



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5521
www.cftc.gov

Division of Clearing and Risk

May 4, 2012

ELECTRONIC MAIL

Eric J. Delain
Corporate Counsel
Minneapolis Grain Exchange, Inc.
130 Grain Exchange Building
400 South 4th Street
Minneapolis, MN 55415

Re: Extension for Compliance with Regulation 39.13(g)(8)(ii)

Dear Mr. Delain:

By correspondence of May 4, 2012, you requested that the Division of Clearing and Risk (Division) grant an extension of 90 days from May 7, 2012, for compliance with the requirements of Commission Regulation 39.13(g)(8)(ii), as it applies to customers that are Minneapolis Grain Exchange (MGEX) members (member-customers) and to customer omnibus accounts.¹

You have represented that if an extension is not granted, there will be a significant impact on MGEX markets, market participants, and MGEX internal compliance.

The Division herein grants the requested extension to MGEX, thereby requiring compliance with Regulation 39.13(g)(8)(ii), as it applies to member-customers and to customer omnibus accounts, no later than August 5, 2012, unless MGEX is notified otherwise. This extension is granted by the Division in reliance on the representations contained in your request, and any different, changed, or omitted material facts or circumstances may require termination of the extension and immediate action by MGEX, its clearing members, member-customers, or

¹ See 76 Fed. Reg. 69,334, 69,439 (Nov. 8, 2011). Regulation 39.13(g)(8)(ii) provides as follows:

(ii) *Customer initial margin requirements.* A derivatives clearing organization shall require its clearing members to collect customer initial margin, as defined in § 1.3 of this chapter, from their customers, for nonhedge positions, at a level that is greater than 100 percent of the derivatives clearing organization's initial margin requirements with respect to each product and swap portfolio. The derivatives clearing organization shall have reasonable discretion in determining the percentage by which customer initial margins must exceed the derivatives clearing organization's initial margin requirements with respect to particular products or swap portfolios. The Commission may review such percentage levels and require different percentage levels if the Commission deems the levels insufficient to protect the financial integrity of the clearing members or the derivatives clearing organization.

other FCMs, to facilitate compliance. The Division retains the authority to condition further, modify, suspend, or otherwise restrict the extension granted herein.

Should you have questions regarding this matter, please contact Phyllis P. Dietz, Deputy Director (pdietz@cftc.gov, 202-418-5449) or Heidi M. Rauh, Special Counsel (hrauh@cftc.gov, 312-596-0644).

Sincerely,



Ananda Radhakrishnan
Director

cc: Phyllis P. Dietz
Heidi M. Rauh