



**U.S. COMMODITY FUTURES TRADING COMMISSION**

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December 31, 2013

**ELECTRONIC MAIL**

Mark G. Bagan  
President & CEO  
MGEX, Inc.  
400 South 4th Street  
130 Grain Exchange Building  
Minneapolis, MN 55414

**Re: Minneapolis Grain Exchange, Inc. Subpart C Election**

Dear Mr. Bagan:

The Commodity Futures Trading Commission (the "Commission") is in receipt of the Subpart C Election Form filed on December 16, 2013 by Minneapolis Grain Exchange, Inc. ("MGEX") (the "Election Form") pursuant to Commission Regulation 39.31(b).<sup>1</sup>

Pursuant to Regulation 39.31, a derivatives clearing organization ("DCO") that is registered with the Commission and that is not a systemically important DCO may elect to become a subpart C DCO subject to the provisions of Subpart C of Part 39 of the Commission's regulations (the "Subpart C Provisions") by following the procedures set forth in Regulation 39.31(b), which include filing a complete Subpart C Election Form.<sup>2</sup>

Between December 18 and 27, 2013, during the review of MGEX's Subpart C Election Form, and pursuant to Regulation 39.31(b)(5), DCR requested that MGEX submit supplemental information. MGEX submitted supplemental information between December 19 and 30, 2013. In conjunction with this supplemental information, on December 30, 2013, MGEX submitted rule changes to the Commission pursuant to Regulation 40.6 that will be implemented at the close of business on January 10, 2014. These rule changes are necessary for MGEX to be able to comply with the requirements of Subpart C.

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<sup>1</sup> Commission regulations are found in 17 C.F.R. Chapter I.

<sup>2</sup> 17 C.F.R. § 39.31(a)(1).

Regulation 39.31(b)(5) permits the Commission to stay or deny an election to become subject to the Subpart C Provisions. DCR, acting pursuant to delegated authority,<sup>3</sup> has determined to stay MGEX's election until the close of business on January 10, 2014, the date and time upon which its rule changes will become effective.

Thus, MGEX's election will be permitted to take effect as of the close of business on January 10, 2014, and MGEX will be subject to subparts A, B and C of Part 39 of the Commission's regulations as of that date. Moreover, as noted in Regulation 39.40, the Subpart C Provisions are intended to establish standards which, together with Subparts A and B of Part 39, are consistent with the Principles for Financial Market Infrastructures (the "PFMIs"). As a result, MGEX will be subject to standards that are consistent with the PFMIs as of the close of business on January 10, 2014.

This letter does not constitute a finding by the Commission as to whether MGEX is in compliance with the Subpart C Provisions. In permitting MGEX's election to take effect, the Commission is relying on the certification provided in MGEX's submission that MGEX will be in compliance with Subpart C of Part 39 of the Commission's regulations, other than with respect to those provisions for which the Commission has granted MGEX an extension of time to comply. The Commission is also relying on the other materials submitted by MGEX in connection with its Election Form, including the supplemental information referred to above.

Should you have any questions regarding this letter, please contact Robert B. Wasserman, Chief Counsel ([rwasserman@cftc.gov](mailto:rwasserman@cftc.gov), (202) 418-5092) or Laura Astrada, Associate Chief Counsel ([lastrada@cftc.gov](mailto:lastrada@cftc.gov), (202) 418-7622).

Sincerely,

  
Ananda Radhakrishnan

cc: Robert Wasserman, CFTC  
Phyllis Dietz, CFTC  
Julie Mohr, CFTC  
Laura Astrada, CFTC

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<sup>3</sup> Pursuant to Regulation 140.94(c)(12), the Commission has delegated to DCR all functions reserved to the Commission under Regulation 39.31.