



Via Portal Submission

January 30, 2025  
MIA X Futures DCO Submission No. 25-02

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

**RE: Rule Certification Submission Pursuant to Regulation 40.6(a): Amendments to MIA X Futures Rules**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act (“CEAct”) Section 5c and Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), MIA X Futures Exchange, LLC (“MIA X Futures” or “Exchange”) hereby certifies that the proposed amendments to the MIA X Futures Rules as set forth in Exhibit A comply with the CEAct and the Commission regulations promulgated thereunder (the “Proposed Amendments”). MIA X Futures further certifies that the submission and pending changes to the MIA X Futures Rules have been posted on the Exchange website at the following link: <https://www.miaxglobal.com/markets/futures/miax-futures/rule-filings>.

### **Overview of Rule Amendments**

The Proposed Amendments reorganize the Minneapolis Hard Red Spring Wheat (“HRSW”) Futures and Options rules into dedicated product chapters and make other necessary amendments resulting from the reorganization of such rules. The Proposed Amendments also make nonsubstantive revisions to the MIA X Futures rule pertaining to Exchange Margins.

### **DCO Core Principles**

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

- *DCO Core Principle D – Risk Management:* The Proposed Amendments are consistent with this Core Principle as the DCO is not modifying its current margin requirements. The Proposed Amendments make nonsubstantive revisions to address an area that previously lacked clarity.
- *DCO Core Principle L – Public Information:* The DCO is required to make the terms and conditions of each contract cleared by the DCO readily available to the general public in a timely manner. In compliance with this Core Principle, the Proposed Amendments, which involve the reorganization of the terms and conditions of the MIA X Futures Minneapolis HRSW products, have been disseminated on the Company’s website, and once effective, the Proposed Amendments will be publicly available in the MIA X Futures Rulebook, which is accessible on the Company’s website.

**MIA X FUTURES EXCHANGE, LLC**

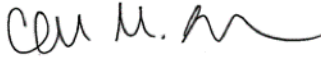
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Pursuant to MIAX Futures Bylaw 3.1., the Proposed Amendments were approved on January 29, 2025. There were no substantive opposing views expressed with respect to this filing. The Proposed Amendments are to be effective when incorporated into the MIAX Futures 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) 321-7141 or [cstuhlmann@miaxglobal.com](mailto:cstuhlmann@miaxglobal.com). Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C.M. Stuhlmann", with a stylized flourish at the end.

Carmen M. Stuhlmann  
Associate Counsel

## EXHIBIT A

The following MIAX Futures Rules are to be amended. Additions are underlined while deletions are ~~strikethrough~~.

# EXCHANGE RULEBOOK

OF

**MIAX FUTURES EXCHANGE, LLC**

**[Month Day]December 10, 2024**

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## CHAPTER 1. DEFINITIONS

Whenever used in the Bylaws and MIAX Futures Rules, unless the context otherwise requires, the following words and expressions shall be defined as follows:

**ACCOMMODATION TRADE:** A simultaneous purchase and sale made with another Broker at the same price and with no risk; usually to accommodate the opposite Broker who holds orders to buy and to sell.

**AFFILIATED ENTITIES:** Two or more entities having substantially the same officers and directors, which are affiliated either (a) through the ownership of a controlling interest in the stock of one of such entities by the owner, or (b) through the ownership of a controlling interest in both of said entities by substantially the same Persons.

**BITNOMIAL EXCHANGE:** Bitnomial Exchange, LLC, a Delaware limited liability company.

**BITNOMIAL EXCHANGE CONTRACTS:** Any contract listed on the Bitnomial Exchange and approved to be cleared by MIAX Futures. Presently, Bitcoin US Dollar Futures, Bitcoin US Dollar Deci Futures, Hashrate US Dollar Petahash Futures, and Bitcoin US Dollar Options, each as described in Chapters 12 through 14, as applicable, of Bitnomial Exchange rules.

**BOARD OF DIRECTORS OR BOARD:** The Board of Directors of MIAX Futures Exchange, LLC.

**BROKER:** Any party who, as agent, makes trades or other transactions for and in the name of another party, as principal, and who reports the name of his principal at the time of making the trade or transaction.

**BUSINESS DAY:** A day when the Exchange is open for business.

**BYLAWS:** The Bylaws of MIAX Futures Exchange, LLC.

**CALENDAR DAYS:** All days of the week or month, including Sundays and holidays.

**CALL OPTIONS:** See Chapter ~~5145~~.

**CEA OR ACT:** The Commodity Exchange Act, as amended.

**CFTC OR COMMISSION:** The U.S. Commodity Futures Trading Commission.

**CHAIRPERSON:** The Chairperson of the Board of Directors of MIAX Futures Exchange, LLC.

**CHARTER:** The certificate of formation of MIAX Futures Exchange, LLC as amended from time to time.

**CHIEF EXECUTIVE OFFICER:** The Chief Executive Officer of the Company, also may be referred to as the "CEO".

**CLEARING HOUSE:** A department of the Exchange.

**CLEARING MEMBER:** A Person that meets the requirements of and is approved for clearing privileges with the Exchange.

**CLEARING MEMBER DEFAULT:** “Defaulting Clearing Member” or “Default of a Clearing Member” shall mean the failure of a Clearing Member to meet any of its obligations to or the requirements of the Exchange.

**CLEARING MEMBER INSOLVENCY:** “Insolvent Clearing Member” or “Insolvency of a Clearing Member” shall mean a Clearing Member will be deemed insolvent when:

1. It files a voluntary petition in bankruptcy or is adjudicated as bankrupt;
2. It becomes the subject of a receivership proceeding;
3. It fails to promptly fulfill its financial obligations to the Exchange; or
4. Satisfactory proof is made to the Exchange that it is unable to pay its debts as they are due in the ordinary course of business.

**CLOSING ORDER:** An order to be executed at the closing of the market.

**COMMISSION MERCHANT:** A Person who or which makes trades or transactions for others, but who makes such trades or transactions in his or its own name and becomes liable as principal therein.

**COMMODITY:** Any product approved and designated by the Exchange for trading or clearing pursuant to MIAx Futures Rules.

**COMPANY:** Refers to MIAx Futures Exchange, LLC, also referred to as “Exchange” or “MIAx Futures” and may refer to the Exchange Officers and authorized employees of the Exchange, as applicable.

**CROSS TRADE:** A simultaneous purchase and sale by a Broker, executing both sides of a trade involving a purchase order for one customer against a selling order of another.

**DAY ORDER:** An order which is in effect only until the close of the market session during which it is entered. Unless otherwise specified, all orders are considered to be day orders.

**DELIVERABLE GRADES:** Those grades of a commodity which, under MIAx Futures Rules, are deliverable on Futures Contracts in this market.

**DEPARTMENT OF AUDITS AND INVESTIGATIONS:** A department of the Exchange whose primary responsibility is to conduct audits and investigations on behalf of the Exchange.

**DIGITAL ASSET:** Bitcoin and any other digital currency that is a “commodity” under the Commodity Exchange Act. For this purpose, “digital currency” means any digital representation of value or digital unit of account used as a medium of exchange and which are generally validated and logged through a network of computers on a distributed ledger.

**DISCIPLINARY COMMITTEE:** The committee which has been delegated the duty and responsibility to determine whether a reasonable basis exists for finding a violation of the MIAx Futures Bylaws or Rules,



for authorizing the issuance of a Notice of Charges against any person or entity alleged to have violated the MIAx Futures Bylaws or Rules, and to accept settlement offers.

**ELECTRONIC TRADING SYSTEM:** The electronic trading platform utilized by the Exchange and Market Participants to place orders and execute trades. Also known as or referred to as CME Globex®.

**EXCHANGE:** Refers to MIAx Futures Exchange, LLC, also referred to as “Company” or “MIAx Futures” and may refer to the Exchange Officers and authorized employees of the Exchange, as applicable.

**EXCHANGE OFFICERS:** Exchange Officers are designated by the Board from time to time.

**EXERCISE:** The conversions of an option into a position in the futures market. (See [Rule 51.181404.00](#))

**FOLLOWING DAY** (or other similar expression): The next business day.

**FORCE MAJEURE:** Any circumstance which is beyond the control of Market Participants or the Exchange. Such circumstances include, but are not limited to, acts of God or events resulting from the elements of nature, strike, lockout, blockage, embargo, governmental action or terrorist activity.

**FREIGHT BILLS:** See [Rule 1109.00](#).

**FUTURES OR FUTURES CONTRACT:** A legally binding agreement to buy or sell a Commodity for future delivery pursuant to MIAx Futures Rules.

**FUTURES COMMISSION MERCHANT OR FCM:** An individual or entity registered as an FCM as required under the Commodities Exchange Act who or which solicits or accepts orders to buy or sell Futures Contracts or Options on Futures Contracts and accepts money or other assets from customers in connection with such orders.

**GOOD STANDING:** Having unrestricted ability to engage in business activities and in compliance with all obligations to and requirements of the Exchange, and not under suspension.

**HEARING COMMITTEE:** The committee which has been delegated the duty and responsibility to conduct hearings as requested, to adjudicate the matter and, when appropriate, to assess penalties in connection with violations of the Bylaws or MIAx Futures Rules.

**HRSW:** Hard Red Spring Wheat.

**HOURS OF TRADING:** The hours, on business days, established by MIAx Futures Rules for trading.

**INCLUDES AND INCLUDING:** The terms "Includes" and "Including" shall not be deemed to exclude other things otherwise within the meaning of the terms defined, except as expressly stated.

**INITIAL MARGIN:** See [Rule 2040.00.760.00](#).

**INTRODUCING BROKER OR IB:** An individual or entity registered as an IB as required under the Commodities Exchange Act who or which solicits or accepts orders to buy or sell Futures Contracts or

Options on Futures Contracts from customers but does not accept money or other assets from customers in connection with such orders.

**LIMITED ORDER:** An order to buy at or below a specified price or to sell at or above a specified price.

**LIQUIDITY EVENT:** A Liquidity Event shall mean an event that causes the Clearing House to require financial liquidity (1) to satisfy payment obligations of an insolvent, defaulted, or suspended Clearing Member; (2) to satisfy payment obligations associated with the transfer of account(s) of an insolvent, defaulted, or suspended Clearing Member; and (3) as a result of a payment or wire transfer delay, liquidity constraint, or default by a depository or settlement bank. The decision to declare a Liquidity Event shall be in the sole discretion of the Clearing House.

**MAINTENANCE MARGIN:** See [Rule 2040.00.760.00](#).

**MARKET ORDER:** An order to be executed immediately at the best price available.

**MARKET PARTICIPANT:** Any Person initiating or executing a transaction on the Exchange or subject to MIAX Futures Bylaws or Rules directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed.

**MIAX FUTURES:** Refers to MIAX Futures Exchange, LLC, also referred to as “Exchange” or “Company” and may refer to the Exchange Officers and authorized employees of the Exchange, as applicable.

**NATIONAL FUTURES ASSOCIATION OR NFA:** An independent self-regulatory organization for the U.S. derivatives industry.

**NOTICE OF CHARGES:** Issued by the Disciplinary Committee after an affirmative finding of a violation of the MIAX Futures Bylaws or Rules.

**OPEN ORDER:** An order which will remain in effect until canceled.

**OPENING ORDER:** An order to be executed at the opening of the Market.

**OPTIONS OR OPTIONS CONTRACT:** A legally binding agreement that gives the buyer the right, but not the obligation, to buy, sell, or enter into a Futures Contract. See also Chapter 15.

**PENALTY:** Any restriction, limitation, censure, fine, expulsion, suspension, revocation, reprimand, cease and desist order, sanction or any other disciplinary action for any amount or of any definite or indefinite period imposed upon any person within the disciplinary jurisdiction of the Exchange upon finding that a violation has been committed or pursuant to the terms of the settlement agreement.

**PERSON:** Individuals, associations, partnerships, corporations, and trusts, as defined in CFTC Regulation 1.3, as amended, including limited liability companies, sole proprietorships, or other legal entities.

**PRESIDENT:** The President of the Company.

**PUBLIC DIRECTOR:** An individual meeting the qualifications as described in Core Principle 16, Appendix B to Part 38 of CFTC Regulations and in other Regulations promulgated by the CFTC and adopted by the Board.

**PUT OPTION:** See Chapter 5145.

**REGULAR:** Any facility approved by the Exchange to deliver on a futures contract.

**RULES:** The Rules 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.

**SECRETARY:** The Secretary of the Company.

**SETTLEMENT FACILITY:** The Digital Asset delivery facility, system, or process authorized and operated by Bitnomial Exchange and associated with the trading of Bitnomial Exchange Contracts. The Settlement Facility is not licensed, approved, or registered with the CFTC.

**SINGULAR:** Shall import the plural, and vice versa, when the sense requires.

**SPREAD ORDER:** Instructions to buy one commodity and sell another. Intra-Market is to buy one delivery month and sell another delivery month of the same commodity. Inter-Market is to buy a commodity in one market and sell the same commodity in another market. e.g. Minneapolis vs Kansas City. An example of an Inter-Commodity spread might be wheat vs corn or corn vs oats.

**SPOT:** A "spot" car or truck is one that has already been loaded and is offered for sale for immediate shipment. The "Spot Market" refers to grain that is traded on this basis.

**STOP-LOSS ORDER:** Normally, when entered, these are orders to sell at a specified price which is below the current market or to buy at a specified price which is above the current market. These orders become market orders when the market trades at the trigger price or, in the case of a buying order, when the market is bid at the trigger price or, in the case of a selling order, when the market is offered at the trigger price. Stop orders entered into the Electronic Trading System are activated when an outright trade occurs at the trigger price or better within the outright market which the stop is resting.

**STOP-LOSS LIMIT ORDER:** An order that is similar to a Stop-Loss order except that, when triggered, it becomes a limit order at the specified limit.

**TIME, COMPUTATION OF:** Wherever in the MIAX Futures Bylaws or Rules any act is required to be performed within a certain number of days (or business days), the Bylaw or Rule for computing time shall be to exclude the day on which notice pertaining to such act is given, and to include the day on which such act shall take place.

**TRADES:** Purchases, or sales, or contracts for the purchase or sale, of commodities.

**TRADING PERMIT:** Defined as a permit conferred by the Exchange on any Person in accordance with the Trading Permit Program.

**TRADING PERMIT PROGRAM:** A trading permit program defined by the Exchange pursuant to MIA X Futures Bylaws.

**"TRANSFER" OR "OFFICE" TRADES:** See **Rule 3.1.7**.

**TREASURER:** The Treasurer of the Company.

**TWENTY-FOUR HOURS--FORTY-EIGHT HOURS:** Shall mean consecutive hours on business days.

**UNEVENLY LOADED CAR:** One in which the quality of the grain requires at least two (2) grades to describe the contents, sometimes referred to as a split grade.

**U.S. GOVERNMENT SECURITIES BROKER-DEALER:** A broker-dealer registered with the Securities and Exchange Commission that functions in the operation of markets for U.S. Treasuries. Such functions may include, but are not limited to: (i) acting as a channel for the U.S. Department of the Treasury and investors in primary market for U.S. Treasuries (for example, by participating in auctions); (ii) acting as providers of liquidity in primary and secondary markets for U.S. Treasuries; and (iii) acting as providers of asset transformation and market making services in the market for U.S. Treasuries.

**VICE CHAIRPERSON:** A member of the Board of Directors elected by the Directors as the Vice Chairperson.

**WEBSITE:** [www.miaxglobal.com](http://www.miaxglobal.com)

**WITH THE SECRETARY:** Shall mean with the Exchange at the office of the Secretary.

## CHAPTER 2. UNIVERSAL PROVISIONS

### SECTION 1 – GENERAL

#### 2.1.1. SCOPE.

This Chapter prescribes Rules applicable to general Exchange activities.

#### 2.1.2. JURISDICTION.

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, or any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with MIAX Futures Rules in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any Futures Commission Merchant, Introducing Broker, associated Person, or foreign Person performing a similar role, that charges a commission or fee in connection with transactions on or subject to the Rules of the Exchange also expressly consent to the Exchange's jurisdiction.

#### 2.1.3. IMPARTIAL ACCESS.

The Exchange provides its Market Participants and independent software vendors with fair and open impartial access to its markets and services, including:

- A. Access criteria that are impartial, transparent, and applied in a non-discriminatory manner; and
- B. Comparable fee structures for Market Participants and independent software vendors receiving equal access to, or services from, the Exchange.

#### 2.1.4. MIAX FUTURES RULES, INTERPRETATION, AND ENFORCEMENT AUTHORITY.

The Exchange has adopted the MIAX Futures Rules, and from time to time adopts amendments to such Rules (See **Bylaw 2.3.** and **2.4.**), to promote a free and open market on the Exchange, to maintain appropriate business conduct, and to provide protection to the public. The Exchange, in its sole discretion, will interpret and enforce the MIAX Futures Rules not inconsistent with applicable provisions of the CEA and CFTC Regulations.

#### 2.1.5. COOPERATION WITH INVESTIGATORY AND DISCIPLINARY PROCESSES.

A Market Participant shall promptly respond, provide documentation, and cooperate in all inquiries by the Exchange. Failure to do so will subject the Market Participant to disciplinary processes, which may include immediate termination of usage and access to the Electronic Trading System. Disciplinary processes may be initiated by the Exchange pursuant to the MIAX Futures Bylaws and Rules and may include public or private actions, summary fines, fines, suspensions, expulsions or other restrictions as determined to be necessary by the Exchange.

### **2.1.6. DUTY TO SUPERVISE.**

A Person subject to MIAX Futures Bylaws or Rules has a duty to supervise any agent, employee, contractor or automated trading system or device under their direct or indirect control (for purposes of this Rule, an “agent”), who engages in this market or performs any Exchange-related activity. Any act, omission, or failure of any agent may be deemed to be an act, omission, or failure of the Person.

Unless prohibited by MIAX Futures Bylaw or Rule, a Person may delegate the act of performance, but not the responsibility, of any MIAX Futures Bylaw or Rule.

When assessing whether a Person has violated MIAX Futures Rule 2.1.6., the Exchange may consider the Person’s lack of sufficient internal controls as an exacerbating factor.

MIAX Futures Rules do not prohibit the Exchange from bringing disciplinary action against both the Person and the agent based on the same event or set of operative facts. If an agent is found to be in violation of any MIAX Futures Bylaw or Rule, the Exchange may, in its discretion, take disciplinary action against the agent, the Person, or both.

### **2.1.7. HOLIDAYS.**

The following days are declared to be holidays, during which the Exchange will not be open for business: New Year's Day, Dr. Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday it will be observed the preceding Friday. When a holiday falls on a Sunday it will be observed the following Monday. The Exchange may, in its discretion, declare additional holidays and details of observance.

### **2.1.8. EMERGENCIES.**

The Exchange has the power to immediately delay, suspend, or close trading upon recognizing a problem. A problem includes, but is not limited to the following:

- A. fire or other casualty,
- B. bomb threat,
- C. power failure,
- D. communications breakdown,
- E. computer malfunction, or
- F. other - technical difficulties.

If such an event occurs, the Exchange will provide reasonable notice to the public.

### **2.1.9. INCLEMENT WEATHER OR TRANSPORTATION BREAKDOWN.**

The Exchange has the power to immediately delay, suspend, or close trading upon recognizing the functions of Exchange are, or are threatened to be, severely and adversely affected by inclement weather or transportation breakdown. In such case, the Exchange will provide reasonable notice to the public.

### **2.1.10. MARKET PARTICIPANT EMERGENCIES.**

If the Exchange, in its sole discretion, determines that there is a substantial question as to whether a financial or other type of emergency exists or may exist with respect to any Market Participant, the Exchange may take any action necessary to protect the best interests of the Exchange and the marketplace or take any other actions allowed by law. The Exchange will have no liability regarding its use of this discretionary power.

#### **2.1.11. MARKET MAKER AND INCENTIVE PROGRAMS.**

The Exchange may establish a market maker or incentive program (“Program”) for any contract or product. There may be more than one Program at the same time for any contract or product. The Exchange may begin or end a Program at any time. The Exchange may determine the effective period of any Program and establish any requirements, including application requirements, which the Exchange may change at any time. The Exchange has sole discretion to approve or deny a potential participant based on, but not limited to, the following factors: business reputation; financial resources; and trading activity in relevant markets. Any participant in a Program must maintain compliance with the Program’s requirements. Further, any participant in the Program must comply with the CEA, CFTC Regulations, MIAx Futures Rules, or other relevant authority. The Exchange may, in its sole discretion, remove any participant from any Program at any time.

#### **2.1.12. PROMOTIONAL MATERIAL.**

Promotional material and similar information issued by Market Participants must comply with the requirements of National Futures Association Rule 2-29, as amended. A Market Participant must not state or give the appearance that the Market Participant represents the Exchange.

#### **2.1.13. EXCHANGE AMENDMENTS.**

The Exchange shall have the authority to amend any Rule without a vote of the 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.

#### **2.1.14. GENERAL OFFENSES.**

No Person shall commit an act which is detrimental to the interest or welfare of the Exchange, or engage in any conduct which impairs the integrity or good name of the Exchange.

#### **2.1.15. AFFILIATE PARTICIPANT.**

The Exchange has an affiliate FCM, which directly or indirectly shares a common parent company with MIAx Futures, that is permitted to operate as a Market Participant, to provide clearing services and participate on the Exchange’s Electronic Trading System, subject to the following provisions:

- A. Affiliate will not have access to the Exchange's material non-public information, as defined in CFTC Regulations 1.59(a)(5) and (6); provided, however, a common director of the Exchange and the Affiliate, if any, may share information consistent with CFTC Regulation 1.59(d).
- B. Affiliate will not receive preferential treatment in any respect, including with respect to Exchange disciplinary processes or pricing.
- C. Affiliate will be subject to the same access criteria and must abide by the same Rules as all other Clearing Members or Market Participants.
- D. Affiliate will maintain offices and information technology systems separate from the Exchange.

### 2.1.16. SALES PRACTICES.

The provisions of this Rule shall apply exclusively to the offer and sale of options traded on the Exchange.

- A. **Complaints.** Futures Commission Merchants shall make and retain written records regarding all written and oral customer complaints. Such records shall indicate the date the complaint was received, the associated person(s) who serviced the account, a general description of the matter and any action taken in regard to the complaint. Such complaints and records thereof shall immediately be reported to the Exchange. Futures Commission Merchants engaged in the offer and sale of options traded on the Exchange shall adopt and enforce written procedures governing the supervision and solicitation of option accounts.
- B. **Disclosure.** Fraudulent or high-pressure sales communications are prohibited. Futures Commission Merchants shall make disclosure to option customers concerning the nature and risk of option trading as set forth in Section 33.7 of the Regulations promulgated under the Commodity Exchange Act and shall obtain written acknowledgment that the customer has received and understood such disclosures.
- C. **Discretionary Trading.** No Futures Commission Merchant shall accept a discretionary order for an option contract traded on the Exchange for the account of a customer unless such Futures Commission Merchant shall have first:
  - 1. Provided the option customer with an explanation of the nature and risks of the strategy or strategies to be used in connection with the option customer's account; and
  - 2. approved the discretionary authority; such approval must be in writing by an officer, general partner, sole proprietor or branch office manager of the Futures Commission merchant, other than the individual authorized to exercise such discretion.

Thereafter, such Futures Commission Merchant shall identify all discretionary orders as such on the order at the time of entry and an officer, general partner, sole proprietor or branch office manager, other than the individual authorized to exercise such discretion, shall



approve, initial and date such orders. Futures Commission Merchants shall frequently review discretionary accounts. The requirements of Paragraph C. shall not apply to an account where discretionary trading authority is given to a spouse, parent or child of the customer.

- D. **Disciplinary Action.** Futures Commission Merchants engaged in the offer and sale of Exchange option contracts shall provide the Exchange with immediate written notification of any disciplinary action taken against such Futures Commission Merchant or its associated persons by the Commission or another self-regulatory organization.
- E. **Deep Out-of-the-Money Options.**
1. A deep out-of-the-money option is defined as an out-of-the-money option whose strike price is more than X strike prices distant from the strike price closest to the settlement price of the underlying Futures Contract, where X equals two (2) plus the number of calendar months remaining until option expiration;
  2. however, the Exchange may impose additional criteria as appropriate;
  3. no Futures Commission Merchant shall accept an order for a deep out-of-the-money option without providing the customer with an explanation of the nature and the risks of the option prior to the transaction.
- F. **Option Omnibus Accounts.** No Person shall accept an order from any person whom the Person may have reason to believe is soliciting or accepting orders for the purchase or sale of option in violations of Commodity Futures Trading Commission Regulation 33.3.

## SECTION 2 – FINANCIAL REQUIREMENTS

### 2.2.1. FINANCIAL REQUIREMENTS AUTHORITY.

The Exchange may from time to time adopt financial and reporting requirements. These requirements may be more stringent than those provided in the CEA, CFTC Regulations, and other applicable authority. Such requirements may be posted through reasonable means by the Exchange and need not be codified in MIAX Futures Rules.

### 2.2.2. FINANCIAL AND REPORTING REQUIREMENTS.

Financial and reporting requirements for Persons may be established by the Exchange, provided that requirements for FCMs are established at levels no lower than those required by the CEA and CFTC Regulations.

### 2.2.3. MINIMUM FINANCIAL REQUIREMENTS FOR MINNEAPOLIS HARD RED SPRING WHEAT REGULARITY.

A Person who operates an elevator or warehouse, or who is a merchandiser, that is Regular for delivery of Minneapolis Hard Red Spring Wheat must maintain certain minimum financial requirements set by the

Exchange. The Exchange has established the following working capital and net worth financial requirements for Regularity:

Contract	Working Capital	Net Worth
Minneapolis Hard Red Spring Wheat	\$2,000,000.00	The greater of \$5,000,000.00 or the equivalent of \$1 per bushel of approved storage capacity

The Exchange may consider and approve, at its discretion, a Person for Regularity that is unable to meet the applicable minimum financial requirements above. As financial conditions warrant, the Exchange may, at any time, require a Person that is approved or applying for Regularity to provide irrevocable letters of credit, guarantees, and/or other forms of security that the Exchange determines to be acceptable. Failure to meet any minimum financial requirements or comply with the Exchange's request for additional financial security will be deemed a failure to meet the minimum financial standing requirement.

If a Person qualifies for more than one type of status (Clearing Member, FCM, Regular for delivery or holding cash trading privileges), then the Person must meet the highest capital and net worth requirements, and the earliest reporting requirements of their various registration status.

#### 2.2.4. MINIMUM FINANCIAL REQUIREMENTS FOR CASH TRADING PRIVILEGES.

- A. **Financial Requirements.** Any Person with cash trading privileges must meet the minimum financial requirements set forth by the Exchange, which are set as follows:

Working Capital	Net Worth
\$1,000,000.00	\$2,000,000.00

The Exchange may consider and approve, at its discretion, Persons with cash trading privileges that are unable to meet the applicable minimum financial requirements above. As financial conditions warrant, the Exchange may, at any time, require a Person with cash trading privileges to provide irrevocable letters of credit, guarantees, and/or other forms of security that the Exchange determines to be acceptable. Failure to meet any minimum financial requirements or comply with the Exchange's request for additional financial security will be deemed a failure to meet the minimum financial standing requirement.

- B. **Annual Financial Statements.** Regardless of whether the Person is required to file with the CFTC, all Persons with cash trading privileges must file with the Exchange, within ninety (90) days of the close of their fiscal year, an audited financial statement that includes at a minimum, a balance sheet and income statement with footnotes. Such annual financial statement must be accompanied by an opinion of an independent Certified Public Accountant. The Exchange may in its discretion require such additional reports as it deems appropriate or necessary.
- C. **Interim Unaudited Financial Statements.** Regardless of whether the Person is required to file with the CFTC, any Person with cash trading privileges must file with the Exchange quarterly unaudited financial statements that include at a minimum, a balance sheet and income statement, forty-five (45) days of the date of such quarterly statement.

- D. **Extension of Time to File.** Upon written request in advance and for good cause shown, the Exchange may in its sole discretion grant an extension of the time for the filing of any reports or statements required by this Rule.

All costs associated with the requirements of this Rule will be borne solely by the Person with cash trading privileges.

If a Person qualifies for more than one type of status (Clearing Member, FCM, Regular for delivery or holding cash trading privileges), then the Person must meet the highest capital and net worth requirements, and the earliest reporting requirements of their various registration status.

### 2.2.5. MINIMUM FINANCIAL AND REPORTING REQUIREMENTS FOR FUTURES COMMISSION MERCHANTS.

- A. **Financial and Reporting Requirements.** All FCMs that have customers trading MIAX Futures Futures and Options contracts must meet the minimum financial and reporting requirements set forth in CFTC Regulations 1.10, 1.12, 1.16, 1.17, and 1.18, as now in effect or hereafter amended. All such FCMs must file with the Exchange the reports required under such CFTC Regulations, including the reports enumerated below, by approving the Exchange as a receiver of such reports on the WinJammer™ Online Filing System. The Exchange may in its discretion require FCMs to file additional reports as it deems appropriate or necessary.
1. All FCMs must file daily segregated, secured 30.7 and cleared swaps segregation statements, as applicable, in a manner designated by the Exchange. These statements must be signed by the firm's Chief Executive Officer, Chief Financial Officer, or other representative as allowed by the Exchange.
  2. All FCMs must file bi-monthly Segregation Investment Detail Reports as required by the Exchange and CFTC Regulation 1.32.
  3. All FCMs must provide immediate notice to the Exchange of all disbursements of customer segregated, secured 30.7, and cleared swaps segregation funds that are not made for the benefit of customers of the respective customer origin, and that exceed 25% of the excess segregated, secured 30.7, and cleared swaps segregation funds, as applicable. Any such disbursements by the FCM must also be pre-approved, in writing, by a principal of the FCM.
  4. At least one report in each fiscal year must be accompanied by an opinion of an independent Certified Public Accountant.
- B. **Extension of Time to File.** Upon written request in advance and for good cause shown, the Exchange may in its sole discretion grant an extension of the time for the filing of any reports or statements required by this Rule.

All costs associated with the requirements of this Rule will be borne solely by the FCM.

If a Person qualifies for more than one type of status (Clearing Member, FCM, Regular for delivery or holding cash trading privileges), the Person must meet the highest capital and net worth requirements, and the earliest reporting requirements of their various registration status.

#### 2.2.6. MINIMUM FINANCIAL AND REPORTING REQUIREMENTS FOR CLEARING MEMBERS.

- A. **Financial and Reporting Requirements.** All Clearing Members must meet the minimum financial and reporting requirements set forth in CFTC Regulations 1.10 and 1.17, as now in effect or hereafter amended.
- B. **Financial Statements for FCM Clearing Members.** All FCM Clearing Members must meet the requirements set forth in **Rule 2.2.5.**
- C. **Financial Statements for Non-FCM Clearing Members.** Non-FCM Clearing Members must file monthly financial statements that include at a minimum, a balance sheet and income statement, with the Exchange within seventeen (17) business days of the date of such statement. Within sixty (60) days of the close of its fiscal year, Non-FCM Clearing Members subject to this Rule must file a certified financial statement accompanied by an opinion of an independent Certified Public Accountant.
- D. **Extension of Time to File.** Upon written request in advance and for good cause shown, the Exchange may in its sole discretion grant an extension of the time for the filing of any reports or statements required by this Rule.

All costs associated with the requirements of this Rule will be borne solely by the Clearing Member.

If a Person qualifies for more than one type of status (Clearing Member, FCM, Regular for delivery or holding cash trading privileges), then the Person must meet the highest capital and net worth requirements, and the earliest reporting requirements of their various registration status.

#### 2.2.7. NOTIFICATION OF FISCAL YEAR.

Any Person required by the Exchange to provide financial information must immediately notify the Exchange of any change to its fiscal year. Such notification must be made in writing and submitted to the Exchange explaining any change and the reasons therefore. If applicable, the Person making a change in its fiscal year must also submit written evidence that its designated self-regulatory organization has approved the same.

Any change in fiscal year pursuant to this Rule does not relieve any obligation to file timely certified and interim financial statements deemed necessary by MIAX Futures Rules or the Exchange.

#### 2.2.8. REDUCTION OF CAPITAL.

Any Person required by the Exchange to provide financial information must immediately notify the Exchange of any material reduction of its net capital, adjusted net capital, working capital, and/or its net worth, including the incurring of a contingent liability that would materially affect net capital, adjusted net capital, working capital, and/or net worth should such liability become fixed. Such notice must be in writing

and signed by an authorized representative. Failure to so notify the Exchange will be considered an act detrimental to the interest and welfare of the Exchange.

Circumstances that may trigger this Rule and/or be considered a material reduction include, but are not limited to:

1. A reduction amounting to twenty percent (20%) or more from the net capital or adjusted net capital reported as of the last date for which a financial statement or answer to a financial questionnaire was filed under the MIA X Futures Rules.
2. A reduction amounting to twenty percent (20%) or more from the working capital and/or net worth, for any Person declared Regular for delivery on any Exchange contract or with clearing and/or cash trading privileges, reported as of the last date for which a financial statement or answer to a financial questionnaire was filed under the MIA X Futures Rules.

For purposes of this Rule, working capital is defined as total current assets minus total current liabilities.

For purposes of this Rule, net worth is defined as equities, whether shareholder's equity, partnership equity or other equity capital, minus deficits, in proprietary accounts or which are properly included in determining net worth.

For purposes of this Rule, adjusted net capital is defined in accordance with CFTC Regulation 1.17.

For purposes of this Rule, net capital is defined in accordance with SEC Rule 15c3-1.

### **2.2.9. RISK MANAGEMENT PROGRAM FOR FUTURES COMMISSION MERCHANTS.**

All FCMs must establish, maintain, and enforce a risk management program designed to manage and monitor the risks associated with the FCM's activities. The risk management program should include, but is not limited to, risks relating to operations, capital, and customer funds segregation.

Such risk management program must include written policies and procedures and, at a minimum, must meet the requirements set forth in CFTC Regulation 1.11. However, the Exchange may, in its discretion, adopt risk management requirements for FCMs that are more stringent than those of the CFTC if it deems such requirements appropriate.

Upon request of the Exchange, the written risk management policies and procedures and other related information and documentation must be promptly made available for review.

## **SECTION 3 – RECORDKEEPING**

### **2.3.1. RECORDS OF TRANSACTIONS.**

Any Person subject to CFTC Regulation 1.35 shall keep full, complete, and systematic records (including all pertinent data and memoranda) of all transactions relating to its business of dealing in commodity interests and any related cash or forward transactions. Such records may include, but are not limited to, records of electronic trading, all orders (filled, unfilled, or canceled), electronic audit trails, trading cards,

signature cards, street books, journals, ledgers, wire transfer, canceled checks, copies of confirmations, and copies of statements of purchase and sale, and all other records which have been prepared in the course of business of dealing in commodity interests and any related cash or forward transactions.

Additionally, such Person is required to keep all oral and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading, and prices that lead to the execution of a transaction in commodity interests and any related cash or forward transactions, whether transmitted by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media. The requirement to record oral communications does not apply to oral communications that lead solely to the execution of a related cash or forward transaction.

All records of oral communications must be retained for a period of not less than one year from the date of such communication in accordance with CFTC Regulation 1.31. All other records must be retained for a period of not less than five years from the date on which the record was created in accordance with CFTC Regulation 1.31. Additionally, all records must be produced for inspection to the Exchange and any representative of the CFTC or the United States Department of Justice.

### **2.3.2. RECORDING ORDERS.**

Each Clearing Member, FCM, and Person who is authorized to, and who receives an order from a customer which is not in the form of a written record showing the account identification, order number, and the date and time, to the nearest minute such order was transmitted or received, or cannot immediately be entered into the Electronic Trading System, must immediately upon receipt thereof prepare a written record of such order, including an account identification and order number and shall record thereon, by time-stamp, the date and time, to the nearest minute, the order is received.

### **2.3.3. OMNIBUS ACCOUNTS.**

An omnibus account is utilized for placing and clearing the trades of one or more undisclosed customers of the account.

An omnibus account may be carried only for a Person that is in compliance with the registration requirements of the CFTC. It will be the responsibility of the Person handling an omnibus account to be aware of and vouch for the registration status of the account.

The Person responsible for an omnibus account must at all times disclose, upon request of the Clearing Member carrying that account, the gross long and short positions held by that account in each commodity. The Person responsible for an omnibus account must, at least two (2) business days prior to the first delivery day in a contract month, provide the Clearing Member carrying that account, with a complete list of the purchase and sale dates of all open positions for that contract month. Such list must be kept up to date throughout the delivery month. Clearing Members carrying omnibus accounts must maintain a complete list of all omnibus accounts maintained on their books.

A Clearing Member carrying an omnibus account (except an omnibus account of another Clearing Member) will indemnify and hold harmless the Exchange for any loss of damage suffered by the Exchange by reason of fraudulent dealings with, or management of, customer funds and transactions within the

omnibus account. Each Clearing Member that maintains an omnibus account with another Clearing Member shall also bear financial responsibility to the Exchange for that omnibus account.

#### **2.3.4. DISCRETIONARY ACCOUNTS.**

No Clearing Member will accept or carry an account over which any Person, other than the Person in whose name the account is carried, exercises discretionary trading authority or control without first obtaining a written and dated power of attorney, trading authorization, or similar document (hereinafter "Power of Attorney") by which trading authority is given. Such Power of Attorney must be signed and submitted to the Clearing Member and must designate the trading authority or control given and precisely to whom the trading authority or control is given. Such Power of Attorney will remain in effect until it is terminated by written revocation signed by the Person for whom the account is carried or by the death or incapacity of such Person. Termination may also be made by written revocation signed by the Person to whom such authority or control has been given or by the death or incapacity of such Person.

The records of the Clearing Member must clearly identify each discretionary account it carries. The Clearing Member agrees to promptly provide the Exchange with a list of such accounts upon request.

This Rule does not apply to proprietary accounts of Clearing Members.

#### **2.3.5. REPORTING REQUIREMENTS AND DISCIPLINARY ACTION.**

Persons subject to MIA X Futures Rules must submit all data, records and other information required by MIA X Futures Rules or requested by the Exchange in an accurate, complete and timely manner, and in a method and format agreeable to the Exchange. Failure to comply with such reporting requirements will subject said Person to a summary fine or other disciplinary action including, but not limited to, the matter being referred to the Disciplinary Committee.

#### **2.3.6. ACCEPTANCE OF ACCOUNTS FROM OTHERS THAN PRINCIPALS.**

Except as provided in omnibus accounts and discretionary accounts, no Market Participant shall make a purchase or a sale of any commodity in futures or options in this market for the account of another Person, nor shall any Market Participant accept or carry such an account for such other Person, if such other Person is known to be acting as an agent for and on behalf of others, unless such other Person is properly registered with the CFTC or the National Futures Association.

No purchase or sale of commodities in futures or options shall be made in this market, and no account for such purchase or sale shall be accepted or carried for the account of any Person if such purchases or sales are made pursuant to trading authority given by such Person to another Person (not a member of the same family) to trade in his or her name, except on the following terms and conditions:

- A. A monthly statement must be sent directly to the Person for whose account such purchases or sales have been made, showing the exact position of the account, including all open trades figured to the market;
- B. Each transaction must be specifically designated with the name of the Person for whose account such purchase or sale has been made at the time the order is accepted;

- C. Confirmations of all trades must be sent promptly, both to the Person for whose account such purchases or sales have been made and to the Person authorized to act for his/her account;
- D. Written evidence of such delegation of authority by such Person to such other Person to trade in his/her name must have been furnished to the Market Participant making the trade.

### 2.3.7. ACCOUNT OWNERSHIP AND CONTROL AND POSITION DATA REPORTING.

- A. Clearing Members, omnibus accounts, and foreign brokers which hold, control, or carry a “special account,” as such term is defined by CFTC Regulation 17 CFR Part 15, as amended, must submit to the Exchange information identifying the ownership and control of each special account and all trading accounts related to each such special account and any additional required information after the account reaches or exceeds the applicable reportable position level prescribed by the Commission using CFTC Form 102A. Notwithstanding the foregoing, if the reportable position level prescribed by the Exchange is lower than the corresponding CFTC reportable level for a contract, such Form 102A must be filed with the Exchange when the position in a special account reaches or exceeds the Exchange prescribed reporting level.
- B. Clearing Members, omnibus accounts, and foreign brokers which hold, control, or carry a reportable “volume threshold account,” as such term is defined by CFTC Regulation 17 CFR Part 15, as amended, must submit to the Exchange information identifying the ownership and control of the volume threshold account and any additional required information using CFTC Form 102B after an account reaches the reportable volume trading level as prescribed by the Commission.
- C. The submissions set forth in paragraphs A and B shall be made in accordance with the timing and other requirements specified by the Exchange. Should any of the information contained in such submissions become inaccurate, the reporting Clearing Member, omnibus account, or foreign broker must submit updated, accurate information within three business days of such changes becoming effective. Upon request from the Exchange, Clearing Members, omnibus accounts, and foreign brokers must provide CFTC Form 40 and/or Form 71.
- D. Clearing Members, omnibus accounts, and foreign brokers must submit to the Exchange a daily report of all positions required to be reported. Such report must also include, for each reportable account, the EFRP volume bought and sold by contract month, the number of delivery notices issued, and the number of deliveries stopped in the reportable instrument.
- E. Notwithstanding the obligations on omnibus accounts and foreign brokers set forth in this Rule, Clearing Members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange.



- F. The reporting levels, position limits, and position accountability levels for MIAx Futures contracts are set forth in the MIAx Futures Rules.

## **SECTION 4 – FEES**

### **2.4.1. FEES: COLLECTIONS.**

The Exchange may from time to time issue invoices for fees or other money owed to the Exchange and collect the same. Furthermore, the Exchange has the authority to take disciplinary action under MIAx Futures Rules and enforce such collections to the fullest extent allowable by law.

### **2.4.2. FEES: EXCHANGE FEES.**

The Exchange will set exchange fees from time to time and make such fees publicly available. The Exchange may elect to waive or modify such fees. Payment of such fees is due to the Exchange upon receipt of invoice.

### **2.4.3. FEES: EXCHANGE REGULATORY FEES.**

As a self-regulatory organization, the Exchange may assess an exchange regulatory fee or fees. The exchange regulatory fee or fees shall be set from time to time by the Exchange. The Exchange may, in its sole discretion, waive all or part of the exchange regulatory fee or fees.

## CHAPTER 3. TRADING RULES

### SECTION 1 – GENERAL

#### 3.1.1. FUTURES AND OPTIONS CONTRACTS.

Futures and Options contracts must be approved by the Board of Directors, certified with the CFTC, and established in MIAX Futures Rules.

#### 3.1.2. TIME AND PLACE FOR MAKING.

Except in the case of non-competitive trades, all purchases and sales, and all offers to purchase or sell Futures and Options must be made electronically on the Electronic Trading System.

#### 3.1.4. RULE INTERPRETATION AND ENFORCEMENT.

The Exchange has adopted the MIAX Futures Rules, and from time to time adopts amendments to such Rules (See [Bylaws 3.1.](#) and [3.2.](#)), to promote a free and open market on the Exchange, to maintain appropriate business conduct, and to provide protection to the public. The Exchange, in its sole discretion, will interpret and enforce the MIAX Futures Rules not inconsistent with applicable provisions of the CEA and CFTC Regulations.

#### 3.1.6. CONFIRMATION OF FUTURES OR OPTIONS TRADES.

A Clearing Member shall confirm to the customer every transaction made for the customer's account no later than the following business day. Such confirmation must be in electronic or written form and must show the relevant transaction terms, including the Commodity bought or sold, the quantity, the price or premium, the delivery month, and, if an option, whether a put or call, and the strike price.

#### 3.1.7. TRANSFER TRADES AND OFFICE TRADES.

“Transfer” trades and “Office” trades are limited to the following transactions:

- A. Transactions made for the purpose of (1) transferring open Futures or Options positions from one account to another on the books of the same Clearing Member where no change in ownership is involved; or (2) transferring open Futures or Options positions from an account on the books of one Clearing Member to another Clearing Member where no change of ownership is involved; PROVIDED, however, that no such transfer is made after receipt from the Exchange of a Delivery Notice on such contracts if such transfer is for the apparent purpose of avoiding delivery on such contract.

Notwithstanding the requirements of [Rule 3.1.7.A.](#), the Department of Audits and Investigations, in its sole discretion, may approve a transfer that results in a change of beneficial ownership when such transfer is made as a result of a merger, asset purchase, consolidation or similar non-recurring transaction between two (2) or more Persons.

- B. Transactions consisting of the exchange or transfer of Futures in connection with cash commodity transactions or transactions consisting of the exchange of Futures for cash commodities.
- C. Transactions consisting of the exchange or transfer of Futures in connection with risk transactions or transactions consisting of the exchange of Futures for risks.

Except for situations involving insolvency or default (see generally Chapter 21), Futures positions may be transferred using either the original trade price or the most recent settlement price. Options positions may be transferred using either the original trade price or a trade price of zero. All transfers in physically delivered Futures contracts must be recorded and carried on the books of the receiving Clearing Member at the original trade dates. All other contracts may be recorded and carried at either the original trade date or the transfer date.

All records and memoranda pertaining to Transfer and Office trades must be marked or identified by appropriate symbols or designations. All Office trades, where such trades remain on the books of one and the same Clearing Member and where no change in ownership is involved, may or may not be cleared at the discretion of the Clearing Member. All Transfer trades, which involve two Clearing Members in which no change of ownership is involved, must be included and identified in daily reports to the Exchange.

Transfer trades involving the transfer of all or a portion of a customer's positions and related collateral from an account on the books of one Clearing Member to another Clearing Member do not require the close-out and re-booking of the positions prior to the requested transfer; PROVIDED, the following conditions are met: (1) the customer validly instructed the carrying Clearing Member to make the transfer; (2) the customer is not currently in default to the carrying Clearing Member; (3) the receiving Clearing Member has consented to the transfer; (4) the transferred positions will have appropriate margin at the receiving Clearing Member; and (5) any remaining positions in the customer's account at the carrying Clearing Member will have appropriate margin. Customer instructions to transfer positions must contain the customer's name and account number, and if the transfer is not of the entire account, a description of which portion is to be transferred.

### **3.1.8. OFFSETS AND TRANSFER TRADES.**

Offsets and/or position change data must be reported to the Clearing House each day by the established deadlines and in a manner that meets the provisions of **Resolution 2101.00.C**. Positions that have been offset at the Exchange may not subsequently be re-opened at the Exchange.

Except by same day trade activity, existing futures positions in a delivery month may not be offset during the period beginning two (2) business days prior to the delivery month and continuing through the end of the delivery month. Clearing Members will be responsible for compliance with this 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.

In its sole discretion, the Department of Audits and Investigations may permit an offset via netting, transfer, or position adjustment. Such adjustments are permissible to correct a bona fide clerical or operational error

for an amount less than five percent (5.0%) of the published open interest reported the same morning for which the offset will be reported by the Clearing Member's morning position reporting deadline. Moreover, such adjustments are only permissible if the Department of Audits and Investigations reasonably believes the offset will not adversely impact the market. Such permission does not prohibit the Department of Audits and Investigations from investigating or taking disciplinary action for any alleged violation of the MIAx Futures Rules.

### **3.1.9. ELECTRONIC AUDIT TRAIL AND OTHER RECORDKEEPING REQUIREMENTS.**

All Clearing Members are required to maintain or cause to be maintained the order routing and front-end audit trail for all electronic orders including, but not limited to: order entry, modification, cancellation and responses to such messages entered into the Electronic Trading System by the Clearing Member or its customers.

The Clearing Member may assign the recordkeeping requirements contained in this Rule to a customer subject to the following conditions: (1) the Clearing Member and the customer must have applicable written agreements assigning the recordkeeping requirements with particularity; and (2) upon request, either the Clearing Member or the customer must provide such agreements to the Exchange.

The Clearing Member must ensure that any written agreements assigning recordkeeping requirements of this Rule are being followed by any customers. The Clearing Member and/or the customer may be held accountable for failure to maintain or causing to be maintained the recordkeeping requirements of this Rule.

Audit trail data must contain a complete and accurate record of information and fields that are required by the Electronic Trading System and this Rule. Changes to required audit trail data for the Electronic Trading System may occur from time to time, and are hereby incorporated into this Rule. Required audit trail data means a record of all FIX Tag and/or iLink information and fields, including, but not limited to: transaction date, product, Exchange code, quantity, order type, order qualifier, price, buy/sell indicator, stop/trigger price, order number, account number, session ID, Tag 50 ID, automated or manual indicator (Tag 1028), host order number, trader order number, clearing member, type of action, customer type indicator, origin, and timestamps. In addition, for executed orders, records must include the execution time of the trade along with all fill information.

### **3.1.10. QUOTATIONS.**

Price quotations in Futures and Options are based on purchases or sales of such quantities prescribed by the Exchange for each Commodity.

### **3.1.11. CONCURRENT LONG AND SHORT POSITIONS.**

Concurrent long and short positions are long and short positions traded in the same Futures for the same delivery month, or Options with the same strike price for the same expiration date.

Concurrent long and short positions may be held by a Clearing Member, or FCM, at the discretion of a customer or on behalf of an omnibus account. It is the duty of the FCM carrying the account(s) holding

concurrent long and short positions to ascertain whether such positions are intended for offset or to be held open prior to final submission of position data by the reporting Clearing Member.

Accounts that have had concurrent long and short positions continually reported to the Exchange, may offset such positions at a date later than the original trade date; however, offsets must meet all the provisions of **Rule 3.1.8**.

For the purpose of this Rule, hold-open positions are positions offset at the Exchange, but for the convenience of the customer have been held open on the FCM's internal bookkeeping records. Therefore, after being offset at the Exchange, hold-open positions cannot be reported as open interest nor re-established at the Exchange at a later date. An FCM's internal booking records must clearly indicate all hold-open positions. Since hold-open positions only remain open on the FCM's internal records and are not true Exchange positions, no margin is required.

The Exchange does not prohibit the internal bookkeeping of hold-open positions by its Clearing Members. However, the Clearing Member must accurately report to the Exchange, as required by MIA X Futures Rules, all reportable positions, large trader positions, long positions eligible for delivery, and open interest.

#### **3.1.12. MESSAGING POLICY.**

The Exchange or its designee has the authority to impose a messaging policy for the purpose of discouraging irresponsible, excessive, or unreasonable messaging practices by Market Participants. Any messaging policy developed and put into effect by the Exchange or its designee shall be posted on the Website. If a Market Participant fails to comply with the requirements of any messaging policy in effect, the Exchange and/or its designee may collect administrative fees from any Market Participant or Clearing Member found to have exceeded any policy. Further, in emergency situations, the Exchange or its designee may cancel a Market Participant's and/or a Clearing Member's access to the Electronic Trading System to protect the integrity of the market and Electronic Trading System.

#### **3.1.13. UNIQUE OPERATOR ID REQUIRED.**

Each individual utilizing the Electronic Trading System must use a unique operator ID (i.e. Tag 50). In no event may an individual (a) enter an order using an operator ID other than the individual's own unique operator ID, or (b) permit the entry of an order by another individual using an operator ID other than their own unique operator ID.

#### **3.1.14. TIME-STAMPS.**

All time-stamps required by MIA X Futures Rules must show the time to the nearest minute as well as the correct date.

#### **3.1.15. UNMATCHED TRADE RESOLUTION.**

It is the responsibility of the Market Participant to make herself/himself or an authorized representative available to resolve any unmatched trades throughout the day as they may occur.

#### **3.1.16. ENFORCEABILITY OF CONTRACTS.**

An agreement, contract or transaction entered into on or pursuant to the MIAX Futures Rules shall not be void, voidable, subject to rescission or otherwise invalidated or rendered unenforceable as a result of:

- A. a violation by the Exchange of the provisions of section 5 of the CEA or Part 38 of the CFTC Regulations; or
- B. any Commission proceeding to alter or supplement a rule, term or condition under section 8a(7) of the CEA, to declare an emergency under section 8a(9) of the CEA, or any other proceeding the effect of which is to alter, supplement, or require the Exchange to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

## **SECTION 2 – ~~RESERVED TRADING QUALIFICATIONS~~**

### **~~3.2.2. RESERVED.~~**

### **~~3.2.3. RESERVED.~~**

### **~~3.2.5. RESERVED.~~**

## **SECTION 3 – ERROR TRADES**

### **3.3.1. AUTHORITY REGARDING TRADE CANCELLATIONS AND PRICE ADJUSTMENTS.**

**Rules 3.3.1.** through **3.3.8.** collectively form MIAX Futures' Error Trade Policy ("Error Trade Policy") and shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations of trade certainty by market participants. Administration and enforcement of the Error Trade Policy shall be facilitated by the Exchange, or by a designee selected by the Exchange, for MIAX Futures products that are traded on the Electronic Trading System.

The Error Trade Policy grants ultimate authority to the Exchange to adjust trade prices or cancel trades where, in its absolute and sole discretion, the Exchange believes such action is necessary to mitigate market-disrupting events caused by the improper or erroneous use of the Electronic Trading System or by system defects. Notwithstanding any other provisions of this Rule, the Exchange may, in its absolute and sole discretion, adjust trade prices or cancel any trade if it believes that allowing the trade(s) to stand as executed could have a material, adverse effect on the integrity of the market. All decisions of the Exchange shall be final. Subject to the limitations and conditions of this Section 3 of the Rules, and irrespective of the terms of any order entered into the Electronic Trading System, the Exchange shall not have any liability for losses resulting from price adjustments or trade cancellations by the Exchange under this Rule.

### **3.3.2. REVIEW OF TRADES.**

The Exchange or its designee may determine to review a trade based on its independent analysis of market activity or upon request for review by a user of the Electronic Trading System. A request for review must be made to the Exchange or its designee via telephone within eight minutes of the execution of the trade. Any other form of communication will not constitute a request for review as set forth in this Section 3.

The Exchange or its designee shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Exchange or its designee deems it to be appropriate, the Exchange or its designee may determine that a trade shall not be subject to review. Upon determining to review a trade, the Exchange or its designee will promptly issue an alert indicating that the trade is under review.

### 3.3.3. PRICE ADJUSTMENTS AND CANCELLATIONS.

Upon making a determination that a trade will be subject to review, the Exchange or its designee will first determine whether the trade price is within the Non-Reviewable Range for Futures or within the Bid/Ask Reasonability Range for Options, both of which are provided on [www.miaxglobal.com](http://www.miaxglobal.com). The Bid/Ask Reasonability Range for an Option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the Non-Reviewable Range for the option. In applying the Non-Reviewable Range, the Exchange or its designee shall determine the fair value market price for that contract at the time the trade under review occurred. The Exchange or its designee may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the Electronic Trading System, a more recent price in a different contract month, the price of the same or related contract established in another venue or another market, the market conditions at the time of the trade, the theoretical value of an option based on the most recent implied volatility and responses to a Request for Quote.

#### A. Trade Price Inside the Non-Reviewable Range

If the Exchange or its designee determines that the price of the trade is inside the Non-Reviewable Range, the Exchange or its designee will issue an alert indicating that the trade shall stand.

#### B. Trade Price Outside the Non-Reviewable Range

##### 1. Futures Contracts

If the Exchange or its designee determines that a trade price is outside the Non-Reviewable Range for a Futures Contract, the trade price shall be adjusted to a price that equals the fair value market price for that contract at the time the trade under review occurred, plus or minus the Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the transactions may be canceled rather than make price adjustments. The Exchange or its designee will issue an alert regarding the decision.

##### 2. Option Contracts

If the Exchange or its designee determines that a trade price is outside the applicable Non-Reviewable Range for an Option Contract, the trade price shall be adjusted. In the case of a buy (sell) error, the price will be adjusted to the determined ask (bid) price set forth in the Bid/Ask Reasonability Range

plus (minus) the Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the transactions may be canceled rather than have price adjustments made. The Exchange or its designee will issue an alert regarding the decision.

Canceled trade prices and any prices that have been adjusted shall be canceled in the official record of time and sales. Trades that are price-adjusted shall be inserted in the time and sales record at the adjusted trade price.

#### **3.3.4. ALTERNATIVE RESOLUTION BY AGREEMENT OF PARTIES.**

With the approval of the Exchange, parties to a trade that is price-adjusted may instead mutually agree to cancel the trade. With the approval of the Exchange, parties to a trade that is canceled may instead mutually agree to price-adjust the trade to a price consistent with the adjustment provisions of **Rule 3.3.3.**

Parties to a trade that is canceled or price-adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange or its designee and the parties maintain a record of the adjustment.

An executed trade may not be reversed via transfer except where such trade is determined by the Exchange or its designee to be outside of the Non-Reviewable Range but not reported timely, subject to agreement of the parties and approval of the Exchange. Any such transfer must occur at the original trade price and quantity; however, the parties may mutually agree to a cash adjustment.

A trade that is not canceled may not be reversed via a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with **Rule 3.4.2.**

#### **3.3.5. LIABILITY FOR LOSSES RESULTING FROM PRICE ADJUSTMENTS OR CANCELLATIONS, AND PROHIBITION ON CLAIMS FOR LOSSES ARISING FROM ERROR TRADES EXECUTED WITHIN THE NON-REVIEWABLE RANGE.**

A party entering an order that results in a price adjustment or trade cancellation shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or canceled provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

A claim for a loss pursuant to this Section must be submitted to the Exchange, and if applicable, its designee, within five (5) business days of the event giving rise to the claim. A party seeking to file a claim shall submit an 'Error Trade Adjustment/Cancellation Claim Form' to the Exchange or its designee. The Exchange or its designee shall reject any claim that is not filed in a timely manner or is not permitted by this Section and such decisions shall be final. Eligible claims shall be forwarded by the Exchange or its designee to the party responsible for the order(s) that resulted in a trade cancellation or a price adjustment and to the Clearing Member through which the trade was placed. Such party, or the Clearing Member on behalf of the party, shall, within ten (10) business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten (10) business days shall be considered a denial of liability.



To the extent that liability is admitted, payment shall be made within ten (10) business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten (10) business days shall be considered a denial of liability for purposes of this Rule. A copy of any such written agreement must be provided to the Exchange or its designee.

To the extent that liability is denied, the party making the claim may submit the claim to arbitration in accordance with Chapter 4 of the MIAx Futures Rules. Such claims must be submitted to the Exchange or its designee within ten (10) business days of the date the party was issued notification that liability was denied.

Claims for losses incurred as a result of trades executed in error at prices within the Non-Reviewable Range may not be submitted for arbitration pursuant to the provisions of Chapter 4 of the MIAx Futures Rules.

### **3.3.6. SCHEDULE OF ADMINISTRATIVE FEES.**

When the Exchange cancels or price-adjusts a trade, the party responsible for entering the order into the Electronic Trading System that gave rise to the trade cancellation or price adjustment shall pay a fee to the Exchange or, if applicable, its designee, in the amount of \$1,000.00 for each such occurrence. If the party fails to pay the fee, the Clearing Member through which the trade was placed shall be responsible for payment of the fee.

### **3.3.7. PERMISSIBLE RESPONSES TO PHANTOM ORDERS.**

If the Exchange or its designee has reason to believe that phantom orders, as defined below, have been or are being entered into any system, service, or facility, the Exchange shall be empowered to take appropriate action to protect the integrity of the market, including, without limitation, suspending trading and/or cancelling unfilled orders. The Exchange shall also be empowered, in its sole discretion, to cancel transactions, or adjust the trade prices of transactions that were directly or indirectly caused by phantom orders, whether or not such transactions were executed at prices outside of the non-reviewable range specified in this Section.

If phantom orders directly cause transactions to be executed on any of the Exchange's or its designee's systems, services, or facilities, and such transactions are not canceled, the Exchange shall promptly direct the Clearing Member carrying positions resulting from such transactions to liquidate the positions in a commercially reasonable manner. Such positions shall be liquidated within 30 minutes of such notification or within 30 minutes of the time the Clearing Member knew or should have known that it had been assigned transactions resulting from phantom orders, whichever is sooner. The Exchange, in its sole discretion, may waive the 30 minute liquidation requirement if it determines that such requirement may have a material, adverse impact on the integrity of the market.

The Exchange or its designee shall provide notification to the marketplace regarding any action taken or to be taken with respect to the entry of phantom orders or execution of a transaction as a result of phantom orders, and, in the event transactions are not otherwise canceled or price adjusted by the Exchange, any actions required to be taken by Clearing Members. Such notification(s) shall be made as soon as practicable, but in no event more than 30 minutes after the time that the Exchange or its designee has

accurate information regarding the phantom orders that is sufficient to support the necessary notification(s).

For the purpose of this Rule, a phantom order is an order: (1) that was not authorized by a person but was caused by a failure, malfunction, or negligent operation of the Electronic Trading System or any Exchange or designee systems, service, or facility, or (2) whose terms (e.g. contract, contract month, quantity, price, or direction) were changed without authorization of the person placing the order solely as a result of a failure, malfunction, or negligent operation of the Electronic Trading System or any other Exchange or designee system, service, or facility.

Any Exchange liability for losses resulting from phantom orders shall be subject to the limitations of **Rule 3.7.10**.

### **3.3.8. SCHEDULE OF NON-REVIEWABLE RANGES.**

Please access Non-Reviewable Ranges on the Website:

MIAx Futures Non-Reviewable Ranges - <https://www.miaxglobal.com/>

### **3.3.9. TRADE ERRORS.**

A trade executed on the Electronic Trading System is binding notwithstanding an erroneous entry may have been made. A Clearing Member error in handling a customer order may be resolved by a monetary adjustment and/or placing a market order for the customer.

### **3.3.10. ADJUSTMENT OF QUOTATIONS, TRADE PRICES AND CANCELLATION OF TRADES.**

The Exchange has the authority to adjust quotations, trade prices and cancel trades when necessary to mitigate market disrupting events including, but not limited to, those caused by malfunctions in its electronic trading platform or errors in orders submitted by any Market Participant. Any trade price adjustment or trade cancellation shall be publicly disclosed.

## **SECTION 4 – BIDS & OFFERS**

### **3.4.1. PREARRANGED, PRE-NEGOTIATED, AND NONCOMPETITIVE TRADES PROHIBITED.**

No Person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any Futures or Options transaction, except as permitted by the provision below or in accordance with **Rule 3.4.2**.

The forgoing prohibition shall not apply to Exchange For Related Positions or Block Trade transactions executed pursuant to **Rule 3.8.1., 50.1.15., or 51.16**.

### **3.4.2. PRE-EXECUTION COMMUNICATIONS REGARDING ELECTRONIC TRADES.**

Persons may engage in pre-execution communications with regard to Futures and Options transactions involving Minneapolis HRSW executed on the Electronic Trading System, where one Person wishes to be

assured that an opposing, secondary Person, will take the opposite side of the order under the following circumstances:

- A. A Person may not engage in pre-execution communications with market participants on behalf of another Person unless the Person for whose benefit the trade is being made has previously consented to permit such communications.
- B. Persons involved in pre-execution communications shall not disclose the details of such communications to any third Person. Additionally, no Persons shall enter orders based on information conveyed during pre-execution communications except for the orders required and in accordance with the protocol noted within this Rule.
- C. Utilizing the RFQ + RFC Cross (“R-Cross”) protocol. Following the pre-execution communication, a Request for Quote (“RFQ”) for Futures or Options must be entered into the Electronic Trading System. Thereafter, the Request for Cross (“RFC”) order must be entered no less than five (5) seconds for Futures, or fifteen (15) seconds for Options, as well as no more than thirty (30) seconds for either Futures or Options after the entry of the RFQ in order to proceed with the trade. The RFQ and RFC must be entered within the same trading session. Failure to enter the RFC within 30 seconds after the entry of the RFQ will require a new RFQ to be entered prior to the entry of the RFC, and in accordance with the aforementioned timing parameters.

### **3.4.3. FICTITIOUS BIDS OR OFFERS PROHIBITED.**

Market Participants must make bids or offers in Futures or Options in good faith with the intent to be carried out if accepted. Making fictitious or pretended bids or offers is prohibited.

### **3.4.4. ACCEPTANCE OF OFFERS.**

All offers to purchase or sell commodity Futures or Options in this market shall be open for immediate acceptance by any Market Participant (but only in the name of a Clearing Member), and such offers shall not be restricted to or specified for any particular Market Participant as against any other Market Participant.

An offer to buy or sell any commodity for future delivery shall be deemed an offer to buy or sell all or any part of the quantity specified in the offer and shall be subject to total or partial acceptance up to the total quantity bid for or offered.

## **SECTION 5 – MANIPULATION**

### **3.5.1. MANIPULATIVE DEVICES PROHIBITED.**

No Person shall, directly or indirectly, intentionally or recklessly use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud.

### **3.5.2. PRICE MANIPULATION PROHIBITED.**

No Person shall, directly or indirectly, manipulate or attempt to manipulate the price of any contract for future delivery on this market, including futures, options, and the underlying commodity.

### **3.5.3. UPSETTING MARKET PROHIBITED.**

No Person shall purchase or sell (or offer to purchase or sell) Futures or Options for the purpose of upsetting the equilibrium of the market or bringing about a demoralization of the market, so that prices will not properly reflect values. No Person shall make or assist in making such purchases or sales or such offers to purchase or sell, with knowledge of the purpose thereof, or with such knowledge, assist in carrying out any plan or scheme for the making of such purchases or sales or such offers to purchase or sell.

### **3.5.4. MANIPULATIVE PRACTICES PROHIBITED.**

No Person shall intentionally or recklessly engage in manipulative practices which upset the equilibrium of the market or create a condition in which prices do not, or will not, reflect fair market values, or otherwise impair the integrity or good name of the Exchange.

### **3.5.5. FRAUD OR ATTEMPTED FRAUD PROHIBITED.**

The Exchange prohibits any and all forms of fraud or attempted fraud (including but not limited to fraudulent trading or attempted fraudulent trading) on its markets or subject to MIA X Futures Rules, regardless of whether it is intentional or is made with reckless disregard for the adverse impact.

### **3.5.6. "SPOOFING" PRACTICES PROHIBITED.**

The Exchange expressly prohibits all trade practices that are, or are of the character of, what is commonly known within the derivatives trading industry as "spoofing," regardless of whether any such trade practices are made intentionally or with reckless disregard for their adverse impact. Prohibited practices include, but are not limited to:

1. the entry of any and all bids, offers, or trades that are not made for the purpose of executing bona fide transactions, or made for any illegitimate purpose;
2. entering orders with the intent to cancel the bid or offer before execution, or modifying the order to avoid execution; and
3. bidding or offering trades and then cancelling said bids or offers prior to execution with reckless disregard for the adverse impact of such practices on the market in violation of these Rules.

### **3.5.7. "BUCKET-SHOPS" FORBIDDEN.**

No Market Participant, shall make, negotiate in any form, have, or be in any way interested in any "Bucket-Shop" contract, trade, or transaction, whatever, or in any contract for the purchase or sales of any commodity whatever, for Futures or Options, without intent to make an actual purchase or sale, or to deliver or receive such commodity, but with intent to settle or cancel such contract by the payment of the difference between a contract and the market price, or in dealing in differences in the market price of any commodity

without a bona fide purchase or sale of such commodity for actual delivery on this or some other Exchange where such commodity is dealt in.

No Market Participant shall knowingly be interested in the business of, or associated in business with, or shall, in any transaction, act as the Broker or representative of, or shall execute any order for or on behalf of any Person, exclusively, or otherwise in operating a "Bucket-Shop," in making, negotiating, or dealing in the contracts, trades or transactions previously prohibited in this Rule.

Any Market Participant, who or which has violated the provisions of this **Rule 3.5.7.**, shall be subject to disciplinary action and/or shall have its access to the Electronic Trading System terminated.

## **SECTION 6 – TRADING CONFLICTS OF INTEREST**

### **3.6.1. FIDUCIARY RESPONSIBILITY.**

A Clearing Member and broker shall have a fiduciary responsibility in the handling and execution of all orders received.

### **3.6.2. PROHIBITION ON ACCOMMODATION OR WASH TRADES.**

No Market Participant shall engage in wash, accommodation or any other risk-free trading. Risk-free or wash trading may involve entering into, or purporting to enter into, transactions that give the appearance that purchases and sales have been made, without incurring market risk or changing the Market Participant's market position. Accommodation trading may involve entering into, or purporting to enter into, transactions that assist in the execution of a Market Participant's offsetting orders.

Examples of prohibited conduct may include but are not limited to: entering offsetting orders for purchases and sales of the same month and/or strike price of the same commodity for the same account at the same or nearly the same price; entering offsetting orders for purchases and sales for different accounts with common beneficial ownership or control at the same or nearly the same price; entering offsetting orders for purchases and sales between one or more parties of the same month of the same commodity at the same or nearly the same price; or a series of transactions or related transactions over any period of time that have the appearance of accommodation or wash activity.

### **3.6.3. TRADING AGAINST CUSTOMERS' ORDERS PROHIBITED.**

A Market Participant or Clearing Member shall not cause to be entered, or enter into, a transaction in which the Market Participant or Clearing Member knows or reasonably should know that the Market Participant or Clearing Member will assume the opposite side of any order entered on behalf of a customer unless the Market Participant or Clearing Member first enters the customer order into the Electronic Trading System and then subjects such order to sufficient market exposure before entering an opposite order.

### **3.6.4. TRADING AGAINST OWN ORDERS PROHIBITED.**

A Market Participant shall not cause to be entered, or enter into, any transaction in which the Market Participant knows or reasonably should know that the Market Participant will assume the opposite side of

an order entered on behalf of the respective Market Participant's own account or an account with common beneficial ownership or control.

### **3.6.5. ACTING FOR BOTH BUYER AND SELLER PROHIBITED.**

Except as expressly authorized by the provisions of **Rule 3.6.6.**, no Market Participant shall allow himself or itself directly or indirectly, either by his own act or by the act of an employee or Broker, or by the act of any other Market Participant, to be placed in the position of agent for both Buyer and Seller in connection with any transaction in Futures or Options made in this market.

### **3.6.6. CROSS TRADING-HANDLING BOTH BUYING AND SELLING ORDERS.**

A Market Participant, who simultaneously possesses both buying and selling orders for different beneficial owners for the same commodity in futures or options in the same contract month, may execute such orders for and directly between such beneficial owners upon the conditions set forth in **Rule 3.6.7.**

### **3.6.7. CROSS TRADING-HANDLING BOTH BUYING AND SELLING ORDERS PLACED INTO THE ELECTRONIC TRADING SYSTEM.**

If a Market Participant enters such orders for different beneficial owners into the Electronic Trading System, one order must be exposed to market risk before entering the other, opposite order. The Exchange has the discretion to determine whether the order was exposed to sufficient market risk; however, for the purpose of this rule only, market risk will be presumed if the order was exposed to the market for at least five (5) seconds in the case of futures and at least fifteen (15) seconds in the case of options.

### **3.6.8. PRIORITY OF CUSTOMERS' ORDERS.**

No Market Participant may buy or sell any commodity for future delivery for his own account or for any account in which he has an interest while holding an order for another person for the purchase or sale of the same commodity that is executable at the market price, or at the price at which such purchase or sale can be made for the Market Participant's own account or the account in which he has an interest.

No Market Participant may execute any transaction for any account of another person for which buying and/or selling orders can be placed or originated, or for which transactions can be executed, by such Market Participant without the prior specific consent of the account owner, regardless of whether the general authorization for orders or transactions is pursuant to a written agreement, except that orders of such an account may be placed with another Market Participant for execution. However, a Market Participant is not required to hand off orders for discretionary accounts or discretionary orders when orders originate on behalf of Market Participant's immediate families or their employer. PROVIDED, however, that customers' orders, including price and time discretion orders, are executed before discretionary account orders for family members, contract market members or proprietary accounts of contract market firms.

For the purpose of this **Rule 3.6.8.**, immediate family members are defined as spouses, children and stepchildren, parents, brothers, and sisters.

### **3.6.9. DISCLOSING ORDERS PROHIBITED.**

Market Participants are forbidden to disclose to any party the possession or receipt of orders to buy or sell commodity Futures or Options in this market.

A Market Participant may, however, use his discretion and bid or offer any quantity of contracts without violating this **Rule 3.6.9.** when the information may aid or expedite a fill.

A Market Participant acting pursuant to the second paragraph of **Rule 3.6.8.**, or when supplying information requested by an authorized representative of the Commodity Futures Trading Commission or an Exchange official, will not be in violation of this **Rule 3.6.9.**

### **3.6.10. BROKERS' LIABILITIES ON LIMIT ORDERS.**

A Broker shall not be liable for failure to execute a Limit Order unless the Broker is found to be negligent. In the case of a dispute regarding any unfilled Limit Order, the Disciplinary Committee is authorized to determine whether an adjustment is due a customer. No adjustment on any unfilled order shall be allowed if the Broker has not been found negligent by the Disciplinary Committee.

### **3.6.11. FILLING LIMIT ORDERS ON THE OPENING AND CLOSING.**

Brokers are not to be held liable for obtaining a complete or partial fill on Limit Orders falling within the opening price or closing range even when those orders are the high or low prices of the closing range.

### **3.6.12. DISREGARD FOR ORDERLY EXECUTION PROHIBITED.**

The Exchange prohibits any Person from demonstrating intentional or reckless disregard for the orderly execution of transactions including during the opening or closing period.

### **3.6.13. FRONT RUNNING PROHIBITED.**

No Market Participant shall place an order or execute any transaction based on non-public information regarding an impending transaction by another Person in the same or related product, which is commonly known within the derivatives trading industry as "front running."

## **SECTION 7 – ELECTRONIC TRADING SYSTEM**

### **3.7.1. ACCESS AND CLEARING MEMBER GUARANTEE.**

All Market Participants must sign a customer account agreement and establish an account with a Clearing Member before they are provided access and commence trading on the Electronic Trading System. However, a Market Participant who exclusively trades through an omnibus account at a Clearing Member will not be required to sign a customer account agreement with the Clearing Member. A Clearing Member guarantees and assumes financial responsibility for all orders it places and receives, and all contracts it clears through the Electronic Trading System. Further, Clearing Members shall promptly pay all fees and charges invoiced for the Electronic Trading System.

### **3.7.2. INTERNET SERVICES.**

Market Participants are responsible for procuring their own Internet access providers. The Exchange does not warrant any order entry, quote or order execution speed.

### **3.7.3. MISUSE OF ELECTRONIC TRADING SYSTEM.**

Misuse of the Electronic Trading System is strictly prohibited. It shall be deemed an act detrimental to the interest and welfare of the Exchange to willfully or negligently engage in unauthorized use of the Electronic Trading System, to assist any person in obtaining unauthorized access to the Electronic Trading System, to trade on the Electronic Trading System without an agreement and an established account with a Clearing Member, to alter the equipment associated with the Electronic Trading System, to interfere with the operation of the Electronic Trading System, to intercept or interfere with information provided thereby, or in any way to use the Electronic Trading System in a manner contrary to MIAx Futures Rules.

Market Participants are prohibited from distributing, selling, or retransmitting information displayed on the Electronic Trading System to any third party.

### **3.7.4. PRIORITY OF ORDER ENTRY.**

Orders received by a Market Participant or Clearing Member shall be entered into the Electronic Trading System in the order received. Orders that cannot be immediately entered into the system must be reduced to writing or another form of permanent record, and entered when the orders become executable in the sequence in which the orders were received. All customer orders must be entered before a Market Participant or Clearing Member may enter orders for accounts in which the Market Participant or Clearing Member has a personal, financial or proprietary interest.

### **3.7.5. TRADE OPEN.**

Orders entered into and received by the Electronic Trading System during the designated time period prior to the opening of the trading session shall be matched first at the commencement of trading by means of an algorithm. The opening price shall be determined by the algorithm.

### **3.7.6. MATCHING ALGORITHM FOR THE ELECTRONIC TRADING SYSTEM.**

Unless otherwise specified by the Exchange, orders entered into the Electronic Trading System will be matched according to an algorithm that gives priority to orders at the best price and that gives priority among orders with the same price based upon the time of entry into the Electronic Trading System. The Exchange may use a different matching algorithm for particular contracts or change an algorithm by giving notice to the Clearing Members using the Electronic Trading System at least ten (10) days before the change or different algorithm is implemented.

The Board of Directors and the Executive Committee shall have authority to approve any change to an algorithm.

### **3.7.7. TERMINATION OF ACCESS TO THE ELECTRONIC TRADING SYSTEM.**

The Exchange shall have the right to summarily terminate access to the Electronic Trading System.



### **3.7.8. ELECTRONIC TRADING SYSTEM SECURITY.**

Each Market Participant shall be responsible for the security of their access to the Electronic Trading System and will be held liable for each order transmitted to the Electronic Trading System and any trade subsequently executed.

Each Person assigned a user name and password shall not disclose such identifiers to any other Person or permit any other Person access to the Electronic Trading System using such Person's user name and password. Each Person shall be responsible for monitoring the security of their aforementioned identifiers.

### **3.7.9. PHYSICAL EMERGENCIES TO THE ELECTRONIC TRADING SYSTEM.**

If the Electronic Trading System experiences a full or partial breakdown in any area, the Exchange may, without warning, immediately suspend trading on the Electronic Trading System until the issue has been resolved.

### **3.7.10. ELECTRONIC TRADING SYSTEM LIMITATION OF LIABILITY.**

Except in instances where there has been a finding of willful or wanton misconduct, in which case the party found to have engaged in such conduct cannot avail itself of the protections in this Rule, neither the Exchange, Clearing Members, other persons acting as agents nor any of their officers, directors or employees, shall be liable for any losses, damages or costs, including direct, indirect, special, incidental or consequential damages, and lost profits, regardless of whether any of them had been advised or otherwise made aware of the possibility of such damages, arising out of the use or performance of the Electronic Trading System, any component(s) thereof, or any fault, failure, malfunction or other alleged defect in the Electronic Trading System, including any inability to enter or cancel orders in the Electronic Trading System, or any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of the Electronic Trading System, including but not limited to, any failure to delay in transmission of orders or loss of orders resulting from malfunction of the Electronic Trading System, disruption of common carrier lines, loss of power, acts or failures to act of any third party, natural disasters or any and all other causes. The Exchange does not guarantee continuous, uninterrupted or secure access to the Electronic Trading System.

Each Market Participant assumes all risks of trading on the Electronic Trading System, and waives any right to assert any claim against the MIAX Futures that access or information was not provided by the MIAX Futures or that access or information provided by the MIAX Futures was improper, inaccurate or inadequate. Further, each Market Participant waives any right to contest the validity or enforceability of any trade executed on the Electronic Trading System, or that access was interrupted or denied, or that orders were delayed or lost.

There are no express or implied warranties or representations provided by the Exchange, Clearing Members, other persons acting as agents or any of their officers, directors or employees, relating to the Electronic Trading System, including but not limited to, warranties of merchantability and warranties of fitness for a particular purpose or use.

### **3.7.11. ELECTRONIC TRADING SYSTEM PROCEDURES.**

The Exchange may immediately adopt, cancel or modify procedures of the Electronic Trading System, including but not limited to, access, order entry, open, execution, confirmation, closing, clearing, reporting, notification and recordkeeping procedures determined to be necessary so as to comply with the CEA, CFTC Regulations, MIAX Futures Rules, surveillance obligations, or other controlling or governing authority; determined to be in the best interest of the Exchange, users or public; required as a result of changes by the Electronic Trading System provider, or internet access providers, or servers.

## **SECTION 8 – EXCHANGE FOR RELATED POSITION**

### **3.8.1. EXCHANGE FOR RELATED POSITION.**

An Exchange for Related Position (“EFRP”) transaction involves a privately-negotiated off-exchange execution involving two separate, but related transactions, consisting of an Exchange for futures and, on the opposite side of the market, the simultaneous execution of an equivalent quantity of physical (cash product, by-product, or related product) or in connection with a risk (a related non-MIAX Futures exchange traded derivative, an over-the-counter (OTC) derivative or a swap agreement) component that corresponds to the asset underlying the Exchange futures contract.

The following types of EFRP transactions are permitted to be executed in accordance with the requirements of this rule and any other requirements established and published by the Exchange:

Exchange for Physical Transaction (“EFP”) - An exchange of futures for, or in connection with, a physical consisting of a cash commodity transaction and a futures transaction.

Exchange for Risk Transaction (“EFR”) - An exchange of futures for, or in connection with, a risk consisting of a related non-MIAX Futures exchange traded derivative, an OTC derivative or a swap agreement and a futures transaction.

EFRP transactions are subject to the requirements below and any other requirements established and published by the Exchange.

- A. The opposing accounts to EFRP transactions must be (a) independently controlled accounts with different beneficial ownership; (b) independently controlled accounts of separate legal entities with common beneficial ownership; or (c) independently controlled accounts of the same legal entity, provided that the account controllers operate in separate business units.
- B. The quantity or economic value covered by the physical or risk transaction must be approximately equivalent to or bear a relationship to the quantity or economic value covered by the futures contract(s). At the time such transaction is effected, the buyer and seller of the futures transaction must be the seller and buyer of the physical or risk transaction. The risk component of an EFR transaction, if executed in connection with an OTC derivative or a swap agreement, must comply with the CEA and CFTC Regulations.
- C. Each buyer and seller must satisfy the Department of Audits and Investigations, at its request, that the transaction is a bona fide EFRP transaction. Upon request of the

Department of Audits and Investigations, all documentary evidence relating to the EFRP, including, but not limited to, contracts, confirmations, invoices, warehouse receipts, documents of title, a master swap agreement and any supplements thereto, or any other document that demonstrates the existence and nature of the over-the-counter or derivative transaction shall be obtained by the Clearing Members from the buyer or seller and submitted to the Department of Audits and Investigations. Clearing Members are responsible for exercising due diligence as to the bona fide nature of EFRPs submitted on behalf of their customers.

- D. An EFRP may be made at such prices as are mutually agreed upon by the two parties to the transaction. If the price of an EFRP cannot be mutually agreed upon by the date of shipment, the cash commodity buyer has the option to set the price within that day's trading range.
- E. EFRP transactions should be submitted to the Exchange as soon as possible on the same day during the hours of trading, following final agreement to contract terms by the parties involved in the trade. An EFRP executed after the close of trading of the underlying futures contract must be submitted for clearing no later than the next business day.
- F. A third party may facilitate, as the principal, the related position component of an EFRP on behalf of a customer so long as the third party is able to demonstrate that the related position was passed through to the customer who received the futures contract as part of the EFRP.
- G. The futures contracts that may be exchanged for a physical or a risk transaction, and the last day and time for executing an EFRP shall be determined by the Exchange.

(See [Resolution 719.00](#))

## CHAPTER 4. ARBITRATION

### JURISDICTION

#### 400.00. JURISDICTION OVER MARKET DISPUTES.

All disputes involving Market Participants, Clearing Members, or Persons with cash trading privileges that arise out of or are related to a trade, contract, agreement or other transaction that is governed by, made subject to, or arises out of an alleged violation of the MIA X Futures Bylaws or Rules, will be settled by arbitration before a Board of Arbitration unless the parties expressly agree otherwise.

Refusal by a Market Participant, Clearing Member, or Persons with cash trading privileges to submit any such dispute to arbitration upon demand by the opposite party will constitute a violation of the MIA X Futures Rules.

#### 401.00. JURISDICTION OVER CUSTOMER DISPUTES.

All disputes between a Customer and any Person subject to, or consenting to, the Exchange's jurisdiction that arise out of or are related to trades, contracts, agreements, or other transactions that are governed by, made subject to, or arising out of an alleged violation of the MIA X Futures Bylaws or Rules, may be settled by arbitration before a Board of Arbitration if demanded by the Customer. Refusal by any Person subject to, or consenting to, the Exchange's jurisdiction to submit to arbitration, upon demand by a Customer, will constitute a violation of the MIA X Futures Rules.

For purposes of Chapter 4, "Customer" means any Person that is not a Market Participant or Clearing Member and is involved in a dispute with any Person subject to, or consenting to, the Exchange's jurisdiction arising from a trade, contract, agreement or other transaction that is governed by, made subject to, or arising out of an alleged violation of the MIA X Futures Bylaws or Rules.

#### 402.00. WAIVER OF OBJECTION TO JURISDICTION.

By submitting a Complaint for arbitration or counter claim pursuant to this chapter, any Person consents to the jurisdiction of the Board of Arbitration to hear and finally determine the claim and any counter claim that is properly submitted pursuant to **Rule 408.00**.

### INITIATING A CLAIM

#### 403.00. FORM OF COMPLAINT.

Any Claimant desiring to submit a dispute pursuant to these Rules must file a written Complaint (see **Form 4-3**) or Petition for Joint Arbitration (see **Form 4-4**) made under oath and in duplicate with the Secretary. Such Complaint must be accompanied with the applicable filing fee provided in **Rule 436.00**.

#### 404.00. TIME OF COMPLAINT.

Such Complaint or Petition, as described in **Rule 403.00**, must be filed within two (2) years after the date of the transaction from which the dispute arose.

#### **405.00. SERVICE OF COMPLAINT.**

A copy of the Complaint or Petition, referred to in **Rule 403.00.**, must be served on the Respondent as provided in **Bylaw 5.4.**

#### **406.00. ANSWER.**

If the Respondent desires to defend against or otherwise contest allegations made in a Complaint, the Respondent must file a written Answer (see **Form 4-5**) made under oath and in duplicate with the Secretary within ten (10) business days from the day the Complaint was served.

In the event that the Respondent files a counter claim, the Claimant must file a written Answer, made under oath and in duplicate with the Secretary within ten (10) business days from the day the Statement of Counter Claim Form (see **Form 4-6**) was served.

The Secretary may grant further time for the filing of such Answer upon reasonable cause. A copy of such Answer must be served on the Claimant or Respondent within the time allotted by the Exchange.

#### **407.00. FAILURE TO ANSWER.**

If the Respondent or the Claimant fails to answer within the time provided and has not been granted further time by the Secretary, the Board of Arbitration will, upon the filing of proof of service of the Complaint or Statement of Counter Claim Form (see **Form 4-6**), consider the allegations contained in the forms admitted and proceed to hear and decide the matter on the basis of the evidence and testimony available under the circumstances.

#### **408.00. COUNTER CLAIMS.**

In the hearing on any dispute, the Board of Arbitration may hear or consider any matters of dispute between the parties as counter claims if such matters are within the jurisdiction of the Board of Arbitration, directly connected with the matter set forth in the Complaint or arise under the same set of operative facts, and are properly raised by the Respondent in a Statement of Counter Claim Form (see **Form 4-6**). If the Respondent desires to present a counter claim, the Respondent must file a written Statement of Counter Claim Form made under oath and in duplicate with the Secretary at the same time as its Answer.

If party to a dispute fails to raise a counter claim that would otherwise be under the Board of Arbitration's jurisdiction, the party waives all rights to, and is barred from, raising the dispute that is the subject of the counter claim in any other proceeding or venue.

### **BOARD OF ARBITRATION**

#### **409.00. ARBITRATION POOL.**

Only persons serving on the Arbitration Pool are eligible to serve on a Board of Arbitration. The Arbitration Pool consists of twenty (20) or more persons, all of whom must be Market Participants of the Exchange. The Chairperson will recommend persons to serve during their term of office.

#### **410.00. BOARD OF ARBITRATION.**

Following the filing of a Complaint or Petition with the Secretary, the Secretary will constitute the Board of Arbitration by selecting three (3) persons from the Arbitration Pool, who will hear and decide the dispute between the parties (each known as an "Arbitrator"). The Board of Arbitration has all the powers and duties set forth in these Rules. Once appointed, each Arbitrator must submit an Impartiality Form (see **Form 4-2**) to the Exchange. Each Arbitrator must be available for the Board of Arbitration to hear or decide any dispute.

In any dispute brought by a Customer or Market Participant against a Market Participant or Clearing Member, upon receipt of a Complaint, the Exchange will inform the Claimant in writing:

Of the nature and amount of any other fees or costs that may be assessed against the party if a dispute is submitted for arbitration pursuant to this Chapter.

#### **411.00. CODE OF ETHICS.**

At the time of their appointment to any Board of Arbitration, each Arbitrator will receive and be responsible for understanding and following the American Arbitration Association's "Code of Ethics for Arbitrators in Commercial Disputes" then in effect.

#### **412.00. INDEPENDENCE AND IMPARTIALITY OF ARBITRATORS.**

The Board of Arbitration will be fully independent and impartial to the dispute. No Arbitrator will serve in any dispute in which they have a financial, personal, or prejudicial interest or concern is before such Board of Arbitration. For the purpose of this Rule, a financial interest includes not only that of the person themselves, but also that of a partner, a dependent, a firm of which they are a copartner or employee or a corporation of which they are an officer, majority stockholder, director, or employee. Each Arbitrator has an affirmative duty to report any such financial, personal, or prejudicial interest or concern to the Secretary, and upon appointment to the Board of Arbitration, each Arbitrator will complete the Arbitrator Profile Form (see **Form 4-1**) and submit the same to the Secretary.

If an Arbitrator discloses a financial, personal, or prejudicial interest or concern, the disinterested Arbitrators involved will determine whether any person has such financial, personal, or prejudicial interest. If the disinterested Arbitrators determine that an Arbitrator is not fully independent and impartial, that Arbitrator will be dismissed, and the Secretary shall replace such Arbitrator in accordance with **Rule 414.00**, and shall inform both parties.

#### **413.00. CHALLENGE TO ARBITRATORS.**

After selecting the Arbitrators to hear a dispute or difference, the Secretary will notify each party in writing of the names and company affiliations of the Arbitrators who will hear said dispute. The Arbitrator Profile Form (see **Form 4-1**) and the Impartiality Form (See **Form 4-2**) will additionally be provided at this time.

Upon receipt of such notice, either party may challenge the appointment of an Arbitrator for prejudice or other good cause within ten (10) business days of receipt of said notice. Upon the determination that such a challenge is valid, the Secretary shall replace such Arbitrator in accordance with **Rule 414.00**, and will inform both parties.

#### **414.00. APPOINTMENT OF ALTERNATES.**

The Secretary will appoint to the Board of Arbitration, from the Arbitration Pool, as many Arbitrators as necessary to take the places of Arbitrators who may not or cannot serve on the particular Board of Arbitration due to the following reasons:

- A. The Board of Arbitration determines that it is improper for an Arbitrator to serve during the hearing or decision of a dispute; or
- B. An Arbitrator is unable to serve during a hearing or decision.

When so appointed, such Arbitrators will have all the powers and duties of the members of the Board of Arbitration whom they replaced.

#### **415.00. FAILURE OF ARBITRATOR TO ATTEND MEETINGS.**

An Arbitrator that fails to attend any duly scheduled hearing of that Board of Arbitration will be fined two-hundred fifty dollars (\$250.00), (for use by the Exchange) for each time that an Arbitrator fails to appear, unless an excuse satisfactory is made to the other Arbitrators.

#### **416.00. DISMISSAL OF PROCEEDINGS.**

At any time during the course of an Arbitration, the Board of Arbitration may, at the joint request of the parties involved, dismiss the proceeding and refer the parties to the remedies provided by law.

#### **417.00. ROLE OF THE SECRETARY.**

The Secretary may act as administrator of any arbitrations brought pursuant to this chapter. The Secretary may assist the Board of Arbitration as requested, but in no event will the Secretary be involved substantively in deciding any claim or counter claim, nor will the Secretary affect in any way the impartiality of the Arbitrators.

### **PRE-HEARING PROCEDURES**

#### **418.00. PRE-HEARING EXCHANGE OF DOCUMENTS AND WRITTEN INFORMATION.**

The parties will cooperate in all voluntary exchange of material and relevant documents and written information which may serve to facilitate a fair, equitable and expeditious hearing.

The Exchange will make available to the parties, upon request, any documents or written information in its possession that might bear on the case, which would otherwise not be available to the parties or the Board of Arbitration.

The Board of Arbitration may subpoena documents when necessary and may apply reasonable sanctions for noncompliance with such subpoena orders or any other reasonable requests or orders to provide documents.

The names of all witnesses must be furnished to the Board of Arbitration and be made available to all parties.

In the event that a party refuses to comply with any subpoena of the Board of Arbitration, the opposing party may apply to a court of appropriate jurisdiction to enforce such subpoena to compel the production of books or papers before any Board of Arbitration.

#### **419.00. PRE-HEARING MEETING.**

The Board of Arbitration will schedule one or more pre-hearing meetings as early as is practicable to select a chairperson from among its Arbitrators, determine appropriate hearing dates and address any other issues deemed to be appropriate or raised by the parties.

### **HEARINGS**

#### **420.00. HEARING.**

Either party may request an oral hearing by written request to the Secretary on or before the date that is five (5) business days after the date that Respondent's Answer is due. If neither party requests an oral hearing, the Board of Arbitration may proceed to decide the matter on the basis of the materials submitted by the parties.

If an oral hearing is requested, the Board of Arbitration will set a date for hearing at a pre-hearing meeting, and notice of the date, time and place of such hearing will be served upon the parties in accordance with **Bylaw 5.4**. All hearings must be held at the Exchange's offices in Minneapolis, Minnesota. The parties will cooperate with the Secretary in the process of preparing for the hearing, and must submit all relevant documentation and information to the Secretary at least ten (10) business days prior to the date of the hearing. The parties bear the responsibility to provide the Secretary reasonable advance notice of the inability of any witness to attend the hearing. In any case where witnesses are unable to attend a hearing, the Board of Arbitration, upon the request of the parties involved, may permit the use of electronic participation.

#### **421.00. NONAPPEARANCE OF PARTY AT A HEARING.**

If a party to a dispute fails to appear for the hearing, the Board of Arbitration may, upon the filing of proof of service of notice of the hearing on such party, proceed to hear and decide the dispute and make its Decision and Award on the basis of the evidence and testimony adduced at the hearing.

#### **422.00. POSTPONEMENT OF HEARING.**

The Board of Arbitration may grant a postponement of the hearing at its sole discretion if a party makes a request in writing to the Board of Arbitration at least five (5) business days prior to the date of the hearing.



#### 423.00. STATEMENTS AND TESTIMONY BEFORE THE BOARD OF ARBITRATION.

In each case before the Board of Arbitration the statements and testimony of the parties and witnesses must be made under oath (or affirmation), the form of which will be as follows:

You do solemnly swear that the evidence you give in the matter of dispute between \_\_\_\_\_, as Claimant, and \_\_\_\_\_ as Respondent, now on hearing, shall be the truth, the whole truth, and nothing but the truth, so help you God.

#### 424.00. RIGHT TO COUNSEL.

Any party to a dispute before the Board of Arbitration may be represented by counsel at their own expense, provided that party has filed written notice of his intention to be represented by counsel with the Secretary at least ten (10) business days prior to any hearing. A Complaint, Answer, or other document filed by an attorney constitutes notification of either party's intention to be represented by counsel. This notice of intention may be waived by the Board of Arbitration, but such waiver may result in a delay of the hearing date.

#### 425.00. WITNESSES AND CITATIONS.

The Board of Arbitration may issue a notice of citation requiring any Person to appear before it and to answer any question that is proper and pertinent to the matter under investigation and to submit to it for examination any books, papers, records, or other documents that are pertinent to the matter under investigation. In the event that a Person refuses to comply with any citation of the Board of Arbitration, the opposing party may apply to a court of appropriate jurisdiction to enforce such citation to compel the appearance of any Person and to submit for examination any requested documents before any Board of Arbitration. No witness will be required to answer any question if the answer would incriminate them. The Board of Arbitration may exclude any evidence or testimony it deems incompetent, irrelevant, or immaterial.

#### 426.00. HEARING PROCEDURES.

Prior to the commencement of any hearing, the Secretary will administer an oath in the following form to the Arbitrators:

You, and each of you, do solemnly swear that in the hearing and determination of the matter of dispute submitted to you by \_\_\_\_\_, as Claimant, and by \_\_\_\_\_, as Respondent, will well, truly and faithfully perform your duty as arbitrators, and an honest and conscientious Award make between the parties.

The case will proceed in the following manner:

- A. Reading or presentation of the Complaint, any Counter Claim, and Answer;
- B. Presentation of the case and witnesses, if any, by Claimant;
- C. Cross-examination of witnesses, if any, by Respondent;

- D. Questioning of witnesses by the Arbitrators;
- E. Presentation of the case and witnesses, if any, by Respondent;
- F. Cross-examination of witnesses, if any, by Claimant;
- G. Questioning of witnesses, if any, by the Arbitrators;
- H. Rebuttal or sur-rebuttal testimony, if any;
- I. Case declared closed;
- J. Presentation of arguments by Claimant and Respondent, the Respondent to have the closing argument.

#### **427.00. REPORT OF PROCEEDINGS.**

In any dispute before a Board of Arbitration, unless expressly waived by the parties, the testimony and proceedings taken during any hearing will be transcribed by a court reporter, the cost of which will be assessed by the Board of Arbitration in the same manner as other fees and costs in the case. Either party may request a transcript of the proceedings at their own expense.

### **DECISIONS AND AWARDS**

#### **428.00. THE DECISION AND AWARD TO BE BASED ON EVIDENCE.**

The Board of Arbitration selected to hear and decide a particular dispute must decide the same in accordance with the facts disclosed by competent evidence and pursuant to the MIA X Futures Charter, Bylaws, and Rules, and usages and customs of the Exchange. Ex parte contacts by any of the parties to the arbitration with members of the Board of Arbitration is prohibited.

#### **429.00. FORM OF THE DECISION AND AWARD.**

The Decision and Award of a Board of Arbitration must be made in writing within ninety (90) days after the close of the case, and will conclusively include and determine all matters submitted by the parties, unless the contrary appears affirmatively upon the face of the Decision and Award.

The Decision and Awards of the Board of Arbitration will begin in substantially the following form:

IN ARBITRATION

IN THE MATTER OF

\_\_\_\_\_, Claimant

vs.

\_\_\_\_\_, Respondent

The Board of Arbitration, after due consideration of all matters submitted to it in the dispute above entitled, does hereby make the following Decision and Award:

A Decision and Award must be accompanied by such explanations or statements as the Board of Arbitration deems necessary to fully advise the parties of the reasons or basis for its Decision and Award. The Decision and Award of the Board of Arbitration must be signed by the Arbitrators and the Secretary. Arbitrators who did not concur in an Award may prepare a dissenting opinion in writing, signed by such Arbitrators.

#### **430.00. FINALITY OF THE DECISION AND AWARD.**

There is no right to an appeal from any Decision and Award. The Decision and Award is final and conclusive upon the parties as to all matters decided by that Board of Arbitration.

#### **431.00. FILING AND SERVICE OF THE DECISION AND AWARD.**

The Decision and Award and any dissenting opinion must be filed with the Secretary, who will immediately serve a copy upon each of the parties. The Decision and Award and dissenting opinions will remain in the permanent records of the Exchange.

#### **432.00. FAILURE TO COMPLY WITH THE DECISION AND AWARD.**

The party or parties against whom a Decision and Award has been rendered must comply with that Decision and Award within ten (10) business days after a copy of that Decision and Award is served upon it. Failure to pay the full amount of the Decision and Award or assessment of costs to the Exchange, as escrow agent, within thirty (30) days of notice of the Decision and Award or assessment of costs, will be deemed to be a failure to perform an Exchange contract in accordance with **Rule 50.2.15.827-00**.

In case of failure to pay, the party in whose favor a Decision and Award has been made may apply to the Secretary, who will deliver to the prevailing party a certified copy of the Decision and Award that may be filed with a court of competent jurisdiction at the prevailing party's sole expense and election.

Any Market Participant or Clearing Member that violates any MIAX Futures Rule or directive of the Exchange or Board of Directors, including but not limited to failing to pay any Decision and Award, will be deemed to be in violation of the MIAX Futures Rules and may be subject to disciplinary action by the Exchange.

#### **433.00. RECORD OF PROCEEDING.**

The Board of Arbitration will cooperate with the Secretary to maintain, track, log and retain a complete record of the entire arbitration proceeding.

### **CONFIDENTIALITY**

#### **434.00. PROCEEDINGS TO REMAIN CONFIDENTIAL.**

All proceedings of any Board of Arbitration will remain confidential. Notwithstanding the foregoing, the Exchange may disclose any part of the record or Decision and Award to any federal authority with appropriate jurisdiction, including the CFTC, upon reasonable request.

The Decision and Award issued in any arbitration may be posted publically on the Website or otherwise made available to the public, provided that any confidential or otherwise proprietary information of the parties or the dispute is redacted prior to being made public.

## ARBITRATION FEES AND COSTS

### 435.00. FEES.

Fees must be paid in advance by the Claimant to the Exchange in each case, and such fees will be retained by the Exchange whether the case is heard or not. The Board of Arbitration may assess additional fees as allowed by MIA X Futures Rules at any time. Fees are not to be applied against costs of hearing any case.

### 436.00. CURRENT FEES FOR ARBITRATION PURSUANT TO RULE 400.00., RULE 401.00., OR RULE 403.00.

For each case brought pursuant to **Rule 400.00.**, **Rule 401.00.**, or **Rule 403.00.** the following fees will apply:

Up to \$10,000	\$600
\$10,001 to \$50,000	\$700
\$50,001 to \$100,000	\$1,000
\$100,001 to \$200,000	\$2,000
\$200,001 and above	\$2,500 + 1% of total value in Complaint
Any non-monetary claims	\$1,500

### 438.00. ASSESSMENT OF COSTS OF THE EXCHANGE.

The Secretary may assess such actual costs incurred by the Exchange in the administration of any arbitration to the parties, including but not limited to reasonable labor on behalf of Exchange employees. Any costs will be split equally between the parties and must be paid within thirty (30) days of receiving notice of any assessment.

### 439.00. AWARD OF FEES AND COSTS.

Any fees and costs of the Exchange referred to in these Rules incurred in connection with the hearing of any case brought before a Board of Arbitration may be assessed against and allocated between the parties as that Board of Arbitration determines, provided that the award of fees and costs is included in the Decision and Award. In the case of costs of the Exchange that had previously been assessed and paid by the parties pursuant to **Rule 438.00.**, the Board of Arbitration may order the reimbursement of any costs paid by any party.

The Board of Arbitration may, in its discretion, award such costs incurred by the prevailing party as would be allowed by a prevailing litigant under 28 U.S.C. § 1920, as now in effect or hereafter amended. Any award of costs must be included in the Decision and Award.

#### **440.00. AWARD OF ATTORNEYS' FEES.**

The Board of Arbitration may, in its discretion, award reasonable attorneys' fees incurred by the prevailing party, provided that the award of attorneys' fees is included in the Decision and Award.

#### **441.00. PAYMENT OF FEES AND COSTS.**

When a Decision and Award has been rendered, the Secretary will ensure that the fees, costs and attorneys' fees, as applicable, will be assessed according to the Decision and Award. The Secretary will distribute such payment and adjust or refund the amounts previously deposited so that all the costs and fees involved are paid in accordance with the terms of the Decision and Award.

#### **442.00. BOARD OF ARBITRATION: FEES.**

For each case involving claims and counterclaims by a Market Participant, the following fees will apply:

Up to \$10,000	\$700 + 1% of total value
\$10,001 to \$50,000	\$800 + 1% of total value
\$50,001 to \$100,000	\$1,100 + ½% of total value
\$100,001 to \$200,000	\$2,100 + ¼% of total value
\$200,001 and above	\$2,600 + ¼% of total value
Any non-monetary claims	\$1,600

Furthermore, the Board of Directors authorizes the Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to this chapter. Any such actual costs or other expenses may be allocated between the parties.

#### **443.00. CUSTOMER CLAIMS ARBITRATION PANEL: FEES.**

For each case involving claims and counterclaims by a customer, the following fees will apply:

Up to \$10,000	\$400
\$10,001 to \$50,000	\$750
\$50,001 to \$100,000	\$850
\$100,001 to \$200,000	\$1,000
\$200,001 and above	\$1,200
Any non-monetary claims	\$1,000

Furthermore, the Board of Directors authorizes the Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to this chapter. Any such actual costs or other expenses may be allocated between the parties.

## ~~CHAPTER 7. FUTURES AND OPTIONS TRADING~~

### ~~700.00. FUTURES AND OPTIONS CONTRACTS: CLEARING OF.~~

~~All Futures and Option Contracts made in this market, including all "Scratch" trades, must be made in the name of and between Clearing Members, and all such contracts must be submitted to the Clearing House.~~

~~All such contracts that have been accepted for clearing shall be subject to MIA X Futures Rules and to the exercise of the powers reserved therein.~~

### ~~701.00. CLEARING HOUSE: SUBSTITUTION OF.~~

~~In every case where Futures and Options Contracts have been accepted for clearing by the Clearing House, the Clearing House shall thereupon be substituted as Buyer to the Seller, and as Seller to the Buyer, and (except as provided in **Rule 805.00.**) shall have all the rights and be subject to all the liabilities under the contracts of the original Clearing Member parties with respect to such contracts.~~

### ~~702.00. CLEARING HOUSE: SUBSTITUTIONS FOR.~~

~~If Futures Contracts are not offset and a Clearing Member being a Seller tenders a Delivery Notice to the Clearing House and the Clearing House in good faith passes such notice to another Clearing Member who is a Buyer (all as provided in Chapter 8), the Clearing Member who tenders such notice shall be substituted in lieu of the Clearing House as Seller to such Buyer on the contracts.~~

### ~~704.00. GIVE UPS.~~

~~A Market Participant must have prior permission from a Clearing Member to give up the Clearing Member's name for a trade executed. A Clearing Member whose name is so given up must enter the trade into the Clearing House in his name.~~

### ~~711.00. FUTURES CONTRACTS: GRADES DELIVERABLE.~~

~~All Futures Contracts made in this market shall call for the delivery of a Contract Grade, or other Deliverable Grade, of the commodity in accordance with the provisions of **Rules 802.00.** and **803.00.**~~

### ~~712.00. FUTURES AND OPTIONS CONTRACTS: QUANTITIES TRADED IN.~~

~~All Futures and Options Contracts made in this market must be for such quantities of the commodity as specified in the contract as may, under the Rules, be delivered on such contracts. (See **Rule 801.00.**)~~

### ~~713.00. FUTURES AND OPTIONS CONTRACTS: PRICE BASIS.~~

- ~~A. Futures Contracts. The minimum fluctuation shall be one quarter (1/4) cent, including spreads.~~

~~B. Options on Futures Contracts. The minimum fluctuation shall be one eighth (1/8) cent, including spreads.~~

#### ~~715.00. MONTHS TRADED IN.~~

~~The months available for trading in Minneapolis Hard Red Spring Wheat Futures and the number of months available for trade at one time shall be determined by the Exchange. See **Rule 2010.00.**~~

#### ~~715.01. TRADING IN DELIVERY MONTH.~~

~~No trades in Minneapolis Hard Red Spring Wheat Futures Contracts that are deliverable in the current month shall be made after the business day preceding the fifteenth (15th) calendar day of that month. Any futures contracts remaining open after the last day of trading must be:~~

~~A. settled by delivery no later than the seventh (7th) business day following the last trading day, or~~

~~B. liquidated pursuant to **Rule 2011.02.**~~

#### ~~760.00. MARGINS.~~

~~A. EXCHANGE MARGINS: This term shall mean United States Funds, negotiable securities or other property deposited with or to the sole credit of an agent or of a Clearing Member as protection against losses incident to a transaction for future delivery.~~

~~1. INITIAL MARGIN: This term shall mean a margin (as defined herein) deposited at the initiation of a Futures transaction.~~

~~2. MAINTENANCE MARGIN: This term shall mean a margin (as defined herein) maintained during the period a Futures Contract remains open.~~

~~All customers of a Clearing Member shall deposit and maintain initial and maintenance margins according to the Clearing Member's requirements. Initial margins as established by the Exchange, shall be charged at a minimum. The Exchange may increase or decrease initial and maintenance margins as market conditions require.~~

~~PROVIDED, that the margins on spreading and hedging transactions shall be the requirements of the Exchange as a minimum, except where a customer specifies that a spread involves an MIA X Futures approved inter exchange spread. Then the initial margin on the MIA X Futures side of the spread shall be at a minimum established by the Exchange.~~

~~The specific amounts of the initial, maintenance, and spread margins are to be transmitted to the marketplace by special memorandum.~~

~~B. CLEARING MARGINS: This term shall mean United States Funds or securities approved by the Exchange deposited with or to the sole credit of the Exchange as protection against losses incident to a Transaction for Future Delivery (See **Rule 2106.00.**)~~

## ~~CHAPTER 8. DELIVERIES ON FUTURES CONTRACTS~~

### ~~800.00. DELIVERIES ON FUTURES CONTRACTS: WHEN DUE.~~

~~Delivery on Futures Contracts may be made by the Seller upon such business day of the month, specified in the contracts, as the Seller may elect. If not previously made, delivery must be made upon the last delivery day of the delivery month. (See Rule 715.01.)~~

### ~~801.00. DELIVERIES ON FUTURES CONTRACTS: QUANTITIES DELIVERABLE.~~

~~Deliveries on Minneapolis Hard Red Spring Wheat Futures Contracts shall be in lots of five thousand (5,000) bushels or multiples thereof.~~

### ~~802.00. DELIVERIES ON FUTURES CONTRACTS: STANDARDS APPLICABLE THERETO.~~

~~Except as hereinafter provided, all Futures Contracts made in this market that call for the physical delivery of the Contract Grade, or another Deliverable Grade, of the commodity specified in such contracts, shall conform to the Official Grain Standards of the United States, if such standards existed and were in effect at the time the delivery receipts were issued. Unless the Board of Directors determines otherwise, changes in the Official Grain Standards of the United States will become effective with the first Futures Contract month, regardless of open interest, after the effective date of the changes as announced in the Federal Register.~~

### ~~803.00. CONTRACT AND OTHER DELIVERABLE GRADES.~~

~~The contract grades and sub-classes of Hard Red Spring Wheat shall be as set forth below and shall be deliverable at the contract price in Minneapolis, St. Paul and Red Wing switching districts:~~

~~U.S. No. 2 Northern Spring Wheat thirteen and one half percent (13 ½%) protein or higher.~~

~~PROVIDED, however, that the following grades and sub-classes of Hard Red Spring Wheat shall also be deliverable at the contract price or at the differentials with respect to the contract price as designated:~~

~~U.S. No. 1 Dark Northern Spring thirteen and one half percent (13 ½%) protein or higher at contract price.~~

~~U.S. No. 1 Northern Spring thirteen and one half percent (13 ½%) protein or higher at contract price.~~

~~U.S. No. 2 Dark Northern Spring thirteen and one half percent (13 ½%) protein or higher at contract price.~~



~~All above grades with thirteen percent (13%) to thirteen and four tenths percent (13.4%) protein inclusive deliverable at a three cents (3¢) per bushel additional discount under above schedule.~~

~~All above grades that have a test weight per bushel of sixty (60) lbs. or more deliverable at a two cents (2¢) per bushel premium.~~

~~The maximum allowable moisture for Hard Red Spring Wheat delivered on Futures Contracts will be thirteen and one half percent (13 ½%).~~

~~The maximum allowable total dockage for Hard Red Spring Wheat delivered on Futures Contracts shall not exceed one and one half percent (1 ½%) of the gross quantity which includes dockage.~~

~~The above grades of wheat may be delivered "In Store" in a waterfront elevator, located within the Duluth-Superior District (see **Rule 900.00. A.**), at a three cents (3¢) per bushel premium. **See Interpretation.**~~

~~The maximum allowable vomitoxin for Hard Red Spring Wheat delivered on Futures Contracts shall not exceed 2.0 parts per million; however, 3.0 parts per million may be delivered at a twenty cents (20¢) discount. See **Resolution 803** for more information about vomitoxin.~~

#### ~~**803.01. WHEAT UNFIT FOR HUMAN CONSUMPTION NOT DELIVERABLE ON FUTURES CONTRACTS.**~~

~~Wheat declared unfit for human consumption under Federal Food, Drug and Cosmetic Act is not deliverable on a Minneapolis Hard Red Spring Wheat Futures Contract.~~

#### ~~**804.00. DELIVERIES ON FUTURES CONTRACTS: HOW MADE.**~~

~~Delivery on Futures Contracts shall be made by the delivery of warehouse receipts for commodities "In Store" in a Regular elevator, except as otherwise specified. Such receipts must be for a Contract or other Deliverable Grade of the commodity specified in the Futures Contract, in accordance with the Official Grain Standards of the United States made applicable to such contract by the provision of **Rule 802.00.**~~

~~Pursuant to Title 7 of the Code of Federal Regulations, Part 735—Regulations For The United States Warehouse Act, the warehouse operator must deliver to the depositor or lawful holder of a warehouse receipt the agricultural product of such identity, quantity, grade and condition as set forth in such warehouse receipt.~~

~~All warehouse receipts delivered on Futures Contracts must bear dates that, under the interpretation of the law hereinabove stated, make them conform to the requirements of this Rule.~~

~~Storage payments on grain to be shipped pursuant to loading orders shall not extend beyond the fifth (5th) calendar day after suitable transportation is constructively placed for load-out (see **Rule 813.00.E.**).~~

~~Official/certified loading weights, inspection grades and protein will be final in determining satisfactory performance on Futures Contracts. (Official/certified weights, inspection grades and protein that are acceptable are the following weights and inspection grades as defined in the National Grain and Feed Association "Grain Trade Rules," Rules 10. Inspection and 14. Weights. Inspections shall include Class A~~

~~and Class B Official Inspections. Official weights shall include U.S. Class X Weights and U.S. Class Y Weights. Certified Weights shall include U.S. Class I and U.S. Class II weights. The inspection method and weight to be used shall be appropriate to the business practice in the defined marketplace. Such weights, inspection grades and protein shall be supervised in accordance with the requirements set forth in MIA X Futures Rules.)~~

~~A. On delivery against Wheat Contracts at Minneapolis-St. Paul and Red Wing, delivery must be made "In Store" in Regular elevators (see **Rule 900.00**).~~

~~The deliverer shall have up to and including fifteen (15) calendar days upon call to make the grain available to load into a barge at one river location within the Minneapolis, St. Paul and Red Wing barge loading districts (see **Rule 900.00.A**.) if all of the following conditions exist:~~

- ~~1. the warehouse receipt is issued for grain in a Regular elevator that is located off water,~~
- ~~2. such off water elevator is not under a common Federal License with a Regular river elevator, and~~
- ~~3. the buyer calls for barge delivery.~~

~~This Rule is irrevocable unless mutually agreed upon in writing and received by mail, fax or hand delivered.~~

~~The party making delivery shall be responsible for any additional expense incurred to move delivery grain from a Regular interior elevator into barges.~~

~~The party taking delivery must present barge equipment (**Rule 1015.00**.) clean and ready to load within fifteen (15) calendar days from the time warehouse receipts and loading orders are tendered to the delivering party.~~

~~Official/certified weights, inspection grades and protein as loaded into the barge shall govern for delivery purposes.~~

~~B. Delivery on Minneapolis Hard Red Spring Wheat Futures Contracts in the Duluth-Superior District may be delivered "In Store" in a Regular waterfront elevator in the Duluth-Superior District.~~

#### ~~**804.01. DELIVERY ON WHEAT CONTRACTS AT MINNEAPOLIS-ST. PAUL AND RED WING.**~~

~~A. If barge shipment is requested, when a riverside elevator and an interior off water elevator are licensed under one Federal license, the party making delivery must make the grain available at one river location within the Minneapolis-St. Paul barge loading district to the party taking delivery when the equipment is constructively placed (see **Rule 813.00.A.2**.) This condition supersedes **Rule 804.00.A**, which otherwise allows the delivering party~~

~~fifteen (15) calendar days to make the grain available at one river location within the Minneapolis-St. Paul barge loading district.~~

~~B. Since each company keeps a record of warehouse receipts surrendered to satisfy a delivery on the Futures Contract, no supplemental certificate is necessary to assure the party holding the receipt that the grain will be delivered to the water if so desired. Any holder of such a receipt is entitled to water delivery if so desired.~~

~~C. If an interior Regular off water elevator is combined under one license with a river house, storage charges shall not extend beyond the tenth (10th) calendar day after suitable transportation is constructively placed for load out (see **Rule 813.00.A.2.**).~~

#### ~~805.00. WARRANTY OF TITLE BY SELLER.~~

~~In all sales of commodities for future delivery in this market, the party making delivery, whether acting as owner, agent or Commission Merchant, shall be deemed and held to warrant his right to sell and pass full clear title to the commodities upon the delivery thereof on the Futures Contract. In every such sale for future delivery, a warranty by such party making delivery of the title in the buyer's name to the commodity purchased upon the delivery thereof shall be part of the contract of sale with the same force and effect as if expressly incorporated therein; PROVIDED, however, that the Clearing House shall not undertake said warranty by reason of the fact that it assumes the position of seller in the process of clearing such Futures Contracts. Said warranty shall be one that inures to the benefit of the buyer and to the benefit of the Clearing House, when it assumes the position of buyer in the process of clearing such Futures Contracts.~~

#### ~~806.00. RISK OF LOSS AND INSURANCE COVERAGE: COMMODITIES DELIVERED ON FUTURES CONTRACTS.~~

~~The warehouse shall maintain insurance, in its own name, for the account of the holders of warehouse receipts, for the full market value of all grain represented by warehouse receipts delivered on Futures Contracts from loss by fire, tornado and other contingencies provided for in the standard form of "extended coverage" endorsements or policies until such time as the grain has been actually loaded out of the warehouse.~~

#### ~~807.00. CONTRACT PRICE.~~

~~The contract price for Futures Contracts cleared by the Clearing House shall be the last settling price for such contracts with the Clearing House.~~

#### ~~808.00. DELIVERIES ON FUTURES CONTRACTS: DETERMINATION OF VALUE.~~

~~The amount to be paid for commodities delivered on Futures Contracts shall be determined by taking into account the number of bushels or pounds delivered, the contract price for such commodity for the day on which delivery is being made (as determined in **Rule 807.00.**), the premium or discount, if any, for the grade delivered, and the amount of storage and insurance charges, if any, that are to be allowed to the buyer.~~

~~**809.00. DELIVERIES ON FUTURES CONTRACTS: STORAGE CHARGES ON WAREHOUSE RECEIPTS.**~~

~~(The attention of Market Participants is directed to the State and Federal laws relating to terminal warehouses located in Minnesota and Wisconsin and to the provisions of such laws governing charges for receiving, handling, storing and delivering commodities at such warehouses.)~~

~~The expression "delivery charges," as used in this Rule and in endorsements placed on warehouse receipts, shall mean the charges for delivering commodities that are authorized by law and that are in effect at elevators eligible to make deliveries under the MIAX Futures Rules.~~

~~All storage and other charges, except delivery charges on commodities represented by any warehouse receipt delivered on a Futures Contract, shall be paid or allowed by the Seller up to and including the date on which such warehouse receipt is delivered to the Buyer in accordance with the provisions of **Rule 810.00.**~~

~~All warehouse receipts that are delivered on Futures Contracts made in this market shall bear an endorsement placed thereon by the warehouseman who issued such receipts, indicating the date to which storage has been paid. Storage shall be deemed to have been paid to the date so endorsed, and additional storage shall accrue immediately thereafter. Such endorsement shall follow precisely the following form, and no other form of endorsement shall be used:~~

~~**ALL STORAGE AND OTHER CHARGES PAID TO AND INCLUDING**  
~~\_\_\_\_\_~~ **EXCEPT DELIVERY CHARGES.**~~

~~(  
 \_\_\_\_\_  
 Warehouseman  
 \_\_\_\_\_)~~

~~**810.00. DELIVERIES ON FUTURES CONTRACTS: WHERE MADE AND PAYMENT.**~~

~~A Buyer who has duly received a Delivery Notice from the Clearing House shall present the same at the office of the Seller by whom such Notice was issued along with full payment for the net amount due. All payments shall be by wire transfer of funds or by certified check or cashiers check on a national bank located in the Minneapolis/St. Paul metropolitan areas or upon other mutually agreeable methods. The Seller shall thereupon make delivery to the Buyer of the warehouse receipts described in such notice. The hours governing Delivery Notices shall be in accordance with Regulations adopted by the Board of Directors pursuant to the authority granted by **Rule 12.1.** (See **Resolution 2101.00.C.** and **Rule 820.00.**)~~

~~**811.00. LOAD-OUT, STORAGE AND INSURANCE CHARGES: DELIVERY GRAIN.**~~

~~The maximum load-out, storage and insurance charges on delivery grain which is tendered in satisfaction of a MIAX Futures Futures Contract, shall be determined by the Board of Directors (see **Rule 813.02.**). By Regulation the Board may from time to time revise these charges.~~

**~~812.00. DELIVERY AGAINST FUTURES CONTRACTS FROM A REGULAR ELEVATOR CLOSED OR WHOSE FUNCTIONS HAVE BEEN CURTAILED AS A RESULT OF STRIKES, LOCKOUTS OR ACTS OF GOD.~~**

~~A Regular warehouse may make deliveries on a Futures Contract in a facility that has been closed by strikes, lockouts or acts of God. The receipt holder is liable for all storage and insurance charges. However, if the warehouse is unable to perform under the delivery contract terms, as required in **Rule 804.00.** because of strikes, lockouts or acts of God at the time of delivery or cannot perform because of strikes, lockouts or acts of God beginning after the original tender of warehouse receipts, the warehouse, when notified with surrender of warehouse receipts and payment of charges by the owner of the receipts, has to furnish within five (5) business days one of the following options:~~

~~A. provide the same quantity and like quality of grain in store at another Regular elevator, whose functions have not been curtailed by strikes, lockouts or acts of God at the same delivery point (See **Rule 1309.00.**);~~

~~or~~

~~B. provide the same quantity and like quality of grain in store at another elevator location under mutually acceptable terms~~

~~or~~

~~C. buy back the warehouse receipt(s) at a negotiated price. If a price cannot be negotiated, then option A or option B must be chosen.~~

**~~813.00. LOAD-OUT PROCEDURES.~~**

~~A. All warehouses shall load out all agricultural products consecutively without giving preference. Load out of all such products shall be in the order in which suitable transportation, clean and ready to load, is constructively placed at the elevator. No preference shall be given to the type of delivery conveyance which has been constructively placed. However, the warehouse may load out company conveyances in an alternative order if such conveyances were constructively placed in consecutive order.~~

~~A warehouse cannot declare a conveyance as unfit for loading. Such declaration can only be made by the railroad or another official inspection agency. Furthermore, a warehouse cannot reject a conveyance if only a portion of the conveyance is unfit and can be cleaned without causing delay to the warehouse. The cost of cleaning shall be borne by the taker.~~

~~In the case of barges or vessels, if the bushel capacity of the warehouse company's barges or vessels constructively placed ahead of taker's barges or vessels exceeds the warehouse's owned stocks; the warehouse must begin loading taker's barges once the warehouse's owned stocks are depleted. For purposes of calculating depletion, the warehouse may not improve its owned stock position with unloads subsequent to the taker's constructive placement date. Depletion calculations must be made separately by grain type and load out rates specified in section B of this **Rule 813.00.**~~

Constructive placement is defined as follows:

1. ~~Rail cars: whether public or private, must be under railroad control and able to be called to the warehouse. However, the warehouse must be notified that the cars are ready to be delivered.~~
2. ~~Barges: must be properly cleaned, ready to load and positioned at an appropriate floating service servicing the designated delivery point or at the elevator. Constructive placement shall be deemed to have occurred when the barge line notifies the warehouse for position.~~
3. ~~Vessels: must be in possession of the appropriate Grain Inspection, Packers and Stockyards Administration and/or National Cargo Bureau, Inc. documents or signed berth application certifying readiness to accept load out at the designated delivery point.~~
4. ~~Any other conveyance has to be with mutual consent of makers and takers.~~

**B. ~~Load Out Rates~~**

~~In the event a Regular elevator receives written loading orders for load out of grain against canceled warehouse receipts, the elevator shall be required to load out all grain at the normal rate of load out for the facility on the day after a conveyance of the type identified in the loading orders (rail cars, barges or vessels) is constructively placed. This rate of load out shall depend on the conveyance being loaded and shall not be less than the following minimum rates per day (weekends and elevator holidays excluded):~~

	<del>Rail Conveyance</del>	<del>or</del>	<del>Water Conveyance</del>
			<del>Vessel</del> <del>or</del> <del>Barge</del>
<del>Wheat:</del>	<del>25 Hopper Cars</del>		<del>200,000 bu</del> <del>2 Barges</del>

~~**Loading minimums and private business.** Once an elevator loads the minimum barges or rail amount against delivery receipts it must continue to load out against the receipts until the end of the normal business day. At the end of the normal business day the elevator can proceed to load out company business, but only after offering the taker the option to continue loading the taker's warehouse receipts at overtime rates. Upon request, the elevator shall provide satisfactory evidence that the conveyances have been constructively placed.~~

~~If loading orders have been received, the elevator must load out any earlier constructively placed conveyance at the minimum load out rates.~~

~~A Regular elevator shall not be required to meet these minimum load out rates when any of the following conditions occur:~~

- ~~1. a condition of Force Majeure exists;~~
- ~~2. inspection services are not available;~~
- ~~3. inclement weather prevents loading;~~
- ~~4. stevedoring services are not available in the case of vessel loading;~~
- ~~5. a vessel can not take at the above rate; or~~
- ~~6. loading tween deckers.~~

~~For purposes of this Rule, vessel and barge are "like" conveyances.~~

#### ~~C. Inspection Plans~~

~~Load-outs of all vessels shall be inspected for product uniformity by comparing the accumulated differences between inspection results and the grade limit or contracted limit, otherwise commonly known as the cusum plan. Grain inspection under this plan shall be conducted by qualified inspectors pursuant to USDA procedures.~~

~~The warehouse and taker must agree in writing to other inspection plans or grain uniformity minimums prior to constructive placement of a delivery conveyance.~~

#### ~~D. Notification to Elevator~~

~~The warehouse shall load out grains in the order and manner provided in paragraphs A and B of this Rule, except that its obligation to load out grain to a given party shall commence only after receiving canceled warehouse receipts and written loading orders from such party, even if such party may have a conveyance positioned to accept load out of grain before that time. If the party taking delivery presents transportation equipment of a different type (rail, barge or vessel) than that specified in the loading orders, the party is required to provide the warehouse with new loading orders. Written loading orders received after two o'clock (2:00) p.m. (Central time) on a given business day shall be deemed to be received on the following business day.~~

#### ~~E. Storage~~

~~Storage payments on grain to be shipped pursuant to loading orders shall not extend beyond the fifth (5th) calendar day after suitable transportation is constructively placed for load out, except as otherwise provided (see **Rule 804.01.C.**).~~

#### ~~F. Records~~

~~All warehouses shall keep adequate permanent records showing compliance with the requirements of this Rule. Such records shall at all times be open for inspection by the designated official or officials of the contract market.~~

**See Interpretation.****~~813.01. LOAD-OUT NOTICES: FORM OF.~~**

~~Load-Out Notice, as required by the Rules, shall be on **Form 5-2** and shall be issued in triplicate.~~

**~~813.02. LOAD-OUT, STORAGE AND INSURANCE CHARGES: DELIVERY GRAIN.~~**

~~The maximum load-out charges on delivery grain, which is tendered in satisfaction of a Minneapolis Hard Red Spring Wheat Futures Contract, shall be eight cents (8¢) per bushel for wheat regardless of the date of the warehouse receipt.~~

~~The maximum storage charges on delivery grain, which is tendered in satisfaction of a Minneapolis Hard Red Spring Wheat Futures Contract, shall be seven cents (7¢) per bushel per month or two thousand three hundred thirty three thousandths of a cent (\$.002333) per bushel per day for wheat regardless of the date of the warehouse receipt.~~

~~Insurance charges shall be included within the maximum storage charges.~~

**~~813.03. LOADINGS IN SATISFACTION OF WAREHOUSE RECEIPTS.~~**

~~Written notice of loading in satisfaction of warehouse receipts shall constitute full tender only when the grade called for by the receipts has been established by an inspection agency for the commodities loaded. The official grade at the time of loading shall govern the applicable Options for reconsideration of the grade.~~

~~Prior to or concurrent with delivery of the loading orders for a conveyance, the party surrendering the warehouse receipts must notify the warehouse whether appeal for federal reconsideration of the grade is requested.~~

~~This Rule shall apply to loadings in satisfaction of warehouse receipts (whether acquired by delivery on Futures Contracts or otherwise) from Regular or federally licensed elevators within the switching districts of Minneapolis-St. Paul, Red Wing and Duluth-Superior. **See Interpretation.**~~

**~~814.00. ORDERING CARS.~~**

~~Upon receipt of load orders from the receipt holder, the warehouse shall immediately place an order, upon the request of the taker, with the railroad for all of such cars as the notice specifies, or accept buyer's cars as available, and furnish the holder with railroad order numbers or other written communication from the respective railroad company giving satisfactory evidence that the cars have been ordered, including documenting the order placement and place in the lineup. The warehouse must order cars for the taker before ordering cars for themselves.~~

~~In the event that cars are canceled, by written request of the receipt holder, demurrage and car cancellation penalties are for the account of the receipt holder.~~

**~~815.00. DELIVERY NOTICE: ISSUING AND DELIVERY OF.~~**



~~A Seller, in making delivery on Futures Contracts, shall issue and deliver to the Clearing House, by hand delivery or fax transmittal preceded by a telephone call, a signed Delivery Notice, the form of which shall be as prescribed from time to time by the Board of Directors (see **Rule 820.00.**).~~

~~**816.00. DELIVERY NOTICE: CONTENTS.**~~

~~Delivery Notices for Minneapolis Hard Red Spring Wheat Futures Contracts shall be in lots of five thousand (5,000) bushels. Such Notices shall contain the name of the issuer, a description of the warehouse receipts representing the commodity to be delivered, the grade to be delivered, and the storage/premium, where applicable, accrued and allowed, if any. All Delivery Notices shall be signed by an individual whose principal has filed with the Clearing House a written notice authorizing such person to sign notices on its behalf (see **Rule 820.00.**)~~

~~**819.00. DELIVERY NOTICE: DELIVERY TO A BUYER.**~~

~~When a Delivery Notice has been duly delivered to the Clearing House by a Seller, the Clearing House shall redeliver such Notice to the Buyer obligated by the oldest contracts on the records of the Clearing House to take delivery of the commodity described in such Notice.~~

~~**820.00. TIMES FOR DELIVERY OF "DELIVERY NOTICES" AND DELIVERY AND PAYMENT ON FUTURES CONTRACTS.**~~

~~All Delivery Notices shall be made in accordance with the provisions of the CEA, CFTC Regulations, and MIAX Futures Rules issued thereunder.~~

~~All Delivery Notices shall be in the form specified by the Exchange.~~

~~All Delivery Notices shall be delivered to the Clearing House two (2) business days prior to the date of delivery and at such time as determined by the Exchange (see **Resolution 2101.00.C.**) on all such business days. The Exchange shall have until nine o'clock (9:00) a.m. on the following business day to make delivery of the Delivery Notice to the Buyers.~~

~~Parties holding Delivery Notices shall present the same before one o'clock (1:00) p.m. on the delivery day, at the place designated by the Issuer, together with full payment, as provided in **Rule 810.00.**, for the net amount due for the property represented by said notices. Upon payment at the place designated by the said Issuer, the holder of such Delivery Notice shall be entitled to receive the property represented by the same, its value being based upon the closing market price of the Exchange on the day preceding that on which the Delivery Notice was issued.~~

~~**824.00. DEFAULT.**~~

~~A default shall be deemed to have been made if the loading elevator does not comply with the minimum load-out rate as cars or barges are actually placed at the loading elevator or does not comply with other provisions of these Rules and Regulations. **See Interpretation.**~~

~~**825.00. DEFAULT IN PAYMENT.**~~

~~If any party, who has duly received a Delivery Notice and is obligated under the Rules to take delivery of the property therein described, fails to make payment for and to receive the property described in such notice (as required by the Rules), written notice of such default, together with a written notice that the property described in such Delivery Notice will be resold at the current or next session of the Exchange, shall be given by the Seller to the party in default by four o'clock (4:00) p.m. of the day of the default. The Seller shall proceed to sell such property in accordance with the terms of such notice, and the party in default shall be liable to the Seller for any loss sustained by such Seller through such default and sale.~~

~~Any damage or loss sustained by the Seller by reason of such sale or declared settlement for breach of contract shall be due and payable by the Buyer to the Seller immediately. This Rule, however, shall not be construed to authorize extortionate claims based on value manipulated for the purpose of securing such claims, nor to excuse the Buyer from his obligation to take delivery.~~

### ~~826.00. FAILURE TO DELIVER ON CONTRACT: DAMAGES.~~

~~In case any commodity sold for future delivery in this market has not been delivered at maturity of contract, the Buyer may:~~

~~A. — Purchase the commodity on the market for the account of the party in default on the next business day, notifying him at once of such purchase~~

~~\_\_\_\_\_ of~~

~~B. — Require a settlement with the party in default for breach of contract at the market price on the first business day following the default.~~

~~Any damage or loss sustained by the Buyer by reason of such purchase or declared settlement for breach of contract shall be due and payable by the party in default to the Buyer immediately. This Rule, however, shall not be construed to authorize extortionate claims based on value manipulated for the purpose of securing such claims, nor to excuse the party in default from his obligation to make delivery. **See Interpretation.**~~

### ~~827.00. DISPUTES ON DAMAGES.~~

~~Any disputes or differences as to the equity of any claim for loss or damages against a party in default resulting from action taken under the provisions of **Rule 826.00**, shall be decided by the Board of Arbitration as provided by the MIAX Futures Rules.~~

~~In determining the measure of damages to be paid by the party in default, consideration, among other things, shall be given as to:~~

~~A. — Whether or not the value of property in dispute has been enhanced by combination or by any Person for the purpose of extorting unreasonable damages;~~

~~B. — The effect on values produced by sales in excess of the marketable supply;~~

~~C. — The duty of the Seller to fulfill the contract specifically.~~

~~The just and true value of the property in default, at the time of the default shall thereupon be determined, and by the value so established shall be determined the measure of damages to be assessed, and both of such matters shall be stated in the findings.~~

**~~828.00. WILLFUL DEFAULTS:~~**

~~Any party willfully defaulting on a Futures Contract shall be deemed and held to be guilty of Uncommercial Conduct.~~

## ~~CHAPTER 9. DELIVERY ELEVATORS~~

### ~~900.00. DELIVERY ELEVATORS: CONDITIONS FOR BECOMING REGULAR.~~

~~Persons operating grain elevators who desire to have such elevator made or remain Regular for delivery of grain under the MIA X Futures Rules shall file an application or renewal form as prescribed by the Exchange. (See **Form 5-3.**) Renewal for Regularity must be filed prior to June 1 for a one (1) year term beginning the following August 1. Application for Regularity may be made at any time during a current term for the balance of that term. However, if an applicant is approved during the months of May, June or July, their initial Regularity term will include the following one (1) year term. Initial Regularity and increases in capacity during the term shall become effective on the last business day in the month in which the Exchange approves such application.~~

~~The Exchange may approve renewal of Regularity and may revoke said Regularity for just cause at any time. Denial or revocation of Regularity by the Exchange may be appealed to the Board of Directors. The decisions of the Board of Directors shall be final.~~

~~Wheat: — Application for Regularity may be made by persons operating licensed grain elevators located within the limits of the Minneapolis-St. Paul, Duluth or Red Wing, Minnesota switching districts, or Superior, Wisconsin switching district for Hard Red Spring Wheat.~~

~~A. — Such elevator must be properly equipped for the convenient and expeditious receiving, handling and shipping of such bulk commodities as are customarily accepted therein for public storage. Each elevator must be able to load out by rail and barge and shall be connected by railroad tracks with one or more railway lines. In the case of an interior off-water elevator such firm must be able to make the grain available in a barge pursuant to **Rules 804.00. and 804.01.**~~

~~B. — The warehouseman operating such elevator must be in good financial standing and shall meet the minimum financial requirements set forth by the Exchange (see **Rule 2.2.3.**) and file the following periodic documentation:~~

~~1. — **Audited Financial Statement** — Each entity wishing to become Regular for Minneapolis Hard Red Spring Wheat Futures Delivery must annually submit to the Exchange an Audited Financial Statement prepared by an independent certified public accountant in accordance with generally accepted accounting principles.~~

~~2. — **Due Date** — Audited Financial Statements must be filed no later than ninety (90) days after the fiscal year end, except in those cases where an entity has applied to the Exchange and has received approval for an extension.~~

~~3. — **Interim Unaudited Financial Statement** — Each entity must submit to the Exchange unaudited mid-fiscal year financial statement. This statement must be filed no later than forty five (45) days after the mid-year point of the entity's fiscal~~

~~year, except in those cases where an entity has applied to the Exchange and has received approval for an extension.~~

- ~~C. All elevators approved for delivery of grain in satisfaction of the MIA X Futures Futures Contracts shall submit to the Exchange a tariff, listing in detail the rates for handling and storage of grain, and shall also submit to the Exchange sixty (60) days in advance changes, in insurance and storage fees, provided, however, that such changes do not conflict with **Rule 811.00**, and other limitations set forth in section B. Tariffs on file with the Exchange shall be available for public inspection.~~
- ~~D. It shall be the responsibility of the warehouseman of a Regular elevator to immediately inform the Exchange of any adverse changes in status and financial conditions. (See **Rules 2.2.3**, and **2.2.8**.) Failure to notify the Exchange will be deemed a violation of the MIA X Futures Rules.~~

#### ~~900.01. WITHDRAWAL OR REVOCATION OF REGULARITY.~~

~~A Regular elevator may withdraw from regularity by providing the Exchange six (6) months prior written notice, unless a shorter notification period is authorized at the sole discretion of the Exchange.~~

~~If the designation of a Regular elevator is withdrawn or revoked, the Exchange shall determine the period of time, if any, during which the receipts issued by such elevator shall thereafter be deliverable in satisfaction of futures contracts under the MIA X Futures Rules. The Exchange shall post such withdrawal or revocation on the Website.~~

~~In the event of withdrawal, revocation, or expiration of Regularity, or in the event of sale or abandonment of the properties where Regularity is not reissued, holder(s) of outstanding warehouse receipts shall be given thirty (30) days to take load out of the commodity from the facility. If a holder of an outstanding warehouse receipt chooses not to take load out during this period, the facility must provide him with warehouse receipts at another Regular elevator, with adjustments for contract differentials. Alternatively, if such warehouse receipt is unavailable, the facility must provide the holder with an equivalent quantity and quality of grain designated in the warehouse receipts at a mutually acceptable location.~~

#### ~~901.00. RECORDS, REPORTS, VISITATION OF PREMISES REQUIRED BY COMMODITY EXCHANGE ACT.~~

~~Warehousemen operating Regular elevators, in compliance with the provisions of Section 1.44 of the CEA and CFTC Regulations shall:~~

- ~~A. Keep records showing the stocks of each commodity traded in for future delivery on such contract market, in store in such warehouses by kinds, by classes, and by grades, if stored under the conditions requiring such designation or identification, and including also lots and parcels stored specially or separately or in specially leased warehouse space.~~
- ~~B. Upon call from the CFTC, report the stocks of commodities in such warehouses and furnish information concerning stocks, of each commodity traded in for future delivery on such contract market about to be transferred or in process of being transferred, or otherwise~~

~~moved into or out of such warehouses, as well as any other information concerning commodities stored in such warehouses and that are or may be available for delivery on Futures Contracts.~~

- ~~C. Permit visitation of the premises and inspection of the books and records of such warehouses by duly authorized representatives of the United States Department of Agriculture, the Department of Justice or the CFTC, and to keep all books, records, papers and memoranda relating to the storage and warehousing of commodities in such warehouses for a period for five (5) years from the date thereof.~~

#### ~~901.01. INFORMATION AND ACCESS TO RECORDS AND REPORTS BY MIAx FUTURES EXCHANGE.~~

~~Operators of Regular and federally licensed public elevators and warehouses shall disclose and timely file with the Exchange such information as requested on commodities, including but not limited to: quantity and quality of stocks in store; grain in transit, purchased, sold, owned, held for others, consigned, assigned, transferred, delivered, or loaded out; information on warehouse receipts or shipping certificates issued, outstanding, cancelled without delivery and cancelled with delivery. Furthermore, information on the class, grade and condition shall be provided if requested.~~

~~The information to be provided shall be in the manner, method and format determined by the Exchange and at such times determined by the Exchange. Such information may be requested on a daily, weekly or periodic basis.~~

~~Operators shall accord every facility to any duly authorized committee or person for:~~

- ~~A. the examination of its books and records.~~
- ~~B. the purpose of ascertaining the stocks of commodities which may be on hand at any time.~~

~~Such examination and verification may be made any time by the Board of Directors or its approved inspection agents or, any other committee authorized by the Board of Directors, which shall have the authority to employ appropriate personnel to determine the quantity and quality of commodities in the elevators or warehouses and to compare the books and records of the said facilities with the records of any State or Federal authority.~~

~~Operators shall keep all books, records, papers and memoranda relating to the storage and warehousing of commodities in said facilities for a period of five (5) years.~~

## CHAPTER 11. CASH COMMODITIES

### 1100.00. RECOURSE FOR HEATING AFTER DELIVERY.

If a carload of any commodity has been sold or applied on sale basis "delivered" to an unloading industry located within the Minneapolis or St. Paul switching district, if the Buyer has not rejected the car (or made other agreement or settlement with the Seller with respect thereto) within forty-eight (48) hours (Saturdays,

Sundays and holidays excepted) after actual or constructive delivery has been made to the unloading industry, he shall not be allowed any claim for loss resulting from the commodity heating unless he is able to prove that at the time of such actual or constructive delivery the commodity was in a heating condition and the Seller had knowledge of the fact. The records of the railroad company shall be prima facie evidence of the time of such actual or constructive delivery.

#### **1101.00. ACCEPTANCE OF NO. 5 AND SAMPLE GRADE CORN.**

In all sales of corn grading No. 5 or sample grade because of moisture, unless otherwise agreed, the Buyer, if he has been able to obtain a sample of such corn within the Minneapolis or St. Paul or Duluth or Superior switching districts, must accept or reject such corn or notify the seller of his desire to call for a reconsideration of grade, by eleven o'clock (11:00) a.m. of the business day next succeeding the day of sale. If the Buyer has not been able to get his sample, he shall so notify the seller, and the time for acceptance, rejection or notice of desire to call for a reconsideration of grade shall be extended accordingly, but the Buyer must so act as soon after receipt of his sample as practicable.

PROVIDED, however, that the requirements of this Rule shall not apply in the case of cars that are inspected "in heavily loaded car."

#### **1102.00. CALLS FOR RECONSIDERATION OF GRADE.**

The expression "call for Reconsideration of Grade" as used in the Rules shall mean any request to the proper grading authorities for reinspection, appeal, Federal appeal, appeal to the Board of Grain Supervision or for any other grading of the contents of a car or of a lot or parcel of any commodity that you supersede the grade then in existence, including any request for a recheck of protein.

- A. A party who desires to call for a reconsideration (or reconsiderations) of grade on the contents of a car or a lot or parcel of any commodity shall first give to the other party at interest written notice of his desire to do so. If reconsideration of a Federal appeal grade is desired, a separate notice of such desire must be given. Permission to call for the desired reconsideration of grade must be granted by the other party, or the car must be replaced with another car of like grade and quality or other satisfactory settlement made.
- B. The cost of the reconsideration of grade, if any, shall be borne by the party making the call.
- C. Ordering a car "On Track" without the unloading destination being established shall not be construed as moving or ordering a car toward a specific unloading destination within the meaning of the Rules.
- D. Commodities in cars that have been billed to Minneapolis and that are "On Track" at points in Minnesota designated as sampling points by the Public Service Commission, or that are in transit between such points and Minneapolis, shall be considered the same as if actually "On Track" in railroad yards in Minneapolis.

In the case of commodities in cars at outside "Hold" or inspection points (whether located in Minnesota or elsewhere) sold to go to Minneapolis or St. Paul, or to some point beyond Minneapolis or St. Paul, or to Duluth-Superior (unless otherwise agreed) inspection,

resampling and calls for reconsideration of grade shall be permitted at Minneapolis or St. Paul, or at Duluth-Superior on the same terms and conditions as though the cars had been sold after arrival in such markets.

### **1103.00. SHIPPERS' RIGHT TO OFFICIAL GRADES AND PROTEINS.**

All shippers in this market shall have the right to official grades and proteins under the following terms:

Official grades and proteins based on official samples may be obtained by special written request only at the time of shipment.

Official grades and proteins based on submitted samples may be obtained at the time of unload, provided the request is made on the truck Bill of Lading or on written shipment advice.

Official grades and proteins based on a file sample, may be obtained for a minimum of five (5) calendar days after unload when firms are providing in-house grades and proteins.

All expenses incurred in obtaining official samples, grades and proteins, including truck detention and rail demurrage, shall be for the account of the shipper.

### **1104.00. HEAVILY LOADED CARS.**

Cars so heavily loaded that they are inspected "in heavily loaded car" should be bought and sold on basis of special contracts made at time of trade between the Buyer and Seller, covering these conditions.

### **1105.00. INBOUND RATES, TRANSIT, ETC.: AGREEMENT CONCERNING.**

In all sales made on arrival in Minneapolis-St. Paul or Duluth-Superior or at an outside "Hold" or inspection point all matters relative to point of origin, transit, inbound rates and location of the car should be understood and agreed upon by the Buyer and Seller and incorporated in the articles of trade. Unless otherwise agreed, the Seller shall be deemed and held to warrant:

- A. That there has been no previous transit stop on the car or transit billing used in connection with its movement; and,
- B. That the free time has not expired and the car is not on demurrage.



**1106.00. SWITCHING, DEMURRAGE AND RECONSIGNING CHARGES: LIABILITY FOR.**

- A. If a call for reconsideration of grade or official Minnesota protein is made by the Buyer on cars to be delivered either "On Track" or at local unloading industries, and the grade or protein is not changed, switching and demurrage charges caused by such call shall be paid by the Buyer; but, if the grade or protein is changed, such charges shall be paid by the Seller.
- B. If the call for reconsideration of grade or protein is made by the Seller, all switching and demurrage charges caused by such call be paid by the Seller whether or not the grade or protein is changed.
- C. Any charges accruing previous to sale of cars are to be paid by the Seller.
- D. Any reconsigning charges accruing after the sale, at the instance of the Buyer, are to be paid by the Buyer.

**1107.00. PROMPT EXAMINATION OF CARS.**

In order to reduce to a minimum the expense for switching and demurrage suffered by Sellers resulting from cars being "run through" at unloading industries on account of reconsideration of grades, recheck of proteins, or disputes as to quality, operators of unloading industries shall make every effort practicable to examine cars promptly after they are first delivered on the tracks of the industry, or those of the railroad company adjacent thereto, for the purpose of determining whether the cars were correctly graded, or are as represented by the sale sample.

**1108.00. FREIGHT ON CARS LOADED BELOW MINIMUM CAPACITY.**

If a carload of any commodity has been sold basis delivery "On Track" Minneapolis-St. Paul or Duluth-Superior for shipment to an unloading destination outside of Minneapolis-St. Paul or Duluth-Superior, the Seller shall pay the freight to the agreed unloading destination on the difference between the minimum shipping load for the car permitted by the carriers' tariffs and the actual load in the car.

If a carload of any commodity has been applied on a Sale "To Arrive," the Seller shall pay freight to the agreed unloading designation on the difference between the minimum shipping load for the car permitted by the carriers' tariffs and the actual load in the car.

**1109.00. FREIGHT BILLS: SELLER TO FURNISH.**

Sellers shall furnish Buyers duplicate inbound paid Freight Bills for all cars sold (or applied on sale) in cases where the Seller has paid the freight. Such duplicate Freight Bills must be those covering the identical cars sold (or applied on sale) and must be delivered to the Buyers as expeditiously as possible and, in any case, not later than ten (10) days after the date of the Freight Bills.

**1110.00. BUYER TO BE REIMBURSED FOR FREIGHT CHARGES, ETC.**

If a sale of a track carload of any commodity has been made basis "delivered" at a point outside of Minneapolis, the Seller shall, upon receipt of complete papers, including weight certificate, Freight Bill and reconsigning and reconsigning and/or demurrage charges (if any) accruing prior to delivery at final destination, immediately reimburse the Buyer for the same.

In sales made bases delivery "On Track Minneapolis for O.W.B." or "On Track Minneapolis for Shipment," the Seller, upon receipt of complete papers covering freight, reconsigning or demurrage charges (or overcharges) accruing prior to such delivery, shall immediately reimburse the Buyer for the same.

#### **1116.00. WEIGHTS.**

In all sales of commodities to be unloaded, Buyer and Seller shall agree at the time of the sale on the character of the weights to be furnished.

#### **1117.00. SHIPPERS' WEIGHTS.**

When a sale of a carload of any commodity has been made based on "shippers' weights," these weights (supported by an affidavit of the shipper certifying to the accuracy of the same) shall be furnished within two (2) weeks after the date of the application of the car upon the sale. In case of failure of the Seller to furnish shippers' weights so certified within the two (2) weeks mentioned, settlement shall be based upon destination weights.

#### **1118.00. WEIGHTS ON BILLS OF LADING.**

When shipments are weighed under supervision of State or other official/certified authorities, Bills of lading shall bear a notation to that effect.

#### **1119.00. BUYER TO ACCEPT AMOUNT IN CAR.**

In all sales of commodities made on arrival the Buyer shall accept the amount contained in the particular car purchased, except where a car is found to be unevenly loaded.

#### **1125.00. DISPOSITION ORDERS: FORM OF.**

All cars of commodities arriving in this market shall be ordered to unloading industries, "On Track" or to Outgoing Railroad Yards, by means of Disposition orders to be issued in duplicate, the form of which shall be as prescribed (or approved) from time to time by the Board of Directors.

#### **1126.00. DISPOSITION ORDERS: "ON TRACK" CARS.**

Disposition Orders covering cars ordered "On Track" or to Outgoing Railroad Yards for shipment shall in all cases carry any and all protection shown on the original Bill of Lading.

#### **1127.00. DISPOSITION ORDERS AND OTHER DOCUMENTS: DELIVERY OF.**

Buyers must demand and Sellers must deliver to Buyers the duplicate copy of the Disposition Order, duly executed and endorsed by the Seller to the Buyer, and signed or stamped by the carrier's agent or his

representative upon payment or invoices based on final weights of cars unloaded within the Minneapolis-St. Paul or Duluth-Superior switching districts.

Documents passing title (i.e., duplicate Disposition Orders, Bills of Lading or elevator Load-out Notices, as the case may be) shall be delivered to the Buyer upon payment of the advances authorized by **Rule 1146.00**.

In all cases, if the Seller has delivered his invoice or request for advances by the required time, he is entitled to payment if he has the Disposition Order or other necessary documents ready for delivery to the Buyer at the time payment is due.

If such Disposition Order or other documents have been delivered to the Buyer prior to the time required for payment of the invoice or request for an advance and, if for any reason, the Buyer fails or declines to make payment therefor when due, he shall forthwith upon demand return the Disposition Order or other documents to the Seller.

#### **1128.00. DISPOSITION ORDERS: DELIVERY TO OPERATOR OF INDUSTRY.**

Operators of industries located within the Minneapolis-St. Paul or Duluth-Superior switching districts unloading commodities for others must demand as authority for unloading, and the parties for whom such commodities are loaded must surrender the Duplicate Disposition Order covering each car unloaded not later than next business day following the day on which the car was unloaded.

#### **1129.00. AUTHORITY TO SIGN DISPOSITION ORDERS AND LOAD-OUT NOTICES.**

Persons shall furnish to the Railroad Joint Agent the authorized signatures or persons authorized to sign and endorse Disposition orders and Load-out Notices.

#### **1130.00. ORDERING CARS TO INDUSTRIES.**

No Person shall order cars for the purpose of avoiding proper demurrage charges, or order cars to any industry except for the purpose of unloading thereat.

Notice that cars have been ordered to an industry must be given to the operator of the industry by the party for whose account the cars are to be unloaded on the same day on which the cars were so ordered. Failure to give such notice (in addition to being a violation of this Rule) shall relieve the operator of the industry of liability for demurrage or switching charges, or for damage to contents of cars resulting from delay in unloading, caused by such failure.

#### **1135.00. SALES: TO BE FOR CASH.**

All sales of commodities, unless agreed to the contrary, whether for delivery "On Track," or at unloading industries, or FOB, or in any other manner or in any place shall be for cash. The Buyer is required to pay invoices and requests for advances with checks drawn on Minneapolis or St. Paul banks, unless agreed otherwise.

#### **1136.00. PASSING OF TITLE.**

Unless otherwise specified by contractual agreement, title passes to the Buyer as follows:

- A. On FOB origin or FOB basing point contracts at time and place of shipment. The time is the moment of acceptance of the appropriate shipping document by the carrier.
- B. On delivered contracts, when constructively placed, or otherwise made available at Buyer's original destination.
- C. Title to commodities sold (or applied on sale) basis delivery "On Track" in Minneapolis-St. Paul or Duluth-Superior, or at an outside "Hold" or inspection point, with unloading weights at a destination outside the Minneapolis or St. Paul or Duluth or Superior switching districts to govern, shall pass if, as, and when the Bill of Lading, duplicate Disposition Order or elevator Load-Out Notice (as the case may be), properly signed, endorsed and/or stamped so as to assign the right to possession of the car to the Buyer, has been delivered by the Seller to the Buyer.

#### **1137.00. WARRANTY OF TITLE BY SELLER.**

In all sales of commodities in this market the seller, whether acting as owner, agent or Commission Merchant (except when acting as Broker as defined in MIA X Futures Rules), shall be deemed and held to warrant his right to sell and pass full clear title to the commodities. In every sale a warranty of the title by the seller to the purchaser of the commodity is a part of the contract of sale with the same force and effect as if expressly incorporated therein; PROVIDED, that at the time of the making of the contract of sale the parties thereto may limit the obligation of the seller by an agreement in writing expressing such limitation.

#### **1138.00. RISK OF LOSS: COMMODITIES IN CARS OR TRUCKS.**

On commodities sold basis unloading weights at industries located within the Minneapolis-St. Paul or the Duluth-Superior switching districts the Buyer shall assume the risk of loss by fire or other causes when the car or truck containing the commodity so sold has been delivered to the unloading industry specified by the Buyer.

#### **1139.00. FINAL ACCEPTANCE OF CARS.**

Except as otherwise provided in this Chapter or agreed by the parties, final acceptance of commodities sold or applied on sale shall take place:

- A. In the case of a sale made basis "delivered" to an unloading industry, whether in Minneapolis or elsewhere, if and when the car has been unloaded. PROVIDED, however, that settlement and acceptance of an unevenly loaded car shall be a matter of separate agreement between Buyer and Seller, and any portion of the grain identity -- preserved under the supervision of the official/certified Weighmaster shall remain the property of the Seller until such agreement is reached;

- B. In the case of a sale made basis delivery "On Track" Minneapolis, Duluth or elsewhere, for shipment beyond Minneapolis or Duluth, if and when the car has left the switching districts of Minneapolis-St. Paul or Duluth-Superior;
- C. In the case of a sale made basis delivery "On Track" at an outside "Hold" or inspection point, or elsewhere, for shipment to an interior destination without moving through Minneapolis or Duluth, if and when the car has left its location at the time sale.

If commodities are sold (either upon arrival in Minneapolis or Duluth or at an outside "Hold" or inspection point) and billed by the Seller at the Buyer's request to some destination outside the Minneapolis -St. Paul or Duluth-Superior switching districts, the sale shall be considered as having been made basis delivery "On Track" unless the terms of the sale specifically provide that it is made basis "delivered destination."

If a sale specified that grades other than the destination grades shall govern, any change in grade upon arrival at destination (whether on Federal appeal or otherwise) shall not be material as between Buyer and Seller.

#### **1140.00. DIVERSION OF CARS: BY BUYER.**

Whenever a sale of a carload of any commodity has been made, basis delivery at a specified unloading industry (or basis delivery "On Track" but to unload at a specified industry or destination), the Buyer shall not reorder or divert the car from such specified industry or destination without having secured the consent of the Seller so to do, which consent must be secured upon every such change.

Any reordering or diversion of a car away from such specified industry or destination, unless otherwise agreed, shall constitute a final acceptance of the car and shall entitle the Seller to a cash advance on the commodity sold equal to ninety percent (90%) of its value (based on the sale price), and, unless official/certified destination weights can be furnished, settlement shall be made basis shipper's affidavit weights, or other weights, or other weights satisfactory to the Seller.

#### **1141.00. PROCEEDS OF INSURANCE PLACED BY OTHERS THAN OWNER.**

In case of loss by fire or other causes, if insurance has been placed that is payable to someone other than the actual owner of the commodity, the proceeds of the insurance shall stand as security in favor of such actual owner (or the Buyer, if he has become liable for such loss) as their interests may appear; and any Person collecting such proceeds shall hold them in trust to the extent of the interest of, and pay the same to, such actual owner, or Buyer, as their interests may appear.

#### **1145.00. ADVANCES ON CARS SOLD TO UNLOAD LOCALLY.**

Unless otherwise specified by a separate agreement between the Buyer and Seller, when a sale of a carload of any commodity is made to deliver within the Minneapolis-St. Paul or Duluth-Superior switching districts, the Seller shall have the right to demand a cash advance on the commodity equal to ninety percent (90%) of its value based on the sale price, but only if the car has not been unloaded within ten (10) days after being actually or constructively placed upon the tracks within the Minneapolis-St. Paul or Duluth-Superior switching districts.

**1146.00. ADVANCES ON CARS SOLD TO UNLOAD AT OTHER DESTINATIONS.**

Unless otherwise specified by a separate agreement between the Buyer and Seller, when a sale of a carload of any commodity has been made to deliver at a destination outside the Minneapolis-St. Paul or Duluth-Superior switching districts, the Seller shall have the right to demand a cash advance on the commodity equal to ninety percent (90%) of its value based on the sale price when documents passing title to the commodity have been delivered to the Buyer.

**1147.00. DIRECT PAYMENT TO THE COUNTRY SHIPPER.**

When making direct payment to the country shipper, payment shall be forwarded or credited to the shipper's account within five (5) business days after the date on the last applicable certificate.

**1150.00. LOAD-OUT NOTICES.**

The control of carloads of commodities loaded out of elevators within the switching districts of Minneapolis-St. Paul or Duluth-Superior shall be surrendered to the party for whose account the car was loaded by the delivery of a uniform elevator Load-out Notice covering such cars. Such Notices shall be in triplicate and in a form as prescribed or approved from time to time by the Board of Directors, (see **Rule 50.3.1** ~~813.01~~) and no Notice shall represent more than five (5) cars.

The original and duplicate Load-out Notices shall be surrendered to the carrier's agent or his representative with Bills of Lading or Disposition Orders.

**1151.00. PAYMENT OF TERMINAL ELEVATOR CHARGES.**

Invoices for terminal elevator charges, including storage, cleaning, drying, and other handling charges, State weighing and inspection fees, insurance, switching and demurrage charges and all other proper charges must be paid within five (5) business days after their receipt.

**1156.00. PAN TICKETS.**

Pan Tickets shall be used in connection with all carloads of any commodity offered for sale in this market and shall show (a) the car number, initial and inbound carrier, (b) the outside "Hold" or inspection point, if any, and the location of the car if not in the yard of the inbound carrier or first position, (c) the grade of the commodity and all the grade factors or other notations, including protein tests, furnished with the grade, (d) information concerning any previous transit stop or transit billing used in shipping the car.

All the information furnished by the Sampling Department, including the date on which the sample was obtained, must be shown either on the Sampling Department's ticket or on the Pan Ticket, and none of such information may be omitted, erased or altered.

Protein tests must designate the laboratory by which produced if from other than a Minnesota State Laboratory.

**1160.00. CASH MARKET PARTICIPANTS.**

Persons with cash trading privileges may participate as principal and/or agent, or act as agent for both Buyer and Seller, in cash commodity transactions executed on the Exchange. However, such Persons must disclose to other Persons with cash trading privileges and the Cash Grain Market Reporter when they act as both principal and agent, or as agent for both Buyer and Seller.

Any party that is not a Person with cash trading privileges may participate in cash commodity transactions executed on the Exchange as a Buyer or Seller only by consignment through a Person with cash trading privileges.

#### **1161.00. CONSIGNMENT.**

Any cash commodity consigned to a Person with cash trading privileges for sale must be displayed on the Exchange for competitive bids prior to sale. The consignee must also disclose to Persons with cash trading privileges and the Cash Grain Market Reporter that the commodity is being sold on consignment. If the best bid is from the consignee or an affiliate of the consignee, then the consignor must be informed prior to the sale being completed.

#### **1162.00. REPORTING CASH COMMODITY SALES.**

Persons with cash trading privileges shall report all sales of loaded rail cash commodities made on the Exchange to the Cash Grain Market Reporter as soon as practicable after the sales are made, but no later than fifteen (15) minutes after the close of the cash market. Sales not made during the Hours of Trading shall not be included in the day's market report.

The Board of Directors is authorized to prescribe by Rule, the time, contents and method of reporting. All such reports shall be in accordance with the provision of such Rules.

Reports of sales of all commodities shall include the price, the grade, if any, and information such as "musty," "sour," "heating," "heavy dockage," or other factors that may have a distinct bearing on the price of the commodity. All reports must also disclose whether the sale was made on consignment as well as all parties to the transaction including Buyer and Seller, and principal and agent.

#### **1163.00. CONFIRMATIONS.**

Whenever a trade in a cash commodity is made, each party to the trade shall furnish to the other a signed Confirmation of the same not later than the next business day following the day of trade.

Persons, who have executed an order for the purchase or sale of any commodity, under the MIAX Futures Rules, when acting as a Commission Merchant, or as an agent for others, shall furnish to each customer or principal for whom he is acting a written statement containing the names of the parties from whom the property was bought or to whom it was sold (as the case may be), the time when, the place where and the price at which the same was either bought or sold. (See Minnesota Statute Section 624.70.)

**1164.00. DELIVERY OF DOCUMENTS TO THE ORIGINAL CONSIGNEE.**

When grain and oilseeds (truck and rail, spot and "To-Arrive") are unloaded in the Minneapolis-St. Paul and Duluth-Superior switching districts, the unloading industry must forward or must provide the responsible certificate agency instructions to forward weight, grade, protein and oil certificates to the original consignee within three (3) business days of the dates appearing on the certificates. In the event the above certificates bear different dates, the latest date shall govern.

If all settlement factors (grade, protein, oil, etc.) are determined in-house, it shall be the responsibility of the unloading industry to forward said certificates within three (3) business days of the date of unload.

The original shipper has the responsibility of furnishing a Bill of Lading or advice of shipment that clearly identifies the original consignee at the time of unload. If the shipper fails to identify the original consignee, certificates shall be forwarded within three (3) business days after the identify becomes known.

**1165.00. CARS UNLOADED AT THE WRONG RECEIVING INDUSTRY.**

In the event a car of grain, oilseed or byproduct is unloaded at the wrong receiving industry, the following methods for arriving at a settlement price shall govern. PROVIDED proper shipping advice, has been made in accordance with **Rule 1130.00. ORDERING CARS TO INDUSTRIES.**

- A. The Seller and the unloading industry agree on a new sale price for the car (Seller agrees to replace car to original destination) or,
- B. If the Seller and the unloading industry cannot agree on a price, the unloading industry must replace a like quantity, quality and protein (when applicable) to the original destination. Replacement cars must carry transit privileges equal to the cars unloaded by mistake.

Settlement is to be made within five (5) business days after the mistake is known to both parties. Nothing in **Rule 1165.00.** may be interpreted to limit carrier liability for misdelivery. Carrier liability is to be determined at Law.

**1166.00. SPECIAL CONTRACTS.**

The provisions of the MIAF Futures Cash Grain Trading Rules shall apply unless the terms of the contract otherwise provide. These Trading Rules shall not interfere with the rights of Buyers and Sellers to make contracts whose terms differ from those herein confirmed.

**1167.00. CASH CALL MARKETS.**

The Board of Directors, by its authority, may establish Cash Call Markets on the Exchange when in its opinion doing so is in the best interests of the Company. The commodities to be traded in the Call Market and the procedures, terms and conditions for trade will be established by Rule. Furthermore, the Exchange may authorize such fees as necessary to cover the operation of the Call Market.



## CHAPTER 12. DISCIPLINE RULES

### 1200.00. ENFORCEMENT OF RULES AND PUNISHMENT FOR VIOLATIONS.

It shall be the duty of the Board of Directors to enforce compliance with the MIAX Futures Rules, and the prohibitions therein contained.

Enforcement shall be delegated to, and carried out by, the Disciplinary Committee and the Hearing Committee in accordance with **Bylaws 8.4.** and **9.4.**

Parties who have requested a hearing and are found guilty by the Hearing Committee as described in Chapter 12 shall be subject to such penalties as the Hearing Committee shall determine. (See **Bylaw 9.4.**)

### 1201.00. CHARGES: WHO MAY FILE AND FORM OF.

Any Committee of the Company, any Officer thereof, or any Clearing Member or Person with cash trading privileges, or any customer thereof, may file charges against any Clearing Member or Person with cash trading privileges for Uncommercial Conduct or violation of any of the Rules, authority, customs, or usages of the Company.

Such charges shall be in writing, signed by the party bringing the same, shall state specifically the default, misconduct, offense or violation charged and shall be filed with the Secretary, who shall immediately thereafter transmit such charges to the Department of Audits and Investigations.

### 1202.00. INVESTIGATIONS: WHEN REQUIRED.

It shall be the duty of the Board of Directors in case any offense committed by any Market Participant, against the good name and dignity of the Company, or any serious violation of the MIAX Futures Rules, shall come to its knowledge by public rumor, report or complaint, or otherwise, to refer such matter to the Disciplinary Committee for a determination on whether a reasonable basis exists for finding a violation.

It shall be the duty of the Board of Directors to inquire into matters affecting the welfare of the Company and to report upon the same to the Company, together with such recommendations as may be deemed advisable.

The Board of Directors shall have general supervision over the business conduct of any Market Participant, insofar as such conduct affects: (a) customers and the public at large, (b) the State and Federal Governments, (c) public opinion and the good name of this Company. The Board of Directors may refer reports of improper business conduct to the Disciplinary Committee, as appropriate, to conduct a formal investigation. If it is found that a particular course of conduct is, or thereafter would be, unfair or unjust or in violation of law or would impair the good name of the Company, all parties concerned shall be notified in writing of the conclusions and directed to cease and desist from such conduct. Failure to comply with such orders shall be deemed and held to be Uncommercial Conduct.

**1203.00. DISCIPLINARY COMMITTEE: INVESTIGATION.**

If the Disciplinary Committee finds that a violation exists, any affected 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 MIAX Futures 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 MIAX Futures 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 MIAX Futures Rules, (a) order the affected parties to make restitution to the account of anyone damaged by the affected parties' alleged violation of MIAX Futures Rules, and/or (b) order the affected parties to disgorge any monetary benefit resulting from a violation of MIAX Futures Rules, including, without limitation, profit, whether realized or unrealized, and avoided losses.

**1204.00. CHARGES: INVESTIGATION BY DEPARTMENT OF AUDITS AND INVESTIGATIONS.**

The Department of Audits and Investigations shall immediately proceed to investigate all charges referred to it by the Secretary pursuant to **Rule 1201.00.**, or any matters that it is requested to investigate by the CFTC, its Executive Director or his delegate, or otherwise upon the discovery or receipt by it of information that, in the judgment of the Department of Audits and Investigations, indicates a possible basis for a finding that close up the Rules, authority, customs, or usages of the Company have been or may be violated. Market Participants shall cooperate in all respects with the Department of Audits and Investigations in its investigations.

**1205.00. HEARING COMMITTEE: APPEARANCE BEFORE.**

If the Disciplinary Committee issues Notice of Charges to any Market Participant, the affected parties may request a hearing conducted by the Hearing Committee. At said hearing, the affected parties have a right

to be present at the hearing, to be represented by counsel of their choice and may offer such evidence, testimony and argument in refutation, explanation, avoidance, justification or defense as they may wish.

The Hearing Committee may issue notices or citations requiring any Market Participant to appear before it and answer any question that is proper and pertinent to the matter under consideration and to submit to it for examination any of his or its books, papers, records or documents that are pertinent to the matter under consideration. No testimony shall be admitted that, in the opinion of the Hearing Committee, is irrelevant to the case in hearing. A copy of the hearing must be made and be part of the proceeding.

If the Hearing Committee finds that the affected parties are not guilty of the alleged charge(s), the Hearing Committee shall dismiss the charge(s) and shall notify the affected parties in writing of its findings and conclusions.

If the Hearing Committee finds that affected parties are guilty of the alleged charge(s), the Hearing Committee shall notify the affected parties in writing of its findings and conclusions pursuant to **Rule 1215.00**.

Findings and conclusions of the Hearing Committee are final.

#### **1206.00. HEARING ON CHARGES: QUALIFICATIONS OF DIRECTORS OR MEMBERS OF DISCIPLINARY COMMITTEE OR HEARING COMMITTEE TO SERVE.**

No member of the Board of Directors, the Disciplinary Committee or the Hearing Committee shall serve or act as a member of such Board, Disciplinary Committee or Hearing Committee in hearing or deciding charges against a Market Participant (or in determining or ratifying any penalty in connection therewith) if such Director, Disciplinary Committee Member or Hearing Committee Member has any financial, personal or prejudicial interest or concern in the result of such hearing or is a business partner, officer, director, stockholder, employer or employee of any party so interested. The other members of the Board, Disciplinary Committee or Hearing Committee shall determine whether any Director, Disciplinary Committee Member or Hearing Committee Member has such an interest or concern.

#### **1207.00. HEARING ON CHARGES: TIME AND PLACE OF.**

The time and place of any hearing by the Hearing Committee shall be set by the Hearing Committee. Such hearing may be held at any regular, special or adjourned meeting of the Board or the Hearing Committee not fewer than six (6) days (or in the case of a Market Participant having no place of business or residence in Minneapolis, fifteen (15) days), after the accused Market Participant shall have been served with written notice of the time and place of hearing. Such notice shall also state:

- A. The acts, practices or conduct that form the basis for the charge or charges;
- B. Each MIAx Futures Rule alleged to have been violated (or about to be violated);
- C. The predetermined penalty, if any, provided in respect to such violation or violations;
- D. The accused Market Participant has the right to attend and participate in the hearing.

**1208.00. HEARING ON CHARGES: NOTICE OF.**

Upon the setting of the time and place for such hearing, it shall be the duty of the Secretary forthwith to serve each accused Market Participant with the notice provided for in **Rule 1207.00**.

**1209.00. HEARING ON CHARGES: RIGHTS OF ACCUSED.**

The accused Market Participant shall have the right at the time prior to the hearing to file a written answer to the charges as filed and shall be entitled in advance of the hearing to examine all books, documents or other tangible evidence in the possession or under the control of the Company, which are to be relied upon by the Department of Audits and Investigations in presenting the charges contained in the notice of charges or which are relevant to those charges. The accused shall have the further right, following receipt of the notice of charges and at all times subsequent thereto, to be represented by legal counsel or any other representative of his choosing, have the right to appear at the hearing to confront and cross-examine any witnesses who may appear and to adduce such relevant evidence, testimony and argument in refutation, explanation, justification or other defense against the charge or charges, or any of them, as he or it may deem appropriate.

**1210.00. HEARING OF CHARGES: PROCEDURE.**

The Hearing Committee may issue notices or citations requiring any Market Participant to appear before the Hearing Committee and to answer any question that is proper and pertinent to the matter being heard and to submit to it for examination any of his or its books, papers, records or documents that are pertinent to such matter. The Hearing Committee shall make reasonable efforts to secure the presence of all other persons called as witnesses whose testimony would be relevant. The statements and testimony of all witnesses shall be made under oath. The Department of Audits and Investigations shall be a party to the hearing and shall present its case on those charges and penalties that are the subject of the hearing. Evidence and testimony which is material and relevant to the matter under consideration shall be received by the Hearing Committee. The Hearing Committee may, in its discretion, examine witnesses separately and may exclude other witnesses from the hearing room until it becomes their turn to testify. Should the accused fail to appear at any such hearing, and the Hearing Committee shall find that service has been duly made upon him, the Hearing Committee may proceed with the hearing in his absence and may make such determination as it deems proper upon the charges and the evidence before it. The Hearing Committee may summarily impose an appropriate penalty upon any Person within its jurisdiction whose actions impede the progress of a hearing.

Should any hearing require more than one session, the Hearing Committee may adjourn from time to time, as in its discretion it may deem necessary or proper; PROVIDED, however, that no member of the Hearing Committee shall be competent to vote upon the guilt or innocence or fine, censure, suspension or expulsion of any Market Participant under the provisions of this Rule unless he has attended all sessions of the Hearing Committee at which evidence relative to such matter has been considered or has read the record of proceedings had at all such meetings he has failed to attend.

**1211.00. HEARING ON CHARGES: RECORD OF.**

A substantially verbatim record of the hearing shall be made and shall become a part of the record of the proceeding. Such record may be a stenographic record, electronic tape recording or any other record

capable of being accurately transcribed. Such record need not be transcribed unless a transcript is requested by the accused or by the staff of the CFTC or is reviewed by the CFTC pursuant to Section 8c. of the CEA or CFTC Regulations. Any accused who requests a transcript, or whose application for review by the CFTC of the disciplinary action has been granted, shall bear the cost of transcribing the record, and in all other instances the cost of transcription shall be borne by the Company.

#### **1212.00. PUNISHMENT: LIABILITY FOR.**

Any Market Participant, who or which has been found guilty (in accordance with the provisions of this Chapter) of Uncommercial Conduct, or of a violation of any of the Rules, authority, customs, or usages of the Company shall be subject to punishment by an appropriate Committee or the Board of Directors as hereafter provided in this Chapter.

#### **1212.01. UNCOMMERCIAL CONDUCT: DEFINITION.**

The Expression "Uncommercial Conduct" shall include, but shall not be limited to, the following:

- A. Making or reporting any false or fictitious purchases or sales.
- B. Any attempt at extortion.
- C. Any act not in accordance with just and equitable principles of trade, or of fair dealing, or contrary to the spirit that should govern all commercial transactions.
- D. Any act of bad faith, dishonorable or dishonest conduct, or making of willful false statements.
- E. Being convicted by any Court of competent jurisdiction of a felony or misdemeanor involving moral turpitude.
- F. Conduct unbecoming of a Market Participant.
- G. Failure to comply promptly with any contract, either oral or written, that is governed by or made subject to the MIAX Futures Rules.
- H. Any act or omission specified elsewhere in these Rules as Uncommercial Conduct.
- I. Any illegal act in connection with any trade or transaction subject to the Rules, authority, customs, and usages of this Company.

#### **1213.00. PENALTY: IMPOSITION OF.**

If, after a fair hearing as provided in this Chapter, the Hearing Committee sustains the penalty and charges in whole or in part, the Hearing Committee may also penalize the accused by fine, censure, suspension or expulsion (or by two or more of such penalties) as, in its opinion, is warranted by the nature and gravity of the offense found to have been committed; PROVIDED, however, that the penalty imposed for the violation

of a MIAX Futures Rule that contains a specific limitation or requirement with respect to the penalty shall be in accordance with the provision of such Rule.

#### **1214.00. SUSPENSION.**

The Hearing Committee shall have the power in case of the imposition of any sentence of suspension to impose such conditions of reinstatement as in its discretion it may deem appropriate. Except as so provided, all suspensions shall be for a definite term, and, unless conditions of reinstatement have been imposed, the offender, upon the expiration of the term of his suspension, shall be reinstated automatically thereafter without action by the Hearing Committee.

#### **1215.00. DETERMINATIONS OF THE HEARING COMMITTEE: RECORD AND NOTICE OF.**

Promptly following any hearing conducted pursuant to this Chapter, the Hearing Committee shall render a written decision upon the weight of the evidence contained in the record of the proceeding, and the Secretary shall serve a copy of such decision upon the accused. Such decision shall include:

- A. The notice of charges or a summary of the charges and the answer, if any, or a summary of the answer filed by the accused.
- B. A brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference to the investigation report of the Department of Audits and Investigations.
- C. A statement of findings and conclusions with respect to each charge, including the specific MIAX Futures Rules that the accused is found to have violated.
- D. A declaration of any penalty imposed and the effective date of such penalty.

Such decision of the Hearing Committee shall be final.

Notice of a penalty assessed to a Market Participant shall be posted upon the Website, and a copy forwarded to the CFTC.

#### **1216.00. COMMODITY EXCHANGE ACT: ENFORCEMENT OF.**

The Board of Directors shall have the power to make such rules and take such steps as it may deem necessary or advisable to comply with and enforce the provisions of the CEA and CFTC Regulations.

#### **1225.00. SUMMARY FINES: GENERALLY.**

The Exchange shall have the authority and sole discretion to impose summary fines on Market Participants or other Persons approved as Regular, not to exceed \$7,500 per offense for individuals and not to exceed \$15,000 per offense for entities, for violations of the requirements set forth in the summary fine rules of the Exchange or failing to meet any other obligation of the Exchange. The imposition of summary fines shall be final. There is no appeal to the Board of Directors or any other MIAX Futures authority.

Notwithstanding anything to the contrary, the Exchange may, at any time, take further disciplinary action including, but not limited to, referring violations to the Disciplinary Committee.

In the event a summary 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.

#### **1226.00. SUMMARY FINES: GENERAL INFORMATION REQUESTS.**

Data, records and other information requested by the Exchange must be accurate, complete and timely submitted. Such requests include, but are not limited to, the following documents:

- Tag 50 Information Forms
- EFR/EFP Document Requests
- Audit Trail Requests
- Account Statements

Failure to submit accurate, complete and timely information requested by the Exchange is subject to a warning letter or up to a \$15,000 fine per offense.

Submissions received after their designated deadlines are subject to an additional \$250 fine for every one (1) day late.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and circumstances and may take further disciplinary action or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any given document request.

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.

#### **1227.00. SUMMARY FINES: TRADING SESSION SUBMISSIONS.**

Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C**.

All submissions received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances and may take further disciplinary action 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.

#### **1228.00. SUMMARY FINES: FINANCIAL STATEMENTS.**

All FCMs, Clearing Members, non-FCMs with cash trading privileges, and Regular facilities are required to submit accurate financial statements by their designated deadline.

All submissions received after their designated deadlines are subject to a warning letter or up to a \$7,500 fine per offense plus an additional \$250 fine for every one (1) day late.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary 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. The Exchange may also grant an extension for any required statement.

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.

#### **1229.00. SUMMARY FINES: FINANCIAL OBLIGATIONS.**

Settlement, margin, and intraday variation payments must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C**.

All payments received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and circumstances and may take further disciplinary action 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.

#### **1230.00. SUMMARY FINES: REGULAR FACILITIES.**

All Regular facilities must submit their renewal applications by their designated deadlines.

All renewal applications received after the scheduled deadlines are subject to a warning letter or up to a \$2,500 fine per offense plus an additional \$250 fine for every one (1) day late.



Offenses and summary fines shall be based upon events occurring within a rolling thirty-six (36) month period. The Exchange may determine whether a warning letter or a summary 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. The Exchange may also grant an extension for any application.

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.

### **1231.00. SUMMARY FINES: STOCKS REPORTING FACILITIES.**

All Minneapolis Hard Red Spring Wheat Regular facilities must submit accurate stocks reports to the Exchange pursuant to the deadlines below.

Daily Stocks Reports (Form SRM): 1:00 p.m. (Central Time)

All stocks reports received after the scheduled deadlines are subject to a warning letter or up to a \$7,500 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on 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.

### **1232.00. SUMMARY FINES: BLOCK TRADES.**

All block trades must comply with the Exchange Rule on block trades for each respective product.

All block trades that do not comply with the Exchange Rule on block trades for the product in question are subject to a warning letter or up to a \$7,500 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on 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.

## ~~CHAPTER 14. SPECIFICATIONS FOR OPTIONS ON MINNEAPOLIS HARD RED SPRING WHEAT FUTURES~~

### ~~1400.00. SCOPE OF CHAPTER.~~

~~This Chapter is limited in application to the trading of put and call Options exercisable for Minneapolis Hard Red Spring Wheat Futures Contracts. Procedures for trading, clearing and any other matters not specifically covered herein shall be governed by the Rules of the Exchange.~~

### ~~1401.00. UNIT OF TRADING.~~

~~The unit of trading shall be a put or call Option exercisable for one (1) five thousand (5,000) bushel Minneapolis Hard Red Spring Wheat Futures Contract.~~

### ~~1402.00. OPTIONS TRADING — MINNEAPOLIS HARD RED SPRING WHEAT.~~

- ~~A. **Hours of Trading.** The Hours of Trading Options will be determined by the Board of Directors in accordance with **Rule 2011.00.**~~
- ~~B. **Months Traded In.** Trading may be conducted in Options in the same months that are listed for trading in the Futures Contract (see **Rule 715.00.**). Additionally, trading may be conducted in Options in months that are not listed for trading in the Futures Contract. For Options that are traded in months which Futures are not traded, the underlying Futures Contract is the subsequent Futures Contract month that is nearest to the expiration of the Option. The Board of Directors shall determine the months available for trading, and may, at its discretion, restrict trading in any month should market conditions so warrant.~~
- ~~C. **Last Trading Day.** The last trading day will be the Friday which precedes by at least two (2) business days, the last business day of the month preceding the Option month. If such Friday is not a business day, the last trading day will be the business day prior to such Friday.~~
- ~~D. **Option Expiration.** The contractual rights and obligations arising from the Option Contract expire on the last day of trading.~~
- ~~E. **Option Premium Price Basis.** The premium for Options will be in multiples of one eighth of one cent (1/8) per bushel of a five thousand (5,000) bushel Futures Contract or six dollars and twenty five cents (\$6.25) per contract. However, in the case of a cabinet trade, when both sides are closing transactions, the Option premium is one dollar (\$1.00) per Option Contract.~~
- ~~F. **Position Limits.** Position limits for Minneapolis HRSW will be determined by the Exchange but will not be greater than the position limits for Minneapolis HRSW pursuant to Part 150 of CFTC Regulations. See **Rule 2013.03.**~~

~~G. — **Reportable Positions and Trading Volume.** A position of twenty five (25) or more put or call Options on this Exchange, long or short, in any one (1) month of the first two (2) nearby delivery months or a position of one hundred (100) or more put or call Options, long or short, in any one (1) month of the remaining delivery months will be reportable position level for wheat options on this Exchange. All such positions must be reported in a manner and form as designated by the Exchange. Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the Minneapolis HRSW Options Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.~~

~~H. — **Daily Price Limits.** Trading is prohibited in Options at a premium of more than the trading limit for the Futures Contract above and below the previous day's settlement premium for that Option. On the first (1st) day of trading, limits will be set from the lowest premium of the opening range.~~

#### ~~1403.00. STRIKING PRICES.~~

~~The Board of Directors shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions (see **Rule 2023.00.**), subject to the provisions of Section 5(a)(12) of the CEA and CFTC Regulations.~~

#### ~~1404.00. OPTION EXERCISE.~~

~~The Buyer of a Minneapolis Hard Red Spring Wheat Option Contract may exercise the option on any business day by giving notice of exercise to the Clearing House at such time as determined by the Exchange (see **Resolution 2101.00. C.**) on such day.~~

~~The Exchange shall assign such notices of intent promptly and at random to a Clearing Member carrying a short position in the option series. Said Clearing Member shall in turn assign such notice to accounts with open short positions in a fair and non-preferential manner in accordance with written procedures. By the opening of the next trading session, in the case of a call Option Contract, the writer shall sell to the holder by book entry the underlying Futures Contract at the contracted striking price, or, in the case of a put Options Contract, the writer shall buy from the holder by book entry the underlying Futures Contract at the contracted striking price. Henceforth, the writer and the holder assume the rights and obligations associated with their respective positions in the underlying Futures Contract.~~

~~Notwithstanding the foregoing, an option holder may exercise an Option Contract prior to expiration:~~

- ~~A. — To correct errors or mistakes made in good faith;~~
- ~~B. — To take appropriate action as the result of unreconciled MIAx Futures option transactions;~~
- ~~C. — In exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time identified in **Resolution 2101.00.C.** on the last day of trading.~~

**~~1404.01. AUTOMATIC EXERCISE.~~**

~~By close of business on expiration day, in the case of a call option contract, the writer shall sell to the holder by book entry the underlying Futures Contract at the contracted striking price, or, in the case of a put options contract, the writer shall buy from the holder by book entry the underlying Futures Contract at the contracted striking price. Notwithstanding the provisions of **Rule 1404.00.**, based upon the settlement price for Minneapolis Hard Red Spring Wheat Futures on the last day of trading for Minneapolis Hard Red Spring Wheat Options, the Exchange shall automatically exercise all in-the-money Options unless notice to cancel automatic exercise is given to the Clearing House at such time identified in **Resolution 2101.00.C.**~~

~~Notwithstanding the foregoing, notice to cancel automatic exercise may be given to the Clearing House prior to expiration:~~

- ~~A. — to correct errors or mistakes made in good faith;~~
- ~~B. — to take appropriate action as the result of unreconciled MIAX Futures option transactions;~~
- ~~C. — In exceptional cases involving a customer's inability to communicate to the Market Participant exercise instructions or the Market Participant's inability to receive such instructions prior to such time as determined by the Exchange (see **Resolution 2101.00.C.**) on the last day of trading.~~

## ~~CHAPTER 15. OPTIONS DEFINITIONS AND OTHER TERMS~~

### ~~1500.00. OPTIONS DEFINED.~~

- A. ~~**Call Option Contract.** A call option contract grants the holder, prior to expiration, the right, but not the obligation, to buy and obliges the writer to sell, upon holder's demand, the underlying commodity at the contracted striking price.~~
- B. ~~**Put Option Contract.** A put option contract grants the holder, prior to expiration, the right, but not the obligation, to sell and obliges the writer to buy, upon holder's demand, the underlying commodity at the contracted striking price.~~
- C. ~~**Option Type.** Option contracts shall be designated by type as either puts or calls.~~
- D. ~~**Option Class.** All option contracts of a specific type shall be designated by class corresponding to a specific contract month of the underlying Futures Contract, or expiration month in the case of an option on a physical commodity.~~
- E. ~~**Option Series.** All option contracts of a specific type and class shall be designed by series corresponding to a specific striking price.~~
- F. ~~**Covered Option.** A covered option is one (1) long call or short put covered by one (1) short position in the underlying Futures Contract, or one (1) short call or one (1) long put covered by one (1) long position in the underlying Futures Contract.~~

### ~~1502.00. DOUBLE HEDGING.~~

~~No cash market position shall be deemed to be hedged simultaneously by both futures and option positions.~~

### ~~1503.00. BONA FIDE HEDGING TRANSACTIONS AND POSITIONS.~~

- A. ~~**General Definition.** Bona fide hedging transactions and positions shall mean transactions or positions in option contracts, where such transaction or positions normally represent a substitute for transactions to be made or positions to be taken at a later time in a physical marketing channel, and where they are economically appropriate to the reduction of risks in the conduct and management of a commercial enterprise; and where they arise from:~~
- ~~1. The potential change in the value of assets that a person owns, produces, manufactures, processes or merchandises or anticipates owning, producing, manufacturing, processing or merchandising.~~
  - ~~2. The potential change in the value of liabilities that a person owes or anticipates incurring.~~

- ~~3. The potential change in the value of services that a person provides, purchases or anticipates providing or purchasing.~~

~~Notwithstanding the foregoing, no transactions or positions shall be classified as bona fide hedging for the purposes of exceeding the speculative limits unless their purpose is to offset price risks incidental to commercial cash or spot operations and such positions are established and liquidated in an orderly manner in accordance with sound commercial practices and unless the provisions of Paragraphs B., C. and D. of this Rule and Exchange Rule 1504.00. A., B., C. and D. have been satisfied.~~

~~**B. Enumerated Hedging Transactions.** The definition of bona fide hedging transactions and positions in Paragraph A. of this Rule includes, but is not limited to, the following specific transactions and positions:~~

- ~~1. Sales of call options or purchases of put options on a contract market for any commodity that does not exceed in quantity:
 
  - ~~a. Ownership or fixed price purchase of the same cash commodity by the same person.~~
  - ~~b. Twelve (12) months' unsold anticipated production of the same commodity by the same person provided that no such position is maintained in any contract month during the five (5) last trading days of that contract month.~~~~
- ~~2. Purchases of call options or sales of put options on a contract market for any commodity that does not exceed in quantity:
 
  - ~~a. The fixed price sale of the same cash commodity by the same person;~~
  - ~~b. The quantity equivalent of fixed price sales of the cash products and by-products of such commodity by the same person;~~
  - ~~c. Twelve (12) months' unfilled anticipated requirements of the same cash commodity for processing, manufacturing or feeding by the same person, provided that such transactions and positions in the five (5) last trading days of any one (1) contract month do not exceed the person's unfilled anticipated requirements of the same cash commodity for that month and for the next succeeding month.~~~~
- ~~3. Sales and purchases of options described in Paragraphs B.1 and B.2 of this Rule may also be offset other than by the same quantity of the same cash commodity, provided that the fluctuations in value of the commodity or contract that is the object of the option contract are substantially related to, and do not exceed, the fluctuations in value of the actual cash position, and provided that the positions in any one (1) contract month shall not be maintained during the five (5) last trading days of that contract month.~~

- ~~C. **Nonenumerated Cases.** Upon specific request made in accordance with Exchange Rule 1504.00.D, the President or Chief Executive Officer may recognize transactions and positions other than those enumerated in Paragraph B. of this Rule as bona fide hedging in such amounts and under such terms and conditions as he may specify in accordance with the provisions of Exchange Rule 1504.00. below. Such transactions and positions may include, but are not limited to, purchases or sales of options on any contract market by an agent who does not own or who has not contracted to sell or purchase the offsetting cash commodity at a fixed price, provided that the person is responsible for the merchandising of the cash position that is being offset.~~
- ~~D. **Double Hedging.** No cash market position shall be deemed to be hedged simultaneously by both futures and options positions.~~

#### ~~1504.00. REQUIREMENTS FOR CLASSIFICATION OF POSITIONS AS HEDGING.~~

~~Rules establishing speculative position limits with respect to options shall not apply to bona fide hedging positions as defined in Exchange Rule 1503.00.~~

- ~~A. **General Requirements.** A Clearing Member shall not maintain or carry a hedge account (customer or house) that by itself or in accumulative total with any other accounts of the owner exceeds the speculative trading or position limits of the Exchange, unless the Board or its representative approves and unless:~~
- ~~1. The prospective hedger has made an application to the Board or its representative in conformity with any requirements set forth in Parts B., C. or D. of this Rule, on forms provided by the Exchange wherein he states under oath that:
 
    - ~~a. the intended positions will be bona fide hedges;~~
    - ~~b. the hedge positions are necessary or advisable as an integral part of his business (fully explaining the nature and extent of his business);~~
    - ~~c. the applicant has complied with all federal requirements relating to hedging and has received approval for this purpose from the CFTC wherever necessary.~~~~
  - ~~2. The hedge positions kept in a special hedge account on the books of a Clearing Member.~~
  - ~~3. The hedger complies with whatever limitations are imposed by the Board or its representative with relation to said hedges.~~
  - ~~4. The hedger agrees to submit immediately a supplemental statement explaining any changes in circumstances affecting the reasonableness of his hedge position.~~
  - ~~5. The hedger complies with all other Exchange Rules and Requirements.~~

- ~~6. Hedges are moved in an orderly manner in accordance with sound commercial practices and are not initiated, held or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The hedger does not use said hedges in an attempt to violate or avoid Exchange Rules, or otherwise impair the good name or dignity of the Exchange.~~
- ~~7. The hedger complies with any other applicable requirements set forth in Parts B., C. or D. of this Rule.~~

~~The Board or its representative shall, on the basis of the application and supplemental information that the Exchange requests, determine whether the application for exemption shall be approved. The Board or its representative may, from time to time, review all hedging approvals and, for cause, revoke said approvals or place limitations thereon.~~

~~The applicant may appeal any decision of the Board's representative to the Board.~~

~~Hedgers shall be exempt from emergency orders reducing speculative limits or restricting trading but only to the extent provided in such order and only if the approvals required by this Rule are secured by the hedger.~~

#### ~~B. Enumerated Nonanticipatory Hedging Transactions.~~

- ~~1. Any person who wishes to avail himself of the provisions of Exchange **Rules 1503.00.B.1.(a.), 1503.00.B.2.(a.) or 1503.00.B.2.(b.)** and to make purchases or sales of options in excess of trading and position limits then in effect shall file an application with the Exchange containing statements required under Exchange **Rule 1504.00.A.1.** All persons receiving approval by the Board or its representative for purchases or sales of options in excess of the trading and position limits then in effect for the purpose of hedging cash positions in the commodity as described in Exchange **Rules 1503.00.B.1.(a.), 1503.00.B.2.(a.) or 1503.00.B.2.(b.)** shall file CFTC Form 204 reports with the CFTC immediately following approval by the Exchange of the requested exemption for all cash positions in the commodity. Any person who is currently filing CFTC Form 204 reports with the CFTC shall continue to file such reports pursuant to any such hedging exemption granted by the Exchange under this Rule.~~
- ~~2. For the purposes of this Rule CFTC Form 204 reports shall be filed in accordance with Part 19 of the CFTC Regulations; provided, however, that such reports shall be filed with the CFTC when any person's position in long call options, short call options, long put options or short put options equals or exceeds six hundred (600) options contracts, and that whenever the terms "positions for futures delivery," "futures," or "commodity for future delivery" appear in Part 19 of the CFTC Regulations such terms shall be deemed to mean the appropriate commodity options transaction (put or call) or commodity option position (as appropriate), traded or eligible to be traded on this Exchange.~~



**~~C. Enumerated Anticipatory Hedging Transactions.~~**

~~1. Any person who wishes to avail himself of the provisions of Exchange Rules **1503.00 B.1.(b.)** and **1503.00 B.2.(c.)** to make sales or purchases of options in excess of trading and position limits then in effect and who has previously made a filing with the CFTC pursuant to CFTC Regulation 1.48 with respect to that person's current anticipatory cash requirements in the same commodity and is currently filing CFTC Form 204 Reports with the CFTC for the same commodity shall file an application with the Exchange containing statements required under Exchange **Rule 1504.00.A.(a.)(1.)**. Any person complying with these requirements shall not be subject to the requirements of Paragraphs 2., 3., 4., 5., and 6. of this Rule to the extent that such person continues to file such CFTC Form 204 Reports with the CFTC in accordance with the requirements of **Rule 1504.00.B.2.**~~

~~2. Any person who wishes to avail himself of the provisions of Exchange Rules **1503.00.A.2.** and **1503.00.B.3.** to make sales or purchases of options in any commodity in excess of trading and position limits then in effect for the purposes of bona fide hedging and who has not previously made a filing with the CFTC pursuant to CFTC Regulation 1.48 and is not currently filing CFTC Form 204 Reports with the CFTC pursuant to a previous filing under CFTC Regulation 1.48 shall file statements with the Board or its representative in conformity with the requirements of this Rule. All or a specified portion of the transactions and positions described in these statements shall not be considered as bona fide hedging if such person is so notified by the Board or its representative:~~

~~a. Within thirty (30) days after the Board or its representative is furnished the information required under Paragraph 2. of this Rule.~~

~~or~~

~~b. Within ten (10) calendar days after the Board or its representative is furnished with the information required under Paragraph 3. of this Rule.~~

~~The Board or its representative may request the person notified to file specific additional information with the Board or its representative to support a determination that all, or the specified portion, of the transactions and positions be considered as bona fide hedging transactions and positions. In such cases the Board or its representative shall consider all information so filed and, by notice to such person, shall specify the extent to which the Board or its representative has determined that the transactions and positions may be classified as bona fide hedging. In no case shall such transactions and positions held by such persons that offset unsold anticipated production or unfilled anticipated requirements be considered bona fide hedging if they exceed the levels specified in Paragraph 5. of this Rule.~~

~~3. **Initial Statements.** Initial statements concerning the classification of transactions and positions as bona fide hedging of unsold anticipated production or unfilled anticipated requirements for manufacturing, processing or feeding shall be filed with~~

~~the Board or its representative at least thirty (30) days in advance of the date that such transactions or positions would be in excess of limits then in effect. Such statements shall include any information required in Exchange **Rules 1504.00.D.2.(d.)** and **1504.00.D.2.(e.)**. In addition, such statements shall set forth in detail for a specified operating period, not in excess of one (1) year, the person's unsold anticipated production or unfilled anticipated requirements for processing or manufacturing or feeding and explain the method of determination thereof, including, but not limited to, the following information:~~

~~a. For unsold anticipated production:~~

- ~~1. Annual production of such commodity for the three (3) complete fiscal years preceding the current fiscal year.~~
- ~~2. Anticipated production of such commodity for a specified period not in excess of one (1) year.~~
- ~~3. Fixed price forward sales of such commodity.~~
- ~~4. Unsold anticipated production of such commodity for a specified period not in excess of one (1) year.~~

~~b. For unfilled anticipated requirements:~~

- ~~1. Annual requirements of such commodity for processing or manufacturing or feeding for the three (3) complete fiscal years preceding the current fiscal year.~~
- ~~2. Anticipated requirements of such commodity for processing or manufacturing or feeding for a specified operating period not in excess of one (1) year.~~
- ~~3. Inventory and fixed price forward purchases of such commodity, including any quantity in process of manufacture and finished good and by products of manufacture or processing (in terms of such commodity).~~
- ~~4. Unfilled anticipated requirements of such commodity for processing or manufacturing or feeding for a specified operating period not in excess of one (1) year.~~

~~c. Additional information:~~

~~Persons hedging unsold anticipated production or unfilled anticipated requirements, which are not the same quantity or are not the same commodity as the commodity to be sold or purchased as options, shall furnish this information both in terms of the actual commodity purchased or~~

~~used and in terms of the commodity to be sold or purchased as options. In addition, such persons shall explain the method for determining the ratio of conversion between the amount of the actual unsold anticipated production or unfilled anticipated requirements and the amount of commodity to be sold or purchased as options. Persons hedging unfilled annual feeding requirements for livestock and poultry shall provide the number of cattle, hogs, sheep or poultry expected to be fed during the specified period, not to exceed one (1) year, and the derivation of their annual requirements based up on these numbers. Person filing as an agent shall furnish this information on the basis of the fiscal or operating year of the person on whose behalf the filing is made.~~

~~4. **Supplemental Reports.** Whenever the sales or purchases that a person wishes to consider as bona fide hedging of unsold anticipated production or unfilled anticipated requirements shall exceed the amounts described by the figures for requirements furnished in the most recent filing pursuant to this Rule or the amounts determined by the Board or its representatives to constitute unsold anticipated production or unfilled anticipated requirements pursuant to Paragraph 2. of this Rule, such person shall file with the Board or its representative a statement that updates the information provided in the person's most recent filing and supplies the reason for this change at least ten (10) calendar days in advance of the date that person wishes to exceed these amounts.~~

~~5. **Maximum Sales and Purchases.** Sales or purchases of options considered as bona fide hedges of unsold production or unfilled anticipated requirements for manufacturing, processing or feeding shall at no time exceed the lesser of:~~

~~a. A person's unsold anticipated production or unfilled anticipated requirements as described by the information most recently filed pursuant to this Rule or determined by the Board or its representative pursuant to Paragraph 2. of this Rule.~~

~~or~~

~~b. A person's actual unsold anticipated production or current unfilled anticipated requirements for the length of time specified in the information most recently filed pursuant to this Rule.~~

~~6. **Updated Reports.** Reports updating the information required pursuant to this Rule shall also be filed with the Board or its representative upon specific request.~~

#### ~~D. **Nonenumerated Hedging Transactions.**~~

~~1. **Advance Filing Requirement.** Any person who wishes to avail himself of the provisions of Exchange Rule 1503.00.C. and to make purchases or sales of options in excess of trading and position limits then in effect shall file statements with the Board or its representative in conformity with the requirements of this Rule. All or a specified portion of the transactions and positions described in these statements~~

~~shall not be considered as bona fide hedging if such person is so notified by the Board or its representative:~~

~~a. Within thirty (30) days after the Board or its representative is furnished the information required under Paragraph 2. of this Rule.~~

~~or~~

~~b. Within ten (10) calendar days after the Board or its representative is furnished with the information required under Paragraph 3. of this Rule.~~

~~The Board or its representative may request the person notified to file specific additional information with the Board or its representative to support determination that all, or the specified portion, of the transactions and positions be considered as bona fide hedging transactions and positions. In such cases the Board or its representative shall consider all information so filed and, by notice to such person, shall specify the extent to which the Board or its representative has determined that the transactions and positions may be classified as bona fide hedging. In no case shall transactions and positions described be considered as bona fide hedging if they exceed the levels specified in Paragraph 4. of this Rule.~~

~~2. **Initial Statements.** Initial statements concerning the classification of transactions and positions as bona fide hedging pursuant to Exchange **Rule 1503.00.C.** shall be filed with the Board or its representative at least thirty (30) days in advance of the date that such transactions or positions would be in excess of limits then in effect. Such statements shall:~~

~~a. Describe the transactions and positions in options and the offsetting cash positions.~~

~~b. Set forth in detail information that will demonstrate that the purchases and sales are economically appropriate to the reduction of risk exposure attendant to the conduct and management of a commercial enterprise.~~

~~c. Contain, and upon request of the Board or its representative, be supplemented by, such other information that is necessary to enable the Board or its representative to make a determination whether the particular purchases and sales for options fall within the scope of those described in Exchange **Rule 1503.00.A.**~~

~~d. Include a statement concerning the maximum size of positions in options (both long and short) that will be acquired any time during the next fiscal year or marketing season of the person filing or on whose behalf the filing is made.~~

~~e. In addition, statements filed by an agent concerning an option position that would offset a cash position that the agent does not own or has not contracted to buy or sell shall contain information describing all contractual~~

~~arrangements between the agent filing and the person who owns the commodity or holds the cash market commitment being offset.~~

- ~~3. **Supplemental Reports.** Whenever the purchases or sales of options that a person wishes to classify as bona fide hedging shall exceed the amount provided in the person's most recent filing pursuant to this Rule or the amount previously specified by the Board or its representative pursuant to Paragraph 1. of this Rule, such person shall file with the Board or its representative a statement that updates the information provided in the person's most recent filing and provides the reasons for this change at least ten (10) calendar days in advance of the date that the person wishes to exceed these amounts.~~
- ~~4. **Maximum Purchases and Sales.** Purchases and sales of options considered bona fide hedging pursuant to Exchange Rule 1503.00.C. shall at no time exceed the lesser of:
 
  - ~~a. The value fluctuation equivalent (in terms of the commodity for options transactions) of the current cash position described in the information most recently filed pursuant to this Rule.~~
  - ~~or~~
  - ~~b. The maximum level of long or short open positions provided in the information most recently filed pursuant to this Rule or most recently specified by the Board or its representative pursuant to Paragraph 1. of this Rule.~~~~
- ~~5. **Updated Reports.** Reports updating the information required pursuant to this Rule also shall be filed with the Board or its representative upon specific request.~~
- ~~6. **Power to Rescind Recognition.** The Board or its representative, at his sole discretion, may rescind recognition of nonenumerated hedging positions for the purposes of exceeding the position limits then in effect.~~

## CHAPTER 20. EXCHANGE RULES

### 2006.00. CASH TRADING PRIVILEGES: GRANTING OF AND APPLICATION FOR.

In order to execute cash contracts on the Exchange, a Person must be granted cash trading privileges by the Exchange.

The Exchange may grant cash trading privileges to any Person approved by the Exchange in an application for cash trading privileges meeting all the terms and conditions set forth in such application, provided, however, that if such entity has been legally created and is validly existing under the laws of any governmental authority, such entity must be legally qualified to do business in Minnesota.

Such cash trading privileges may be granted and retained only if the terms and conditions set forth below have been met:

- A. An application for cash trading privileges, on a form as prescribed by the Exchange, must have been duly executed and filed with the Exchange. Such application must be accompanied by a financial statement (See **Rules 2.2.2., 2.2.4., 2.2.5., 2.2.6., 2.2.7., and 2.2.8.**) prepared and certified by a certified public accountant, in such form as the Exchange will prescribe, stating the assets and liabilities of the applicant and the nature and extent of the business that such applicant proposes to transact and such other information pertinent to the granting of the application as the Exchange may require;
- B. The applicant for cash trading privileges must meet and maintain the minimum financial requirements as determined by the Exchange (See **Rules 2.2.2., 2.2.4., 2.2.5., 2.2.6., 2.2.7., and 2.2.8.**).

#### **2006.01. CASH TRADING PRIVILEGES: INFORMATION TO BE FURNISHED.**

Every Person with cash trading privileges shall file promptly after the end of his or its fiscal year (or after the end of each calendar year, in the absence of a fiscal year), with the Exchange, a financial statement, in such form as the Exchange shall prescribe from time to time, of his or its assets and liabilities at the end of such fiscal or calendar year, and such other information pertinent to the continuation of cash trading privileges as the Exchange may require. (See **Rules 2.2.2., 2.2.4., 2.2.5., 2.2.6., 2.2.7., and 2.2.8.**)

In addition to filing the statements required above, every Person with cash trading privileges shall also comply with the following requirements at any time and from time to time, as and when the Exchange shall so order:

- A. Furnish to the Exchange such sworn written statements and information in respect to his or its assets and liabilities, (See **Rules 2.2.2., 2.2.4., 2.2.5., 2.2.6., 2.2.7., and 2.2.8.**) and the volume and character of his or its business and other matters bearing on the adequacy of his or its business responsibility, all in such detail as the Exchange shall direct;
- B. Permit an audit and investigation to be made by a Person designated by the Exchange, of his or its books, records of account and papers that are pertinent to the determination of the adequacy of his or its financial responsibility;
- C. Produce at any hearing before the Board of Directors (or any authorized committee) such of his or its books, records of account and papers that are pertinent to the determination of the adequacy of his or its financial responsibility, as the Board of Directors shall require.

#### **2006.02. CASH TRADING PRIVILEGES: CANCELLATION OR SUSPENSION OF.**

The Exchange may cancel or suspend cash trading privileges of any Person:

- A. Upon the written request of the Person with cash trading privileges or entity having cash trading privileges;

- B. Upon the termination of the legal existence of the Person with cash trading privileges;
- C. Whenever the Exchange determines that any Person with cash trading privileges has failed within a reasonable time to comply with any MIAX Futures Rules, any terms and conditions set forth in the Application for Cash Trading Privileges, or any order of the Exchange; or whenever the Exchange shall determine that such Person with cash trading privileges does not have adequate financial responsibility to insure the reasonable safety of his or its creditors and the prompt discharge by him or it of all liabilities and obligations incurred in connection with transactions made or likely to be made by him or it.

If the cash trading privileges of any Person shall have been cancelled or suspended, such Person may make application for restoration of cash trading privileges; and the Exchange may restore cash trading privileges to such Person whenever the Exchange shall determine that he or it has adequate financial responsibility and has complied with all of the provisions of **Rules 2006.00., 2006.01., and 2006.02.** and all orders of the Exchange issued thereunder.

The determinations and actions of the Exchange under the authority granted by this **Rule 2006.02.** shall be final and binding.

~~**2010.00. FUTURES AND OPTIONS MONTHS PRESCRIBED.**~~

- ~~A. Trading in Minneapolis Hard Red Spring Wheat Futures shall be permitted in the current delivery month plus any month in the March, May, July, September, December delivery cycle which falls within the next succeeding twenty three (23) months. The next delivery month in the sequence shall replace the expiring delivery month as of the close of business on the last business day of the expiring delivery month. This implicit approval shall take effect unless such listing is deemed inappropriate because of conflicts with other superseding Rules, or unless otherwise determined by the Exchange.~~
- ~~B. Trading may be conducted in every calendar month. The number of months available for trade shall include the current calendar month and the next twenty three (23) calendar months. By notice posted on the Website, the Exchange may, at its discretion, add such calendar months beyond those available for trade or remove from availability for trading those calendar months without open interest.~~

**2011.00. CASH MARKET HOURS OF TRADING.**

~~The Hours of Trading at the Exchange shall conform to Central Time.~~

~~A. **CASH MARKET**~~

The Hours of Trading in the cash market shall be from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m. Central Time.

~~B. **FUTURES AND OPTIONS**~~

~~Unless otherwise stated elsewhere in the MIAX Futures Rules, the Hours of Trading for any MIAX Futures Futures or Options traded on the Electronic Trading Platform shall be the following:~~

~~Sunday to Friday: from seven o'clock (7:00) p.m. to one thirty o'clock (1:30) p.m. A pause in trading occurs from seven forty five o'clock (7:45) a.m. to eight thirty o'clock (8:30) a.m.~~

### ~~2011.01. LAST TRADING DAY.~~

~~The last trading day of a contract month shall be the last business day of the contract month.~~

### ~~2011.02. LAST DAY FOR EXCHANGE FOR PHYSICAL AND RISK TRANSACTIONS.~~

~~The last day that a Minneapolis Hard Red Spring Wheat Futures Contract may be exchanged for, or in connection with, an EFP or EFR transaction shall be the sixth (6th) business day following the last trading day of the contract month.~~

~~After the last trading day of the Minneapolis Hard Red Spring Wheat Futures Contract, EFP and EFR transactions are permitted only for the purpose of liquidating futures positions. Such transactions shall not be permitted to initiate or establish new futures positions.~~

### ~~2012.00. TRADING LIMITS.~~

~~Trading is prohibited during any day in Futures Contracts of commodities traded on this Exchange at a price outside the limit above or the limit below either the settlement price for such commodity on the previous business day or the price of the first trade during the first day of trading in a Futures Contract.~~

~~Wheat ..... \$0.60 per bushel~~

~~Should two or more wheat Futures Contract months within a crop year close at limit bid or limit offer, the daily price limits for all contract months shall increase by 50 percent the next business day. Daily price limits shall revert back to \$0.60 the business day after which no wheat Futures Contract month closes at the expanded limit bid or limit offer.~~

~~Notwithstanding the foregoing provisions, there shall be no price limits on the spot Minneapolis Hard Red Spring Wheat Futures Contract month commencing the first business day after expiration of non serial options on the spot month.~~

### ~~2013.03. POSITION LIMITS FOR MINNEAPOLIS HARD RED SPRING WHEAT.~~

~~A. **Applicability.** Rules ~~2013.03.~~, ~~2013.04.~~, ~~2013.05.~~, and ~~1402.00.~~ will govern position limits for Minneapolis HRSW.~~

~~B. **Limits.** Position limits for Minneapolis HRSW will be determined by the Exchange but will not be greater than the position limits for Minneapolis HRSW pursuant to Part 150 of CFTC Regulations.~~

~~No Market Participant may hold or control in excess of one thousand two hundred (1,200) Minneapolis HRSW contracts net long or short in the spot month; twelve thousand (12,000) Minneapolis HRSW contracts net long or short in any single month; or twelve thousand~~



~~(12,000) Minneapolis HRSW contracts net long or short in all contract months combined on a net futures equivalent basis.~~

~~For the purposes of this Rule, the spot month is defined as beginning at the close of the trade day preceding first notice day.~~

- ~~C. **Compliance.** No Market Participant may exceed the limits at any time during the trade day. Positions in excess of the limits will be presumed to be a violation. The Exchange may direct any Market Participant owning, holding, controlling, or carrying a position for an other Market Participant in excess of the limits set forth in this Rule to liquidate or reduce its position to comply with this Rule. Market Participants exceeding federal position limits for futures equivalent positions as a result of either 1) an Options assignment; or 2) movement in that day's closing price of Minneapolis HRSW Futures that increases the Options positions using delta equivalent values, will be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits.~~
- ~~D. **Enforcement.** The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, or Clearing Member as the case may be) shall maintain adequate books and records that disclose the identity of and positions held by any Market Participant. Such books and records must be made available to the Exchange upon request. The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, and Clearing Member) may be held accountable for any violation of the limits. The Department of Audits and Investigations may take enforcement action against any or all of the parties, whether or not each had actual knowledge of the position or a violation.~~

#### ~~2013.04. EXEMPTIONS FROM POSITION LIMITS FOR MINNEAPOLIS HARD RED SPRING WHEAT.~~

~~A Market Participant intending to exceed position limits for Minneapolis HRSW, including to exceed a position established pursuant to a previously approved exemption, must file, in good faith, a complete and accurate Position Limit Exemption Request Form, available through the Exchange, for exemption and receive approval from the Department of Audits and Investigations prior to exceeding such limits. In order to obtain an exemption from position limits, a Market Participant must provide the following:~~

- ~~A. a description of the exemption sought, including whether the exemption is for *bona fide* hedging transactions or positions as defined in CFTC Regulation 150.1, and whether the exemption is for enumerated or non-enumerated hedging transactions or positions, or spread transactions as described in CFTC Regulation 150.3;~~
- ~~B. a complete and accurate explanation of the underlying exposure and strategy related to the exemption request;~~
- ~~C. a statement indicating whether the Market Participant on whose behalf the request is made (i) maintains positions in the Minneapolis HRSW contract for which the exemption is sought with any other account holder or owner, and/or (ii) has made a previous or contemporaneous request pursuant to the Rule through another Market Participant, and if so, the relationship of the information set forth in such requests;~~

- ~~D. a statement that the Market Participant will immediately supply the Exchange with any material changes to the information submitted pursuant to this Rule;~~
- ~~E. a statement that the Market Participant will comply with all Exchange rules, and the conditions or limitations imposed by the Department of Audits and Investigations with respect to the exemption;~~
- ~~F. such further information as the Exchange may request, including the daily, weekly, or periodic filing of any documents or reports; and~~
- ~~G. a statement documenting policies and procedures currently implemented to monitor and ensure compliance with MIA X Futures Rules related to position limits and exempted levels.~~

~~The Department of Audits and Investigations may approve, deny, condition, or limit any exemption request based on factors deemed to be relevant in accordance with sound commercial practices, including, but not limited to, the Market Participant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.~~

~~The Department of Audits and Investigations will notify the Market Participant the exemption has been granted on all or specified portion of such transaction or position, and any limitations placed on the exemption, within five (5) business days of receiving a written request for exemption. An exemption will remain in effect until (i) the Market Participant on whose behalf the request is made requests a withdrawal; (ii) the Exchange revokes, modifies, or places further limitations on the exemption; (iii) the exemption expires; or (iv) the CFTC determines otherwise.~~

~~A Market Participant who establishes a *bona fide* hedging position in excess of position limits due to demonstrated sudden and unforeseen increases in its *bona fide* hedging needs and files the required application with the Department of Audits and Investigations will not be in violation of this rule provided the filing occurs within five (5) business days after assuming the position and the application includes an explanation of the circumstances warranting the sudden or unforeseen increases in *bona fide* hedging needs. If the positions in excess of the limits are not exemption eligible, the Market Participant and Clearing Member will be in violation of speculative limits for the period of time in which the excess positions remained open and must reduce their positions at or below the positions limits within one (1) business day of being informed that the positions are not eligible for an exemption.~~

~~Any Market Participant who avails themselves of an exemption must keep and maintain complete books and records concerning the details of the exemption, including information required to be kept by CFTC Regulation 150.3(d). A Market Participant who has received written authorization from the Department of Audits and Investigations to exceed position limits must file, at least annually, an updated application no later than one year following the approval date of the most recent application. A Market Participant must renew an application if there are any material changes to the information provided on the application. Failure to file an updated application will result in expiration of the exemption.~~

~~Nothing in this Rule will in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Department of Audits and Investigations to review at any time the positions held or~~

~~controlled by any Market Participant and to direct that such position be reduced to the position limits in Rule 2013.03.B. The Exchange will also use CFTC Part 150 as a guide when assessing the exemption request but will not be limited by it.~~

#### ~~2013.05. AGGREGATION OF POSITIONS FOR MINNEAPOLIS HARD RED SPRING WHEAT.~~

~~In determining whether any Market Participant has exceeded the position limits for Minneapolis HRSW, all positions in accounts for which such Market Participant, by power of attorney or otherwise, directly or indirectly controls trading or holds a ten percent (10%) or greater ownership or equity interest will be included with the positions held by such Market Participant. Such limits upon positions will apply to positions held by two (2) or more Market Participants acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Market Participant. Market Participants may be eligible for an exemption from aggregation under CFTC Regulation 150.4(b). Any Market Participant seeking an exemption must follow procedures listed in CFTC Regulation 150.4(c). Market Participants must notify the Department of Audits and Investigations of all CFTC approvals.~~

~~The Exchange will follow the CFTC definition of aggregation, the procedures for aggregating positions, and exemptions from aggregation as described in CFTC Part 150, including CFTC Regulations 150.4(a), 150.4(b), and 150.4(c), or elsewhere as applicable.~~

#### ~~2013.06. REPORTABLE POSITIONS AND TRADING VOLUME FOR MINNEAPOLIS HARD RED SPRING WHEAT FUTURES.~~

~~The reportable position level will be a position of one hundred and fifty (150) or more Minneapolis HRSW futures on this Exchange, long or short, in any one (1) month. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.~~

~~Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the Minneapolis HRSW Futures Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.~~

#### **2014.00. SETTLEMENT PRICES.**

##### **A. Electronic Trading System 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.

1. The settlement price for the lead month, as defined below, shall be determined by the volume-weighted average of outright trades and applicable bids and offers made in the closing period on the Electronic Trading System. If there 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 the Electronic Trading System. 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.
3. 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 Website or other means it deems effective.

### ~~2015.00. SETTLEMENT PREMIUMS.~~

#### ~~A. **Minneapolis Hard Red Spring Wheat Options Contracts.**~~

~~— Promptly after the close of trading in each Minneapolis HRSW Options Contract, the Exchange shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.~~

- ~~1. — Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Minneapolis HRSW~~

~~Options Contract. The Exchange shall then determine the settlement premiums by using a theoretical pricing model.~~

- ~~2. If the Exchange believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Minneapolis HRSW Futures Contract and the previously prevailing differentials:~~
- ~~a. among the premiums for the listed striking prices for the option month;~~
  - ~~b. among the premiums for the different option months listed for trading; and~~
  - ~~c. between the premium for the relevant striking price and the price of the underlying Futures Contract.~~
- ~~3. In the case of Minneapolis HRSW Calendar Spread options, the Exchange may use current trade, bid, and offer information, along with correlation between underlying futures months or a theoretical option pricing model in determining daily settlement premiums for the listed Calendar Spread options.~~

~~**B. Reservation.**~~

~~The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.~~

## 2016.00. FILLING ORDERS AND WITHHOLDING OR WITHDRAWING OF TRADES.

- A. **Filling of Orders.** Orders to buy or sell Futures or Options must be executed sequentially by completely filling an order bearing an earlier time stamp before proceeding with the next earliest time-stamped order at the same price. Any and all verbal orders received must be, as a minimum, immediately documented as to time of receipt, and the order with the earliest time must be filled first.

In the event orders carry identical time stamps or lack time stamps and it is necessary to allocate trades among these accounts, a record of the accounts, the amount assigned to each account, and why it was necessary to make the assignment must be documented.

- B. **Withholding or Withdrawing Trades.** No Market Participant shall withhold or withdraw from the market any order or part of an order for another Market Participant for the convenience of another Market Participant.

## ~~2023.00. STRIKING PRICES.~~

The Exchange shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions, subject to the provisions of the CEA and CFTC Regulations.

~~A. Minneapolis Hard Red Spring Wheat.~~

~~1. Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10) per bushel. At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).~~

~~— Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.~~

~~2. When Options in months not listed for trading in Futures become available to trade, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract and the next ten (10) higher and ten (10) lower striking prices in five cent (\$0.05) increments. If the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2). Sufficient new striking prices shall be added prior to the next trading session to insure at least ten (10) striking prices in five cent (\$0.05) increments above and below the previous day's settlement price.~~

## 2036.00. DISPOSITION ORDERS: FORM OF.

Disposition Orders, as required by the Rules, shall be in the form and text hereto appended in the appendix of this Chapter. The dimensions of the form are to be 6 inches deep by 8 ½ inches wide. The original to be printed on white paper and the duplicate on yellow paper. Additional copies are permissible and may contain supplemental information or instructions, but each copy must be printed on paper of a different and distinctive color.

The form and text of the original duplicate Disposition Orders hereto appended must not be varied in any particular. Nothing therein, except provision for endorsement, may be added to or omitted; but, if desired, supplemental agreements, phrases or notices regarding claims freight, or other matters not inconsistent

with the terms and purposes of the Disposition Orders, may be printed or written on separate pieces of paper to accompany or to be attached to the Disposition Orders to which they relate (See **Form 5-1.**)

### **2038.00. PAN TICKETS.**

When Pan Tickets used in connection with all carloads of any commodity offered for sale in this market show a car number, the Seller assures the Buyer that all such grain displayed is physically loaded into rail cars. Car numbers are not to be used when selling grain with an official grade unless the cars are loaded.

In no case shall grain displayed and sold, but which has not been loaded into rail cars, be used to establish the market close on any day.

### **2039.00. DELIVERY AND PAYMENT TO INVOICES AND REQUESTS FOR ADVANCES ON TRUCK/RAIL COMMODITIES.**

- A. The Buyer must, before two-thirty o'clock (2:30) p.m., give to the Seller disposition that will enable the Seller to move the car so as to avoid demurrage charges or the Buyer will be liable for any ensuing demurrage.
- B. Invoices based on final weights, whether destination or FOB, must be delivered to the Buyer before one o'clock (1:00) p.m. Buyer's checks in payment of such invoices must be ready for delivery to the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following business day.
- C. If requests for advances have been delivered to the Buyers before one o'clock (1:00) p.m., Buyers must have checks for the advances due ready for the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following business day.
- D. A Seller who has been unable to deliver invoices on FOB cars or requests for advances in accordance with the provisions of Sections B. and C. of this **Rule 2039.00.** may, however, avoid liability for demurrage charges by delivering to the Buyer documents passing title before three o'clock (3:00) p.m. If not so delivered, the liability for demurrage shall be on the Seller. If documents passing title have been so delivered, the Buyer must, at the request of the Seller, receipt for the same, and must, upon demand, have the check in payment of the invoice, or for the advance due, ready for the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following day.

### **2040.00. EXCHANGE MARGINS.**

EXCHANGE MARGINS: This term shall mean United States Funds, negotiable securities or other property deposited with or to the sole credit of an agent or of a Clearing Member as protection against losses incident to a transaction for future delivery.

1. INITIAL MARGIN: This term shall mean a margin (as defined herein) deposited at the initiation of a Futures transaction.

2. MAINTENANCE MARGIN: This term shall mean a margin (as defined herein) maintained during the period a Futures Contract remains open.

All customers of a Clearing Member shall deposit and maintain initial and maintenance margins according to the Clearing Member's requirements. Initial margins as established by the Exchange, shall be charged at a minimum. The Exchange may increase or decrease initial and maintenance margins as market conditions require.

PROVIDED, that the margins on spreading and hedging transactions shall be the requirements of the Exchange as a minimum, except where a customer specifies that a spread involves an MIAX Futures approved inter-exchange spread. Then the initial margin on the MIAX Futures side of the spread shall be at a minimum established by the Exchange.

The specific amounts of the initial, maintenance, and spread margins are to be transmitted to the marketplace by special memorandum.

**~~2060.00. OFFICIAL CLOSING PERIOD: FUTURES.~~**

~~Unless otherwise stated elsewhere in the MIAX Futures Rules, the official closing period for all MIAX Futures Futures shall be determined by the Exchange.~~

**~~2061.00. OFFICIAL CLOSING PERIOD: OPTIONS.~~**

~~The closing period for all Options Contracts shall be determined by the Exchange.~~



## CHAPTER 21. CLEARING HOUSE RULES

### 2100.00. SCOPE OF CHAPTER AND REQUIREMENTS FOR CLEARING.

For purposes of these Chapter 21 Rules, unless specifically stated otherwise, all relevant requirements and procedures set forth by the Exchange herein will apply to all contracts cleared by the Clearing House, including those executed on a different designated contract market. All contracts that have been accepted for clearing shall be subject to MIAX Futures Rules and to the exercise of the powers reserved herein.

All Futures or Options transactions must be made in the name of and between Clearing Members and shall be submitted to the Clearing House to be cleared. The Clearing House shall, through the process of novation, be substituted as, and assume the position of, seller to the buyer and buyer to the seller of the relevant number of Exchange or marketplace contracts upon the successful matching of trade data submitted to the Exchange by the Clearing Members on the long and short sides of a trade. Upon such substitution, each Clearing Member shall be deemed to have bought the contracts from or sold the contracts to the Clearing House, as the case may be, and (except as provided in Rule 50.2.6.) the Clearing House shall have all the rights and be subject to all the liabilities of such Clearing Member with respect to such transaction. Transactions can only be offset against one another through position/trade reporting by a Clearing Member to the Clearing House.

Clearing Members shall submit all information required by the Clearing House, including but not limited to legal entity identifiers, when available. Additionally, it shall be the duty of each Clearing Member initiating, accepting or executing a transaction for Futures or Options under MIAX Futures Rules to submit each such transaction using the clearing system to the Clearing House. Transactions shall be submitted at times determined by the Exchange (see **Resolution 2101.00.C.**). Clearing Members must submit all required transaction data, including but not limited to the following information:

- A. Date of transaction.
- B. Clearing Member code (alphanumeric as assigned by the Exchange) and type of account.
- C. Type of account or origin (Regular (R) or Segregated (S)).
- D. Customer type indicator (CTI) as defined below:
  - CTI 1. Transactions initiated and executed by an individual Market Participant for his/her own account, for an account he/she controls, or for an account in which he/she has ownership or financial interest.
  - CTI 2. Transactions executed for the proprietary account of a Clearing Member.
  - CTI 3. Transactions where a Market Participant executes for the personal account of another Market Participant, for an account the other Market Participant controls or for an account in which the other Market Participant has ownership or financial interest.

- CTI 4. Any transaction not meeting the definition of CTI 1, 2 or 3.
- E. Quantity, commodity, contract month or expiration month, price or premium, whether the transaction involved a put or a call, strike price, buy or sell.
  - F. Both the buying and selling Market Participant's identifier (trader ID/Member mnemonic) and the opposite Clearing Member's symbol.
  - G. Transaction time to the minute.
  - H. Indicators for the type of transaction (e.g., cash exchange; office transfer\*; spread; delivery; exercise; risk exchange).
    - \* For office transfers, open and close information for the position (open (O), close (C)) must be submitted.
  - I. Account number and identification. (For initial set-up and new accounts, provide a listing of account name, type, and position. This information will be available to the President, Chief Executive Officer, and designated MIAx Futures personnel only).
  - J. Any other information required by the Clearing House.

The Clearing House shall match the trades as submitted and shall list for each Clearing Member its cleared trades and unmatched trades. A recapitulation statement shall be produced, showing updated contract positions and settling all matched trades to the official settling prices. After completion of the clearing process, the Exchange shall notify each Clearing Member as to the net pay or collect amounts due by account (Regular and/or Segregated). Such amounts shall be submitted by wire transfer of funds or other acceptable method. Amounts due to the Exchange shall be submitted at times determined by the Exchange (see [Resolution 2101.00.C.](#)). All clearing statements shall be disseminated by the Exchange to each Clearing Member's designated contact.

If the report of a trade by a Market Participant does not correspond to the report of the other party to the trade, the Clearing House shall reject the trade and notify both Clearing Members showing the discrepancy of the reports. The Clearing Members must thereafter submit corrections to the Clearing House at times determined by the Exchange (see [Resolution 2101.00.C.](#)).

It shall be the primary responsibility of the Clearing Member to see that all trades are resolved. Each Clearing Member shall designate a person or persons to be available and responsible for reconciling the Clearing Member's unmatched trades. Failure to have a qualified representative available shall constitute negligence in the determination of responsibility for any unmatched trades.

If a Clearing Member, or one of its Affiliated Entities, has access to the Federal Reserve discount window, it shall notify the Clearing House if such access has been suspended, revoked, removed, terminated, or otherwise limited in any way as soon as practicable.

## **2100.01. ELECTRONIC TRADING SYSTEM CLEARING.**

In addition to compliance with the applicable Rules in this Chapter, all transactions for Futures or Options traded on the Electronic Trading System or other designated contract market MIA X Futures clears contracts for shall be submitted to the Clearing House for clearing. Submission of the data shall be at times determined by and in a format approved by the Exchange.

Any trade required for clearing and entered, executed and matched by the Electronic Trading System shall be submitted for clearing.

Upon acceptance of the submitted trade data and completion of the clearing process, a recapitulation statement of all trades and positions shall be produced and sent to the respective Clearing Member's electronic mail account.

Each Clearing Member shall be responsible for receipt and review of the recapitulation statement. The Exchange shall not be liable for the inability of a Clearing Member to receive a statement sent by the Exchange.

### **2100.02. CLEARING PRIVILEGES.**

In order to clear trades at MIA X Futures, a Clearing Member must be granted clearing privileges by the Exchange. Clearing privileges are only effective upon the Clearing Member's receipt of notice of MIA X Futures Exchange Officer approval of the Clearing Member to clear contracts at MIA X Futures. The Exchange may revoke said clearing privileges for cause at any time.

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, the Clearing Member Agreement, and the MIA X Futures Rules.
- B. A Clearing Member must be in good financial standing and meet the minimum financial requirements as may be determined by the Exchange.
- C. A Clearing Member must have the personnel, and computer hardware and software to effectively communicate with MIA X Futures and otherwise conduct the business of clearing in an efficient manner.
- D. A Clearing Member must have provided all materials required by MIA X Futures as a condition of Clearing Member approval, including but not limited to, documentation and financial resources.

In addition, a Clearing Member will only be granted clearing privileges to clear contracts listed on another designated contract market and cleared by MIA X Futures if it meets all of the above requirements and the following terms and conditions:

- E. A Clearing Member must be registered as a futures commission merchant with the CFTC and NFA and meet all applicable requirements, including, but not limited to, requirements relating to minimum net capital, financial reporting, and recordkeeping.
- F. A Clearing Member must have completed and remain in compliance with the terms contained in any applicable Clearing Member Agreement(s) for the designated contract market(s) for which it clears contracts.

### 2100.03. CLEARING MEMBER RISK MANAGEMENT.

All Clearing Members must maintain current written risk management policies and procedures, and ensure they are able to perform proper risk management and operational functions at all times. In accordance with Rules and Regulations applicable to FCMs, FCM Clearing Members must also maintain current written an Anti-Money Laundering (AML) and Customer Identification Plan (CIP) as well as a Business Continuity Disaster Recovery (BCDR) Plan. Upon request of the Exchange or the CFTC, the written risk management policies and procedures, AML/CIP Plan, BCDR Plan, and other related information and documentation must be promptly made available for review.

The Exchange shall have authority to develop and implement risk control policies for customer and proprietary transactions. Further, the Exchange shall have authority to take such action, including but not limited to: imposing enhanced capital requirements, imposing enhanced margin requirements, prohibiting an increase or requiring a reduction in positions, and liquidating or transferring positions when, in the sole discretion of the Exchange, such action is necessary to effectively manage risk posed to the Exchange by a Clearing Member.

### 2100.04. WITHDRAWAL OF CLEARING MEMBERS.

A Clearing Member that intends or desires to withdraw from clearing membership must first provide written notice indicating such intent to the Clearing House (the "Withdrawal Notice"). A Withdrawal Notice must be submitted by an individual who is duly authorized to act on behalf of the organization, and if the Clearing Member is approved by MIAX Futures to clear for more than one designated contract market, the notice must indicate from which clearing membership(s) it is withdrawing. After a Clearing Member has delivered its Withdrawal Notice (including during any Cooling Off Period), it is subject to the following requirements and obligations:

- A. The Clearing Member must close out or transfer all open positions (Regular and/or Segregated accounts) to existing Clearing Members.
- B. The only transactions that may be submitted for clearing are those transactions used to transfer, terminate, liquidate, or otherwise reduce open positions and close out of contracts cleared by MIAX Futures.
- C. The Clearing Member must satisfy and perform in full all obligations, financial and otherwise, to the Exchange and Clearing House.
- D. Any open investigations, disciplinary matters, or other regulatory issues must be closed.

- E. Any obligations to other Clearing Members and/or customers must be paid for or otherwise provided for.

A Clearing Member's withdrawal will be effective only after a Clearing Member has fully satisfied all of the above conditions and the Exchange has approved such withdrawal in writing (the "Withdrawal Date"). Following the Withdrawal Date, the Exchange will return the withdrawing Clearing Member's security deposit, as well as any other deposits or assets required by or available to the Clearing House, within sixty (60) days.

Any Withdrawal Notice issued by a Clearing Member will be considered irrevocable and clearing privileges may only be reinstated by satisfying all of the requirements set forth in **Rule 2100.02**, including completion of a new Application for Clearing Privileges, execution of any applicable Clearing Member Agreement(s), and formal approval by the Exchange Officers.

### **2100.05. LIEN ON COLLATERAL.**

Each Clearing Member hereby grants to the Clearing House to secure obligations of such Clearing Member to the Clearing House a first priority and unencumbered security interest and lien against any property, cash, securities, or collateral deposited with, transferred or pledged to, or otherwise where control is given to the Clearing House by such Clearing Member. Clearing Members shall take any action that may be required by the Clearing House to create, preserve, perfect, validate or enforce any such security interest.

### **2101.00. SETTLEMENT BANKS AVAILABLE FOR USE.**

The Exchange shall have the authority to approve settlement banks used by the Exchange and its Clearing Members. Each Clearing Member must maintain an account at an Exchange approved settlement bank for purposes of making daily cash settlements for variation and collateral margin with the Exchange.

### **2102.00. ACCEPTANCE OF GIVE-UP TRADES.**

A give-up agreement is required between a Market Participant and the executing Clearing Member before a give-up can be completed. If such a give-up agreement is in place, the executing Clearing Member must submit the transaction to the Clearing House.

All give-up trades containing the necessary trade data pursuant to MIAX Futures **Rule 2100.00**, including customer identification, quantity, and price, which are properly entered by the executing Clearing Member by the deadline set forth in **Resolution 2101.00.C**, should be accepted and transferred to the account of the carrying Clearing Member on the same Business Day, but no later than 5 Business Days from the date the trade is submitted for clearing in accordance with the corresponding deadlines. The executing Clearing Member will retain the position until accepted. Any non-accepted allocations on the fifth Business Day shall expire and be removed automatically at the end of said day.

### **2103.00. ORDER OF DELIVERY.**

All balances of commodities for cash contract or cash delivery shall be made on the basis of the present Exchange Rule pertaining thereto. When deliveries are made, the oldest trades on the books shall be closed first.

**2103.01. DELIVERY NOTICE.**

If Futures Contracts are not offset and a Clearing Member being a seller tenders a Delivery Notice to the Clearing House and the Clearing House in good faith passes such notice to another Clearing Member who is a Buyer (all as provided in Chapter 50), the Clearing Member who tenders such notice shall be substituted in lieu of the Clearing House as Seller to such Buyer on the contracts.

**2104.00. DEADLINES, FEES AND FINES.**

The schedule of deadlines is subject to change at any time by the Exchange. The schedule of deadlines shall at all times be those requirements most recently adopted. The amount due for errors or any other fees charged or collected by the Exchange shall be billed on a monthly basis unless otherwise specified by the Exchange.

If the offense becomes frequent, the President or his/her designee, or the Chief Executive Officer or his/her designee, may call for additional permanent collateral or take such other action as is deemed necessary. Any Clearing Member making an error in his/her daily statement to the Clearing House may be fined for each error made (see **Resolution 2101.00.C.**)

**2104.01. CLEARING FEE.**

The Exchange shall set clearing fees from time to time and shall make such fees publicly available. The Exchange may elect to waive or modify fees. Payment of the clearing fee will be due upon receipt of invoice for the transactions (whether purchases, sales or deliveries) executed on the Exchange.

**2105.00. SECURITY DEPOSIT.**

Each Clearing Member shall deposit with the Clearing House as security for its obligations thereto such amount as determined by the Exchange. Each designated contract market that the Exchange clears for shall have a dedicated minimum security deposit determined by the Exchange. Each Clearing Member's total minimum required security deposit shall be determined by the Clearing House and based on which designated contract markets the Clearing Member is approved to clear. The form of such deposit shall also be determined by the Exchange. The Exchange may change the amount and form of such deposit as necessary. Deposits may be withdrawn on written request when a Clearing Member ceases to be a Clearing Member and the Exchange has determined that all contracts and obligations with the Exchange have been settled in accordance with **Rule 2100.04.**

**2105.01. FUNDED FINANCIAL RESOURCES.**

The Clearing House will maintain funded financial resources sufficient to enable it to meet its financial obligations to Clearing Members notwithstanding a default by the two Clearing Members creating the largest combined loss to the Clearing House in extreme but plausible market conditions. If a Clearing Member controls another Clearing Member or is under common control with another Clearing Member, the affiliated Clearing Members will be considered a single Clearing Member for purposes of calculating financial resources under this Rule.

**2106.00. CLEARING MARGINS.**

For purposes of this Rule, margin shall mean property deposited with or to the sole credit of the Exchange as protection against losses incident to a Transaction for Future Delivery.

The Exchange shall set minimum margin requirements at a level that it believes protects the interests of buyers and sellers and the Exchange. In addition, Clearing Members must identify categories of customers with heightened risk profiles, consistent with its risk management policies and procedures, and collect initial margin for each account with a heightened risk profile at a level that exceeds the clearing initial margin requirement determined by the Exchange by an amount commensurate with the risk presented by each account in accordance with CFTC Regulation 39.13(g)(8)(ii). Margin requirements are subject to change at any time but shall at all times be those requirements most recently adopted, publicly posted, and in compliance with the requirements of CFTC Regulation 39.13(g)(8), as amended.

The Exchange shall accept, as margin, cash or United States Treasury securities. Cash margin requirements shall be submitted by wire transfer of funds or other acceptable method approved by the Exchange. Cash and United States Treasury securities shall be submitted at times determined and posted by the Exchange. United States Treasury securities shall be maintained in multiples of \$1,000. The Exchange shall value securities as it deems appropriate. The President or his/her designee, or the Chief Executive Officer or his/her designee, may, at their discretion, require of any Market Participant a margin upon any or all of such Market Participant's open trades which are deemed unduly insecure or hazardous in such amount as deemed advisable. Calls for such margin shall be paid by the Clearing Member within one business day or earlier if so requested. Further, the Exchange shall collect daily intra-day variations from Clearing Members apart from, and in addition to, any margin or daily settlement variation payments and collects.

Clearing Members called for margins under this Rule shall pay by the deadline announced by the Exchange. An extension of time for such payments can only be granted by the President or his/her designee or the Chief Executive Officer or his/her designee. In such cases the extension of time so granted shall be noted on the written call, and a copy of said call shall be kept in the files of the Exchange.

Should a Clearing Member fail to deposit balances for additional margin as required in this Rule, or should the President or his/her designee or the Chief Executive Officer or his/her designee deem the transaction of any Market Participant unduly insecure or hazardous, the Exchange may direct that the Market Participant close out all or a portion of the trades, or that the Market Participant transfer all or a portion of the trades to the books of another Clearing Member, as the situation may require. If such requests are not complied with within one (1) hour, the Exchange may, with the consent of the President or his/her designee or the Chief Executive Officer or his/her designee, originate orders to transfer or close out all or a portion of the Market Participant's trades, as the situation may require. Any such action shall be taken with due consideration to the positions of customers.

All differences between the contract price reported and accepted and the price at which the property may be bought or sold as a consequence of a Market Participant's failure to fulfill the obligations as set forth in this and other Rules shall be included in the measure of losses against the Market Participant so failing, and the differences shall be calculated, adjusted and settled within the time and in the manner and form determined by the Exchange.

Any financial obligations owed by a Clearing Member to the Exchange, which remain outstanding after all the Market Participant's trades have been closed out, may be satisfied through the Market Participant's security deposit with the Clearing House or such other assets, collateral or pledges as necessary to satisfy the financial obligations.

#### **2106.01. PROTECTION OF CUSTOMER FUNDS.**

All funds deposited with the Exchange on behalf of customers of a Clearing Member shall be held in an account identifiable as "customer segregated" in accordance with the CEA and CFTC Regulation 1.20, as amended. All investment use of such funds shall comply with the investment standards of the CEA and CFTC Regulation 1.25, as amended, including, but not limited to, concentration limits and permitted investments.

#### **2106.02. PROPRIETARY ACCOUNT MINIMUM LIQUIDATION PERIOD.**

With respect to Clearing Member proprietary positions, the Clearing House will ensure performance bond requirements are calculated and collected using a liquidation period of not less than two days calculated on a net basis. This Rule does not apply to positions in agricultural commodity derivative contracts that meet the exclusion criteria established in Article 2 of the European Commission's Implementing Decision 2016/377, dated March 15, 2016.

#### **2106.03. MEASURES TO MITIGATE PROCYCLICALITY.**

The Clearing House will establish performance bond requirements designed to limit the likelihood of procyclical changes in such requirements and mitigate costly and disruptive adjustments to performance bond requirements in periods of high market volatility. When calculating performance bond requirements, the Clearing House will include measures designed to limit procyclicality that are equivalent to at least one of the options listed in Article 1, paragraph 2(b) of the European Commission's Implementing Decision 2016/377, dated March 15, 2016. This Rule does not apply to positions in agricultural commodity derivative contracts that meet the exclusion criteria established in Article 2 of the European Commission's Implementing Decision 2016/377, dated March 15, 2016.

#### **2107.00. FINALITY OF SETTLEMENT.**

Provided there are no accounting and/or clerical errors, payments of funds or transfer of funds to and from MIAX Futures, including, but not limited to, intraday and end of day variation, margin payments and security deposits, are final and unconditional when effected and cannot be reversed.

#### **2108.00. LIQUIDITY EVENT.**

In order to satisfy CFTC Regulations and prudential liquidity standards, the Exchange has established this Rule.

In the event the Clearing House is unable to obtain sufficient funds and liquidity to promptly meet same day settlement and payment through such means, the Clearing House may declare the occurrence of a Liquidity Event. In such an event, the Clearing House has the authority in its sole discretion to take the following actions, in the order listed, to secure same day liquidity:



- A. Substitution of Guaranty Fund Cash.** The Clearing House may substitute the cash deposited by one or more Clearing Members in a guaranty fund with U.S. Treasuries deposited as performance bond or guaranty fund by the Clearing Member(s) that is(are) the initiating cause of the Liquidity Event. The amount of cash substituted shall be equivalent to U.S. Treasuries at a haircutted market value (determined by the Clearing House as of the prior day's close of business utilizing a recognized third party source). Any U.S. Treasuries transferred pursuant to this Rule shall be applied as a guaranty fund deposit on behalf of any such Clearing Member whose cash was substituted and will be allocated pro rata among any Clearing Members with cash deposits who are not the initiating cause of the Liquidity Event. The substitution of U.S. Treasuries for the Clearing Member's guaranty fund deposit will be limited to the size of the Clearing Member's guaranty fund deposit at the time of the Liquidity Event. For any substitution of U.S. Treasuries for cash in a guaranty fund, the impacted Clearing Member may, within 24 hours of substitution, request that the Clearing House replace the cash within 29 business days of the date of the substitution. Any Clearing Member requesting cash replacement will receive the original amount of cash deposited and accessed by the Clearing House, regardless of the value of cash received by the Clearing House upon liquidation of the U.S. Treasuries.
- B. Substitution of Performance Bond Cash:** The Clearing House may substitute the cash deposited by one or more Clearing Members as performance bond with U.S. Treasuries held as collateral by the Clearing House. The amount of cash substituted shall be equivalent to the U.S. Treasuries at a haircutted market value (determined by the Clearing House as of the prior day's close of business utilizing a recognized third party source). Any U.S. Treasuries transferred pursuant to this Rule shall be applied as a performance bond deposit on behalf of any such Clearing Member whose cash was substituted and will be allocated pro rata among any Clearing Members with cash deposits. The substitution of U.S. Treasuries for the Clearing Member's performance bond held by the Exchange will be limited to the size of the Clearing Member's performance bond at the time of the Liquidity Event. For any substitution of U.S. Treasuries for cash as performance bond, the impacted Clearing Member may, within 24 hours of substitution, request that the Clearing House replace the cash within 29 business days of the date of the substitution. Any Clearing Member requesting cash replacement will receive the original amount of cash deposited and accessed by the Clearing House, regardless of the value of cash received by the Clearing House upon liquidation of the U.S. Treasuries.

In order to ensure the Clearing House can obtain sufficient cash from the above paragraphs, the Clearing House may notify any Clearing Member that is a U.S. Government Securities Broker-Dealer or has a U.S. Government Securities Broker-Dealer affiliate to replace its non-cash performance bond assets with cash within 60 minutes from the time of notification. To the extent that a Clearing Member(s) fails to provide cash within 60 minutes or the request occurs after 3:00 p.m. Central Time, the Clearing House may debit cash from that Clearing Member's settlement bank account in the amount of the Clearing Member's non-cash performance bond assets.

- C. Transfer or Disbursement of Collateral as Compensation for Portfolio Auction, Sale, or Transfer.** In lieu of satisfying a payment owed from any auction, sale, or transfer of an

insolvent, defaulted, or suspended Clearing Member's or customer's portfolio in cash to an auction winner, purchaser, or transferee, the Clearing House may satisfy such payment owed to such persons by transferring Federal Reserve discount window eligible securities with a haircutted market value (determined by the Clearing House as of the prior day's close of business utilizing a recognized third party source) equal to the amount of such obligation.

#### **2108.01. REQUIREMENT TO ESTABLISH UNCOMMITTED REPURCHASE AGREEMENT.**

Each Clearing Member that is a U.S. Government Securities Broker-Dealer or has a U.S. Government Securities Broker-Dealer affiliate shall, if required by MIAX Futures, enter into (or arrange for such affiliate to enter into) a master repurchase agreement with MIAX Futures on terms substantially similar to those set forth by the Clearing House.

#### **2109.00. CLEARING MEMBER FINANCIAL EMERGENCY.**

If at any time the Exchange, in its sole discretion, determines that there is a substantial question as to whether a financial emergency exists or may exist with respect to any Clearing Member, or that the Clearing Member is no longer in Good Standing, the Exchange may suspend or take any other action to protect the best interests of the marketplace, Clearing Members or the Exchange.

The Exchange shall have no liability regarding its use of the discretionary power described herein; neither shall the Exchange be liable for actions taken pursuant to MIAX Futures Rules, procedures, or actions allowed by law.

#### **2109.01. CLEARING MEMBER INSOLVENCY.**

If a Clearing Member becomes insolvent, the Insolvent Clearing Member, as such term is defined in Chapter 1, must immediately notify the Exchange of such insolvency. The Insolvency of a Clearing Member shall be announced by the Exchange and thereupon such Clearing Member shall be deemed automatically Suspended. When Suspended, the Exchange may permit the Clearing Member to continue limited operations for the purpose of transferring or liquidating positions, or otherwise mitigating losses. If a Clearing Member becomes insolvent or for other reasons is Suspended, the officers, owners or partners who are Market Participants of the Exchange may also be Suspended by the Exchange.

When an Insolvent Clearing Member is Suspended, the Exchange may exercise any or all of its rights under MIAX Futures Rules.

#### **2109.02. PROTECTION OF CLEARING HOUSE: DEFAULT BY A CLEARING MEMBER.**

If a Clearing Member fails promptly to discharge any obligation to MIAX Futures, its security deposits, its margins and performance bonds on deposit with MIAX Futures, its collateral, and any of its other assets available to the Exchange shall be applied by the Exchange to discharge the obligation, provided that MIAX Futures will not apply any collateral held in segregated customer accounts to any payment obligations arising from a default in a Clearing Member's proprietary account. Further, the Exchange may make immediate demand upon any guarantor of the Clearing Member. Upon demand and without waiting for application of all available assets of the Clearing Member or a formal accounting, such guarantor shall pay the Exchange by the time and date set by MIAX Futures. Upon a Clearing Member Default, the

Exchange may act immediately to attempt to transfer to alternate Clearing Members all customer positions and associated collateral (collateral held by the Exchange on behalf of the Defaulting Clearing Member for its customer if permitted).

If a default occurs in a segregated customer account, then the Exchange has the right to liquidate and apply toward the default all open positions and customer performance bond deposits in the account of the Defaulting Clearing Member. Accordingly, positions and collateral deposited by customers not causing the default are at risk if there is a default in their Clearing Member's segregated customer account. Following a default in a segregated customer account, MIAx Futures can apply any excess proprietary funds and assets of the Defaulting Clearing Member. The Exchange shall be under no obligation to forward any variation pays or settlement funds to a Defaulting Clearing Member.

In addition to application of the available assets of the Defaulting Clearing Member (the priority of which is further described in **Rule 2109.03.**), the Exchange, President, Chief Executive Officer, Treasurer, Chief Risk Officer, or other designee may take any other actions that it determines necessary to protect MIAx Futures or other Clearing Members. Such actions include, but are not limited to, actions authorized elsewhere within the MIAx Futures Rules, the suspension of clearing privileges until revoked or reinstated by the Board or its designee, pursuit of legal action, retention of variation pays and settlement funds, and request for additional security deposit and/or performance bonds. The detailed implementation of the process of finalizing losses with respect to a Clearing Member Default, including the liquidation, allocation, auction or sale of positions or assets of the Defaulting Clearing Member shall be conducted by the Exchange in its sole discretion.

The Exchange, Board, committees, officers or employees, and any qualified third party, including another Clearing Member, authorized by the Exchange to act in the place of the Defaulting Clearing Member shall have no liability arising from a failure by a Clearing Member to discharge its liabilities; neither shall they be liable for actions taken pursuant to MIAx Futures Rules, procedures, or actions allowed by law. The appointment of a qualified third party does not absolve a Defaulting Clearing Member of any of its obligations, and the actions of such qualified third party will be binding upon the Defaulting Clearing Member. Neither the Board, committees, the Exchange, nor any of its officers, directors, or employees, shall be liable for any losses, damages, or costs, including direct, indirect, incidental, and consequential damages, arising out of the performance or decisions of the qualified third party or Defaulting Clearing Member.

The Exchange may establish such procedures as necessary which prescribe in detail how the protections under the MIAx Futures Rules will operate. Such procedures shall constitute part of the MIAx Futures Rules.

### **2109.03. LOSSES BORNE BY MIAx FUTURES: APPLICATION OF FUNDS.**

The Exchange will establish and maintain one guaranty fund with two separate tranches that reflect relative contributions from different product classes to the guaranty fund. Each Clearing Member that is approved by MIAx Futures to clear products traded on the Exchange (such products, the "MIAx Futures Products") must make a deposit as security for its obligations to the Clearing House in accordance with the requirements of **Rule 2105.00.** to the MIAx Futures tranche of the guaranty fund (the "MIAx Futures Tranche"). In addition, when required by MIAx Futures, each Clearing Member that is approved by MIAx Futures to clear products traded on Bitnomial Exchange (such products, the "Bitnomial Products") must

make a deposit as security for its obligations to the Clearing House in accordance with the requirements of **Rule 2105.00**, to the Bitnomial tranche of the guaranty fund (the “Bitnomial Tranche”). Such security deposits will be in an amount determined by the Clearing House. The Clearing House will give each Clearing Member a report setting forth such Clearing Member’s proportionate share in each tranche, as applicable.

Should MIAX Futures bear a loss resulting from the insolvency or Default of a Clearing Member, then such loss shall be met by applying the funds listed below. In addition and for the avoidance of doubt, Clearing Members are responsible for bearing any loss of funds or collateral associated with the failure or insolvency of a depository or settlement bank, and should a Clearing Member Default as a result of such bank failure or insolvency, MIAX Futures will use the funds listed below. For the avoidance of doubt, any such default will be a default to the Clearing House regardless of product class.

If the security deposits, margins, performance bonds, pledges, and other assets of a Defaulting Clearing Member are insufficient to satisfy all of its obligations to MIAX Futures, including all claims against the Exchange by reason of its substitution for that Clearing Member pursuant to **Rule 2100.00, 701.00**, the Exchange shall nonetheless pay all such claims, which shall be deemed a loss (hereinafter “Loss”) to it and which shall be a liability of the Defaulting Clearing Member to the Exchange, which the Exchange may collect from the assets of such Clearing Member available to it or by process of law. A Loss may also be an uncovered credit loss. The definition of a Loss includes, but is not limited to, any amounts associated with the liquidation, transfer, and other costs related to managing the Default of a Clearing Member.

Following the insolvency or Default of a Clearing Member, if the collateral of the Defaulting Clearing Member is insufficient to satisfy the Loss associated with the default, the Clearing House will first attempt to isolate the Loss to the associated tranche, if applicable, as set forth below. However, in the event the Defaulted Clearing Member is approved to clear both MIAX Futures Products and Bitnomial Products, the assets of both tranches will be accessible by the Clearing House, as detailed below. MIAX Futures will use funds in the order of priority listed, with each source of funds to be completely exhausted, to the extent practical, before the next source is applied. While such application of funds shall be mandatory, the detailed implementation of this Rule shall be the responsibility of the Exchange.

If the Defaulted Clearing Member is only approved to clear MIAX Futures Products:

- A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation gains.
- B. Security deposits of the Defaulting Clearing Member.
- C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.
- D. Such assets of the MIAX Futures Clearing House reserve fund.
- E. Security deposits of non-defaulting Clearing Members made to the MIAX Futures Tranche shall be applied toward meeting a loss in direct proportion to the total security deposit requirement of each Clearing Member to the MIAX Futures Tranche.

- F. Such surplus funds of the Exchange as may be in excess of funds necessary for normal business operations. No such surplus shall be assumed until approved by the Executive Committee or the Board.

If the Defaulted Clearing Member is only approved to clear Bitnomial Products:

- A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation pays.
- B. Security deposits of the Defaulting Clearing Member.
- C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.
- D. Such assets of the Clearing House reserve fund approved by the Board.
- E. Security deposits of non-defaulting Clearing Members made to the Bitnomial Tranche shall be applied toward meeting a loss in direct proportion to the total security deposit requirement of each Clearing Member to the Bitnomial Tranche.

Notwithstanding the prioritization of funds being applied in the order listed above, should the funds of one tranche be insufficient to cover a Loss, the funds in the remaining tranche will be available, in their entirety, to the Clearing House to satisfy the Loss.

If the Defaulted Clearing Member is approved to clear both MIAX Futures Products and Bitnomial Products:

- A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation pays.
- B. Security deposits of the Defaulting Clearing Member.
- C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.
- D. Such assets of the MIAX Futures Clearing House reserve fund.
- E. Security deposits of non-defaulting Clearing Members shall be applied toward meeting a loss in direct proportion to the total security deposit requirement of each Clearing Member for each tranche. MIAX Futures will first apply security deposits from each tranche to the loss calculated for the products within that tranche. Should the loss in one tranche exceed the security deposits available within the same tranche, MIAX Futures will apply the remaining security deposits of any tranche to the remaining loss.

- F. Such surplus funds of the Exchange as may be in excess of funds necessary for normal business operations. No such surplus shall be assumed until approved by the Executive Committee or the Board.

In the event that a Clearing Member Default necessitates the application of these funds, Clearing Members must make good any deficiency in security deposits or margins and performance bonds pursuant to the requirements and deadlines set forth in **Rule 2109.05**.

The Exchange may borrow such funds or draw such funds as necessary against any line of credit at any time for such purposes under this Rule to cover any obligations or losses of the Exchange. Any borrowing of funds shall not relieve any Clearing Member from their obligations under this and other Rules or from the application of their security deposits.

The Exchange may obtain and maintain any default insurance. Such insurance shall inure to and shall be for the sole benefit of the Exchange. Proceeds from any default insurance, and the right to any proceeds, shall be paid to and belong solely to the Exchange.

#### **2109.04. MANAGEMENT OF DEFAULT AND SUBSEQUENT CLEARING CYCLES.**

As of the clearing cycle in which a default occurs, the Clearing House shall aggregate the following assets: any partial payment amounts, settlement funds, variation pays, any excess security deposits, any excess margins and performance bond from the prior clearing cycle, and any other available assets of the insolvent or Defaulted Clearing Member. Such assets shall be allocated first to any net settlement variation payment obligation of the Defaulting Clearing Member to the Clearing House. If the funds are not sufficient to satisfy the Clearing Member's settlement variation payment obligations for the default cycle, then the Clearing House shall apply the funds to such Clearing House obligations, pro rata relative to the size of such Clearing House obligations. If the Clearing House is unable to satisfy a settlement variation payment obligation from such assets, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures set forth in this Chapter 21. Any excess margin, if applicable, and variation pays to the Defaulting Clearing Member during subsequent clearing cycles shall be added to the available funds, and the Clearing House shall apply such collateral to the Defaulting Clearing Member's payment obligations. For the avoidance of doubt, the Clearing House shall not use customer funds and margins to satisfy a payment obligation to the Clearing House in respect of the Defaulting Clearing Member's proprietary account.

#### **2109.05. COLLATERAL TO BE RESTORED.**

In the event it shall become necessary to apply all or part of a Clearing Member's security deposits or margins and performance bonds to meet obligations of MIAX Futures pursuant to MIAX Futures Rules, the Clearing Member shall immediately replenish any such deficiency in security deposits to the previously required level as well as any deficiency in margins and performance bonds to the required level, by wire or other acceptable method, within two (2) hours of notice of any deficiency being delivered to Clearing Members. If a Clearing Member replenishes such contributions by wire and the wire transfer service is not open or operational at the time notice is sent, payment is due within one (1) hour on the next business day that the wire transfer service is open and operational. In the event of the insolvency or default of a depository or settlement bank, Clearing Members shall comply with any further instructions provided by MIAX Futures regarding the restoration of such collateral.

## 2110.00. CLEARING MEMBERS: ASSESSMENTS.

Losses (as defined in [Rule 2109.03.](#)) shall first be satisfied by applying the funds in the order of priority listed in [Rule 2109.03.](#) The balance of any Losses remaining, in any tranche, after the application of such funds shall be assessed against Clearing Members (excluding any Insolvent or Defaulting Clearing Members) in direct proportion to the Clearing Members' total security deposit requirement for that tranche. Should the Loss in one tranche exceed the assessments to Clearing Members in the tranche producing the Loss, the remaining Loss will be assessed to Clearing Members from any remaining tranche. Each Clearing Member (excluding any Insolvent or Defaulting Clearing Member) shall be subject to a maximum assessment amount of up to an amount that does not exceed (i) a total of two and a half (2.5) times such Clearing Member's total security deposit requirement at the time of the default with respect to Losses that are attributed to the default of a single Clearing Member and (ii) a total of five and a half (5.5) times such Clearing Member's total security deposit requirement at the time of the default with respect to Losses that are attributed to the default of multiple Clearing Members during a Cooling Off Period (as defined in [Rule 2113.00.](#) below). A Clearing Member that has provided the maximum assessment amount in respect of a Cooling Off Period pursuant to this Rule shall not be liable for any further assessment contributions in respect of any default(s) occurring or declared during such Cooling Off Period. A Clearing Member that has replenished its security deposit pursuant to [Rule 2109.05.](#) up to a maximum of one (1) times such Clearing Member's total security deposit requirement at the time of the default (maximum replenishment amount) shall not be liable for any further security deposit replenishments during the Cooling Off Period, regardless of how many additional defaults take place in such Cooling Off Period. Non-defaulting Clearing Members shall take no actions, including but not limited to, attempting to obtain a court order that would interfere with the ability of the Clearing House to collect and apply such assessments.

Each Clearing Member shall pay any assessment made pursuant to this Rule by wire or other method acceptable to MIAX Futures within two (2) hours of the notice of the assessment being delivered to Clearing Members. If a Clearing Member pays such assessment by wire and the wire transfer service is not open or operational at the time notice is sent, payment is due within one (1) hour on the next business day that the wire transfer service is open and operational. Any Clearing Member that does not satisfy an assessment shall be in default, and any Loss that occurs as a result of such default shall itself be assessed by MIAX Futures to non-defaulting Clearing Members. In the event that the amount of assessments received exceeds the amount of the Loss, the Clearing House will return such excess funds as soon as practicable.

If a non-defaulting Clearing Member has made payments of all assessed amounts, has replenished any deficiency in its security deposits or margin and performance bonds in accordance with [Rule 2109.05.](#), and has satisfied all other conditions of withdrawal set forth in [Rule 2100.04.](#), it may withdraw as a Clearing Member. A withdrawing Clearing Member will be subject to assessments, and its security deposits may be utilized, for all defaults and any Losses occurring before and during the Cooling Off Period in which such Clearing Member submitted its Withdrawal Notice and/or continues to have open positions, as well as any Losses stemming from such default(s) regardless of when the Loss is realized by MIAX Futures. For the avoidance of doubt, even after a Clearing Member has submitted its Withdrawal Notice and liquidated or transferred all of its open customer and house positions, it will continue to be subject to assessments, and its security deposits may be utilized, for all Losses from additional default(s) that occur during the Cooling Off Period after submission of a Withdrawal Notice and the liquidation or transfer of all open positions. However, the withdrawing Clearing Member will not be subject to future assessments that are assessed

to cover Losses for defaults that occur after the Cooling Off Period during which the Clearing Member provided its Withdrawal Notice and liquidated or transferred all of its open customer and house positions has concluded even if the Exchange has yet not provided written approval of such withdrawal. In addition, the Exchange will not apply such Clearing Member's replenished security deposit to Losses for defaults that occur after the conclusion of the Cooling Off Period during which the Clearing Member provided its Withdrawal Notice and liquidated or transferred all of its open customer and house positions even if the Exchange has yet not provided written approval of such withdrawal. For purposes of this Rule, MIAX Futures will consider the liquidation or transfer of all open positions by a Clearing Member effective after completion of the Business Day's settlement cycle during which all positions were closed.

### **2111.00. VOLUNTARY CONTRIBUTIONS.**

At any time following a Default that causes a Loss (as defined in [Rule 2109.03.](#)) or liquidity shortfall, the Exchange may seek voluntary contributions from Clearing Members and Market Participants. The Exchange may specify acceptable methods of making a voluntary contribution to the Clearing House. Any contributions made by a Clearing Member to the Clearing House will not relieve such Clearing Member of their obligations under any other MIAX Futures Rules.

### **2112.00. HAIRCUT SETTLEMENT CYCLES.**

If one or more Clearing Members Default and the assets available to cover the default, including the funds described in the preceding Rules, are insufficient to satisfy the Loss (as defined in [Rule 2109.03.](#)) and obligations of the Clearing House as a result of such default, then the Board of Directors may approve of and direct the Clearing House to modify settlement cycles in accordance with this Rule and CFTC regulations.

Following Board approval, the Clearing House shall issue a notice and conduct a settlement cycle for all contracts to determine settlement prices for such contracts and the net portfolio gain or loss for each house and customer portfolio:

- A. The net portfolio gain of a Clearing Member (a "collect"), or the net portfolio loss of a Clearing Member to the Clearing House (a "pay"), shall be determined separately for (i) its proprietary positions in contracts cleared by the Exchange (a "Proprietary Collect" or a "Proprietary Pay"), and (ii) the net positions of its customers in contracts cleared by the Exchange (collectively, a "Customer Collect" or a "Customer Pay").
- B. The Clearing House shall determine and calculate the sum of (i) the amount of each non-defaulted Clearing Member's remaining payment obligations, if any, with respect to assessments levied by MIAX Futures; (ii) any other remaining available funds or collateral; (iii) all Proprietary Pays to be received by MIAX Futures; and (iv) all Customer Pays to be received by MIAX Futures, and deduct the amount of any uncovered Loss (the resulting amount, the "Aggregate Available Funds").
- C. The Clearing House shall then notify each Clearing Member of the amount of its remaining assessments (if any), Proprietary Pay, and Customer Pay, and each Clearing Member shall pay all such amounts no later than the time required for the relevant settlement cycle. If a Clearing Member does not make such payment to the Clearing House, such Clearing



Member will be in default and the Exchange may take any of the actions specified elsewhere in the MIAX Futures Rules with respect to such Clearing Member and its customers.

- D. If the amount of Aggregate Available Funds received by the Clearing House exceeds the sum of all Proprietary Collects and Customer Collects, the Clearing House shall calculate reimbursements of, and distribute, the excess funds to Clearing Members in the reverse order funds were previously paid to the Exchange, provided the Loss (as defined in **Rule 2109.03.**) has been fully addressed. Such reimbursements will be distributed pro rata to Clearing Members. The Clearing House may also determine a maximum amount to pay back for closed positions that may be included in the aggregate collects, based upon existing facts and circumstances that it deems appropriate to mitigate further disruptions to the markets.
- E. If the sum of all Proprietary Collects and Customer Collects exceeds the amount of Aggregate Available Funds received, including any voluntary contributions received, then the following procedures will apply:
1. The Clearing House shall haircut the amount of each Proprietary Collect and Customer Collect on a pro rata basis for the current, and each successive, settlement cycle for the next two (2) Business Days, unless a Bankruptcy Event (as defined in **Rule 2121.00.**) has occurred, to equal the amount of Aggregate Available Funds received relative to the Proprietary Collect and Customer Collect (such process, a "Variation Margin Gains Haircut"). The Clearing House will haircut Customer Collects at the customer account level of each Clearing Member, and each Clearing Member will allocate such haircut pro rata among its customers with net portfolio gains for the relevant settlement cycle.
  2. After considering the existing facts and circumstances and the interests of MIAX Futures' Clearing Members and customers, the MIAX Futures Risk Committee, in consultation with MIAX Futures' Risk Team, may instruct the Clearing House to extend or reduce the number of days during which Variation Margin Gains Haircuts are applied by one or two Business Days. In no event may the Clearing House conduct Variation Margin Gains Haircuts for longer than five (5) Business Days.
  3. Absent a Bankruptcy Event, for each settlement cycle conducted in accordance with these procedures, the Clearing House shall pay the haircutted Proprietary Collects and Customer Collects as soon as practicable after receipt of the Aggregate Available Funds.
  4. If a Bankruptcy Event occurs following a Clearing Member Default on a day during which Variation Margin Gains Haircuts are applied to settlement cycles, then on such day, the Clearing House will conduct a final settlement cycle which will also be subject to a Variation Margin Gains Haircut. The price determined in accordance with such settlement cycle will be used as the price for close-out netting in **Rule 2121.00.**

#### **2113.00. COOLING OFF PERIOD AND MULTIPLE DEFAULTS.**

The provisions set forth in this Chapter apply with respect to each default by a Clearing Member. If more than one Clearing Member Default occurs at a time or in close sequence, including a default that occurs by reason of a Clearing Member's failure to satisfy an assessment demand, the Clearing House shall manage the defaults separately. Upon any default, during the Cooling Off Period, non-defaulted Clearing Members shall be subject to a maximum assessment amount and maximum replenishment amount as set forth in **Rule 2110.00**. These maximum assessment amounts and maximum replenishment amounts shall apply from the date of the original default until the later of (i) the fifth Business Day thereafter and (ii) if another Clearing Member defaults during the five (5) Business Days following the initial or any subsequent default, the fifth Business Day following the last such default (such period, the "Cooling Off Period"), regardless of the number of defaults that occur during such Cooling Off Period.

The aggregate maximum contribution that may be required pursuant to **Rule 2110.00** for the Cooling Off Period shall be based upon each Clearing Member's total security deposit requirement in effect at the commencement of the Cooling Off Period. The maximum does not limit Clearing Members' obligations to replenish their security deposit contributions or restore margins and performance bonds as set forth in **Rule 2109.05**. Following a Cooling Off Period, the Clearing House shall notify each Clearing Member of its security deposit obligation and its assessment exposure.

Nothing in this Rule shall limit MIAX Futures' right to call for margin from any Clearing Member. In addition to any margin otherwise required by MIAX Futures under the Rules, if during the Cooling Off Period a Clearing Member has provided contributions up to the maximum assessment amount or maximum replenishment amount, then such Clearing Member shall transfer to MIAX Futures additional initial margin in an amount determined by the Exchange for such Clearing Member based on the amount of additional initial margin needed for MIAX Futures to maintain compliance with applicable minimum regulatory financial resources requirements during the remainder of the Cooling Off Period.

#### **2114.00. PARTIAL TEAR-UPS.**

At any time following a Clearing Member Default or other Loss (as defined in **Rule 2109.03.**), the Clearing House may issue notice to Clearing Members and Market Participants providing an opportunity for them to voluntarily agree to have one or more proprietary contracts or, with a customer's consent, to agree to have one or more of each of such customer's contracts that are opposite the remaining open positions of the Defaulted Clearing Member, extinguished by the Clearing House. In addition, the Exchange may elect to tear-up defaulted positions within a Defaulted Clearing Member's portfolio.

At any time following a Clearing Member Default or other Loss (as defined in **Rule 2109.03.**), the MIAX Futures Risk Committee may instruct the Clearing House to extinguish a portion of the remaining open positions of the Defaulted Clearing Member through a partial tear-up of proprietary and customer positions of non-defaulted Clearing Members and non-defaulted customers of the Defaulted Clearing Member. A partial tear-up may include, but is not limited to, a line-by-line tear-up against the remaining open positions of the Defaulted Clearing Member. In such event, the MIAX Futures Risk Committee will determine the appropriate scope of each partial tear-up in accordance with the following procedures. The MIAX Futures Risk Committee will first determine whether a partial tear-up is appropriate or whether the Exchange should instead move immediately to a full termination of all contracts, taking into consideration any recommendation by the Board of Directors. Such determination, and any recommendation, will (i) be based upon then existing facts and circumstances; (ii) support the integrity of the Clearing House and the

stability of the financial system; (iii) take into consideration the interests of Clearing Members and Market Participants; and (iv) aim to extinguish the Defaulted Clearing Member's open proprietary and customer positions and any additional positions deemed necessary to mitigate further disruptions to the markets affected by the remaining open positions of the Defaulted Clearing Member.

If any proprietary or customer positions of a Defaulted Clearing Member remain open following the last Variation Margin Gains Haircut settlement cycle, then the Clearing House will conduct a partial tear-up process of proprietary and customer positions of non-defaulted Clearing Members and non-defaulted customers of the Defaulted Clearing Member, provided that the MIAx Futures Risk Committee determine the appropriate scope of the tear-up in accordance with the considerations set forth above and any recommendations by the Board of Directors. A partial tear-up may include, but is not limited to, a line-by-line tear-up against the remaining open positions of the Defaulted Clearing Member. In this situation, the Clearing House would proportionately extinguish contracts held by non-defaulted Clearing Members, their non-defaulted customers, and the non-defaulted customers of the Defaulted Clearing Member that are opposite the Defaulted Clearing Member's remaining open positions relative to the size of such remaining open positions.

### **2115.00. TERMINATION OF CONTRACTS.**

In the event that the Board of Directors mandates a full tear-up of contracts or if, after taking any or all of the measures allowed in this Chapter to address a Clearing Member Default or Insolvency, the Clearing House determines that it still will not be able to satisfy all Losses (as defined in [Rule 2109.03.](#)) or cover a settlement variation payment obligation when due (without expectation of accessing funds that would permit it to cover such payment obligation), then the Clearing House will terminate all contracts in accordance with these procedures. As soon as reasonably practicable and in a manner consistent with the CEA and CFTC Regulations (including, without limitation Part 190 of the Regulations, if applicable), the Exchange will fix a U.S. dollar amount to be paid to or received from the Clearing House in respect of all contracts to be terminated by conducting a haircut settlement cycle (as described in [Rule 2112.00.](#)) to determine a final settlement price for all open contracts.

Upon the completion of payments, all contracts shall be extinguished, and the Clearing House shall have no further access to funds or collateral with respect to such contracts or clearing activity of a non-Defaulting Clearing Member. Clearing Members, their affiliates, and their customers shall have no claim against the Exchange with respect to losses suffered as a result of the application of MIAx Futures Rules, nor shall any beneficial holder of a contract have any claim against its non-defaulting Clearing Member.

### **2116.00. DETAILS OF IMPLEMENTATION AND AUCTIONS.**

While adherence to the provisions of the above MIAx Futures Rules is mandatory, the detailed implementation of the process of finalizing Losses with respect to a default, including the liquidation, auction, tear-up, or sale of positions or assets of the Defaulting Clearing Member, shall be conducted by the Clearing House or the MIAx Futures Risk Team. A Loss includes, but is not limited to, any amounts associated with the liquidation, transfer, and other costs related to managing the Default of a Clearing Member. In order to ensure that the process for liquidating open contracts results in competitive pricing, to the extent feasible under market conditions at the time of liquidation, liquidation of open contracts held for a house account or customer account of a Defaulting Clearing Member may occur by one or more of the following methods: (i) book entry that offsets open contracts on the books of the Defaulting Clearing

Member; (ii) liquidation in the open market; and/or (iii) one or more private auctions amongst qualified market participants invited by the Clearing House to submit confidential bids. The Clearing House shall have discretion to select the best bid submitted for any portfolio in an auction, based on the totality of the circumstances, and no bid shall be binding upon MIA X Futures unless accepted by it.

In the event that identical customer contracts are liquidated in the open market on the same date but cannot be liquidated at the same price, unless the Clearing House determines that it would be inappropriate, a weighted average of the liquidation prices for such contracts shall be used in determining the value of the liquidated contracts for each such customer. In the event that open contracts of multiple customers are liquidated in a bulk auction, the net proceeds of such auction shall be allocated on a pro rata basis amongst the affected customers based upon their applicable performance bond requirements for the clearing cycle immediately prior to the default.

#### **2117.00. USE OF CUSTOMER GROSS MARGIN FILES.**

Unless otherwise expressly agreed to by the Exchange, in the event of a Clearing Member or customer default, insolvency, or other financial emergency, the Exchange shall use and rely upon the customer gross margin files reported daily by Clearing Members to determine the amount of a customer's pledged margin, associated with open positions, held at the Clearing House. The Exchange shall not be held liable to any party for its reliance upon and use of the customer gross margin files reported to MIA X Futures.

#### **2118.00. NO ACTION: LIMITATION OF LIABILITY.**

Non-defaulting Clearing Members shall take no actions, including but not limited to, attempting to obtain a court order that would interfere with the ability of the Clearing House to collect and apply assets and proceeds in accordance with any MIA X Futures Rules.

The liability of the Exchange shall be limited to losses resulting from the substitution of the Clearing House upon contracts between Clearing Members. The Exchange shall not be liable for any other obligations, including but not limited to, obligations of a non-Clearing Member, obligations of a Clearing Member to a Market Participant, obligations of a Clearing Member to another Clearing Member of the Clearing House who is acting for him as broker, or obligations to a customer by a Clearing Member; nor shall the Exchange become liable to make deliveries to or accept deliveries from a customer of its Clearing Members.

#### **2119.00. RECOVERY OF LOSS.**

If the Exchange later recovers any amounts accessed or contributed to cover a Loss (as defined in **Rule 2109.03.**), the net amount of such recovery shall be credited to non-defaulted Clearing Members (whether or not they are Clearing Members at the time of recovery) and Market Participants, as applicable, in the following order on a pro rata basis based on: (i) the amount of such Clearing Members and Market Participants' voluntary contributions made pursuant to **Rule 2111.00.**; (ii) the amount of such Clearing Members' (and their customers' if applicable) aggregate Variation Margin Gains Haircuts made pursuant to **Rule 2112.00.**; (iii) the amount of such Clearing Members' assessments utilized by the Exchange pursuant to **Rule 2110.00.**; and (iv) the amount of such Clearing Members' security deposits utilized by the Exchange pursuant to **Rule 2109.03.** (in the reverse order accessed and if necessary, on a pro rata basis).

Any amount remaining after making the above reimbursements may be utilized first to repay any line of credit funds previously accessed. Any other remaining funds will be credited to the MIAX Futures Clearing House reserve fund utilized with respect to the default.

#### **2120.00. LIMITED RECOURSE AND NON-PETITION.**

If a Bankruptcy Event occurs (as defined in **Rule 2121.00.**), Clearing Members and Market Participants will have no recourse to any other funds or any other entity, including without limitation the Exchange and its Clearing House or any of its directors, officers, or employees. Notwithstanding the foregoing, Clearing Members, for both their proprietary positions and their customers' positions, and non-defaulted customers of Defaulted Clearing Members may have a claim on any recovery from the Defaulted Clearing Member in the amount of the aggregate Variation Margin Gains Haircuts applied to such positions. If recovery from the Defaulted Clearing Member is less than the aggregate Variation Margin Gains Haircuts applied, non-defaulted Clearing Members and their customers and the non-defaulted customers of the Defaulted Clearing Member will share pro rata in any recovery.

No Clearing Member and no customer of a Clearing Member shall institute against, or join any other person in instituting against, the Exchange any bankruptcy, reorganization, arrangement, insolvency, moratorium, liquidation or examinership proceedings, or other similar proceedings under U.S. federal or state bankruptcy laws or other applicable law arising out of any claimed default by the Clearing House on a contract as a result of the termination of such contract and related payments in accordance with these Rules.

#### **2121.00. CLOSE-OUT NETTING AND OFFSET.**

If at any time the Exchange (i) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition presented against it, such proceeding or petition results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for the Exchange's winding-up or liquidation, or (ii) approves resolutions authorizing any proceeding or petition described in clause (i) above (collectively, a "Bankruptcy Event"), all open positions in the Clearing House shall be closed promptly.

If at any time the Exchange fails to comply with an undisputed obligation to pay money or deliver property to a Clearing Member that is due and owing in connection with a transaction cleared by the Exchange, for a period of five (5) Business Days from the date that the Exchange receives notice from the Clearing Member of the past due obligation, the Clearing Member's open proprietary and customer positions at the Clearing House shall, at the election of that Clearing Member, be closed promptly. For the avoidance of doubt, in the event the Clearing House conducts any Variation Margin Gains Haircut settlement cycles, such haircutted funds will not constitute an undisputed Exchange obligation under this Rule, and MIAX Futures will have no obligation to repay such amounts other than as provided for in **Rule 2119.00.**

At such time as a Clearing Member's positions are closed:

- A. The obligations of the Clearing House to such Clearing Member with respect to the Clearing Member's proprietary positions, accounts, collateral, and security deposits shall be netted

against the obligations of such Clearing Member to the Clearing House and to the Exchange in respect of its proprietary positions, accounts, collateral, guarantees of the performance of its customers, and any obligations to guarantee funds (“Proprietary Netting”); and

- B. The obligations of the Clearing House to the Clearing Member with respect to such Clearing Member's customers' futures positions, futures accounts, and futures collateral shall be netted against the obligations of the Clearing Member to the Clearing House with respect to the futures positions, futures accounts, and futures collateral of such customers (“Futures Customer Netting”).

Notwithstanding the foregoing, the amount of any proprietary or customer claim extinguished as a result of applying the terminating and netting procedures set forth in this Chapter 21 will not be available for netting in Proprietary Netting and Futures Customer Netting. Proprietary Netting and Futures Customer Netting shall be performed in accordance with the Bankruptcy Code and the CEA and CFTC Regulations. This Rule shall be deemed to be a master netting agreement for Proprietary Netting and a master netting agreement for Futures Customer Netting.

All positions open immediately before being closed in accordance with this Rule shall be valued in accordance with the following procedures.

As promptly as reasonably practicable, but in any event within thirty days of the (i) Bankruptcy Event, or (ii) if a Clearing Member elects to have its open positions closed as described above, the date of the election, the Exchange shall, in a manner that is consistent with the requirements of the CEA and CFTC Regulations (including, without limitation Part 190 of the Regulations), fix a U.S. dollar amount (the “Close-out Value”) to be paid to or received from the Exchange by each Clearing Member, after taking into account all applicable netting and offsetting pursuant to the provisions of this Rule.

The Exchange shall value open positions subject to close-out by using the market prices at the moment that the positions were closed-out, assuming the markets were operating normally at such moment. If the markets were not operating normally at such moment, the Exchange shall exercise its discretion, acting in good faith and in a commercially reasonable manner, in adopting methods of valuation to produce reasonably accurate substitutes for the values that would have been obtained from the market if it had been operating normally at the moment that the positions were closed-out.

In determining a Close-out Value, the Exchange may consider any information that it deems relevant. If a Clearing Member has a negative Close-out Value, it shall promptly pay that amount to the Exchange.

## CHAPTER 23. BITNOMIAL EXCHANGE CLEARING RULES

### 23.1. SCOPE OF CHAPTER AND PRIORITY OF RULES.

This chapter governs procedures related to the clearing, settlement, delivery, and guarantee of trades executed on Bitnomial Exchange. Specifically, MIAX Futures provides clearing services for Bitnomial Exchange Contracts.

If not specifically covered herein, the Rules of the Exchange, and Chapter 21 in particular, shall govern. For purposes of this Chapter, all requirements, conditions, or procedures of the Exchange and the Clearing House will apply specifically to Bitnomial Exchange Contracts.

To the extent that the provisions of this Chapter conflict with any other MIAX Futures Rules, this Chapter supersedes such Rules. MIAX Futures Rules pertaining to the clearing of Bitnomial Exchange Contracts shall have precedence over the rules of Bitnomial Exchange unless expressly and specifically stated otherwise.

### 23.2. CLEARING MEMBERS.

This Chapter applies to Clearing Members approved by the Exchange to submit Bitnomial Exchange Contracts to the Clearing House for clearing. Clearing privileges may be granted and retained only if a clearing firm is a Clearing Member of the Exchange and when the terms and conditions set forth in **Rule 2100.02** have been met. The Clearing House has no obligation to accept Bitnomial Exchange Contracts for clearing unless the Clearing Member complies with all MIAX Futures requirements for becoming a Clearing Member of the Exchange and remains in Good Standing, including those requirements set forth in this Chapter. Clearing Members must have the ability to comply with the requirements set forth by Bitnomial Exchange, and both MIAX Futures and Bitnomial Exchange must grant approval of Clearing Members allowed to clear contracts traded on Bitnomial Exchange. For the avoidance of doubt, Clearing Members will not, under any circumstances, be required to own, hold, or control Digital Assets under these Rules or Bitnomial Exchange rules (unless the Clearing Member holds positions requiring delivery in its own proprietary account), but Clearing Members are responsible for ensuring their customers are able to satisfy or satisfy their obligations regarding delivery and acceptance thereof under the applicable MIAX Futures and Bitnomial Rules.

A Clearing Member guarantees and assumes financial responsibility for all orders it places and receives, and all contracts it clears and delivers.

#### 23.2.1. MARKET PARTICIPANT ACCESS.

After a Clearing Member grants a Market Participant access to trade or use Bitnomial Exchange systems, such Clearing Member will be fully responsible for the actions and transactions of any and all users that are provided access to the Bitnomial Exchange match engine by such Market Participant or any other user approved by the Market Participant. Clearing Members acknowledge that an approved Market Participant will have the ability to designate its own users directly with Bitnomial Exchange without

receiving separate Clearing Member approval. For the avoidance of doubt, Clearing Members guarantee and assume financial responsibility for all transactions placed and executed on Bitnomial Exchange by a Market Participant approved by the Clearing Member and all additional users authorized directly or indirectly by a Market Participant, including unknown users.

### **23.3. MARKET PARTICIPANTS.**

All participants approved to trade on Bitnomial Exchange must establish an account with an Exchange Clearing Member (or be properly authorized by a Clearing Member approved participant), and if involved with delivery, must satisfy the delivery prerequisites set forth by Bitnomial Exchange Rule 1102(b). Market Participants seeking to make or take delivery must meet the requirements set forth by Bitnomial Exchange and applicable MIAX Futures Rules. Bitnomial Exchange and MIAX Futures must grant approval to any Market Participant prior to participating in the delivery process of a Futures Contract traded on Bitnomial Exchange.

### **23.4. CLEARING FEES.**

Clearing fees for Bitnomial Exchange Contracts, and the manner of payment thereof, shall be determined by the Clearing House.

### **23.5. CLEARING HOUSE PROCEDURES.**

The Clearing House may immediately adopt, modify, or cancel procedures, including but not limited to, reporting, submission times, the deadlines set forth in [Rule 23.9.](#), settlement process, settlement times, margin and variation payments means and methods, give up procedures, confirmations, closing, product listing procedures and coding, and recordkeeping. The Exchange may incorporate into its Rules, as appropriate, such clearing procedures, including those noted above determined necessary for effective clearing.

### **23.6. FUTURES – FINAL SETTLEMENT.**

Bitnomial Exchange Futures positions open as of the contract's close of business on the last trading day will be settled in accordance with Bitnomial Exchange's settlement procedures.

### **23.7. DAILY SETTLEMENTS.**

Bitnomial Exchange is solely responsible for determining and providing daily settlement values and data for all Bitnomial Exchange Contracts to the Clearing House and is responsible for the accuracy of such final settlement values and data. The Exchange shall not be liable for the settlement prices received for such contracts.

#### **23.8.1. OPTIONS – LAST TRADING DAY AND EXPIRATION.**

Trading shall terminate six (6) Business Days prior to trading termination of the underlying futures contract. The contractual rights and obligations arising from the option contract expire on the last day of trading.

#### **23.8.2. OPTIONS – AUTOMATIC EXERCISE.**



The Exchange will automatically exercise all in-the-money options unless notice to cancel automatic exercise is given to the Clearing House. Such options will be exercised into Futures Contracts and settled as part of the Futures process.

Notice to cancel automatic exercise shall be given to the Clearing House in accordance with the deadline set forth below on the last day of trading except that such notice must be given to the Clearing House prior to 4:30 p.m. Central Time on the expiration date:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled MIAX Futures Option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time as determined by the Exchange on the last day of trading.

### 23.9. DEADLINES AND SUMMARY FINES.

The schedule of deadlines is subject to change at any time by the Exchange. The Exchange has adopted the following schedule of reporting deadlines (all times shall conform to Central Time):

7:30 a.m.	Reporting of gross positions
9:00 a.m.	Settlement and margin payment
11:00 a.m.	Trading directive for same day collateral pledges* Trading directive for same day collateral pledge release*
11:30 a.m.	Intraday variation payment
4:10 p.m.	Unmatched trade adjustments
4:15 p.m.	Last submission of trades Give-up execution
4:20 p.m.	Give-up acceptance
4:30 p.m.	Auto-Exercise Cancellations Options position reports on expiration day
5:10 p.m.	Bitnomial delivery files
7:30 p.m.	Customer gross margin files

\* Submitting a Trading directive to the Exchange does not guarantee same day transfers of a security. MIAX Futures is not responsible for delays caused by the inaccuracy or untimely

**submission of information by a Clearing Member required to facilitate the transfer of securities to or from MIAX Futures' safekeeping accounts.**

Any unresolved unmatched trades may be suspended pending possible resolution the following Business Day as an "as of" trade. "As of" trades can be carried no longer than one Business Day.

Any "as of" trade which is subsequently given up must be done in accordance with **Rule 2102.00** and the deadlines established in **Resolution 2101.00.C**.

In addition to the deadlines set forth above, the Exchange has adopted delivery specific deadlines (see **Rule 23.12.4**).

Any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a summary fine or other disciplinary action, including but not limited to, the matter being referred to the Disciplinary Committee as determined by the Exchange.

Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in this Rule. All submissions received after the respective deadlines are subject to a warning letter or fine. The schedule is as follows:

1 <sup>st</sup> Offense:	Warning Letter
2 <sup>nd</sup> Offense:	\$1,000 fine
3 <sup>rd</sup> Offense:	\$2,500 fine
4 <sup>th</sup> Offense:	\$5,000 fine

The 5<sup>th</sup> 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 a fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the 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.

**23.10. DISCIPLINARY ACTIONS.**

Notwithstanding any provision of the rules of Bitnomial Exchange, all Clearing Members are subject to the jurisdiction of the Exchange. In the event a Clearing Member violates the requirements of any rule, report, submission, deadline, or other obligation, the Exchange may impose a fine on the Clearing Member or take other disciplinary action including, but not limited to, referring the matter to the Disciplinary Committee. In addition, a Clearing Member that violates or is alleged to have violated any delivery requirement or deadline herein will be subject to the disciplinary procedures set forth in Chapter 12.

**23.11. TRANSFER TRADES AND OFFSETS.**

Transfer trades involving contracts or positions traded on Bitnomial Exchange will be governed in accordance with the rules of Bitnomial Exchange. All transfers in physically delivered Futures Contracts

must be recorded and carried on the books of the receiving Clearing Member at the original trade dates. All other contracts may be recorded and carried at either the original trade date or the transfer date.

“Transfer” trades involving the transfer of a customer’s positions and related collateral from an account on the books of one Clearing Member to another Clearing Member shall not require the close-out and re-booking of the positions prior to the requested transfer; PROVIDED, the following conditions are met: (1) The customer validly instructed the carrying Clearing Member to make the transfer; (2) the customer is not currently in default to the carrying Clearing Member; (3) the receiving Clearing Member has consented to the transfer; (4) the transferred positions will have appropriate margin at the receiving Clearing Member; and (5) any remaining positions in the customer’s account at the carrying Clearing Member will have appropriate margin.

MIAX Futures **Rules 3.1.7.** and **3.1.8.** shall govern transfer trades and offsets and the associated reporting requirements.

### **23.11.1. BLOCK TRADES.**

Block trades will be permitted in the Bitnomial Exchange Contracts designated by Bitnomial Exchange, provided such trades meet the minimum quantity thresholds and all applicable Bitnomial Exchange rules and CFTC Regulations. All block trades must be submitted via the Bitnomial Exchange match engine and in accordance with the deadlines set forth by Bitnomial Exchange (and in no case later than 4:15 p.m. Central Time). In order to execute a block trade on the match engine, Clearing Members and/or Market Participants must have access to the Bitnomial Exchange and receive all required permissions and approvals prior to executing block trades via Bitnomial Exchange. Upon verification by Bitnomial Exchange, block trades will be submitted to MIAX Futures for clearing.

### **23.12.1. DELIVERY OF UNDERLYING DIGITAL ASSET – CLEARING MEMBER & MARKET PARTICIPANT DUTIES.**

Any Clearing Member carrying an account of a Market Participant that is required to make or take delivery agrees to guarantee and assume full responsibility that its customers, as Market Participants, will comply with all delivery obligations set forth in MIAX Futures and Bitnomial Exchange Rules including Rules requiring that Digital Assets be delivered by Market Participants during the Delivery Period in accordance with the Bitnomial Exchange delivery rules. For purposes of these Rules, the “Delivery Period” means the period beginning three Business Days before the last trading day and ending on the delivery day. Clearing Members must file all required forms and reports by the deadlines established by MIAX Futures, including but not limited to final open positions and delivery reports.

Clearing Members are responsible for ensuring that their customers, as Market Participants, that have an obligation or desire to make delivery have the operational ability to, and ultimately satisfy, their full delivery obligation and that such customers have made deliverable Digital Assets available to deliver with the Settlement Facility by 9:30 a.m. on the last trading day in accordance with all applicable Rules. Should a customer fail to deliver Digital Assets in accordance with applicable requirements and the Clearing Member of such customer financially satisfies such obligation, the opposite customer who failed to receive the Digital Assets may still file an arbitration claim against the non-performing customer and/or such customer’s Clearing Member in accordance with Bitnomial Exchange Rules.

In the event a Clearing Member fails to perform its delivery obligations to the Clearing House, MIAX Futures may deem such failure a default pursuant to this Rule and take any of the actions against the Clearing Member authorized in this or other MIAX Futures Rules. For the avoidance of doubt, Clearing Members will not, under any circumstances, be required to own, hold, or control Digital Assets under these Rules or Bitnomial Exchange rules (unless the Clearing Member holds positions requiring delivery in its own proprietary account), but Clearing Members are responsible for ensuring their customers, as Market Participants, are able to satisfy or satisfy their obligations regarding delivery and acceptance thereof under the applicable MIAX Futures and Bitnomial Rules.

In a Clearing Member default that involves a delivery failure, the Clearing House will ensure the financial performance to the Clearing Member whose actions or omissions did not cause or contribute to the delivery failure (the “Affected Clearing Member”). The Clearing House powers will include, but are not limited to, the right to sell or liquidate the Digital Asset subject to delivery and to distribute the proceeds as appropriate and access the funds and collateral available in a default in accordance with **Rule 2109.03**. For purposes of this Rule, “financial performance” means payment of commercially reasonable costs of the Affected Clearing Member related to replacing the failed delivery but does not include physical performance or legal fees. For the avoidance of doubt, payment of reasonable costs will be based on the price of the Digital Asset when delivery should have been made, and the Clearing House is not obligated to make or accept delivery of the actual Digital Asset.

An Affected Clearing Member seeking financial performance must provide prompt notice to the Clearing House and to Bitnomial Exchange of the delivery failure and a good faith estimate of any financial performance being sought within one (1) hour of the delivery deadline set forth in **Rule 23.12.4**. for the product. This deadline may be extended by the Exchange for extenuating circumstances in its sole discretion. An Affected Clearing Member seeking financial performance must provide the Clearing House with a detailed statement with supporting documentation of the amount sought, as well as any other documentation requested by the Clearing House.

MIAX Futures shall not, under any circumstances, be responsible or liable for any losses, damages, or other costs arising out of a failure, malfunction, error, omission, delay, suspension, inaccuracy, or other event related in any way to the storing, transfer, delivery transfer, or movement of Digital Assets in association with Bitnomial Exchange Contracts.

### **23.12.2. ACCOUNTS ELIGIBLE FOR DELIVERY.**

Only accounts approved for delivery shall be eligible for delivery and allowed to maintain open positions in an expiring Bitnomial Exchange Contract during the three (3) trading days leading up to Delivery Day.

Any positions held in an account not approved for delivery must be liquidated by the end of the last trading session prior to the final three (3) trading days (including Last Trading Day) of a contract. Trading in an account not approved for delivery is prohibited during this period. The Clearing House or Bitnomial Exchange will not be liable for any loss associated with such liquidation. In addition, a Clearing Member that is carrying any position not held in an account approved for delivery at any time during the final three (3) trading days of a contract will be subject to Exchange disciplinary action, including, but not limited to, fines or referring the matter to the Disciplinary Committee.

### **23.12.3. DELIVERABLE INSTRUMENTS.**

To qualify as a Digital Asset eligible for contract delivery, the Digital Asset must meet the requirements of Bitnomial Exchange Rule 1103(c) and product descriptions.

#### 23.12.4. DELIVERY PROCEDURES AND REPORTING.

Unless stated otherwise, the Clearing House will electronically issue notices and reports to relevant Clearing Members.

Delivery of a Bitnomial Exchange Contract is based upon open positions after contract expiration. The delivery process, as set forth below, consists of the following requirements and deadlines (all references to days are Business Days and times are noted in Central time):

<b>T-5</b>	<b>5 Days Prior to Last Trading Day</b>	<b>5:10 p.m.</b>	Clearing Members file Bitnomial delivery files and all other requested information at the end of each day with the Clearing House.
<b>T-3</b>	<b>3 Days Prior to Last Trading Day (start of Delivery Period)</b>	<b>9:00 a.m.</b>	Settlement Facility opens to delivering Market Participants.
<b>T</b>	<b>Last Trading Day of Contract</b>	<b>9:30 a.m.</b>	Clearing Members are responsible for ensuring all Market Participants making delivery deliver underlying asset through Settlement Facility.
		<b>5:10 p.m.</b>	Clearing Members file Bitnomial delivery files with the Clearing House, which will serve as a binding Delivery Notice to MIAX Futures.
		<b>8:45 p.m.</b>	Clearing House issues final Delivery Report and corresponding payment information.
<b>T+1</b>	<b>Delivery Day</b>	<b>11:30 a.m.</b>	All payments for delivery are due to the delivering Clearing Member.
		<b>12:30 p.m.</b>	Clearing Member notification to Bitnomial Exchange and Clearing House regarding receipt of final payment is due.
		<b>By 7:00 p.m.</b>	Delivery process and movement of corresponding Digital Assets is completed.
<b>T+2</b>	<b>Release of Margin</b>	<b>By 9:00 a.m.</b>	Provided that notification of delivery has been received by the applicable Delivery Day deadlines, MIAX Futures will release margins.

Any discrepancies or material reporting errors may result in MIAX Futures disciplinary action.

#### 23.13. MANAGEMENT OF DEFAULT AND LOSSES.

Should MIAX Futures bear a Loss resulting from the Default of a Clearing Member or from the failure or insolvency of a settlement or depository bank that precipitates a Clearing Member Default, the procedures set forth in Chapter 21 of the Exchange Rules shall govern.

### **23.14. FORCE MAJEURE.**

Notwithstanding any other Rule or provision, the Exchange and Clearing House will not be obligated to perform its obligations under the Rules, or to compensate any Clearing Member for losses occasioned by any delay or failure of performance, to the extent such delay or failure is the result of a condition or event constituting Force Majeure, including but not limited to acts of God, fire or other natural disasters, acts of terrorism, war, or severely inclement weather. In such event, the Exchange will give notice to affected Clearing Members as soon as reasonably practicable and will attempt to remediate the condition.

### **23.15. PHYSICAL EMERGENCIES.**

If the Bitnomial Exchange trading platform, the Settlement Facility, or the Clearing House experience a full or partial disruption or breakdown in any area, the Exchange may, without prior notice, immediately modify or suspend clearing operations and procedures involving Bitnomial Exchange Contracts until the problem has been resolved.

### **23.16. LIMITATION OF LIABILITY.**

Neither the Exchange, the Board of Directors, and any committees, nor any of MIAX Futures' officers, directors, or employees, shall be liable for any losses, damages, or costs, including direct, indirect, special, incidental or consequential damages, and lost profits, regardless of whether any of them had been advised or otherwise made aware of the possibility of such damages, arising out of the services provided by the Exchange as it pertains to the clearing of Bitnomial Exchange Contracts or as it pertains to the use or performance of the Bitnomial Exchange platform or Settlement Facility or any component(s) thereof; any fault, failure, malfunction, or other alleged defect in any such contract or platform; or any error, omission, delay, suspension, or inaccuracy made by Bitnomial Exchange. The Exchange shall not be liable for any damages or losses caused in whole or in part by the malfunction, unexpected function, or unintended function of the Settlement Facility or any attacks or cybersecurity breach, fraud or other illegal activity directed at the Settlement Facility. The Clearing House shall not be liable for any connectivity or communication fault, delay, or breakdown, including but not limited to, any failure to delay in transmission, disruption of common carrier lines, loss of power, acts or failures to act of any third party, natural disasters, or any and all other causes. The Exchange does not guarantee continuous, uninterrupted, or secure access to the Clearing House.

Each Market Participant assumes all risks of trading on the Bitnomial Exchange platform and use of the Settlement Facility and waives any right to assert any claim against the Exchange that access or information was not provided by the Exchange or that access or information provided by the Exchange was improper, inaccurate, or inadequate. Further, such Market Participant will not use the Exchange to contest the validity or enforceability of any trade executed on the Bitnomial Exchange platform.

Neither the Exchange, the Board of Directors, and any committees, nor any of MIAX Futures' officers, directors, or employees make any express or implied warranties or representations relating to the Bitnomial Exchange platform, including but not limited to, warranties of merchantability and warranties of fitness for a particular purpose or use.

Notwithstanding any other provision of the Exchange Rules, in no event will any Person bring any legal action, regardless of whether liability is based on breach of contract, tort, restitution, breach of statutory

duty, breach of warranty or otherwise, and regardless of whether the claim is brought directly or as a third-party claim for indirect, special, incidental, consequential, or punitive damages of any kind, however suffered or incurred, and regardless of whether the party from whom such damages would be sought has been advised of the possibility of such damages or whether such damages otherwise could have been foreseen or prevented.

# **CHAPTER 50. MINNEAPOLIS HARD RED SPRING WHEAT FUTURES**

## **SECTION 1 – CONTRACT RULES**

### **50.1.1. SCOPE OF CHAPTER.**

This Chapter is limited in its application to Futures trading of Minneapolis Hard Red Spring Wheat. Procedures for matters not specifically covered herein shall be governed by the MIAX Futures Rulebook, or delegated to the Exchange to establish policies and procedures that implement the MIAX Futures Rules.

### **50.1.2. MINNEAPOLIS HARD RED SPRING WHEAT FUTURES CONTRACT: DEFINITION.**

The Minneapolis HRSW Futures Contract is based on the underlying physical HRSW commodity, which adheres to USDA grain standards for the classification and grades of HRSW, as described in **Rule 50.1.16**. The Minneapolis HRSW Futures Contract also adopts additional specifications for physical settlement.

### **50.1.3. CONTRACT TRADING UNIT.**

The unit of trading is one lot of 5,000 bushels of HRSW, or multiples thereof.

### **50.1.4. MINIMUM PRICE INCREMENT.**

The minimum price increment for Minneapolis HRSW Futures Contracts is one quarter (1/4) cent per bushel or \$12.50 per contract. All prices are quoted in U.S. dollars.

### **50.1.5. CONTRACT MONTHS.**

Trading of Minneapolis HRSW Futures is permitted in five months - March, May, July, September (New Crop), and December. The number of months open for trading at a given time shall be determined by the Exchange.

### **50.1.6. TRADING DAYS AND HOURS.**

Days on which trading of Minneapolis HRSW Futures Contracts is permitted are determined by the Exchange.

Unless otherwise specified by the Exchange in relation to Exchange holidays, the Hours of Trading for Minneapolis HRSW Futures are:

Sunday to Friday: 7:00 p.m. - 1:30 p.m. CT. A pause in trading occurs from 7:45 a.m. - 8:30 a.m. CT.

### **50.1.7. LAST TRADING DAY.**



The last trading day of a contract month is the last business day preceding the fifteenth calendar day of that month. Any Minneapolis HRSW Futures Contracts remaining open after the last day of trading must be:

- A. settled by delivery no later than the seventh (7th) business day following the last trading day, or
- B. liquidated pursuant to **Rule 50.1.8.**

#### **50.1.8. LAST DAY FOR EXCHANGE FOR PHYSICAL AND RISK TRANSACTIONS.**

The last day that a Minneapolis HRSW Futures Contract may be exchanged for, or in connection with, an EFP or EFR transaction shall be the sixth (6th) business day following the last trading day of the contract month.

After the last trading day of the Minneapolis HRSW Futures Contract, EFP and EFR transactions are permitted only for the purpose of liquidating futures positions. Such transactions shall not be permitted to initiate or establish new futures positions.

#### **50.1.9. DAILY PRICE LIMITS.**

The Daily Price Limit for Minneapolis HRSW Futures is \$0.60 per bushel. Trading is prohibited during any day at a price outside the limit above or the limit below either the settlement price for Minneapolis HRSW Futures on the previous business day or the price of the first trade during the first day of trading in a Minneapolis HRSW Futures Contract.

Should two or more Minneapolis HRSW Futures Contract months within a crop year close at limit bid or limit offer, the daily price limits for all contract months will increase by 50 percent the next business day. Daily price limits will revert back to \$0.60 the business day after which no Minneapolis HRSW Futures Contract month closes at the expanded limit bid or limit offer.

Notwithstanding the foregoing provision, there shall be no price limits on the spot Minneapolis HRSW Futures Contract month commencing the first business day after expiration of non-serial options on the spot month.

#### **50.1.10. PHYSICAL SETTLEMENT.**

Minneapolis HRSW Futures Contracts are physically settled.

#### **50.1.11. POSITION LIMITS.**

- A. **Applicability. Rules 50.1.11., 50.1.12., and 50.1.13.** govern position limits for Minneapolis HRSW Futures.
- B. **Limits.** Position limits for Minneapolis HRSW Futures will be determined by the Exchange but will not be greater than the position limits for Minneapolis HRSW Futures pursuant to Part 150 of CFTC Regulations.

No Market Participant may hold or control more than the number of contracts net long or net short in all Minneapolis HRSW Futures and Minneapolis HRSW Options combined that in the aggregate would exceed the equivalent of one thousand two-hundred (1,200) Minneapolis HRSW Futures Contracts in the spot month; twelve thousand (12,000) Minneapolis HRSW Futures Contracts in any single month; or twelve thousand (12,000) Minneapolis HRSW Futures Contracts in all contract months combined on a net futures-equivalent basis.

For the purposes of this Rule, the spot month is defined as beginning at the close of the trade day preceding first notice day.

**C. Compliance.** No Market Participant may exceed the limits at any time during the trade day. Positions in excess of the limits will be presumed to be a violation. The Exchange may direct any Market Participant owning, holding, controlling, or carrying a position for another Market Participant in excess of the limits set forth in this Rule to liquidate or reduce its position to comply with this Rule. Market Participants exceeding federal position limits for futures-equivalent positions as a result of either 1) an Options assignment; or 2) movement in that day's closing price of Minneapolis HRSW Futures that increases the Options positions using delta equivalent values, will be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits.

**D. Enforcement.** The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, or Clearing Member as the case may be) shall maintain adequate books and records that disclose the identity of and positions held by any Market Participant. Such books and records must be made available to the Exchange upon request. The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, and Clearing Member) may be held accountable for any violation of the limits. The Department of Audits and Investigations may take enforcement action against any or all of the parties, whether or not each had actual knowledge of the position or a violation.

#### **50.1.12. EXEMPTIONS FROM POSITION LIMITS.**

A Market Participant intending to exceed position limits for Minneapolis HRSW Futures Contracts, including to exceed a position established pursuant to a previously approved exemption, must file, in good faith, a complete and accurate Position Limit Exemption Request Form, available through the Exchange, for exemption and receive approval from the Department of Audits and Investigations prior to exceeding such limits. In order to obtain an exemption from position limits, a Market Participant must provide the following:

A. a description of the exemption sought, including whether the exemption is for bona fide hedging transactions or positions as defined in CFTC Regulation 150.1, and whether the exemption is for enumerated or non-enumerated hedging transactions or positions, or spread transactions as described in CFTC Regulation 150.3;

B. a complete and accurate explanation of the underlying exposure and strategy related to the exemption request;

C. a statement indicating whether the Market Participant on whose behalf the request is made (i) maintains positions in the Minneapolis HRSW contract for which the exemption is sought with any other account holder or owner, and/or (ii) has made a previous or contemporaneous request pursuant to the Rule through another Market Participant, and if so, the relationship of the information set forth in such requests;

- D. a statement that the Market Participant will immediately supply the Exchange with any material changes to the information submitted pursuant to this Rule;
- E. a statement that the Market Participant will comply with all Exchange rules, and the conditions or limitations imposed by the Department of Audits and Investigations with respect to the exemption;
- F. such further information as the Exchange may request, including the daily, weekly, or periodic filing of any documents or reports; and
- G. a statement documenting policies and procedures currently implemented to monitor and ensure compliance with MIAX Futures Rules related to position limits and exempted levels.

The Department of Audits and Investigations may approve, deny, condition, or limit any exemption request based on factors deemed to be relevant in accordance with sound commercial practices, including, but not limited to, the Market Participant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

The Department of Audits and Investigations will notify the Market Participant the exemption has been granted on all or specified portion of such transaction or position, and any limitations placed on the exemption, within five (5) business days of receiving a written request for exemption. An exemption will remain in effect until (i) the Market Participant on whose behalf the request is made requests a withdrawal; (ii) the Exchange revokes, modifies, or places further limitations on the exemption; (iii) the exemption expires; or (iv) the CFTC determines otherwise.

A Market Participant who establishes a bona fide hedging position in excess of position limits due to demonstrated sudden and unforeseen increases in its bona fide hedging needs and files the required application with the Department of Audits and Investigations will not be in violation of this rule provided the filing occurs within five (5) business days after assuming the position and the application includes an explanation of the circumstances warranting the sudden or unforeseen increases in bona fide hedging needs. If the positions in excess of the limits are not exemption-eligible, the Market Participant and Clearing Member will be in violation of speculative limits for the period of time in which the excess positions remained open and must reduce their positions at or below the positions limits within one (1) business day of being informed that the positions are not eligible for an exemption.

Any Market Participant who avails themselves of an exemption must keep and maintain complete books and records concerning the details of the exemption, including information required to be kept by CFTC Regulation 150.3(d). A Market Participant who has received written authorization from the Department of Audits and Investigations to exceed position limits must file, at least annually, an updated application no later than one year following the approval date of the most recent application. A Market Participant must renew an application if there are any material changes to the information provided on the application. Failure to file an updated application will result in expiration of the exemption.

Nothing in this Rule will in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Department of Audits and Investigations to review at any time the positions held or controlled by any Market Participant and to direct that such position be reduced to the position limits in

**Rule 50.1.11.B.** The Exchange will also use CFTC Part 150 as a guide when assessing the exemption request but will not be limited by it.

**50.1.13. AGGREGATION OF POSITIONS.**

In determining whether any Market Participant has exceeded the position limits for Minneapolis HRSW Futures, all positions in accounts for which such Market Participant, by power of attorney or otherwise, directly or indirectly controls trading or holds a ten percent (10%) or greater ownership or equity interest will be included with the positions held by such Market Participant. Such limits upon positions will apply to positions held by two (2) or more Market Participants acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Market Participant. Market Participants may be eligible for an exemption from aggregation under CFTC Regulation 150.4(b). Any Market Participant seeking an exemption must follow procedures listed in CFTC Regulation 150.4(c). Market Participants must notify the Department of Audits and Investigations of all CFTC approvals.

The Exchange will follow the CFTC definition of aggregation, the procedures for aggregating positions, and exemptions from aggregation as described in CFTC Part 150, including CFTC Regulations 150.4(a), 150.4(b), and 150.4(c), or elsewhere as applicable.

**50.1.14. REPORTABLE POSITIONS AND TRADING VOLUME.**

The reportable position level will be a position of one hundred and fifty (150) or more Minneapolis HRSW Futures, long or short, in any one (1) month. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.

Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the Minneapolis HRSW Futures Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.

**50.1.15. BLOCK TRADES.**

For the purpose of this Rule, Block Trades are 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. Clearing Members are responsible for ensuring Market Participants, including customer accounts, conducting Block Trades are Eligible Contract Participants.

Block Trades are permitted to be executed in the Minneapolis Hard Red Spring Wheat 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 Minneapolis HRSW Futures Contract is 15 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 in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract

at the relevant time, and (C) the price and size of Trades in other relevant markets, at the relevant time. The minimum price increment for a Block Trade in the Minneapolis HRSW Futures Contract is 1/4 cent per bushel.

- D. Block Trades will not trigger conditional orders or otherwise affect orders in the underlying Minneapolis HRSW 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 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, Transaction Type Indicator (B), account number, the respective Clearing Member(s) code, the time of execution, and any other information required in accordance with MIA X Futures 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.

#### **50.1.16. DELIVERABLE GRADES.**

- A. **Contract Grades.** The Minneapolis HRSW Futures Contract grades and sub classes of Hard Red Spring Wheat shall be as set forth below and shall be deliverable at the contract price in Minneapolis, St. Paul and Red Wing switching districts:

USDA No. 2 or better Dark Northern or Northern Spring Wheat with a protein content of thirteen and one-half percent (13.5%) or higher at contract price.

All above grades with thirteen percent (13%) to thirteen and four-tenths percent (13.4%) protein inclusive are deliverable at a three cents (3¢) per bushel discount.

All above grades that have a test weight per bushel of sixty (60) lbs. or more are deliverable at a two cents (2¢) per bushel premium.

All above grades shall have a maximum allowable moisture of thirteen and one-half percent (13.5%).

The maximum allowable total dockage shall not exceed one and one-half percent (1.5%) of the gross quantity, which includes dockage.

The above grades of wheat may be delivered "In Store" in a waterfront elevator, located within the Duluth-Superior District (see **Rule 52.1.**), at a three cents (3¢) per bushel premium.

- B. **Special Grade Designation.** Wheat labeled by a special grade designation, i.e. - ergoty wheat, garlicky wheat, infested wheat, light smutty wheat, smutty wheat, treated wheat or other special grade designation, as defined by the United States Department of Agriculture - United States Standards for Wheat, shall not be deliverable against a Minneapolis HRSW Futures Contract.

C. **Vomitoxin.** The maximum allowable vomitoxin for Hard Red Spring Wheat delivered on Minneapolis HRSW Futures Contracts shall not exceed 2.0 parts per million; however, 3.0 parts per million may be delivered at a twenty cents (20¢) discount.

All warehouse receipts issued for delivery against Minneapolis HRSW Futures Contracts shall be marked with a deoxynivalenol (“vomitoxin”) limit expressed in tenths as either (i) 2.0 parts per million or (ii) 3.0 parts per million. Warehouse receipts marked as 2.0 parts per million or 3.0 parts per million shall represent a maximum vomitoxin level. Further, warehouse receipts marked as 2.0 parts per million shall be delivered at contract price, while receipts marked as 3.0 parts per million vomitoxin shall be delivered at a 20 cents per bushel discount.

The taker shall have the option, at taker’s expense, to request for a determination of the level of vomitoxin at the time load-out instructions are submitted to the warehouse. Sampling shall be conducted at the point of load-out by the Federal Grain Inspection Service, a federally designated inspection agency or by a third party inspection service which is mutually agreeable to the warehouse and taker of delivery. The determination of the level of vomitoxin shall be based on the average test results of the HRSW. Vomitoxin test results up to and including 2.0 parts per million shall meet warehouse receipts marked 2.0 parts per million. Vomitoxin test results up to and including 3.0 parts per million shall meet warehouse receipts marked 3.0 parts per million. Vomitoxin test results greater than 3.0 parts per million shall not be deliverable. There will be no rounding of test results to a whole number. Taker may agree to accept HRSW with vomitoxin test results greater than 2.0 up to 3.0 parts per million for warehouse receipts marked 2.0 parts per million at the stated discount or at a discount mutually agreed by both parties.

The following methods are to be used for determining the level of acceptable vomitoxin for deliveries against Minneapolis HRSW Futures:

1. Barges shall be based upon a single barge composite sample.
2. Vessels shall be based upon the average of subplot composite samples.
3. Trains shall be based upon an average of 5 railcar composite samples. A single composite sample shall be used for load-outs less than 5 railcars.
4. Warehouse and taker may mutually agree to utilize other sample averages.

D. **Wheat Unfit for Human Consumption.** Wheat declared unfit for human consumption under Federal Food, Drug and Cosmetic Act is not deliverable on a Minneapolis HRSW Futures Contract.

#### **50.1.17. DELIVERY POINTS.**

HRSW delivered on Minneapolis HRSW Futures Contracts shall be deliverable to elevators located in Minneapolis/St. Paul, Red Wing, and Duluth/Superior switching districts.

#### **50.1.18. FIRST NOTICE DAY AND LAST NOTICE DAY.**

The first notice day is the last business day of the month preceding the delivery month. The last notice day is the last business day preceding the last delivery day.

#### **50.1.19. FIRST DELIVERY DAY AND LAST DELIVERY DAY.**

The first delivery day is the first business day of the delivery month. The last delivery day is the seventh business day following the last trading day.

**SECTION 2 – DELIVERY RULES****50.2.1. DELIVERIES: WHEN DUE.**

Delivery on Minneapolis HRSW Futures Contracts may be made by the Seller upon such business day of the month, specified in the contracts, as the Seller may elect. If not previously made, delivery must be made upon the last delivery day of the delivery month. (See Rule 50.1.5.)

**50.2.2. DELIVERIES: STANDARDS APPLICABLE THERETO.**

Except as hereinafter provided, all Minneapolis HRSW Futures Contracts shall conform to the Official Grain Standards of the United States, if such standards existed and were in effect at the time the delivery receipts were issued. Unless the Board of Directors determines otherwise, changes in the Official Grain Standards of the United States will become effective with the first Minneapolis HRSW Futures Contract month, regardless of open interest, after the effective date of the changes as announced in the Federal Register.

**50.2.3. ELECTRONIC WAREHOUSE RECEIPTS.**

Warehouse Receipts must be in lots of five thousand (5,000) bushels or multiples thereof.

Delivery against a Minneapolis HRSW Futures Contract shall be made by the delivery of a USDA approved negotiable electronic warehouse receipt issued by a MIAF Futures approved Regular Facility. Unless otherwise instructed by the Exchange, electronic warehouse receipts are to be issued via and transferred exclusively using eGrain, Inc. (also known as the eGrain System).

The Exchange may from time to time determine or modify the electronic fields that are required to be completed when creating or issuing an electronic warehouse receipt.

**50.2.4. CONTRACT PRICE.**

The contract price for Minneapolis HRSW Futures Contracts shall be the last settling price for such Contracts with the Clearing House.

**50.2.5. DETERMINATION OF VALUE.**

The amount to be paid for HRSW delivered against Minneapolis HRSW Futures Contracts will be determined by taking into account the number of bushels or pounds delivered, the contract price for the day on which delivery is being made (as determined in Rule 50.2.4.), the premium or discount, if any, for the grade delivered, and the amount of storage and insurance charges, if any, that are to be allowed to the buyer.

**50.2.6. WARRANTY OF TITLE BY SELLER.**

The party making delivery, whether acting as owner, agent or Commission Merchant, shall be deemed and held to warrant his right to sell and pass full clear title to the commodities upon the delivery thereof against the Minneapolis HRSW Futures Contract. In every such sale for future delivery, a warranty by such party

making delivery of the title in the buyer's name to the commodity purchased upon the delivery thereof shall be part of the contract of sale with the same force and effect as if expressly incorporated therein; PROVIDED, however, that the Clearing House shall not undertake said warranty by reason of the fact that it assumes the position of seller in the process of clearing such Minneapolis HRSW Futures Contracts. Said warranty shall be one that inures to the benefit of the buyer and to the benefit of the Clearing House, when it assumes the position of buyer in the process of clearing such Minneapolis HRSW Futures Contracts.

#### **50.2.7. DELIVERY NOTICE: ISSUING AND DELIVERY OF.**

A Seller, in making delivery against a Minneapolis HRSW Futures Contract, shall issue and deliver to the Clearing House a signed Delivery Notice in the form and manner prescribed by the Clearing House (see **Rule 50.2.12.**).

#### **50.2.8. DELIVERY NOTICE: CONTENTS.**

Delivery Notices for Minneapolis HRSW Futures Contracts shall be in lots of five thousand (5,000) bushels. Such Notices shall contain the name of the issuer, a description of the warehouse receipts representing the commodity to be delivered, the grade to be delivered, and the storage/premium, where applicable, accrued and allowed, if any. All Delivery Notices shall be in the form and manner prescribed by the Exchange (see **Rule 50.2.10.**).

#### **50.2.9. DELIVERY NOTICE: DELIVERY TO A BUYER.**

When a Delivery Notice has been duly delivered to the Clearing House by a Seller, the Clearing House shall assign the deliveries to Buyers obligated by the oldest Minneapolis HRSW Contracts on the records of the Clearing House to take delivery of the HRSW described in such Notice.

#### **50.2.10. TIMES FOR DELIVERY OF DELIVERY NOTICES AND DELIVERY AND PAYMENT.**

All Delivery Notices shall be made in accordance with the provisions of the CEA, CFTC Regulations, and MIAF Futures Rules issued thereunder.

All Delivery Notices shall be in the form specified by the Exchange.

All Delivery Notices shall be delivered to the Clearing House two (2) business days prior to the date of delivery and at such time as determined by the Exchange (see **Resolution 2101.00.C.**) on all such business days. The Exchange shall have until nine o'clock (9:00) a.m. on the following business day to make delivery of the Delivery Notice to the Buyers.

Parties holding Delivery Notices shall present the same before one o'clock (1:00) p.m. on the delivery day, at the place designated by the Issuer, together with full payment, as provided in **Rule 50.2.12.**, for the net amount due for the property represented by said notices. Upon payment at the place designated by the said Issuer, the holder of such Delivery Notice shall be entitled to receive the property represented by the same, its value being based upon the closing market price of the Exchange on the day preceding that on which the Delivery Notice was issued.



**50.2.11. STORAGE CHARGES ON WAREHOUSE RECEIPTS.**

The attention of Market Participants is directed to the State and Federal laws relating to terminal warehouses located in Minnesota and Wisconsin and to the provisions of such laws governing charges for receiving, handling, storing and delivering commodities at such warehouses.

The expression "delivery charges," as used in this Rule and in endorsements placed on warehouse receipts, shall mean the charges for delivering commodities that are authorized by law and that are in effect at elevators eligible to make deliveries under the MIAX Futures Rules.

All storage and other charges, except delivery charges on commodities represented by any warehouse receipt delivered on a Minneapolis HRSW Futures Contract, shall be paid or allowed by the Seller up to and including the date on which such warehouse receipt is delivered to the Buyer in accordance with the provisions of **Rule 50.2.12.**

All warehouse receipts that are delivered on Minneapolis HRSW Futures Contracts made in this market shall bear an endorsement placed thereon by the warehouseman who issued such receipts, indicating the date to which storage has been paid. Storage shall be deemed to have been paid to the date so endorsed, and additional storage shall accrue immediately thereafter.

**50.2.12. DELIVERIES: WHERE MADE AND PAYMENT.**

A Buyer who has duly received a Delivery Notice from the Clearing House shall present the same at the office of the Seller by whom such Notice was issued along with full payment for the net amount due. All payments shall be by wire transfer of funds or by certified check or cashiers check on a national bank located in the Minneapolis/St. Paul metropolitan areas or upon other mutually agreeable methods. The Seller shall thereupon make delivery to the Buyer of the warehouse receipts described in such notice. The hours governing Delivery Notices shall be in accordance with Regulations adopted by the Board of Directors pursuant to the authority granted by **Bylaw 12.1.** (See **Resolution 2101.00.C.** and **Rule 50.2.10.**)

**50.2.13. DEFAULT IN PAYMENT.**

If any party, who has duly received a Delivery Notice and is obligated under the Rules to take delivery of the property therein described, fails to make payment for and to receive the property described in such notice (as required by the Rules), written notice of such default, together with a written notice that the property described in such Delivery Notice will be resold at the current or next session of the Exchange, shall be given by the Seller to the party in default by four o'clock (4:00) p.m. of the day of the default. The Seller shall proceed to sell such property in accordance with the terms of such notice, and the party in default shall be liable to the Seller for any loss sustained by such Seller through such default and sale.

Any damage or loss sustained by the Seller by reason of such sale or declared settlement for breach of contract shall be due and payable by the Buyer to the Seller immediately. This Rule, however, shall not be construed to authorize extortionate claims based on value manipulated for the purpose of securing such claims, nor to excuse the Buyer from his obligation to take delivery.

**50.2.14. FAILURE TO DELIVER ON CONTRACT: DAMAGES.**

In any case HRSW sold for future delivery in this market has not been delivered at maturity of contract, the Buyer may:

A. Purchase the HRSW on the market for the account of the party in default on the next business day, notifying him at once of such purchase

\_\_\_\_\_ or

B. Require a settlement with the party in default for breach of contract at the market price on the first business day following the default.

Any damage or loss sustained by the Buyer by reason of such purchase or declared settlement for breach of contract shall be due and payable by the party in default to the Buyer immediately. This Rule, however, shall not be construed to authorize extortionate claims based on value manipulated for the purpose of securing such claims, nor to excuse the party in default from his obligation to make delivery.

#### **50.2.15. DISPUTES ON DAMAGES.**

Any disputes or differences as to the equity of any claim for loss or damages against a party in default resulting from action taken under the provisions of **Rule 50.2.14.** shall be decided by the Board of Arbitration as provided by the MIA X Futures Rules.

In determining the measure of damages to be paid by the party in default, consideration, among other things, shall be given as to:

A. Whether or not the value of property in dispute has been enhanced by combination or by any Person for the purpose of extorting unreasonable damages;

B. The effect on values produced by sales in excess of the marketable supply;

C. The duty of the Seller to fulfill the contract specifically.

The just and true value of the property in default, at the time of the default shall thereupon be determined, and by the value so established shall be determined the measure of damages to be assessed, and both of such matters shall be stated in the findings.

#### **50.2.16. WILLFUL DEFAULTS.**

Any party willfully defaulting on a Minneapolis HRSW Futures Contract shall be deemed and held to be guilty of Uncommercial Conduct.

### **SECTION 3 – LOADOUT RULES**

#### **50.3.1. LOAD-OUT NOTICES: FORM OF.**

Load-Out Notice, as required by the Rules, shall be on **Form 5-2** and shall be issued in triplicate.

**50.3.2. LOADINGS IN SATISFACTION OF WAREHOUSE RECEIPTS.**

Written notice of loading in satisfaction of warehouse receipts shall constitute full tender only when the grade called for by the receipts has been established by an inspection agency for the commodities loaded. The official grade at the time of loading shall govern the applicable Options for reconsideration of the grade.

Prior to or concurrent with delivery of the loading orders for a conveyance, the party surrendering the warehouse receipts must notify the warehouse whether appeal for federal reconsideration of the grade is requested.

This Rule shall apply to loadings in satisfaction of warehouse receipts (whether acquired by delivery on Futures Contracts or otherwise) from Regular or federally licensed elevators within the switching districts of Minneapolis-St. Paul, Red Wing and Duluth-Superior. See Rule 50.3.8.

**50.3.3. LOAD-OUT, STORAGE AND INSURANCE CHARGES: DELIVERY GRAIN.**

The maximum load-out charges on delivery grain tendered in satisfaction of a Minneapolis HRSW Futures Contract shall be eight cents (8¢) per bushel for wheat regardless of the date of the warehouse receipt.

The maximum storage charges on delivery grain tendered in satisfaction of a Minneapolis HRSW Futures Contract shall be seven cents (7¢) per bushel per month or two thousand three hundred thirty three thousandths of a cent (\$.002333) per bushel per day for wheat regardless of the date of the warehouse receipt.

Insurance charges shall be included within the maximum storage charges.

The maximum load-out, storage and insurance charges on delivery grain tendered in satisfaction of a Minneapolis HRSW Futures Contract shall be determined by the Board of Directors. The Board may from time to time revise these charges.

**50.3.4. LOAD-OUT LOCATIONS.**

Delivery on Minneapolis HRSW Futures Contracts shall be made by the delivery of warehouse receipts for commodities "In Store" in a Regular elevator, except as otherwise specified. Such receipts shall be delivered electronically as specified by the Exchange and must be for a Contract or other Deliverable Grade of HRSW, in accordance with the Official Grain Standards of the United States made applicable to such contract by the provision of Rule 50.2.2.

All warehouse receipts delivered on Minneapolis HRSW Futures Contracts must bear dates that, under the interpretation of the law hereinabove stated, make them conform to the requirements of this Rule.

- A. On delivery against Minneapolis HRSW Futures Contracts at Minneapolis-St. Paul and Red Wing, delivery must be made "In Store" in Regular elevators (see Rule 52.1.).

The deliverer shall have up to and including fifteen (15) calendar days upon call to make the grain available to load into a barge at one river location within the Minneapolis, St. Paul

and Red Wing barge loading districts (see **Rule 52.1.A.**) if all of the following conditions exist:

1. the warehouse receipt is issued for grain in a Regular elevator that is located off water.
2. such off water elevator is not under a common Federal License with a Regular river elevator, and
3. the buyer calls for barge delivery.

This Rule is irrevocable unless mutually agreed upon in writing.

The party making delivery shall be responsible for any additional expense incurred to move delivery grain from a Regular interior elevator into barges.

The party taking delivery must present barge equipment clean and ready to load within fifteen (15) calendar days from the time warehouse receipts and loading orders are tendered to the delivering party.

Official/certified weights, inspection grades and protein as loaded into the barge shall govern for delivery purposes.

- B. Delivery on Minneapolis HRSW Futures Contracts in the Duluth-Superior District may be delivered "In Store" in a Regular waterfront elevator in the Duluth-Superior District.

Pursuant to Title 7 of the Code of Federal Regulations, Part 735 – Regulations For The United States Warehouse Act, the warehouse operator must deliver to the depositor or lawful holder of a warehouse receipt the agricultural product of such identity, quantity, grade and condition as set forth in such warehouse receipt.

Storage payments on grain to be shipped pursuant to loading orders shall not extend beyond the fifth (5th) calendar day after suitable transportation is constructively placed for load-out (see **Rule 50.3.1.E.**).

Official/certified loading weights, inspection grades and protein will be final in determining satisfactory performance on Futures Contracts. (Official/certified weights, inspection grades and protein that are acceptable are the following weights and inspection grades as defined in the National Grain and Feed Association "Grain Trade Rules," Rules 10. Inspection and 14. Weights. Inspections shall include Class A and Class B Official Inspections. Official weights shall include U.S. Class X Weights and U.S. Class Y Weights. Certified Weights shall include U.S. Class I and U.S. Class II weights. The inspection method and weight to be used shall be appropriate to the business practice in the defined marketplace. Such weights, inspection grades and protein shall be supervised in accordance with the requirements set forth in MIAx Futures Rules.)

### **50.3.5. BARGE LOAD-OUT AT MINNEAPOLIS-ST. PAUL AND RED WING.**

- A. If barge shipment is requested, when a riverside elevator and an interior off-water elevator are licensed under one Federal license, the party making delivery must make the grain available at one river location within the Minneapolis-St. Paul barge-loading district to the party taking delivery when the equipment is constructively placed (see **Rule 50.3.1.A**). This condition supersedes **Rule 50.2.3.A**, which otherwise allows the delivering party fifteen (15) calendar days to make the grain available at one river location within the Minneapolis-St. Paul barge-loading district.
- B. Since each company keeps a record of warehouse receipts surrendered to satisfy a delivery on the Futures Contract, no supplemental certificate is necessary to assure the party holding the receipt that the grain will be delivered to the water if so desired. Any holder of such a receipt is entitled to water delivery if so desired.
- C. If an interior Regular off-water elevator is combined under one license with a river house, storage charges shall not extend beyond the tenth (10th) calendar day after suitable transportation is constructively placed for load-out (see **Rule 50.3.1.A**).

#### **50.3.6. ORDERING CARS.**

Upon receipt of load orders from the receipt holder, the warehouse shall immediately place an order, upon request of the taker, with the railroad for all of such cars as the notice specifies, or accept buyer's cars as available, and furnish the holder with railroad order numbers or other written communication from the respective railroad company giving satisfactory evidence that the cars have been ordered, including documenting the order placement and place in the lineup. The warehouse must order cars for the taker before ordering cars for themselves.

In the event that cars are canceled, by written request of the receipt holder, demurrage and car cancellation penalties are for the account of the receipt holder.

#### **50.3.7. LOAD-OUT PROCEDURES.**

- A. All warehouses shall load-out all agricultural products consecutively without giving preference. Load-out of all such products shall be in the order in which suitable transportation, clean and ready to load, is constructively placed at the elevator. No preference shall be given to the type of delivery conveyance which has been constructively placed. However, the warehouse may load-out company conveyances in an alternative order if such conveyances were constructively placed in consecutive order.

A warehouse cannot declare a conveyance as unfit for loading. Such declaration can only be made by the railroad or another official inspection agency. Furthermore, a warehouse cannot reject a conveyance if only a portion of the conveyance is unfit and can be cleaned without causing delay to the warehouse. The cost of cleaning shall be borne by the taker.

In the case of barges or vessels, if the bushel capacity of the warehouse company's barges or vessels constructively placed ahead of taker's barges or vessels exceeds the warehouse's owned stocks; the warehouse must begin loading taker's barges once the

warehouse's owned stocks are depleted. For purposes of calculating depletion, the warehouse may not improve its owned stock position with unloads subsequent to the taker's constructive placement date. Depletion calculations must be made separately by grain type and load-out rates specified in paragraph B of this Rule.

Constructive placement is defined as follows:

1. Rail cars: whether public or private, must be under railroad control and able to be called to the warehouse. However, the warehouse must be notified that the cars are ready to be delivered.
2. Barges: must be properly cleaned, ready to load and positioned at an appropriate fleeting service servicing the designated delivery point or at the elevator. Constructive placement shall be deemed to have occurred when the barge line notifies the warehouse for position.
3. Vessels: must be in possession of the appropriate Grain Inspection, Packers and Stockyards Administration and/or National Cargo Bureau, Inc. documents or signed berth application certifying readiness to accept load-out at the designated delivery point.
4. Any other conveyance has to be with mutual consent of makers and takers.

B. Load-Out Rates

In the event a Regular elevator receives written loading orders for load-out of grain against canceled warehouse receipts, the elevator shall be required to load-out all grain at the normal rate of load-out for the facility on the day after a conveyance of the type identified in the loading orders (rail cars, barges or vessels) is constructively placed. This rate of load-out shall depend on the conveyance being loaded and shall not be less than the following minimum rates per day (weekends and elevator holidays excluded):

	<u>Rail Conveyance</u>	or	<u>Water Conveyance</u>
			<u>Vessel</u> or <u>Barge</u>
Wheat:	25 Hopper Cars		200,000 bu    2 Barges

**Loading minimums and private business.** Once an elevator loads the minimum barges or rail amount against delivery receipts it must continue to load-out against the receipts until the end of the normal business day. At the end of the normal business day the elevator can proceed to load-out company business, but only after offering the taker the option to continue loading the taker's warehouse receipts at overtime rates. Upon request, the elevator shall provide satisfactory evidence that the conveyances have been constructively placed.

If loading orders have been received, the elevator must load-out any earlier constructively placed conveyance at the minimum load-out rates.

A Regular elevator shall not be required to meet these minimum load-out rates when any of the following conditions occur:

1. a condition of Force Majeure exists;
2. inspection services are not available;
3. inclement weather prevents loading;
4. stevedoring services are not available in the case of vessel loading;
5. a vessel can not take at the above rate; or
6. loading tween deckers.

For purposes of this Rule, vessel and barge are "like" conveyances.

C. Inspection Plans

Load-outs of all vessels shall be inspected for product uniformity by comparing the accumulated differences between inspection results and the grade limit or contracted limit, otherwise commonly known as the cusum plan. Grain inspection under this plan shall be conducted by qualified inspectors pursuant to USDA procedures.

The warehouse and taker must agree in writing to other inspection plans or grain uniformity minimums prior to constructive placement of a delivery conveyance.

D. Notification to Elevator

The warehouse shall load-out grains in the order and manner provided in paragraphs A and B of this Rule, except that its obligation to load-out grain to a given party shall commence only after receiving canceled warehouse receipts and written loading orders from such party, even if such party may have a conveyance positioned to accept load-out of grain before that time. If the party taking delivery presents transportation equipment of a different type (rail, barge or vessel) than that specified in the loading orders, the party is required to provide the warehouse with new loading orders. Written loading orders received after two o'clock (2:00) p.m. (Central time) on a given business day shall be deemed to be received on the following business day.

E. Storage

Storage payments on grain to be shipped pursuant to loading orders shall not extend beyond the fifth (5th) calendar day after suitable transportation is constructively placed for load-out, except as otherwise provided (see **Rule 50.3.5.C.**).

F. Records

All warehouses shall keep adequate permanent records showing compliance with the requirements of this Rule. Such records shall at all times be open for inspection by the designated official or officials of the contract market.

**See Rule 50.3.8.**

### **50.3.8. LOAD-OUT PROCEDURES INTERPRETATIONS.**

Rule 50.3.7. requires that twenty-five (25) rail cars be loaded out in a single day. Whether the minimum load-out rate for rail cars has been met shall be determined by the issuance of the first official/certified inspection grade (and protein when requested) on each car that meets or exceeds the delivery specifications. Therefore, failure to load out twenty-five (25) cars in one day with a first official/certified inspection grade that meets the delivery specifications shall be evidence of a default under Rule 50.3.9. An elevator is expected to make all necessary arrangements so as to obtain same day inspection results and meet the minimum load-out rate. Upon notice that a rail car does not meet the delivery specifications, the elevator shall reload the same day until the first official/certified inspection grade meets the delivery specifications. Failure to do so shall be evidence of a default. In such case, recourse may be made to Rule 50.2.14. for damages. Furthermore, all costs incurred to reload in order to obtain the first official/certified inspection grade that meets the delivery specifications, including switching charges and demurrage for both the rail cars failing to meet the delivery specifications and loaded cars subject to delay in shipment shall be for the account of the elevator.

Should the party surrendering the warehouse receipts request Federal reconsideration of grade pursuant to Rule 50.3.2., the cost of appeal shall be for the account of the taker. Allocation of the other costs and any remedy will be dependent upon the Federal regrade results. If a rail car fails to meet the delivery specifications, all additional costs incurred to meet the delivery specifications and obtain a Federal grade, including demurrage, reload and switching charges shall be for the account of the elevator. Demurrage, as documented by a railroad invoice, for the loaded cars that meet the delivery specifications upon regrade shall be for the account of the taker.

Either party is entitled to appeal the Federal regrade results to the Federal Board of Appeal. The party making the appeal shall pay the cost for appeal. Demurrage on the rail car(s) appealed that do meet the delivery specifications shall be for the account of the taker. Demurrage on the rail car(s) appealed that do not meet the delivery specifications shall be for the account of the elevator.

If the elevator does not prevail upon notice of Federal regrade results, the elevator shall reload until the first official/certified inspection grade meets the delivery specifications. Reload shall be completed within twenty-four (24) hours of such notice. If the elevator does not prevail upon notice of Federal Board appeal results, the elevator shall reload the same day that the railroad makes the rail cars available, until the first official/certified inspection grade meets the delivery specifications. Failure to timely reload shall be evidence of a default. Additionally, the elevator shall give priority to reload the failed car(s) over other cars constructively placed.

The elevator shall not be required to release any rail car(s) until all the cars to be shipped meet the delivery specifications upon completion of the grading and appeal process.



The Rules of the Exchange do not prohibit the parties from mutually agreeing to monetary adjustments, or modification of the delivery process or terms upon failure by the elevator to meet the delivery specifications on Hard Red Spring Wheat that is loaded-out.

**50.3.9. DEFAULT.**

A default shall be deemed to have been made if the loading elevator does not comply with the minimum load-out rate as cars or barges are actually placed at the loading elevator or does not comply with other provisions of these Rules. See Rule 50.3.8.

**50.3.10. DELIVERY AGAINST MINNEAPOLIS HARD RED SPRING WHEAT FUTURES CONTRACTS FROM A REGULAR ELEVATOR CLOSED OR WHOSE FUNCTIONS HAVE BEEN CURTAILED AS A RESULT OF STRIKES, LOCKOUTS OR ACTS OF GOD.**

A Regular warehouse may make deliveries against a Minneapolis HRSW Futures Contract in a facility that has been closed by strikes, lockouts or acts of God. The receipt holder is liable for all storage and insurance charges. However, if the warehouse is unable to perform under the delivery contract terms as required in Rule 50.3.4. because of strikes, lockouts or acts of God at the time of delivery or cannot perform because of strikes, lockouts or acts of God beginning after the original tender of warehouse receipts, the warehouse, when notified with surrender of warehouse receipts and payment of charges by the owner of the receipts, has to furnish within five (5) business days one of the following options:

A. provide the same quantity and like quality of grain in store at another Regular elevator, whose functions have not been curtailed by strikes, lockouts or acts of God at the same delivery point,

or

B. provide the same quantity and like quality of grain in store at another elevator location under mutually acceptable terms,

or

C. buy back the warehouse receipt(s) at a negotiated price. If a price cannot be negotiated, then option A or option B must be chosen.

# **CHAPTER 51. MINNEAPOLIS HARD RED SPRING WHEAT OPTIONS**

## **51.1. SCOPE OF CHAPTER.**

This Chapter is limited in application to the trading of put and call Options exercisable for Minneapolis HRSW Futures Contracts. Procedures for matters not specifically covered herein shall be governed by the MIA X Futures Rules.

## **51.2. OPTIONS DEFINITIONS.**

- A. **Call Option Contract.** A call option contract grants the holder, prior to expiration, the right, but not the obligation, to buy and obliges the writer to sell, upon holder's demand, the underlying commodity at the contracted striking price.
- B. **Put Option Contract.** A put option contract grants the holder, prior to expiration, the right, but not the obligation, to sell and obliges the writer to buy, upon holder's demand, the underlying commodity at the contracted striking price.
- C. **Option Type.** Option contracts shall be designated by type as either puts or calls.
- D. **Option Class.** All option contracts of a specific type shall be designated by class corresponding to a specific contract month of the underlying Futures Contract, or expiration month in the case of an option on a physical commodity.
- E. **Option Series.** All option contracts of a specific type and class shall be designed by series corresponding to a specific striking price.
- F. **Covered Option.** A covered option is one (1) long call or short put covered by one (1) short position in the underlying Futures Contract, or one (1) short call or one (1) long put covered by one (1) long position in the underlying Futures Contract.

## **51.3. UNIT OF TRADING.**

The unit of trading shall be a put or call Option exercisable for one (1) five thousand (5,000) bushel Minneapolis HRSW Futures Contract.

## **51.4. MINIMUM PRICE INCREMENT AND PREMIUM PRICE BASIS.**

- A. The minimum price increment for the Minneapolis HRSW Options Contract is one-eighth (1/8) cent, including spreads.
- B. The premium for Minneapolis HRSW Options shall be in multiples of one-eighth (1/8) cent per bushel of a five thousand (5,000) bushel Minneapolis HRSW Futures Contract or six dollars and twenty-five cents (\$6.25) per contract. However, in the case of a cabinet trade,

when both sides are closing transactions, the Option premium is one dollar (\$1.00) per Option Contract.

#### **51.5. CONTRACT MONTHS.**

Trading may be conducted in Options in the same months that are listed for trading in the Minneapolis HRSW Futures Contract (see Rule 50.1.5.). Additionally, trading may be conducted in Options in months that are not listed for trading in the Futures Contract. For Options that are traded in months which Futures are not traded, the underlying Futures Contract is the subsequent Futures Contract month that is nearest to the expiration of the Option. The Board of Directors shall determine the months available for trading, and may, at its discretion, restrict trading in any month should market conditions so warrant.

#### **51.6. TRADING DAYS AND HOURS.**

Days on which trading Minneapolis HRSW Options is permitted are determined by the Exchange.

Unless otherwise specified by the Exchange in relation to Exchange holidays, the Hours of Trading for Minneapolis HRSW Options are:

Sunday to Friday: 7:00 p.m. to 1:30 p.m. CT. A pause in trading occurs from 7:45 a.m. to 8:30 a.m. CT.

#### **51.7. LAST TRADING DAY.**

The last trading day will be the Friday which precedes by at least two (2) business days, the last business day of the month preceding the Option month. If such Friday is not a business day, the last trading day will be the business day prior to such Friday.

#### **51.8. OPTIONS EXPIRATION.**

The contractual rights and obligations arising from the Minneapolis HRSW Option Contract expire on the last day of trading.

#### **51.9. OFFICIAL CLOSING PERIOD.**

The closing period for Minneapolis HRSW Options Contracts shall be determined by the Exchange.

#### **51.10. DAILY PRICE LIMITS.**

There are no Daily Price Limits for Minneapolis HRSW Options Contracts.

#### **51.11. POSITION LIMITS.**

See Rule 50.1.11.

#### **51.12. EXEMPTIONS FROM POSITION LIMITS.**

See Rule 50.1.12.

### **51.13. AGGREGATION OF POSITIONS.**

See Rule 50.1.13.

### **51.14. REPORTABLE POSITIONS AND TRADING VOLUME.**

A position of twenty-five (25) or more put or call Options on this Exchange, long or short, in any one (1) month of the first two (2) nearby delivery months or a position of one hundred (100) or more put or call Options, long or short, in any one (1) month of the remaining delivery months will be reportable position level for wheat options on this Exchange. All such positions must be reported in a manner and form as designated by the Exchange. Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the Minneapolis HRSW Options Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.

### **51.15. STRIKING PRICES.**

The Exchange shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions, subject to the provisions of the CEA and CFTC Regulations.

A. Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10) per bushel. At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

B. When Options in months not listed for trading in Futures become available to trade, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract and the next ten (10) higher and ten (10) lower striking prices in five cent (\$0.05) increments. If the previous day's settlement price on the underlying Minneapolis Hard Red Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure at least ten (10) striking prices in five cent (\$0.05) increments above and below the previous day's settlement price.

**51.16. BLOCK TRADES.**

For the purpose of this Rule, Block Trades are 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. Clearing Members are responsible for ensuring Market Participants, including customer accounts, conducting Block Trades are Eligible Contract Participants.

Block Trades are permitted to be executed in the Minneapolis Hard Red Spring Wheat Options 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 Minneapolis HRSW Options Contract is 15 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 in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract at the relevant time, and (C) the price and size of Trades in other relevant markets, at the relevant time. The minimum price increment for a Block Trade in the Minneapolis HRSW Options Contract is 1/8 cent per bushel.
- D. Block Trades will not trigger conditional orders or otherwise affect orders in the underlying Minneapolis HRSW Options 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 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, Transaction Type Indicator (B), account number, the respective Clearing Member(s) code, the time of execution, strike price, put or call designation, expiration month, and any other information required in accordance with MIAX Futures 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.

**51.17. SETTLEMENT PREMIUMS.**

Promptly after the close of trading in each Minneapolis HRSW Options Contract, the Exchange shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

- A. Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing

premium or range for each Minneapolis HRSW Options Contract. The Exchange shall then determine the settlement premiums by using a theoretical pricing model.

B. If the Exchange believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Minneapolis HRSW Futures Contract and the previously prevailing differentials:

1. among the premiums for the listed striking prices for the option month;
2. among the premiums for the different option months listed for trading; and
3. between the premium for the relevant striking price and the price of the underlying Futures Contract.

C. In the case of Minneapolis HRSW Calendar Spread Options, the Exchange may use current trade, bid, and offer information, along with correlation between underlying futures months or a theoretical option pricing model in determining daily settlement premiums for the listed Calendar Spread options.

The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

#### **51.18. OPTION EXERCISE.**

The Buyer of a Minneapolis HRSW Option Contract may exercise the Option on any business day by giving notice of exercise to the Clearing House at such time as determined by the Exchange (see **Resolution 2101.00. C.**) on such day.

The Exchange shall assign such notices of intent promptly and at random to a Clearing Member carrying a short position in the option series. Said Clearing Member shall in turn assign such notice to accounts with open short positions in a fair and non-preferential manner in accordance with written procedures. By the opening of the next trading session, in the case of a call Option Contract, the writer shall sell to the holder by book entry the underlying Futures Contract at the contracted striking price, or, in the case of a put Options Contract, the writer shall buy from the holder by book entry the underlying Futures Contract at the contracted striking price. Henceforth, the writer and the holder assume the rights and obligations associated with their respective positions in the underlying Futures Contract.

Notwithstanding the foregoing, an option holder may exercise an Option Contract prior to expiration:

- A. To correct errors or mistakes made in good faith;
- B. To take appropriate action as the result of unreconciled MIAX Futures option transactions;

- C. In exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time identified in **Resolution 2101.00.C.** on the last day of trading.

#### **51.19. AUTOMATIC EXERCISE.**

By close of business on expiration day, in the case of a call Option Contract, the writer shall sell to the holder by book entry the underlying Minneapolis HRSW Futures Contract at the contracted striking price, or, in the case of a put options contract, the writer shall buy from the holder by book entry the underlying Minneapolis HRSW Futures Contract at the contracted striking price. Notwithstanding the provisions of **Rule 51.18.**, based upon the settlement price for Minneapolis HRSW Futures on the last day of trading for Minneapolis HRSW Options, the Exchange shall automatically exercise all in-the-money Options unless notice to cancel automatic exercise is given to the Clearing House at such time identified in **Resolution 2101.00. C.**

Notwithstanding the foregoing, notice to cancel automatic exercise may be given to the Clearing House prior to expiration:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled MIAX Futures option transactions;
- C. In exceptional cases involving a customer's inability to communicate to the Market Participant exercise instructions or the Marker Participant's inability to receive such instructions prior to such time as determined by the Exchange (see **Resolution 2101.00. C.**) on the last day of trading.

## **CHAPTER 52. DELIVERY ELEVATORS**

### **52.1. DELIVERY ELEVATORS: CONDITIONS FOR BECOMING REGULAR.**

Persons operating grain elevators who desire to have such elevator made or remain Regular for delivery of grain under the MIA X Futures Rules shall file an application or renewal form as prescribed by the Exchange. (See **Form 5-3.**) Renewal for Regularity must be filed prior to June 1 for a one (1) year term beginning the following August 1. Application for Regularity may be made at any time during a current term for the balance of that term. However, if an applicant is approved during the months of May, June or July, their initial Regularity term will include the following one (1) year term. Initial Regularity and increases in capacity during the term shall become effective on the last business day in the month in which the Exchange approves such application.

The Exchange may approve renewal of Regularity and may revoke said Regularity for just cause at any time. Denial or revocation of Regularity by the Exchange may be appealed to the Board of Directors. The decisions of the Board of Directors shall be final.

Wheat: Application for Regularity may be made by persons operating licensed grain elevators located within the limits of the Minneapolis-St. Paul, Duluth or Red Wing, Minnesota switching districts, or Superior, Wisconsin switching district for Hard Red Spring Wheat.

A. Such elevator must be properly equipped for the convenient and expeditious receiving, handling and shipping of such bulk commodities as are customarily accepted therein for public storage. Each elevator must be able to load-out by rail and barge and shall be connected by railroad tracks with one or more railway lines. In the case of an interior off-water elevator such firm must be able to make the grain available in a barge pursuant to **Rules 50.2.3.** and **50.2.5.**

B. The warehouseman operating such elevator must be in good financial standing and shall meet the minimum financial requirements set forth by the Exchange (see **Rule 2.2.3.**) and file the following periodic documentation:

1. **Audited Financial Statement** – Each entity wishing to become Regular for Minneapolis Hard Red Spring Wheat Futures Delivery must annually submit to the Exchange an Audited Financial Statement prepared by an independent certified public accountant in accordance with generally accepted accounting principles.

2. **Due Date** – Audited Financial Statements must be filed no later than ninety (90) days after the fiscal year end, except in those cases where an entity has applied to the Exchange and has received approval for an extension.

3. **Interim Unaudited Financial Statement** – Each entity must submit to the Exchange unaudited mid-fiscal year financial statement. This statement must be filed no later than forty-five (45) days after the mid-year point of the entity's fiscal



year, except in those cases where an entity has applied to the Exchange and has received approval for an extension.

- C. All elevators approved for delivery of grain in satisfaction of the MIAX Futures Futures Contracts shall submit to the Exchange a tariff, listing in detail the rates for handling and storage of grain, and shall also submit to the Exchange sixty (60) days in advance changes, in insurance and storage fees, provided, however, that such changes do not conflict with **Rule 50.3.3.** and other limitations set forth in section B. Tariffs on file with the Exchange shall be available for public inspection.
- D. It shall be the responsibility of the warehouseman of a Regular elevator to immediately inform the Exchange of any adverse changes in status and financial conditions. (See **Rules 2.2.3.** and **2.2.8.**) Failure to notify the Exchange will be deemed a violation of the MIAX Futures Rules.

## **52.2. WITHDRAWAL OR REVOCATION OF REGULARITY.**

A Regular elevator may withdraw from regularity by providing the Exchange six (6) months prior written notice, unless a shorter notification period is authorized at the sole discretion of the Exchange.

If the designation of a Regular elevator is withdrawn or revoked, the Exchange shall determine the period of time, if any, during which the receipts issued by such elevator shall thereafter be deliverable in satisfaction of futures contracts under the MIAX Futures Rules. The Exchange shall post such withdrawal or revocation on the Bulletin Board.

In the event of withdrawal, revocation, or expiration of Regularity, or in the event of sale or abandonment of the properties where Regularity is not reissued, holder(s) of outstanding warehouse receipts shall be given thirty (30) days to take load-out of the commodity from the facility. If a holder of an outstanding warehouse receipt chooses not to take load-out during this period, the facility must provide him with warehouse receipts at another Regular elevator, with adjustments for contract differentials. Alternatively, if such warehouse receipt is unavailable, the facility must provide the holder with an equivalent quantity and quality of grain designated in the warehouse receipts at a mutually acceptable location.

## **52.3. RECORDS, REPORTS, VISITATION OF PREMISES REQUIRED BY COMMODITY EXCHANGE ACT.**

Warehousemen operating Regular elevators, in compliance with the provisions of Section 1.44 of the CEA and CFTC Regulations shall:

- A. Keep records showing the stocks of each commodity traded in for future delivery on such contract market, in store in such warehouses by kinds, by classes, and by grades, if stored under the conditions requiring such designation or identification, and including also lots and parcels stored specially or separately or in specially leased warehouse space.
- B. Upon call from the CFTC, report the stocks of commodities in such warehouses and furnish information concerning stocks, of each commodity traded in for future delivery on such contract market about to be transferred or in process of being transferred, or otherwise

moved into or out of such warehouses, as well as any other information concerning commodities stored in such warehouses and that are or may be available for delivery on Futures Contracts.

- C. Permit visitation of the premises and inspection of the books and records of such warehouses by duly authorized representatives of the United States Department of Agriculture, the Department of Justice or the CFTC, and to keep all books, records, papers and memoranda relating to the storage and warehousing of commodities in such warehouses for a period for five (5) years from the date thereof.

#### **52.4. INFORMATION AND ACCESS TO RECORDS AND REPORTS BY MIAx FUTURES EXCHANGE.**

Operators of Regular and federally licensed public elevators and warehouses shall disclose and timely file with the Exchange such information as requested on commodities, including but not limited to: quantity and quality of stocks in store; grain in transit, purchased, sold, owned, held for others, consigned, assigned, transferred, delivered, or loaded out; information on warehouse receipts or shipping certificates issued, outstanding, cancelled without delivery and cancelled with delivery. Furthermore, information on the class, grade and condition shall be provided if requested.

The information to be provided shall be in the manner, method and format determined by the Exchange and at such times determined by the Exchange. Such information may be requested on a daily, weekly or periodic basis.

Operators shall accord every facility to any duly authorized committee or person for:

- A. the examination of its books and records.
- B. the purpose of ascertaining the stocks of commodities which may be on hand at any time.

Such examination and verification may be made any time by the Board of Directors or its approved inspection agents or, any other committee authorized by the Board of Directors, which shall have the authority to employ appropriate personnel to determine the quantity and quality of commodities in the elevators or warehouses and to compare the books and records of the said facilities with the records of any State or Federal authority.

Operators shall keep all books, records, papers and memoranda relating to the storage and warehousing of commodities in said facilities for a period of five (5) years.

#### **52.5. RISK OF LOSS AND INSURANCE COVERAGE.**

The warehouse shall maintain insurance, in its own name, for the account of the holders of warehouse receipts, for the full market value of all grain represented by warehouse receipts delivered against Minneapolis HRSW Futures Contracts from loss by fire, tornado and other contingencies provided for in the standard form of "extended-coverage" endorsements or policies until such time as the grain has been actually loaded out of the warehouse.

## CHAPTER 57. MINNEAPOLIS HARD RED SPRING WHEAT CALENDAR SPREAD OPTIONS RULES

### 5700.00. AUTHORITY.

Trading in Minneapolis Hard Red Spring Wheat Calendar Spread Options may be conducted under such terms and conditions as the Board of Directors shall determine by Rule or otherwise, subject to the CEA and CFTC Regulations.

### 5701.00. SCOPE OF CHAPTER.

This Chapter is limited in application to trading in put and call Options on Minneapolis HRSW Calendar Spreads. The procedures for trading, clearing and settlement and any other matters not specifically covered herein shall be governed by the MIAF Futures Rules, or delegated to the Exchange to establish policies and procedures that implement the MIAF Futures Rules.

### 5702.00. PUT OPTIONS ON THE MINNEAPOLIS HRSW CALENDAR SPREADS.

The buyer of one (1) Minneapolis HRSW Calendar Spread put Option may exercise such Option only upon option expiration, subject to **Rule 5715.00.**, to assume a short position in one (1) Minneapolis HRSW Futures Contract of a nearby specified contract month, and a long position in one (1) Minneapolis HRSW Futures Contract of a deferred specified contract month, at a strike price set at the time the Option was purchased.

The seller of one (1) Minneapolis HRSW Calendar Spread put Option incurs the obligation of assuming a long position in one (1) Minneapolis HRSW Futures Contract of a nearby specified contract month, and a short position in one (1) Minneapolis HRSW Futures Contract of a deferred specified contract month at a combination of prices such that the calendar spread equals the strike price set at the time the Option was sold, upon exercise by a put option buyer.

### 5703.00. CALL OPTIONS ON THE MINNEAPOLIS HRSW CALENDAR SPREADS.

The buyer of one (1) Minneapolis HRSW Calendar Spread call Option may exercise such option only upon option expiration, subject to **Rule 5715.00.**, to assume a long position in one (1) Minneapolis HRSW Futures Contract of a nearby specified contract month, and a short position in one (1) Minneapolis HRSW Futures Contract of a deferred specified contract month at a strike price set at the time the option was purchased.

The seller of one (1) Minneapolis HRSW Calendar Spread call Option incurs the obligation of assuming a short position in one (1) Minneapolis HRSW Futures Contract of a nearby specified contract month and a long position in one (1) Minneapolis HRSW Futures Contract of a deferred specified contract month at a combination of prices such that the calendar spread equals the strike price set at the time the Option was sold, upon exercise by a call option buyer.

### 5704.00. CONTRACT TRADING UNIT.

One (1) Minneapolis HRSW Calendar Spread Option reflects one (1) Minneapolis HRSW Futures Contract of a specified nearby contract month, and one (1) opposing Minneapolis HRSW Futures Contract of a specified deferred contract month on the Exchange.

The calendar spread is calculated in cents/bushel as:

Nearby Minneapolis HRSW Futures price in cents/bushel – deferred Minneapolis HRSW Futures price in cents/bushel = calendar spread cents/bushel.

#### **5705.00. MINIMUM PRICE FLUCTUATION.**

The minimum price fluctuation for Minneapolis HRSW Calendar Spread Options shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. Notwithstanding the foregoing, a position may be initiated or liquidated in Minneapolis HRSW Calendar Spread Options at premiums ranging from \$1.00 to \$6.00, in \$1.00 increments per Option Contract.

#### **5706.00. TRADING HOURS.**

The Hours of Trading for Minneapolis HRSW Calendar Spread Options shall be Sunday to Friday: from seven o'clock (7:00) p.m. to one-thirty o'clock (1:30) p.m. A pause in trading occurs from seven forty-five o'clock (7:45) a.m. to eight-thirty o'clock (8:30) a.m. All times shall be Central Time.

#### **5707.00. OFFICIAL CLOSING PERIOD.**

The official closing period shall be from 1:29:00 p.m. to 1:29:59 p.m. Central Time.

#### **5708.00. CONTRACT MONTHS AND STRIKING PRICES.**

Trading shall be conducted for put and call Options on Futures calendar spreads consisting of the nearby futures month and the next available futures month with strike prices in integral multiples of one cent (\$0.01) per bushel per Minneapolis HRSW Calendar Spread Option. Trading shall be conducted for put and call Options on Futures calendar spreads consisting of the nearby futures month and a futures month beyond the next available futures month with strike prices in integral multiples of five cents (\$0.05) per bushel per Minneapolis HRSW Calendar Spread Option. Contract months for trade shall be determined by the Exchange but shall never consist of a month which is not available for trade for Minneapolis HRSW Futures (see [Rule 2010.00](#)).

At the commencement of trading for such Option Contracts, the following strike prices shall be listed: one (1) with a strike price closest to the previous day's Minneapolis HRSW Calendar Spread price settlement; the next ten (10) consecutive higher and the next ten (10) consecutive lower strike prices closest to the previous day's Minneapolis HRSW Calendar Spread price settlement. If the previous day's settlement price is midway between two (2) strike prices, the closest price shall be the larger of the two (2). When a sale in the underlying Minneapolis HRSW Calendar Spread occurs at a price greater than or equal to the tenth largest strike price, a new strike price one (1) increment higher than the existing strike prices will be added. When a sale in the underlying Minneapolis HRSW Calendar Spread occurs at a price less than or equal to the tenth smallest strike price, a new strike price one (1) increment lower than the existing strike prices will be added. When a new strike price is added for an option contract month, the same strike price

will be added to all option contract months for which that strike price is not already listed. All new strike prices will be added prior to the opening of trading on the following business day.

All strikes will be listed prior to the opening of trading on the following business day. Upon demand and at the discretion of the Exchange, new out-of-current-range strike prices at regularly defined intervals may be added for trading on as soon as possible basis. The Exchange may modify the procedures for the introduction of months and strikes listed as it deems appropriate in order to respond to market conditions.

#### **5709.00. DAILY PRICE LIMITS.**

Trading is prohibited in a Minneapolis HRSW Calendar Spread Option at a premium that is greater than the trading limit for the Minneapolis HRSW Futures Contract above and below the previous day's settlement premium for that option. On the first day of trading, limits shall be set from the premium of the first trade.

#### **5710.00. LAST TRADING DAY.**

Subject to the provisions of **Rules 5706.00.** and **5708.00.**, no trades in Minneapolis HRSW Calendar Spread Options expiring in the current month shall be made after the close of trading of the trading session on the day identical to the expiration of Options corresponding to Minneapolis HRSW Futures. Therefore, expiration will occur on the last Friday which precedes by at least two (2) business days, the last business day of the month preceding that earliest expiring corresponding option month. If such Friday is not a business day, the last day of trading shall be the business day prior to such Friday. For example, the March-May Minneapolis HRSW Calendar Spread (March Minneapolis HRSW minus May Minneapolis HRSW) will expire on the last Friday which precedes by at least two (2) business days the last business day of February; the December-July Minneapolis HRSW Calendar Spread (December Minneapolis HRSW minus July Minneapolis HRSW) will expire on the last Friday which precedes by at least two (2) business days the last business day of November.

#### **5711.00. PAYMENT OF OPTION PREMIUM.**

The Option premium must be paid in full by each Clearing Member to the Exchange.

#### **5712.00. MARGIN REQUIREMENTS.**

Margin requirements shall be established in accordance with **Rule ~~2040.00760.00.~~** and **Rule 2106.00.**

#### **5713.00. OFFSETS AND TRANSFER TRADES.**

Except by same day trade activity, existing Options positions in a settlement month may not be offset during the period beginning two (2) business days prior to the settlement month and 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.

**5714.00. CONTRACT MODIFICATION.**

Specifications shall be fixed as of the first day of trading of a contract. A change in any Federal Law, regulation, ruling, directive or order that conflicts with these Rules will become effective upon notice by the Exchange.

The Board of Directors or the Exchange, to maintain the viability of Minneapolis HRSW Calendar Spread Options, is granted the authority to change such contract specifications as it deems appropriate or necessary for any unopened contract month.

**5715.00. OPTION EXERCISES.**

The buyer of a Minneapolis HRSW Calendar Spread Option may exercise the Option only on the business day such option expires. In the money options that have not been liquidated or exercised on the last day of trading shall be automatically exercised in the absence of contrary instructions delivered to the Exchange at the deadline set forth in **Resolution 2101.00.C.**, or by such other time designated by the Exchange, on the last day of trading by the Clearing Member representing the Option buyer.

The Minneapolis HRSW Calendar Spread is calculated using final settlement values for the underlying contracts on the business day the Option expires in the following formula: (settlement price of specified nearby Minneapolis HRSW Futures) – (settlement price of specified deferred Minneapolis HRSW Futures). An Option is in-the-money if the settlement price of the underlying calendar spread is greater in the case of a call, or less in the case of a put, than the exercise price of the Option.

**5716.00. AUTOMATIC EXERCISE.**

Notwithstanding the provisions of **Rule 5715.00.**, the Exchange shall automatically exercise all in-the-money Minneapolis HRSW Calendar Spread Options unless notice to cancel automatic exercise is given to the Exchange at such time as determined by the Exchange (see **Resolution 2101.00.C.**) on the last day of trading. Additionally, notice to cancel automatic exercise may be accepted by the Exchange (in its sole discretion) after the deadline but prior to final expiration processing:

- A. to correct errors or mistakes made in good faith;
- B. to take appropriate action as the result of unreconciled MIAX Futures Option transactions;
- C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time as determined by the Exchange (see **Resolution 2101.00.C.**) on the last day of trading.

**5717.00. ASSIGNMENT.**

The Exchange shall assign the exercise of a Minneapolis HRSW Calendar Spread Option through a process of random selection or other approved method to a Clearing Member carrying a short position in the same Option series. A Clearing Member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House. Both buying

and selling Clearing Members shall have the obligation to inform their respective customer of the assignment promptly.

Upon the exercise of a Minneapolis HRSW Calendar Spread Option the Exchange assigns prices to the legs of the Minneapolis HRSW Calendar Spread in the following manner:

- A. assigned nearby Minneapolis HRSW Futures price equals the Minneapolis HRSW Futures settlement price on the day of exercise;
- B. assigned deferred Minneapolis HRSW Futures price equals the nearby Minneapolis HRSW Futures settlement price on the day of exercise minus the strike value of the Option.

All such Futures positions shall be marked to market in accordance with Exchange procedures on the trading day of acceptance by the Exchange.

#### 5718.00. POSITION LIMITS.

- A. **Limits.** Position limits for Minneapolis HRSW Calendar Spread Options shall be those limits currently in effect for Minneapolis HRSW pursuant to Part 150 of the Regulations of the CFTC.
- B. **Compliance.** The Exchange may direct any Market Participant or Person owning, controlling or carrying a position for a person in excess of the limits set forth in this Rule to liquidate or otherwise reduce the position to achieve conformity with this Rule. However, for any option position that exceeds position limits for passive reasons such as a market move or exercise assignment, the person shall be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits. If at the close of trading, an option position exceeds position limits when evaluated using the previous day's delta factors, but does not exceed the limits when evaluated using the delta factors for that day's close of trading, then the position shall not constitute a position limit violation.
- C. **Enforcement.** The carrying Market Participant or Person shall maintain books and records in the United States, available to the Exchange, upon request, which disclose the identity of and positions held by any person carried by such Market Participant or Person.

#### 5719.00. EXEMPTIONS FROM POSITION LIMITS.

To be eligible for an exemption from position limits under this Rule, an applicant must submit a written request to the Department of Audits and Investigations. Such request shall include the following:

- A. a description of the size and nature of the proposed transactions;
- B. information which will demonstrate that the proposed transactions are bona fide hedging transactions;
- C. a statement indicating whether the person on whose behalf the request is made (i) maintains positions in the futures contract for which the exemption is sought with any other

account holder or owner, and/or (ii) has made a previous or contemporaneous request pursuant to the Rule through another applicant, and if so, the relationship of the information set forth in such requests;

- D. a statement that the intended transactions will be *bona fide* hedges;
- E. a statement that the applicant will immediately supply the Exchange with any material changes to the information submitted pursuant hereto; and
- F. such further information as the Exchange may request.

Within five (5) business days of the submission of the information set forth above, the Department of Audits and Investigations shall notify the applicant whether the exemption has been granted and the limitations placed thereon. An exemption will remain in full force and effect until (i) the applicant or person on whose behalf the request is made requests a withdrawal; or (ii) the Exchange revokes, modifies or places further limitations thereon. At any time, MIAX Futures may limit *bona fide* hedging positions, and deny or limit any request for exemption from position limits which MIAX Futures determines in its sole discretion are not in accord with sound commercial practices or exceed the established or permitted amount which may be liquidated in an orderly fashion.

When applied to Minneapolis HRSW Calendar Spread Options, MIAX Futures will use as a guide, but not be limited by, the CFTC definition of a *bona fide* hedging position, as described in CFTC Part 151, specifically 151.5, or elsewhere, as applicable.

#### **5720.00. AGGREGATION OF POSITIONS.**

In determining whether any person has exceeded the position limits, all positions in accounts for which such person by power of attorney or otherwise directly or indirectly holds positions or controls trading shall be included with the positions held by such person. Such limits upon positions shall apply to positions held by two (2) or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single person. MIAX Futures will follow the CFTC definition of aggregation and the procedures for aggregating positions as described in CFTC regulations as applicable.

#### **5721.00. REPORTABLE POSITIONS.**

A position of twenty-five (25) or more Minneapolis HRSW Calendar Spread Options on this Exchange, long or short, in any one (1) month shall be a reportable position level. All such positions shall be reported in a manner and form as designated by the CFTC or the Exchange.



# CHAPTER 70. FORMS

## FORM 4-1 – ARBITRATION PROFILE

**PART 1**  
**Page 1 of 3**

### MIAX FUTURES FORM 4-1 ARBITRATION PROFILE

The information included on Part 1 of the data sheet will be disclosed to the parties at the time you are selected to enable them to determine potential conflicts of interest.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Employer's Name: \_\_\_\_\_

Employer's Address \_\_\_\_\_

Street

City

State

Zip

Preferred mailing address:

- Business
- Home
- Other

\_\_\_\_\_

\_\_\_\_\_

In the space provided below, please list your employment history. Include your present position first. If retired, please list your last employer, number of years at the firm and date of retirement. A resume may be submitted in lieu of this section.

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Previous Employer: \_\_\_\_\_

Starting Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Ending Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Year(s) \_\_\_\_\_  
Month Date Year Month Date Year

Position/Title: \_\_\_\_\_

Duties/Responsibilities: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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Previous Employer: \_\_\_\_\_

Starting Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Ending Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Year(s) \_\_\_\_\_  
Month Date Year Month Date Year

Position/Title: \_\_\_\_\_

Duties/Responsibilities: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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Previous Employer: \_\_\_\_\_

Starting Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Ending Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Year(s) \_\_\_\_\_  
Month Date Year Month Date Year

Position/Title: \_\_\_\_\_

Duties/Responsibilities: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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In the space provided below, please list your educational background.  
(Information provided in this section is optional)

School Level	Name and Location	No. of Years Attended	Did You Graduate	Subjects Studied
High School				
College				
Graduate School				
Trade Business or Other School				

Describe any current or prior experience as an arbitrator in a futures industry dispute and as an arbitrator in general, or other experience that you feel qualifies you to serve.

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List the name of any Professional or Business Associations of which you are a member. Include offices held.

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Name: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Home Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

Date of Birth:  
\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Month / Date / Year

Office Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

Home Address: \_\_\_\_\_  
Street City State Zip

The following information is requested to enable the Secretary of the Exchange to determine if there is a potential conflict which would preclude you from serving on an arbitration panel.

1. Brokerage firm(s) where you maintain an account (include IRA and Keogh Accounts).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Do you, your employer/firm, or your family have any significant business relationship with futures industry firms? If so, please list the name of the firm(s) and the type of relationship.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Have you ever had your registration or authority to practice any business or professional license revoked or suspended? \_\_\_\_\_
4. Have you ever been disciplined by MIAXFutures or another self-regulatory organization? If so, give dates and details.  
\_\_\_\_\_  
\_\_\_\_\_
5. Related areas of expertise: \_\_\_\_\_  
\_\_\_\_\_

6. What area(s) do you feel you are most qualified to arbitrate?

- Cash Grain Trading       Weights and Grades
- Deliveries                       Transportation Issues
- Futures or Options       Other \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

7. Attorneys:

- A. Areas of practice in which you are most active: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- B. Bar Admission - Jurisdiction: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**I AFFIRM THAT THE INFORMATION SUPPLIED ON THIS FORM IS, TO THE BEST OF MY KNOWLEDGE, CORRECT AND COMPLETE.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PLEASE COMPLETE, SIGN AND  
RETURN THIS FORM TO:**

**MIAX Futures Exchange  
Secretary's Office  
400 South 4<sup>th</sup> Street  
Suite 130  
Minneapolis, MN 55415**

**FORM 4-2 – IMPARTIALITY FORM**

**MIAX FUTURES  
FORM 4-2  
IMPARTIALITY FORM**

Listed below are any circumstances likely to affect impartiality, including any bias or any financial or personal interest in the result of the arbitration or any past or present relationship with the parties or their counsel.

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Name: \_\_\_\_\_  
Arbitrator (Please type or print)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**FORM 4-3 – STATEMENT OF CLAIM**

**MIAX FUTURES  
FORM 4-3  
STATEMENT OF CLAIM**

\_\_\_\_\_, 20\_\_\_\_\_

**To the Secretary of MIAX Futures**

\_\_\_\_\_, *Complainant*, hereby submitting to the jurisdiction of a Board of Arbitration, and hereby voluntarily submits the Claim or Grievance herein referred to, to the arbitrament of said Panel, makes and files this Complaint against \_\_\_\_\_, as *Respondent*, in accordance with the Charter, Bylaws, Rules, customs and usages of said Exchange with a view to an arbitration thereunder.

**AND FOR CAUSE OF COMPLAINT SAYS:** That Complainant has a matter of dispute or difference with Respondent growing out of a transaction, the facts and particulars relating to which are as follows:

(The Complainant shall then set forth in plain language the substance and particulars of the Complainants demands, commodity contract, date, month, quantity, price, time, parties involved, etc.)

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*(If you need more space to explain your claim,  
please attach additional paper.)*

**STATEMENT OF CLAIM**  
**Page 2 of 2**

The computation of monetary loss is based on the following calculation:

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In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as account statements, time and sales, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

- C-1 \_\_\_\_\_
- C-2 \_\_\_\_\_
- C-3 \_\_\_\_\_
- C-4 \_\_\_\_\_
- C-5 \_\_\_\_\_
- C-6 \_\_\_\_\_

- C-7 \_\_\_\_\_
- C-8 \_\_\_\_\_
- C-9 \_\_\_\_\_
- C-10 \_\_\_\_\_
- C-11 \_\_\_\_\_
- C-12 \_\_\_\_\_

Subscribed and sworn to before me  
 this \_\_\_\_\_ day of  
 \_\_\_\_\_ A.D., 20\_\_\_\_  
 Notary Public, \_\_\_\_\_ County  
 State of \_\_\_\_\_

Complainant's Signature:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Print Name

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date

**SEAL**



**FORM 4-4 – PETITION FOR JOINT ARBITRATION**

**MIAX FUTURES  
FORM 4-4  
PETITION FOR JOINT ARBITRATION**

\_\_\_\_\_, 20\_\_\_\_

**To the Secretary of MIAX Futures Exchange**

\_\_\_\_\_ and \_\_\_\_\_ hereby submit to the jurisdiction of a Board of Arbitration, and hereby voluntarily submit their respective claims or grievances hereinafter referred to, to the arbitrament of a panel of arbitration in accordance with the Charter, Bylaws, Rules, custom and usages of the Exchange.

Attached hereto is a sworn statement of claim or grievance by each Petitioner. Also attached are documents, if any, which are submitted as evidence to support each Petitioner’s grievance or claim.

Petitioners jointly wish to place the matters in issue before a Board of Arbitration, but neither Petitioner wishes to take the position of Complainant. The Board of Arbitration will, however, for procedural purposes only, including the identifying caption of the matter, assign one Petitioner as Complainant and one Petitioner as Respondent.

\_\_\_\_\_  
First Petitioner

\_\_\_\_\_  
Second Petitioner



**PETITION FOR JOINT ARBITRATION**  
**First Petitioner**  
**Page 3 of 5**

The computation of monetary loss is based on the following calculation:

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In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as account statements, time and sales, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

**PP-1** \_\_\_\_\_  
**PP-2** \_\_\_\_\_  
**PP-3** \_\_\_\_\_  
**PP-4** \_\_\_\_\_  
**PP-5** \_\_\_\_\_  
**PP-6** \_\_\_\_\_

**PP-7** \_\_\_\_\_  
**PP-8** \_\_\_\_\_  
**PP-9** \_\_\_\_\_  
**PP-10** \_\_\_\_\_  
**PP-11** \_\_\_\_\_  
**PP-12** \_\_\_\_\_

Subscribed and sworn to before me  
this \_\_\_\_\_ day of  
\_\_\_\_\_ A.D., 20\_\_\_\_  
Notary Public, \_\_\_\_\_ County  
State of \_\_\_\_\_

Petitioner's Signature:  
\_\_\_\_\_  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date

**SEAL**



**PETITION FOR JOINT ARBITRATION**  
**Second Petitioner**  
**Page 5 of 5**

The computation of monetary loss is based on the following calculation:

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In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as account statements, time and sales, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

**PP-1** \_\_\_\_\_  
**PP-2** \_\_\_\_\_  
**PP-3** \_\_\_\_\_  
**PP-4** \_\_\_\_\_  
**PP-5** \_\_\_\_\_  
**PP-6** \_\_\_\_\_

**PP-7** \_\_\_\_\_  
**PP-8** \_\_\_\_\_  
**PP-9** \_\_\_\_\_  
**PP-10** \_\_\_\_\_  
**PP-11** \_\_\_\_\_  
**PP-12** \_\_\_\_\_

Subscribed and sworn to before me  
this \_\_\_\_\_ day of  
\_\_\_\_\_ A.D., 20\_\_\_\_  
Notary Public, \_\_\_\_\_ County  
State of \_\_\_\_\_

Petitioner's Signature:  
\_\_\_\_\_  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date

**SEAL**

**FORM 4-5 – RESPONDENT’S ANSWER**

**MIAX FUTURES  
FORM 4-5  
RESPONDENT’S ANSWER**

To the Secretary of MIAX Futures Exchange \_\_\_\_\_, 20

**IN THE MATTER OF CLAIM  
OR GRIEVANCE OF**

\_\_\_\_\_ (Petitioner)

vs.

\_\_\_\_\_ (Respondent)

The above Respondent hereby submitting to the jurisdiction of said Board of Arbitration, and hereby voluntarily submitting the Claim or Grievance referred to in said Complaint and in the Answer to the arbitrament of said Panel for Answer to the Complaint says:

(The Answer shall then set forth in plain language the substance and particulars of the Respondent’s Answer.)

(Describe in detail the circumstances surrounding the transactions(s) in question; e.g., date, commodity month, price, quantity, time, parties involved, etc. You may attach photocopies of pertinent documents such as account statements, time and sales, and sworn statements of witnesses).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(If you need more space to explain your Answer, please attach additional paper)*

In support of this Answer, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as account statements, time and sales, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

R-1 \_\_\_\_\_

R-7 \_\_\_\_\_

R-2 \_\_\_\_\_

R-8 \_\_\_\_\_

R-3 \_\_\_\_\_

R-9 \_\_\_\_\_

R-4 \_\_\_\_\_

R-10 \_\_\_\_\_

R-5 \_\_\_\_\_

R-11 \_\_\_\_\_

R-6 \_\_\_\_\_

R-12 \_\_\_\_\_

Subscribed and sworn to before me  
this \_\_\_\_\_ day of  
\_\_\_\_\_ A.D., 20\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County  
State of \_\_\_\_\_

Respondent's Signature:  
\_\_\_\_\_  
\_\_\_\_\_

Print Name

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date

**SEAL**

**FORM 4-6 – STATEMENT OF COUNTERCLAIM**

Filing Fee: \$ \_\_\_\_\_  
(Payment of filing fee must accompany Counterclaim)

**MIAX FUTURES  
FORM 4-6  
STATEMENT OF COUNTERCLAIM**

**To the Secretary of MIAX Futures Exchange**

I, \_\_\_\_\_, (trading initials) \_\_\_\_\_  
customer (see CFTC Regulation § 166.5) of the MIAX Futures Exchange, hereby file a counterclaim against  
\_\_\_\_\_, *Complainant*. I claim a loss of \$ \_\_\_\_\_  
based on the actions(s) or omission(s) of \_\_\_\_\_  
as follows:

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*(If you need more space to explain your claim,  
please attach additional paper.)*



**STATEMENT OF COUNTERCLAIM**  
**Page 2 of 2**

The computation of monetary loss is based on the following calculation:

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In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as account statements, time and sales, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

- CC-1 \_\_\_\_\_
- CC-2 \_\_\_\_\_
- CC-3 \_\_\_\_\_
- CC-4 \_\_\_\_\_
- CC-5 \_\_\_\_\_
- CC-6 \_\_\_\_\_

- CC-7 \_\_\_\_\_
- CC-8 \_\_\_\_\_
- CC-9 \_\_\_\_\_
- CC-10 \_\_\_\_\_
- CC-11 \_\_\_\_\_
- CC-12 \_\_\_\_\_

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_  
 \_\_\_\_\_ A.D., 20\_\_\_\_

Notary Public, \_\_\_\_\_ County  
 State of \_\_\_\_\_

Respondent's Signature:

\_\_\_\_\_

\_\_\_\_\_

Print Name

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date

**SEAL**

## FORM 4-7 – RESPONSE TO COMMISSION REGISTRANT COMPLAINT

Date:

Name  
Street  
City, State, Zip

Dear \_\_\_\_\_:

### RE: RESPONSE TO COMMISSION REGISTRANT COMPLAINT

We understand that you seek redress from a customer (see CFTC Regulation § 166.5) in connection with misunderstandings or disagreements arising from the handling of your account, or orders or executions for your account, on business conducted on, and subject to MIAX Futures Rules.

We ask that you complete the enclosed **STATEMENT OF CLAIMS FORM**, which will be the basis for your claim against the customer whom you indicate.

In describing the substance of the Complaint, please indicate as accurately as you can the dates involved, the commodities in dispute and, where appropriate, the number of contracts, the prices and any other pertinent information. Identify any other persons involved, either as participants or witnesses and, where possible, their business affiliation. Copies of orders, confirmations, statements, trade agreements or other memoranda will be helpful.

When the completed Complaint form has been received by this office, the Respondent will be advised and, in accordance with MIAX Futures Rules, an arbitration panel will be formed to arbitrate the differences.

In arbitrations between one Exchange customer and another, the Exchange chooses arbitrators from a pool of twenty (20) or more persons, and all of whom are familiar with MIAX Futures Bylaws and Rules, customs and usages. However, in an arbitration between a Commission registrant (see CFTC Regulation § 166.5) and another customer, the Commission registrant customer may elect to have the dispute heard by an independent, or mixed, panel. This independent panel will consist of two persons who are not customers of the Company nor associated with any customers of the Exchange, and one Exchange customer.

Should you elect to have the dispute heard by an independent panel as described above, it is necessary that you advise the Secretary in writing within ten (10) business days after the date of the Secretary's Notice. In the absence of such advice from you, the dispute will be heard by the Arbitration Panel.

Fees from each hearing before a Customer Claims Arbitration Panel (whether customers or independent) shall be as follows:

For each case involving up to \$2,500.00	\$100.00
For each case involving \$2,501.00 to \$10,000.00	\$200.00
For each case involving more than \$10,000.00	\$300.00
For any non-monetary claims	\$300.00

The amount of the fee shall be based on the amount asked in the Complaint; and, in cases in which the payment of money is neither asked in the Complaint nor awarded, the fees shall be at the discretion of the panel, but, in no case more than three hundred dollars (\$300.00).

In each case, all fees shall be paid in advance to the Exchange. Such fees shall be retained by the Exchange whether the case is heard or not.

The CFTC has ruled that the incremental cost for an independent panel is solely for the expense of the Exchange customer unless the arbitrators determine that the customer acted in bad faith in initiating or conducting the proceedings.

**Please note that MIAX Futures Rule 418.00. PRE-HEARING EXCHANGE OF DOCUMENTS AND WRITTEN INFORMATION (see enclosed copy of Arbitration Rules) requires that all parties cooperate in the voluntary exchange of relevant documents and written information to facilitate a fair, equitable and expeditious hearing.**

If you have questions or need further assistance in completing the Complaint form, please contact me at 612-321-7101 or write:

*MIAX Futures Exchange  
Attn: Secretary  
400 South 4<sup>th</sup> Street - Suite 130  
Minneapolis, MN 55415*

Please remember to let us know if you want an independent panel. Also, please accompany your Complaint form by a check in the appropriate amount (see previous page and Customer Claim Form).

Very truly yours,  
MIAX Futures Exchange

Secretary's Office

**FORM 5-1 – DISPOSITION ORDER**

**MIAX FUTURES  
FORM 5-1  
DISPOSITION ORDER**

\_\_\_\_\_  
Name of Customer of MIAX Futures Exchange

To Agent \_\_\_\_\_ R.R. Minneapolis, MN \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_ Station Point of Origin \_\_\_\_\_

Please deliver for the account of the undersigned owner or authorized con-signee, car:

\_\_\_\_\_ Weight \_\_\_\_\_ Date \_\_\_\_\_  
(Initial) \_\_\_\_\_ (Number) \_\_\_\_\_  
Commodity \_\_\_\_\_ Rate \_\_\_\_\_  
Protection \_\_\_\_\_

To: \_\_\_\_\_  
(Destination: Industry, Track or Connecting Line)

and issue to us a duplicate of this order, same to be signed by perforation or otherwise, or stamped (and initialed) by the Joint Agent of Minneapolis Railroads.

Original copy of Disposition Order is to be white, and duplicate yellow.

Bill of Lading or Elevator Load-out Notice must invariably accompany Disposition Orders except when Bill of Lading is not available and the Joint Agent Authorizes delivery applicable on a Blanket Bond.

Should this car be unloaded in Minneapolis, the buyer shall require surrender of the duplicate upon payment of invoice and the receiving industry will require surrender of duplicate as authority for unloading or issuance of Load-out Notice.

Should outbound Bill of Lading be required while this car is "On Track," said duplicate (properly endorsed) must be surrendered to the Joint Agent with the new billing instructions.

No change will be permitted in this order. If further movement of this car is required locally, the duplicate must be surrendered to the Joint Agent with a new order.

Duplicate Disposition Order attached \_\_\_\_\_

Order Bill of Lading attached \_\_\_\_\_  
\_\_\_\_\_  
(Name of Customer)

Straight Bill of Lading tendered \_\_\_\_\_

Load-out Notice attached \_\_\_\_\_ By: \_\_\_\_\_

Bill of Lading not available - apply on Blanket Bond \_\_\_\_\_

**FORM 5-2 – REQUIRED LOAD-OUT NOTICE**

**MIAX FUTURES  
FORM 5-2  
REQUIRED LOAD-OUT NOTICE**

Serial No. \_\_\_\_\_

TO \_\_\_\_\_ Minneapolis, MN \_\_\_\_\_, 20\_\_\_\_\_

We have loaded out of the \_\_\_\_\_ Elevator for your account \_\_\_\_\_ cars containing \_\_\_\_\_. These cars are carded to the \_\_\_\_\_ Railroad Yard for our account, and possession thereof can be obtained upon surrender of the original copy of the Load-out Notice properly signed.

X or VC	Car No.	Initial	Gross Pounds	Bushels	Capacity Ordered	Capacity Furnished	Remarks

“X” furnished at R.R. Co.’s convenience.  
“VC” loaded to full visible capacity.

\_\_\_\_\_  
(Name of Elevator Company)

NOTE – Each line not used should be “Xd” Out. Positively not more than one car to a line or five cars in all.

Per \_\_\_\_\_

**FORM 5-3 – MINNEAPOLIS HARD RED SPRING WHEAT APPLICATION FOR BECOMING A “REGULAR” ELEVATOR OR RENEWAL AS A “REGULAR” ELEVATOR**

**MIAX FUTURES  
Form 5-3  
Minneapolis Hard Red Spring Wheat Futures**

APPLICATION FOR BECOMING A "REGULAR" ELEVATOR  
 RENEWAL AS A "REGULAR" ELEVATOR

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**Company Information**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Street Suite Number

\_\_\_\_\_ City State Zip Code

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

---

**Elevator Information**

**Elevator Applying for Regularity/Renewal:** \_\_\_\_\_

Address: \_\_\_\_\_  
Street Suite Number

\_\_\_\_\_ City State Zip Code

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Has your elevator license ever been suspended or revoked? ( ) Yes ( ) No

If yes, give dates of suspension/revocation and reason(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**NOTE**

Please note that each elevator and location must submit a separate application.

**Elevator Information Continued**

Elevator Location:  Waterfront  
 Interior

Switching District:  Minneapolis/St. Paul, Minnesota  
 Duluth, Minnesota/Superior, Wisconsin  
 Red Wing, Minnesota

Connects to One or More Rail Lines?  Yes  
 No

List Railroad(s) Serving Elevator: (1) \_\_\_\_\_  
 (2) \_\_\_\_\_  
 (3) \_\_\_\_\_

Type of Warehouse License:  Federal License Number: \_\_\_\_\_  
 State of \_\_\_\_\_ License Number: \_\_\_\_\_

**CAPACITY**

Licensed Storage Capacity at Elevator: \_\_\_\_\_ bushels

Total Licensed Storage Capacity at ALL Elevators Applying for Regularity: \_\_\_\_\_ bushels

Minimum Load-out Rate in an 8 Hour Shift by Mode of Transportation: Rail: \_\_\_\_\_ bushels per day  
 Barge: \_\_\_\_\_ bushels per day  
 Vessel: \_\_\_\_\_ bushels per day

Can you load-out by rail and barge or by rail and vessel at the same time? ( ) Yes ( ) No

If yes, minimum combined load-out rate: \_\_\_\_\_ bushels per day

**TARIFE**

Storage Per Day: \$ \_\_\_\_\_ per bushel

Insurance Per Day: \$ \_\_\_\_\_ per bushel

Other Insurance Rate: \_\_\_\_\_

Note: The maximum load-out charge is eight cents per bushel. Furthermore, insurance is included within the storage charge which is limited to \$.002333 per bushel per day.

---

**Contacts**

Contact Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Street Suite Number  
City State Zip Code  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

---

Backup Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Street Suite Number  
City State Zip Code  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

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2<sup>nd</sup> Backup Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Street Suite Number  
City State Zip Code  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

---

**Before this application can be considered the following documents must be included:  
Tariff Audited Financial Statement\* Interim Financial Statement\* Copy of Warehouse License  
\*If not already forwarded as required by the MIA X Futures Rules  
The undersigned agrees to comply with all MIA X Futures Rules.  
Additionally, the undersigned shall agree to subscribe to all of the applicable provisions of the CEA and  
CFTC Regulations.**

**Return this form to:  
MIA X Futures Exchange  
Attn: Secretary  
400 S. 4th St., Suite 130  
Minneapolis, MN 55415  
Phone: (612) 321-7169  
Fax: (612) 339-1155**

\_\_\_\_\_  
Applicant's Name (Please type or print)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Phone Number  
\_\_\_\_\_  
Fax Number  
\_\_\_\_\_  
Date



**FORM 5-4 – RELEASE TO TRADE PERSONAL ACCOUNT**

**MIAX FUTURES  
FORM 5-4  
RELEASE TO TRADE PERSONAL ACCOUNT**

As an authorized representative of \_\_\_\_\_, who  
(Company Name)  
is registered in the name of \_\_\_\_\_,  
(Print Exchange Customer's Name)

I, \_\_\_\_\_, \_\_\_\_\_, hereby release said Customer  
(Print Name) (Officer's Title)

from the trading limitations described in MIAX Futures Rules and permit said Customer to trade his/her account.

\_\_\_\_\_  
Print Officer's Name

\_\_\_\_\_  
Sign Officer's Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Return this form to:

MIAX Futures Exchange  
Department of Audits and Investigations  
400 South 4th Street  
Suite 111  
Minneapolis, MN 55415  
(612) 338-6212

# CHAPTER 71. INTERPRETATIONS

## RULEBOOK

### GENDER:

"It is the official interpretation of the Board of Directors of the MIA X Futures Exchange that any reference to the pronoun "he" or "his" appearing within the Rules, Regulations, By -Laws or other Exchange publications or documents, official or unofficial, shall be interpreted to be gender-neutral; "he" or "his" being understood to mean "he/she" or "his/hers".

Board action 4/12/90.

## CHAPTER 8

### ~~803.00. CONTRACT AND OTHER DELIVERABLE GRADES.~~

~~To maintain a fluid market for Wheat Futures, which accurately reflects cash market practices, the Board of Directors has officially approved the following interpretation:~~

~~Wheat labeled by a special grade designation, i.e. — ergoty wheat, garlicky wheat, infested wheat, light smutty wheat, smutty wheat, treated wheat or other special grade designation, as defined by the United States Department of Agriculture — United States Standards for Wheat, shall not be deliverable against a MIA X Futures Wheat Futures Contract.~~

~~Board action 2/22/94.~~

## CHAPTER 8

### ~~813.00. LOAD OUT PROCEDURES.~~

### ~~813.03. LOADINGS IN SATISFACTION OF WAREHOUSE RECEIPTS.~~

### ~~824.00. DEFAULT.~~

### ~~826.00. FAILURE TO DELIVER ON CONTRACT: DAMAGES.~~

~~To clarify the obligations and responsibilities of parties involved in the Minneapolis Hard Red Spring Wheat delivery process, the Board of Directors has officially approved the following interpretation:~~

~~**Rule 813.00.** requires that twenty five (25) rail cars be loaded out in a single day. Whether the minimum load out rate for rail cars has been met shall be determined by the issuance of the first official/certified inspection grade (and protein when requested) on each car that meets or exceeds the delivery specifications. Therefore, failure to load out twenty five (25) cars in one day with a first official/certified inspection grade that meets the delivery specifications shall be evidence of a default under **Rule 824.00.** An elevator is expected to make all necessary arrangements so as to obtain same day inspection results and meet the minimum load out rate. Upon notice that a rail car does not meet the delivery specifications, the elevator shall reload the same day until the first official/certified~~

~~inspection grade meets the delivery specifications. Failure to do so shall be evidence of a default. In such case, recourse may be made to **Rule 826.00** for damages. Furthermore, all costs incurred to reload in order to obtain the first official/certified inspection grade that meets the delivery specifications, including switching charges and demurrage for both the rail cars failing to meet the delivery specifications and loaded cars subject to delay in shipment shall be for the account of the elevator.~~

~~Should the party surrendering the warehouse receipts request Federal reconsideration of grade pursuant to **Rule 813.03**, the cost of appeal shall be for the account of the taker. Allocation of the other costs and any remedy will be dependent upon the Federal regrade results. If a rail car fails to meet the delivery specifications, all additional costs incurred to meet the delivery specifications and obtain a Federal grade, including demurrage, reload and switching charges shall be for the account of the elevator. Demurrage, as documented by a railroad invoice, for the loaded cars that meet the delivery specifications upon regrade shall be for the account of the taker.~~

~~Either party is entitled to appeal the Federal regrade results to the Federal Board of Appeal. The party making the appeal shall pay the cost for appeal. Demurrage on the rail car(s) appealed that do meet the delivery specifications shall be for the account of the taker. Demurrage on the rail car(s) appealed that do not meet the delivery specifications shall be for the account of the elevator.~~

~~If the elevator does not prevail upon notice of Federal regrade results, the elevator shall reload until the first official/certified inspection grade meets the delivery specifications. Reload shall be completed within twenty four (24) hours of such notice. If the elevator does not prevail upon notice of Federal Board appeal results, the elevator shall reload the same day that the railroad makes the rail cars available, until the first official/certified inspection grade meets the delivery specifications. Failure to timely reload shall be evidence of a default. Additionally, the elevator shall give priority to reload the failed car(s) over other cars constructively placed.~~

~~The elevator shall not be required to release any rail car(s) until all the cars to be shipped meet the delivery specifications upon completion of the grading and appeal process.~~

~~The Rules and Interpretations of the Exchange do not prohibit the parties from mutually agreeing to monetary adjustments, or modification of the delivery process or terms upon failure by the elevator to meet the delivery specifications on Minneapolis Hard Red Spring Wheat that is loaded out.~~

Board action 9/20/04.

## CHAPTER 72. RESOLUTIONS

### RESOLUTION 210.01.F.

Pursuant to the provisions of **Bylaw 2.3**, the Board of Directors has adopted this Resolution.

Limited authority of the Board of Directors to amend MIAX Futures Rules and to take emergency action is hereby delegated to Exchange Officers. Such authority includes, suspending or curtailing trading, amending Hours of Trading, imposing margin requirements, declaration of holidays, amending reportable position limits, price limits and intraday market restrictions, managing settlement procedures, open or closing periods, fees, forms, notices, deadlines, dress and decorum policies, minimum financial requirements, notification and reporting requirements, striking prices, cash market reporting, recordkeeping requirements, default procedures, give-up procedures, transferring customer contracts and margins, definition of emergencies, declarations of Force Majeure and action taken as a result of such declarations. The Exchange shall also have the authority to take such market action as may be directed by the CFTC. The President, Chief Executive Officer, and Chairperson of the Board of Directors may determine whether a Rule can be amended by Exchange Officers. Such amendments must be forwarded promptly to the Board of Directors.

Further, limited authority of the Board of Directors is hereby delegated to Exchange Officers to exercise certain other powers including amending transfer procedures, transfers, applications and cancellations, approving applications, renewals, or withdrawals for Regularity, approving applications for cash trading privileges and/or clearing privileges, establishing minimum filing and financial requirements, establishing and amending summary fine schedules, approving standing committee appointments, and amending the matching algorithm for the electronic trading system. Such approvals and changes must be forwarded promptly to the Board of Directors.

Limited authority of the Board of Directors is hereby delegated to MIAX Futures risk management personnel, which includes such employees and/or officers as the Exchange, in its discretion, shall determine (collectively, the "MIAX Futures Risk Team"), to independently exercise certain risk management powers and to be responsible and accountable for making risk decisions, including in crises and emergencies. The Board of Directors further assigns the MIAX Futures Risk Team the responsibility for implementing the (i) default rules and procedures required by CFTC Regulations 39.16 and 39.35, (ii) system safeguard rules and procedures required by CFTC Regulations 39.18 and 39.34, and (iii) recovery and wind-down plans required by CFTC Regulation 39.39.

### RESOLUTION 719.00.

The Board of Directors has adopted a \$0.70 fee to be paid to the Company by the buyer and the seller for each MIAX Futures Exchange contract involved in an exchange for risk or exchange for physical transaction.

Approved by the Board March 18, 2008, effective April 1, 2008.

**RESOLUTION 803.00.**

~~Effective with the May 2013 contract month, all warehouse receipts issued for delivery against Minneapolis Hard Red Spring Wheat Futures Contracts shall be marked with a deoxynivalenol (“vomitoxin”) limit expressed in tenths as either (i) 2.0 parts per million or (ii) 3.0 parts per million. Warehouse receipts marked as 2.0 parts per million or 3.0 parts per million shall represent a maximum vomitoxin level. Further, warehouse receipts marked as 2.0 parts per million shall be delivered at contract price, while receipts marked as 3.0 parts per million vomitoxin shall be delivered at a 20 cents per bushel discount.~~

~~The taker shall have the option, at taker’s expense, to request for a determination of the level of vomitoxin at the time load out instructions are submitted to the warehouse. Sampling shall be conducted at the point of load out by the Federal Grain Inspection Service, a federally designated inspection agency or by a third party inspection service which is mutually agreeable to the warehouse and taker of delivery. The determination of the level of vomitoxin shall be based on the average test results of the HRSW. Vomitoxin test results up to and including 2.0 parts per million shall meet warehouse receipts marked 2.0 parts per million. Vomitoxin test results up to and including 3.0 parts per million shall meet warehouse receipts marked 3.0 parts per million. Vomitoxin test results greater than 3.0 parts per million shall not be deliverable. There will be no rounding of test results to a whole number. Taker may agree to accept HRSW with vomitoxin test results greater than 2.0 up to 3.0 parts per million for warehouse receipts marked 2.0 parts per million at the stated discount or at a discount mutually agreed by both parties.~~

~~The following methods are to be used for determining the level of acceptable vomitoxin for deliveries against Minneapolis HRSW Futures:~~

- ~~1. Barges shall be based upon a single barge composite sample.~~
- ~~2. Vessels shall be based upon the average of subplot composite samples.~~
- ~~3. Trains shall be based upon an average of 5 railcar composite samples. A single composite sample shall be used for load outs less than 5 railcars.~~
- ~~4. Warehouse and taker may mutually agree to utilize other sample averages.~~

**RESOLUTION 804.00.**

~~Effective with the September 2017 contract month, delivery of any Minneapolis Hard Red Spring Wheat Futures Contract shall be made by the delivery of a USDA approved negotiable electronic warehouse receipt issued by a MIAx Futures approved regular facility.~~

~~Any holder of any paper warehouse receipt may take one of the following actions with respect to such paper warehouse receipt:~~

- ~~1. Convert such paper warehouse receipt to an electronic warehouse receipt and pay any outstanding storage cost;~~
- ~~2. Carry such paper warehouse receipt indefinitely;~~

~~3. Cancel such paper warehouse receipt for load-out purposes; or~~

~~4. Transfer the paper receipt to another entity~~

~~Further, effective with the September 2017 contract month, any reference to “warehouse receipt” in any MIA X Futures Rule pertaining to the delivery of a Minneapolis Hard Red Spring Wheat Futures Contract means “electronic warehouse receipt”.~~

~~Unless otherwise instructed by the Exchange, electronic warehouse receipts are to be issued via and transferred exclusively using e-Grain, Inc. (also known as the eGrain System).~~

~~The Exchange may from time to time determine or modify the electronic fields that are required to be completed when creating or issuing an electronic warehouse receipt.~~

~~In addition, any Regular Facility that receives a request to convert a paper warehouse receipt to an electronic warehouse receipt through December 26, 2017 shall promptly fulfill the request, and shall not charge any fee to the requesting party.~~

### **RESOLUTION 2101.00.C.**

The Exchange has adopted the following schedule of reporting deadlines (all times listed shall conform to Central Time):

7:30 a.m.	Reporting of gross positions Exercise account updates
9:00 a.m.	Settlement and margin payment
11:00 a.m.	Trading directive for same day collateral pledges* Trading directive for same day collateral pledge release*
11:30 a.m.	Intraday variation payment
4:10 p.m.	Unmatched trade adjustments
4:15 p.m.	Last submission of trades Give-up execution
4:20 p.m.	Give-up acceptance
4:30 p.m.	Auto-Exercise Cancellation Notices Options position reports on expiration day
4:45 p.m.	Long position lists for delivery (Minneapolis HRSW Futures) Delivery Notices Exercise Notices

7:30 p.m. Customer gross margin files

- \* **Submitting a Trading directive to the Exchange does not guarantee same day transfers of a security. MIAX Futures is not responsible for delays caused by the inaccuracy or untimely submission of information by a Clearing Member required to facilitate the transfer of securities to or from MIAX Futures' safekeeping accounts.**

Trading activity after five o'clock (5:00) p.m. to four o'clock (4:00) p.m. the following day will be cleared with said following day's trading activity.

All trades must be submitted no later than four fifteen o'clock (4:15) p.m.

Any unresolved unmatched trades may be suspended pending possible resolution the following Business Day as an "as of" trade. "As of" trades can be carried no longer than one Business Day.

Pursuant to **Rules 2.3.5.** and **1227.00.**, any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a fine or the matter being referred to the Disciplinary Committee as determined by the Exchange.