



Via Electronic Mail

June 10, 2014
MGEX Submission No. 14-15

Ms. Melissa Jurgens
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

RE: Rule Certification Submission Pursuant to Regulation 40.6(a): Updates to MGEX Rulebook

Dear Ms. Jurgens:

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 attached Regulations of the MGEX Rules and Regulations complies with the CEAct and the Commission regulations promulgated 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>.

Amendment to Regulation 1229.00.

In order to make the enforcement deadline for receiving intraday variation payments consistent with the deadline established in Resolution 2101.00.C., MGEX amended the deadline set forth in Regulation 1229.00. from 12:00 noon to 11:30 a.m.

Amendment to Regulation 2014.00.

The Exchange determined that it would be in the best interest of MGEX and the marketplace to derive its daily settlement prices using relevant spread relationships. Accordingly, MGEX amended Regulation 2014.00. to change the procedure it uses to calculate settlement prices.

The Exchange has reviewed the core principles for derivatives clearing organizations (“DCO Core Principles”) and has determined that the attached amendments comply with the requirements of DCO Core Principle L, Public Information, because MGEX is ensuring that information regarding enforcement deadlines and the procedure by which

daily settlement prices are determined is readily available to the public and is accurate, clear, and comprehensive.

In accordance with the limited authority delegated by the MGEX Board of Directors to Exchange officers in MGEX Resolution 210.01.F., the Exchange officers unanimously approved the attached amendment of Regulation 1229.00. Pursuant to the authority set forth in MGEX Rule 210.01., the MGEX Board of Directors unanimously approved the attached amendment of Regulation 2014.00. There were no substantive opposing views expressed by the Board of Directors, nor is the Exchange aware of any substantive opposing views with respect to this filing.

The attached amendments are to be effective July 18, 2014. If there are any questions regarding this submission, please contact me at (612) 321-7143. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Lindsay Hopkins". The signature is written in black ink and is positioned above the typed name and title.

Lindsay R. Hopkins
Associate Corporate Counsel

Enclosures

cc: Thomas J. Bloom

EXHIBIT A

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

1229.00. FINANCIAL OBLIGATIONS.

The following payments must be submitted accurately pursuant to the enforcement deadlines below (unless an extension is granted by the Exchange):

Settlement and Margin Payments	9:00 a.m. (Central Time)
Intraday Variation Payments	<u>11:30 a.m.</u> 12:00 noon (Central Time)

All payments received after the respective deadlines are subject to a warning letter or a fine. The schedule is as follows:

1 st Offense:	Warning Letter
2 nd Offense:	\$2,500 fine
3 rd Offense:	\$5,000 fine
4 th Offense:	\$10,000 fine

The 5th offense and every subsequent offense will be referred to the Disciplinary Committee. Offenses and fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

2014.00. SETTLEMENT PRICES.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A. MGEXpress[®] Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

- ~~Exchange staff will determine all applicable trades, bids and offers made in the closing period on MGEXpress[®].~~ The settlement price for the lead month, as defined below, shall be determined by the volume-weighted average of the outright trades and applicable bids and offers made in the closing period on MGEXpress[®]. ~~If there are no trades, higher bids or lower offers, the settlement price will remain unchanged from the prior business day.~~ is no

volume-weighted average of the outright, then the last trade price is compared to the current bid/ask. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price. If there is no last trade price available, then the prior settlement is compared to the current bid/ask. If the prior settlement is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the prior settlement is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

The lead month shall be determined by the Exchange and is generally the most active month. The lead month shall change at the time when the daily electronically-executed volume and open interest in the contract month following the current lead month is greater than the daily volume and open interest in the lead month for two consecutive business days.

2. All non-lead months are deferred contract months and settle based upon the volume-weighted average of calendar spread transactions made in the closing period on MGEXpress®. If there are no relevant calendar spreads, bids and offers in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and best possible ask, and the contract will settle at the midpoint of the bid/ask spread.
23. Notwithstanding the above, if such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

B. Reservation.

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification. In addition, the Exchange reserves the right to change which contract month is the lead month when, in its discretion, doing so is in the best interest of the marketplace. If any such change to the lead month is made pursuant to this reservation, the Exchange shall provide notification to the public via the MGEX website or other means it deems effective.