



Via Portal Submission

October 5, 2022
MGEX Submission No. 22-42

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 1203.00., as set forth in Exhibit A, complies with the CEAct and the Commission regulations promulgated thereunder (the “Proposed Amendments”). MGEX further certifies that the submission and pending change to the MGEX Rules have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

Overview of Bylaw Amendments

The Proposed Amendments to the above-referenced Rule codifies the authority of MGEX’s Disciplinary Committee to order restitution and disgorgement.

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 codify the MGEX Disciplinary Committee’s authority to include the remedies of restitution and disgorgement in the MGEX Rulebook.
- *DCM Core Principle 7 – Availability of General Information:* The Proposed Amendments have been disseminated on the MGEX website, and will be available in the MEX Rulebook, which is accessible online.
- *DCM Core Principle 12 – Protection of Markets and Market Participants:* The Proposed Amendments codify the authority of the MGEX Disciplinary Committee’s authority to include the remedies of restitution and disgorgement, which protects markets and market participants.

- *DCM Core Principle 13 – Disciplinary Procedures*: The Proposed Amendments codify the MGEX Disciplinary Committee’s authority to include the remedies of restitution and disgorgement in the MGEX Rulebook, which further enhances MGEX’s disciplinary procedures.

Pursuant to MGEX Bylaw 3.1., the MGEX Board of Directors (“Board”) unanimously approved the Proposed Amendments at its meeting held on October 4, 2022. 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) 321-7140 or asmith@mgex.com. Thank you for your attention to this matter.

Sincerely,



Alex Smith
Assistant Corporate Counsel

MINNEAPOLIS GRAIN EXCHANGE, LLC

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Exhibit A

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

CHAPTER 12

1203.00. DISCIPLINARY COMMITTEE: INVESTIGATION.

If the Disciplinary Committee finds that a violation exists, any affected ~~Market Participant~~party shall receive Notice of Charges and an opportunity to request a hearing by the Hearing Committee. Such Notice of Charges shall include:

- A. The acts, conduct, or practices in which the affected parties are alleged to have engaged.
- B. The MGEX Rules alleged to have been violated.
- C. The period within which a hearing on the charges may be requested.
- D. The right to a hearing on said charges and a right to be represented at said hearing.

The Disciplinary Committee shall also provide the affected parties with a reasonable time to file an answer to the charge(s). Failure to answer or deny expressly a charge may be deemed to be an admission of such charge. Failure to request a hearing within a period set forth in the Notice of Charges, may be deemed a waiver of the right to a hearing.

The affected parties may submit a written offer of settlement at any time after the Disciplinary Committee completes its investigation report. The Disciplinary Committee may accept the offer of settlement, but may not alter the terms of the offer unless the affected parties agree. The Disciplinary Committee may accept a penalty without the affected parties admission or denial of the alleged MGEX Rules violations. If the Disciplinary Committee accepts the offer of settlement, the acceptance must be in writing specifying the alleged rule violations, the basis or reasons for the Disciplinary Committee's conclusions and any penalty to be imposed. The Disciplinary Committee may delegate some or all of the settlement authority.

The Disciplinary Committee may, in addition to any other remedy available under the MGEX Rules, (a) order the affected parties to make restitution to the account of anyone damaged by the affected parties' alleged violation of MGEX Rules, and/or (b) order the affected parties to disgorge any monetary benefit resulting from a violation of MGEX Rules, including, without limitation, profit, whether realized or unrealized, and avoided losses.

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