



Via Electronic Mail

July 19, 2012

Mr. David Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

SUBJECT: Rule Certification

Dear Mr. Stawick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), the Minneapolis Grain Exchange, Inc. ("MGEX" or "Exchange") hereby certifies that amendment of the respective attached Rules of the MGEX Rules and Regulations complies with the CEAct and the Commission regulations thereunder. MGEX further certifies that the submission and pending changes to the MGEX Rules and Regulations have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

The explanation and purpose for the amendment of Rule 358.00. is to update the membership requirement as it pertains to clearing privileges.. The explanation and purpose for the amendments to Rules 7312.00.; 7416.00.; 7512.00.; 7616.00.; 7712.00.; 7816.00.; 7912.00.; 8016.00.; 8112.00.; and 8216.00. is to update offset and transfer trade requirements.

Pursuant to the authority of MGEX Rules 210.01., the Board of Directors unanimously approved the amendments of Rules 358.00.; 7312.00.; 7416.00.; 7512.00.; 7616.00.; 7712.00.; 7816.00.; 7912.00.; 8016.00.; 8112.00.; and 8216.00. There were no substantive opposing views expressed by the Board of Directors. Pursuant to the authority of MGEX Rule 204.01., a majority of the Record Owners of the Exchange approved the amendments of the above Rules.

The amendments of the MGEX Rules and Regulations are to be effective immediately after the 10<sup>th</sup> business day following the date of this filing. If there are any questions regarding this submission, please contact me at (612) 321-7128. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric J. Delain".

Eric J. Delain  
Corporate Counsel

Enclosure

cc: Thomas J. Bloom

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

### 358.00. CLEARING PRIVILEGES.

In order to clear trades at ~~the Minneapolis Grain Exchange~~ MGEX, a Registered Firm or Corporation must be granted clearing privileges by the ~~Finance Committee~~ Exchange. The ~~Board~~ Exchange may revoke said clearing privileges for cause at any time. A Registered Firm or Corporation with clearing privileges shall be known as a Clearing Member.

Clearing privileges may be granted and retained only if and when the terms and conditions set forth below have been met:

- A. A Clearing Member must have completed and remain in compliance with the terms contained in the Application for Clearing Privileges and the Clearing Agreement.
- B. A Clearing Member must be in good financial standing and meet the minimum financial requirements as may be determined by the ~~Finance Committee~~ Exchange.
- C. A Clearing Member must have the personnel, and computer hardware and software to effectively communicate with ~~the Clearing House~~ MGEX and otherwise conduct the business of clearing in an efficient manner.
- D. ~~Any combination of the~~ A Clearing Member ~~or a general partner(s) of the Clearing Member if a Firm or officer(s) of the Clearing Member if a Corporation~~ must be the record owner of one (1) or more Memberships which shall be pledged to ~~the Minneapolis Grain Exchange~~ MGEX. A pledged Membership shall mean the Exchange will have first claim to the proceeds of any sale of such Membership. This pledge shall have priority over any other claim or lien filed pursuant to Chapter 3 of the MGEX Rules and Regulations. At least one (1) record holder of such Memberships must be authorized by the Clearing Member to act or execute contracts on behalf of, and otherwise represent the interests of the Clearing Member. Furthermore, such Memberships shall not be included as part of the required security deposit with the Clearing House and shall not be used as value to meet the Clearing Member's margin requirements.
- E. If another person(s), firm(s) and/or corporation(s) (individually or collectively known as the parent) owns or controls, directly or indirectly, twenty percent (20%) or more of a Clearing Member, the parent must guarantee the obligations of the Clearing Member's non-segregated accounts including those accounts held or controlled by the parent, whether or not such parent is a Member of ~~the Exchange~~ MGEX. The ~~Finance Committee~~ Exchange shall determine whether a guarantee is adequate. This requirement may be waived at the discretion of the ~~Board~~ Exchange.

### 7312.00. OFFSETS AND TRANSFER TRADES.

Except by same day trade activity. ~~Transfer trades for the purpose of offsetting~~ existing futures positions in a settlement month may not be offset during the period beginning ~~where no change~~

~~in ownership is involved are prohibited~~ two (2) business days prior to the settlement month and ~~during—continuing through~~ the ~~end of the~~ settlement month. Clearing Members will be responsible for compliance with the 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.

#### **7416.00. OFFSETS AND TRANSFER TRADES.**

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#### **8016.00. OFFSETS AND TRANSFER TRADES.**

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