. comply with the CEAct and the regulations thereunder. Deletions have been crossed-out; while additions have been underlined.

Adding the attached definitions to the Rulebook is for the purpose of clarifying terms used within the Rulebook. The purpose for amending Regulation 2100.00. is to modify the definitions of customer type indicator (CTI) codes.

Pursuant to its authority under MGEX Rules 210.01. and 1818.00., the Board of Directors approved the changes. The MGEX plans to implement the changes the next business day after receipt of this submission to the Commission.

If there are any questions regarding this submission, please contact me at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

Mark G. Bagan  
Vice President,  
Market Administration

Enclosure  
cc: Anne Reuter

## CHAPTER 1 DEFINITIONS

**ELECTRONIC TRADING SYSTEM:** The electronic trading platform utilized by the Exchange, customers, Members, nonmembers and Clearing Members to place orders and execute trades. Also known as or referred to as MGEXpress® or e-cbot® powered by LIFFE CONNECT®.

**MGEXPRESS®:** The name of the electronic trading platform or system utilized by the Exchange, customers, Members, nonmembers and Clearing Members to place orders and execute trades. Also known as or referred to as e-cbot® powered by LIFFE CONNECT®.

### 2100.00. METHOD OF CLEARING.

All transactions for Futures or Options in any commodity traded on the Minneapolis Grain Exchange shall be submitted to the Clearing House to be cleared. Upon acceptance by the Clearing House of such transactions, the Clearing House assumes the position of Buyer to the Seller and Seller to the Buyer in respect to such transactions, and the last settling price shall be considered as the contract price.

It shall be the duty of each Member with clearing privileges making a transaction for Futures or Options in any commodity under the Rules and Regulations of the Exchange to submit each such transaction using ATEMS® to the Clearing House office. Transactions should be submitted at times determined by the Clearing House Committee (see Res. 2101.00.C.). The transactions shall be in a format approved by the Clearing House Committee and shall contain, at a minimum, the following information:

- A. Date of transaction
- B. Clearing Member name
- C. Type of account (Regular or Segregated)
- D. Customer type indicator (CTI) as defined by CFTC Regulation 1.35 (e) below:

~~The customer and option customer type indicators shall show, with respect to each person executing the trade, whether such person:~~

~~CTI 1. was trading for his own account or an account for which he has discretion; Transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has ownership or financial interest.~~

~~CTI 2. was trading for his Clearing Member's house account; Transactions executed for the proprietary account of a clearing member.~~

~~CTI 3. was trading for another Member present on the~~

~~Exchange Floor, or an account controlled by such other Member; or Transactions where an individual member or nonmember executes for the personal account of another individual member, for an account the other member controls or for an account in which the other individual member has ownership or financial interest.~~

~~CTI 4. was trading for any other type of customer, including a Member not present on the Exchange Floor. Any transaction not meeting the definition of CTI 1, 2 or 3.~~

- E. Quantity, commodity, contract month, price or premium, whether the transaction involved a put or a call, strike price, buy or sell.
- F. Both the buying and selling Member's numbers and the opposite Clearing Member's symbol.
- G. Transaction time to the minute.
- H. Indicators for the following types of transactions: (C) cash exchange; (T) office transfer; (S) spread; (D) delivery; (R) risk exchange.
- I. Account Identification. (For initial set-up and new accounts, provide a listing of account name, type, and position. This information will be available to the President and designated Clearing House/Compliance personnel only.)
- J. Any other information required by the Clearing House Committee.

The Clearing House shall match the trades as submitted and shall list for each Clearing Member its cleared trades and unmatched trades. A recapitulation statement shall be produced, showing updated contract positions and settling all matched trades to the official Exchange settling prices. After completion of the clearing process, the Clearing House shall notify each Clearing Member as to the net pay or collect amounts due by account (Regular and/or Segregated). Such amounts shall be submitted by wire transfer of funds. Amounts due to the Clearing House shall be submitted at times determined by the Clearing House Committee (see **Res. 2101.00.C.**). All clearing statements shall be picked up promptly from the Clearing House Office by each Clearing Member. Violations shall be subject to fines as determined by the Clearing House Committee.

If the report of a trade by a Member does not correspond to the report of the other party to the trade, the Clearing House shall reject the trade and notify both Clearing Members showing the discrepancy of the reports. The Clearing Members must thereafter submit corrections to the Clearing House at times determined by the Clearing House Committee (see **Res. 2101.00.C.**).

It shall be the primary responsibility of the Clearing Member to see that all trades are resolved. Each Clearing Member shall designate a person or persons to be available and responsible for reconciling the Clearing Member's unmatched trades. Failure to have a qualified representative available shall constitute negligence in the determination of responsibility for any unmatched trades.