



Via Portal Submission

August 25, 2023  
MGEX Submission No. 23-47

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 MGEX Risk Manual & Exhibit A**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act (“CEAct”) Section 5c(c) and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), the Minneapolis Grain Exchange, LLC (“MGEX” or “Exchange”) hereby submits this self-certification of certain amendments to MGEX’s Risk Management Principles Reference Manual (“Risk Manual”) & Exhibit A – Bitnomial Bitcoin Futures & Options Margin Methodology (“Exhibit A”). MGEX has respectfully requested confidential treatment for such amendments to the Risk Manual and Exhibit A, which are being submitted concurrently with this submission. The Exchange intends to implement the amendments ten business days following the filing of this submission.

### **Overview of Amendments**

MGEX has amended its Risk Manual and its accompanying Exhibit A, as shown in the attachment accompanying this submission, to make necessary updates and additions pertaining to the clearing of Bitnomial Options on Bitcoin Futures. Specifically, the amendments add new language to the Risk Manual identifying the Options on Bitcoin Futures as a product included within MGEX stress tests. With respect to Exhibit A, the amendments add new descriptions and labeling of Futures Scan Range, Volatility Scan Range, and Short Option Minimum related to Options on Bitcoin Futures.

## DCO Core Principles

In connection with updating its Risk Manual and Exhibit A, the Exchange has reviewed the core principles for derivatives clearing organizations (“DCO Core Principles”) and has determined that the amendments comply with the requirements of such principles. During the review, MGEX identified the following DCO Core Principle as potentially being impacted:

- *DCO Core Principle D – Risk Management*: CFTC Regulation 39.13 requires DCOs to possess certain risk management tools and procedures. These changes adding new language to the Risk Manual and Exhibit A related to the clearing of Bitnomial Options on Bitcoin Futures serve to update the Exchange’s risk management tools and procedures, and as such, the amendments are consistent with the requirements of Core Principle D, CFTC Regulations 39.13 and 39.36.

MGEX hereby certifies that the amendments to its Risk Manual and Exhibit A comply with the CEAct and the CFTC regulations promulgated thereunder. The Exchange is not aware of any substantive opposing views expressed regarding the amendments or this filing. MGEX further certifies that, concurrent with this filing, a copy of the submission was posted on the Exchange website at the following link: <http://www.mgex.com/regulation.html>. If there are any questions regarding this submission, please contact me at (612) 321-7176 or [jkrause@mgex.com](mailto:jkrause@mgex.com). Thank you for your attention to this matter.

Sincerely,



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

### MINNEAPOLIS GRAIN EXCHANGE, LLC

400 South 4<sup>th</sup> Street | 130 Grain Exchange Building | Minneapolis, MN 55415  
612-321-7101

[mgex.com](http://mgex.com)