



Via Portal Submission

May 9, 2023
MGEX Submission No. 23-23

Mr. Christopher Kirkpatrick
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); Amendments to MGEX Rules

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act (“CEAct”) Section 5c and Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), the Minneapolis Grain Exchange, LLC (“MGEX” or “Exchange”) hereby certifies that the amendments to MGEX Rule 83.17., as set forth in Exhibit A, comply with the CEAct and the Commission regulations promulgated thereunder (the “Proposed Amendments”). MGEX further certifies that the submission and pending changes to the MGEX Rules have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

Overview of Rules Amendments

The Proposed Amendments to the above-referenced Rule modify the SPIKES block trade threshold.

DCM Core Principles

MGEX has reviewed the Core Principles for designated contract markets (“DCM Core Principles”) and identified that the Proposed Amendments may impact the following DCM Core Principles:

- *DCM Core Principle 2 – Compliance with Rules:* The Proposed Amendments modify the SPIKES block trade threshold set forth in Rule 83.17.
- *DCM Core Principle 7 – Availability of General Information:* The Proposed Amendments have been disseminated on the MGEX website, and will be available in the MGEX Rulebook, which is accessible online.

Pursuant to MGEX Bylaw 3.1., the MGEX Board of Directors (“Board”) unanimously approved the Proposed Amendments at its meeting held on May 8, 2023. There were no substantive opposing views expressed by the Board, nor is the Exchange aware of any substantive opposing views with respect to this filing. The Proposed Amendments are to be effective when incorporated into the MGEX Rulebook and posted on its website, which will be at least 10 business days following the date of this submission.

If there are any questions regarding this submission, please contact me at (612) 321-7128 or psparby@mgex.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter D. Sparby". The signature is fluid and cursive, with the first name "Peter" being the most prominent.

Peter D. Sparby
Vice President, Counsel

Enclosure

MINNEAPOLIS GRAIN EXCHANGE, LLC

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EXHIBIT A

The following MGEX Bylaws and Rules are to be amended. Additions are underlined while deletions are ~~marked through~~.

83.17. BLOCK TRADES.

For the purpose of this Rule, Block Trades are defined as large transactions that are privately negotiated off the Exchange's Electronic Trading System and can only be entered into by Eligible Contract Participants, as defined in Section 1a(18) of the Commodity Exchange Act.

Block Trades are permitted to be executed in the SPK Futures Contract, provided they are in accordance with the following provisions:

- A. A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders for different accounts may not be aggregated in order to achieve the minimum transaction size. The Block Trade minimum threshold in the SPK Futures Contract is ~~200~~25 contracts.
- B. A Party shall not execute any order as a Block Trade for a customer unless such customer has specified that the order be executed as a Block Trade.
- C. The Block Trade is executed competitively at a price that is fair and reasonable with consideration to the prevailing market price of either the SPK Futures Contract. The minimum price increment for a Block Trade in the SPK Futures Contract is 0.01 index points.
- D. Block Trades will not trigger conditional orders or otherwise affect orders in the underlying SPK Futures Contract traded on the Electronic Trading System.
- E. Clearing Members must ensure that each side of the Block Trade is reported to the Exchange within fifteen (15) minutes (but in no case later than 4:15 p.m. Central Time) and in the manner specified by the Exchange. The reporting of each side of the Block Trade must include the: contract, contract month, price, quantity of the transaction including quantities for each leg, buy/sell side, CTI and Regular (House) or Segregated (Customer) indicators, account number, the respective Clearing Members, the time of execution, and any other information required in accordance with MGEX Rules.
- F. Each counterparty to a Block Trade must have a separate and independent bona-fide legal or business purpose for entering into the Block Trade.
- G. Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of such communication to any other party for any purpose other than to facilitate the execution of the Block Trade.

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