



Via Portal Submission

June 23, 2023
MGEX Submission No. 23-37

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 Bylaws and 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 Bylaws 2.3., 2.4., 2.5., 3.1., 3.2., MGEX Chapter 1 Definitions, and MGEX Rule 2.1.13., 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 Bylaws and Rules have been posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>.

Overview of Bylaw and Rule Amendments

The Proposed Amendments to the above-referenced Bylaws and Rules clarify the Board of Directors’ authority to delegate certain rulemaking authority to a Committee of the Board or to one or more officers or employees of the Exchange.

DCO Core Principles

MGEX has reviewed the Core Principles for derivatives clearing organizations (“DCO Core Principles”) and has determined that the Proposed Amendments comply with the requirements of such principles. During the review, MGEX identified the following DCO Core Principle as potentially being impacted:

- *DCO Core Principle O – Governance*: CFTC Regulation 39.24(a) requires, in part, that DCOs have governance arrangements that are written, clear, and transparent. CFTC Regulation 39.24(b) further requires, in part, that DCOs have governance arrangements that are clear and documented; describe the structure pursuant to which the board of directors, committees, and management operate; include clear and direct lines of responsibility and accountability; clearly specify roles and responsibilities of the board of directors and its committees; and are disclosed, as appropriate, to the Commission, other relevant authorities, clearing members, customers of clearing members, owners of the DCO, and to the public. The Proposed Amendments clarify the MGEX Board of Directors’ authority in the Bylaws to delegate certain rulemaking authority to a Committee of the Board or to one or more officers or employees of the Exchange, which serve to provide transparency with respect to the MGEX Board of Directors’ authority and lines of responsibility.

Pursuant to MGEX Bylaw 3.1., the Board unanimously approved the Proposed Amendments at its meeting held on June 22, 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) 321-7176 or jkrause@mgex.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'JK', is positioned above the typed name and title.

James D. Krause
Associate Corporate Counsel, DCO & Int'l

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~~.

BYLAWS

2.3. POWERS OF THE BOARD.

The Board of Directors is the governing body of the Exchange and has the power to:

- A. Manage the business, affairs, and property of the Exchange~~control all property of the Exchange;~~
- B. ~~provide~~Provide, acquire and maintain suitable Exchange quarters and facilities;
- C. ~~review~~Review and approve the creation of and all appointments to standing and special committees recommended by the Chairperson;
- D. ~~R~~review and approve the appointment of a President;
- E. ~~R~~review and approve the appointment, titles and responsibilities of all Exchange employees above the level of department head;
- F. ~~delegate its powers to committees of the Board, or officers or employees, if such delegation is not inconsistent with the Charter, Bylaws, Rules, customs, or usages of the Exchange;~~
- G.F. ~~A~~approve all contracts to be executed on behalf of the Exchange by the Chairperson, President, or other designated officers;
- H.G. ~~d~~Designate and authorize specific appointed officers to act on behalf of the Board to execute contracts within specified limits;
- I.H. ~~appoint~~Appoint Counsel to the Board;
- J.I. ~~determine~~Determine the commodities traded, the delivery months, Hours of Trading, the days of the contract month in which delivery may be made, and margin requirements;
- K.J. ~~declare~~Declare any day to be a holiday, during which the Exchange shall not be open for business;
- L.K. ~~adopt~~Adopt, or amend, or repeal any changes to the MGEX Charter, Bylaws, and Rules;
- M.L. ~~act~~Act in emergencies (See **Bylaw 2.4.**);
- N. ~~Delegate any of its powers under these Bylaws to a Committee of the Board or to any officer or employees of the Exchange, provided the delegation is not inconsistent with the Charter, Bylaws, Rules, customs, or usages of the Exchange. amend the Charter as necessary to conform to MGEX Bylaws or Rules.~~
- O.M. _____

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Any authority or discretion by these Bylaws vested in the Chairperson, President, or other officers or any committee shall not be construed to deprive the Board of such authority or discretion and, in the event of a conflict, the determination of the matter by the Board shall prevail.

2.4. EMERGENCY POWERS.

When in the ~~opinion~~ sole discretion of the Exchange an emergency exists, the Exchange shall have the power to:

- A. ~~close~~ Close the Exchange;
- B. ~~suspend~~ Suspend trading in any or all Futures or Options Contracts, including trading in settlement of any then existing Futures or Options Contracts;
- C. ~~prohibit~~ Prohibit trading in any or all Futures or Options Contracts at prices above or below such limits as are specified by the Exchange;
- D. Limit the total amount of open speculative Futures or Options trades that any Market Participant may have at any one time in any or all commodities, and to increase, decrease or cancel such limitations as the Exchange deems advisable. The Exchange may require such reports and may make such MGEX Rules as it deems necessary to enforce such limitations;

PROVIDED, however, that the establishing of any such limit shall not be deemed to require that total amounts of such trades acquired before the effective date of such limitations be reduced to such limit;

- E. ~~take~~ Take other appropriate emergency action.

If and when the Exchange has acted under the authority granted by this Bylaw, it may adopt such MGEX Rules as the Exchange deems necessary and proper and for the best interests of all concerned. Notice of any action taken by the Exchange pursuant to the authority granted by this Bylaw shall be posted on the Bulletin Board. Such action shall become effective when, and for such period of time, as determined by the Exchange, but not prior to the time of the posting of notice thereof on the Bulletin Board.

2.5. BOARD DELEGATION TO OFFICERS OF THE EXCHANGE.

Each of the officers of the Company shall, unless otherwise ordered by the Board, have such powers and duties as customarily pertain to the respective office, and such further powers and duties as from time to time may be conferred by the Board, or by an officer delegated such authority by the Board. The Board may delegate the duties and powers of any officer of the Company to any other officer or to any Director for a specified period of time and for any reason that the Board may deem sufficient.

3.1. ADOPTION OR AMENDMENT OF BYLAWS AND RULES: PROCEDURE.

The Board of Directors ~~may shall have the authority to adopt, or amend, or repeal~~ any MGEX Bylaw or Rule. The Board may delegate its authority to adopt, amend, or repeal any MGEX Bylaw or Rule to a Committee of the Board or to one or more officers or employees of the Exchange, by majority vote.

3.2. ADOPTION OR AMENDMENT OF BYLAWS AND RULES: DATE EFFECTIVE.

Unless specifically provided otherwise by the Board of Directors or its designee, MGEX Bylaws and Rules shall become effective as of the first business day following the date that the Exchange publishes the amendment on its website (www.mgex.com).

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RULES

BYLAWS: The Bylaws of the Exchange, ~~duly adopted by the Board of Directors.~~

RULES: The Rules, ~~Regulations, Resolutions, Interpretations, procedures, customs, and usages~~ of the Exchange ~~adopted in accordance with the Bylaws.~~ The Rules shall also include the interpretations, orders, resolutions, advisories, notices, manuals, policies and procedures of the Exchange and all amendments thereto, duly adopted by the Board of Directors.

2.1.13. EXCHANGE ~~OFFICER~~ AMENDMENTS.

The Exchange ~~Officers, by majority vote,~~ shall have the authority to amend any Rule without a vote of the ~~Ownership-LLC Member~~ or the Board of Directors or its designee when such amendment does not alter the intent of the Rule or is otherwise non-substantive. Examples of amendments include, but are not limited to, the modification or elimination of letters, numbers, words, phrases, sentences, Rule numbers, Rule titles, chapter numbers, chapter titles, and cross references (internal and to applicable law) necessary to maintain accurate and current Rules, or non-substantive changes necessary to comply with any non-substantive change in law, statute or governing legal authority.

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