



Via Portal Submission

January 17, 2020  
MGEX Submission No. 20-3

Mr. Christopher J. 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 CFTC Regulation 40.6(a); Update to MGEX Rule**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act (“CEAct”) and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), the Minneapolis Grain Exchange, Inc. (“MGEX”) hereby certifies that the amendments to MGEX Rule 1307.00. as set forth in the attached Exhibit A, comply with the CEAct and the CFTC Regulations promulgated thereunder (collectively, the “Proposed Amendments”). MGEX further certifies that the submission has been posted on the MGEX website at the following link: <http://www.mgex.com/regulation.html>.

**I. AMENDMENTS TO MGEX RULES AND BYLAWS**

MGEX continually evaluates its Rulebook to ensure compliance with CFTC regulations as well as general principles of law. The amendments to MGEX Rule 1307.00. are recommendations from the Hard Red Spring Wheat Committee to align MGEX vessel trading rules with industry standards.

The Proposed Amendments are to clarify the number of days for the pre-advice period, the procedure for vessel substitutions, and when laytime starts to count with respect to vessel nominations under vessel trading.

**II. COMPLIANCE WITH CORE PRINCIPLES**

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

- *DCM Core Principle 2, Compliance with Rules*: The Proposed Amendments provide better alignment with trading practices.
- *DCM Core Principle 7, Availability of General Information*: The Proposed Amendments have been disseminated on the MGEX website. The Proposed Amendments will be available in the MGEX Rulebook, which is accessible online.
- *DCM Core Principle 12, Protection of Markets and Market Participants*: The Proposed Amendments provide better alignment with trading practices. This better alignment should help ensure protection of the market and market participants.
- *DCM Core Principle 13, Disciplinary Procedures*: The Proposed Amendments will enhance the ability of MGEX to enforce its rules through better alignment of the rules with trading practices.

Pursuant to the authority set forth in MGEX Bylaw 210.01., the MGEX Board of Directors unanimously approved the Proposed Amendments at its meeting held on January 14, 2020. There were no substantive opposing views expressed by the Board of Directors, nor is MGEX aware of any substantive opposing views with respect to this filing.

The Proposed Amendments are intended to become effective ten (10) business days from the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7140. Thank you for your attention to this matter.

Sincerely,



Elizabeth Schenfisch  
Associate Corporate Counsel  
Enclosure

## Exhibit A

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

### 1307.00. VESSEL NOMINATIONS.

~~It shall be the responsibility of the Buyer of FOB vessel grain Duluth/Superior to give vessel nominations in writing during a normal business day.~~ Vessel nominations must be given in writing by the Buyer of FOB vessel grain in an Exchange approved switching district during a normal business day and at least three (3) consecutive days pre-advice (excluding Saturdays, Sundays, and holidays) prior to the date of the vessel's arrival. The Buyer shall keep the loading elevator informed of changes in expected time of vessel readiness.

Upon receipt of a vessel nomination, the Seller must promptly acknowledge receipt of and accept or deny the nomination, and either pass the nomination to a party with whom the Seller has a contract for the delivery of FOB vessel grain ~~Duluth/Superior~~ in an Exchange approved switching district or declare a loading elevator to the Buyer.

~~Upon receipt of a vessel nomination, the loading elevator may have a maximum of eighteen (18) hours (excluding Saturdays, Sundays, and holidays) in which to prepare for probable vessel readiness for loading grain. All grain is to be ready for delivery to the vessel when required to be loaded aboard the vessel, and in the event such grain is not available at that time, the party at fault shall be considered in default.~~

The Buyer has a right to substitute any nominated vessel; however, notice must be given as soon as possible but no later than twenty-four (24) hours (excluding Saturdays, Sundays, and holidays) before the estimated time of arrival of the original vessel. No new pre-advice period is required for any substitute vessel, provided that the substitute vessel arrives no earlier than the estimated time of arrival of the original nominated vessel. ~~Both vessel and berth nominations are irrevocable eighteen (18) hours (excluding Saturdays, Sundays and holidays) prior to vessel's estimated commencement of loading at the nominated berth unless both Buyer and Seller agree to a substitution.~~

~~It shall be the duty of the Buyer to keep the loading elevator informed of changes in expected time of vessel readiness.~~

The vessel ~~shall~~ will not be prevented from filing and ~~from~~ taking its place in the vessel line-up at the designated berth during the pre-advice period or before commencement of the delivery period, notwithstanding which, Seller ~~shall not be obliged~~ is not required to effect delivery to the vessel before the expiration of the pre-advice period or before commencement of the delivery period. Laytime starts counting at 0800 on the next business day after valid notice of readiness is tendered, but in any case, not earlier than expiration of the contractual pre-advice period or before commencement of the delivery period.

- For the purposes of this contract, a vessel ~~shall~~ will be considered filed when it:

- A. Has tendered valid notice of readiness to load to the charterer or his agent at the port of loading;
- B. Has given written notice ~~advice~~ of such tender to the loading elevator, complete with all customarily required documents, such ~~advice~~ notice having been presented between the hours of 0800 and 1600 local time on a business day or between the hours of 0800 and 1200 noon on Saturday (provided not a holiday); and:

- C. Is ready to receive grain in the compartments required for loading under this contract.

All grain must be ready for delivery to the vessel when required to be loaded aboard the vessel, and in the event such grain is not available at that time, the party at fault will be considered in default.

Bills of lading and/or mate's receipts ~~to be~~are considered proof of date of delivery in the absence of evidence to the contrary. Any delivery in partial fulfillment of this contract ~~shall~~will be considered as if made under a separate contract.