



Web 2008-20

December 30, 2008

Dear Members & Rulebook Recipients:

The following Chapters have been amended:

<u>Chapters</u>	<u>Regulation/Resolution</u>	<u>Purpose</u>
20 Regulations	2011.00.	To extend the Hard Red Spring Wheat futures trading session by 15 minutes.
	2060.00.	To clarify the Board of Directors or its designee may determine the closing period for the Hard Red Spring Wheat futures contract.
72 Resolutions	2060.00.	To codify Hard Red Spring Wheat futures closing period.

You can view these changes by visiting the MGEX website at <http://www.mgex.com>:

1. On the top, go to "RESOURCES" and click "Rules and Regulations"
2. In the middle of the page, click "Click here to download changes to MGEX RULES AND REGULATIONS"
3. Then print if you wish to obtain an updated hard copy for your book.

If you have any questions or problems accessing the Rulebook, please contact Layne G. Carlson at (612) 321-7169 or lcarlson@mgex.com.

Layne G. Carlson
Corporate Secretary

If a second infraction occurs within two (2) years of the first infraction, a recommendation will be forwarded by the Business Conduct Committee to the Board of Directors that the individual involved be suspended up to a period of two (2) weeks with the monetary fine to be set at the recommendation of the Board. Members, Firms or Corporations will be responsible for fines given to their employee(s).

Complaints relating to boisterous or disorderly conduct and/or outburst of vulgar and abusive language in the Exchange Room will be reviewed by the Business Conduct Committee. The decision of the Business Conduct Committee shall be final.

2010.00. FUTURES AND OPTIONS MONTHS PRESCRIBED.

- A. Pursuant to the provisions of **Rule 715.00.**, the Board of Directors has adopted the following Regulation:

Trading in 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 Regulations, or unless otherwise determined by the Board of Directors.

- B. Pursuant to the provisions of **Rules 7305.00., 7505.00., 7705.00., 7905.00. and 8105.00.**, the Board of Directors has adopted this Regulation. 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 Official Bulletin Board, the Board of Directors 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. HOURS OF TRADING.

Pursuant to the provisions of **Rule 210.01.**, the Board of Directors has adopted this Regulation.

The hours of trading at the Minneapolis Grain 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-fifteen o'clock (1:15) p.m.

B. **SPRING WHEAT CONTRACT**

1. The hours of trading in Spring Wheat Futures on MGEXpress® shall be from six o'clock (6:00) p.m. to six o'clock (6:00) a.m. and from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m.

2. The hours of trading in Spring Wheat Options by open outcry shall be from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m.
3. The hours of trading in Spring Wheat Options on MGEXpress[®] shall be from six o'clock (6:00) p.m. to six o'clock (6:00) a.m. and from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m.

C. NATIONAL CORN INDEX CONTRACT

1. The hours of trading in National Corn Index Futures on MGEXpress[®] shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.
2. The hours of trading in National Corn Index Options on MGEXpress[®] shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

D. NATIONAL SOYBEAN INDEX CONTRACT

1. The hours of trading in National Soybean Index Futures shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.
2. The hours of trading in National Soybean Index Options shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

E. WHEAT INDEX CONTRACTS

1. The hours of trading in Wheat Index Futures contracts shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.
2. The hours of trading in Wheat Index Options contracts shall be from six o'clock (6:00) p.m. to one-forty five o'clock (1:45) p.m.

close of the futures market and fifteen (15) minutes after the close of the Options market. The Board of Directors, at its discretion, may require that trading documents be collected at the end of smaller intervals in order to ensure compliance with provisions of the Commodity Exchange Act.

- B. Partially-filled order tickets need not be submitted by the executing Member to the Clearing Member until the entire order has been executed. Once the entire order has been executed, the order must be submitted to the Clearing Member promptly, or at the latest, during the next required collection of trading documents by the Clearing Member.
- C. Trading cards collected pursuant to this Regulation must be time-stamped promptly to the nearest minute upon collection by the Clearing Member.

2059.00. DESIGNATION OF OPEN AND CLOSE ON TRADING CARDS.

Each Member is required to identify on his or her trading cards all trades executed during the designated opening and closing periods by drawing a line on the card to separate those trades from other transactions recorded on the trading card.

2060.00. OFFICIAL CLOSING PERIOD: FUTURES.

The closing period of the Hard Red Spring Wheat Contract trading session shall be determined by the Board of Directors or its designee. (See [Resolution 2060.00.](#))

2061.00. OFFICIAL CLOSING PERIOD: OPTIONS.

The closing period shall be the last sixty (60) seconds of the Spring Wheat open outcry trading session.

2062.00. TRADING CARDS: FORM, PREPARATION AND MAINTENANCE.

- A. Trading cards used to record the execution of purchase or sale of any commodity for future delivery or commodity option on or subject to the Rules of the Exchange must contain:
 - 1. Pre-printed Member identification or other unique identifying information which would permit the trading cards of one Member to be distinguished from cards of all other Members;
 - 2. Pre-printed sequence numbers to permit the intra-day sequencing of trading cards; and
 - 3. Unique and pre-printed identifying information which would distinguish each of the trading cards prepared by a Member from his/her other trading cards for no less than a one (1) week period.
- B. A Member recording transactions on trading cards must use non-erasable ink to record each purchase and sale in exact chronological order of execution on sequential lines of the card. Skipping of lines on the trading card is prohibited. If blank lines remain after the last execution recorded on a

**CHAPTER 72
RESOLUTIONS**

372.00.	Delegation
719.00.	Exchange Of Futures For Physical or Risk Transaction Fees
803.01.	Delivery Of U.S. Origin Grain
803.02.	Criteria For Issuance Of Non-Genetically Modified Wheat Certificates
1402.00. C.	Option Trading
2020.00.	Exchange Service Fee
2060.00.	Official Closing Period: Futures
2024.00.	Exchange Regulatory Fee
2101.00. C.	Fees And Fines – Amounts And Collections
2101.01. B.	Clearing Service Fee
2102.00. C.	Clearing Member Margins

12-30-08

CHAPTER 72 RESOLUTIONS

RESOLUTION 372.00.

Pursuant to **Rule 372.00. I.** and **J.**, the Minneapolis Grain Exchange Board of Directors has adopted the following requirements to be met by Delegates of the Exchange.

A Delegate shall deposit one thousand dollars (\$1,000.00) with the Exchange. No interest will be paid on the deposit.

There shall be no monthly access fee or minimum number of contracts required to be traded.

Approved by the Board July 8, 2004, effective August 1, 2004.

RESOLUTION 719.00.

The Minneapolis Grain Exchange Board of Directors has adopted a \$0.70 fee to be paid to the Corporation by the buyer and the seller for each Minneapolis Grain 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 803.01.

The Minneapolis Grain Exchange Board of Directors has adopted the following Resolution:

BE IT RESOLVED, that, pursuant to **Rule 803.01.**, the Minneapolis Grain Exchange Board of Directors shall require that, effective with the December 1998 delivery month, elevators declared regular to deliver Spring Wheat on MGEX futures contracts provide a certificate of U.S. origin for delivered Spring Wheat if specifically requested in writing by the taker of delivery at the time load-out instructions are submitted.

Approved by the Board July 10, 1997.

RESOLUTION 803.02.

Pursuant to **Rule 803.02.**, the Minneapolis Grain Exchange Board of Directors has adopted this Resolution.

A delivery elevator can meet the certificate requirement for non-genetically modified wheat by providing a letterhead statement issued by the Grain Inspection, Packers and Stockyards Administration (GIPSA) that states, "There are no transgenic wheat varieties for sale or in commercial production in the United States at this time."

If the GIPSA statement is not available, the delivery elevator must provide a certificate, along with supporting documentation, that the delivery wheat is non-genetically modified wheat in accordance with the following testing procedures and tolerance criteria:

1. The delivery elevator, at its own expense, shall have the delivery wheat tested for transgenic events. The testing for genetically modified (transgenic) wheat shall be conducted by a federal agency or a Board of Directors designated authority selected by the elevator. The testing must be completed by the time a bill of lading is ready to be issued confirming load-out is completed and the wheat otherwise meets delivery specifications.
2. A certificate cannot be issued if the amount of genetically modified (transgenic) wheat exceeds more than one percent (1%) of the net amount delivered which includes the transgenic wheat. If a certificate cannot be issued, the elevator must reload unless the taker and the elevator agree to other arrangements.

This resolution is effective with the July 2004 delivery month.

RESOLUTION 1402.00. C.

Pursuant to Rule 210.01., the Minneapolis Grain Exchange Board of Directors has adopted these Resolutions.

That the last trading day and expiration for the January 2009 Spring Wheat options contract be changed from Friday, December 26, 2008 to Tuesday, December 23, 2008.

Approved by the Board March 8, 2007.

That the last trading day and expiration for the January 2010 Spring Wheat options contract be changed from Thursday, December 24, 2009 to Wednesday, December 23, 2009.

Approved by the Board March 18, 2008.

That the last trading day and expiration for the December 2010 Spring Wheat options contract be changed from Friday, November 26, 2010 to Tuesday, November 23, 2010.

Approved by the Board March 18, 2008.

That the last trading day and expiration for the January 2011 Spring Wheat options contract be changed from Thursday, December 23, 2010 to Wednesday, December 22, 2010.

Approved by the Board March 18, 2008.

RESOLUTION 2020.00.

The Minneapolis Grain Exchange Board of Directors has adopted the following schedule of Exchange service fees to be paid to the Corporation for each contract of Minneapolis Grain Exchange Futures bought, sold, exchanged for physical or risk, transferred, delivered, accepted for delivery or cash settled, or for each contract of Minneapolis Grain Exchange Options bought, sold, transferred, exercised or assigned.

Open Outcry

Type 1 rates	\$0.00
Member rate	\$0.30
Delegate rate	\$0.45
Non-Member rate	\$0.60

The maximum combined Exchange and Clearing service fees for Open Outcry Type 1 rates is five thousand dollars (\$5,000) per year.

MGExpress**First 15,000 Contracts per month**

Member rate	\$0.80
Delegate rate	\$1.20
Non-Member rate	\$1.60

Next 15,000 Contracts per month

Member rate	\$0.60
Delegate rate	\$1.00
Non-Member rate	\$1.40

Each Additional Contract per month

Member rate	\$0.45
Delegate rate	\$0.85
Non-Member rate	\$1.25

Record holders granted an electronic trading permit for use on the MGEX trading floor pay the following rate for contracts executed for their own account:

First 5,000 Contracts per month

Member rate	\$0.50
Delegate rate	\$0.60

Each Additional Contract per month

Member rate	\$0.35
Delegate rate	\$0.45

Exchange service fees for MGExpress will be charged per account.

For purposes of computing fees, a "member" is the individual listed as the record holder of a membership and trades Exchange contracts for their own account. Further, member rates apply to a firm or corporation which is a record owner of a membership. Member rates do not apply to employees, associated persons, affiliate companies, subsidiary corporations or parent corporations of a member firm or corporation unless they also are a record owner of a membership.

A "delegate" is the individual listed as the record holder of a leased membership and trades Exchange contracts for their own account.

Approved by the Board March 18, 2008, effective April 1, 2008.

RESOLUTION 2024.00

The Minneapolis Grain Exchange Board of Directors has adopted the following schedule of Exchange regulatory fees to be paid to the Corporation annually. The fee shall be prorated over the Corporation's fiscal year for each month the entity is registered.

A fee of \$10,000 shall be paid by registered futures commission merchant members for which the Exchange is the self-regulatory organization responsible for monitoring and auditing for compliance with the minimum financial, segregation and related reporting and recordkeeping requirements. Such fee shall also apply if the Exchange has delegated its responsibilities to another designated self-regulatory organization. However, the fee shall be waived if the registered futures commission merchant member clears 50,000 contracts annually.

Approved by the Board on January 18, 2001.

RESOLUTION 2060.00

The Minneapolis Grain Exchange Board of Directors, or its designee, has adopted this Resolution.

The official closing period for Hard Red Spring Wheat futures shall be from 1:14:00 p.m. to 1:14:59 p.m.

Approved by the Executive Committee December 21, 2008, effective December 22, 2008.

RESOLUTION 2101.00.C.

The Minneapolis Grain Exchange Clearing House Committee has adopted the following schedule of deadlines for reporting trading session activity to the Clearing House:

8:00 a.m.	Form 200's
9:00 a.m.	Settlement and margin payment Offset requests
11:15 a.m.	Weekly account position updates Daily Delivery/Exercise account updates
2:15 p.m.	Last submission of trades
3:00 p.m.	Give-up transfer trades Unmatched trade fixes
3:30 p.m.	Long position lists for delivery Delivery Notices Exercise Notices Auto-Exercise Cancellation Notices Spring Wheat Options Form 200's on expiration day Verbal Notification to the Clearing House is necessary if reports are going to be later than 3:30 p.m. Deadline for receipt of notices is 4:00 p.m.

Evening trading activity will clear as part of the next business day's activity.

Submissions that are late will be charged with fines as follows: the first ten (10) minutes late will incur a charge of \$10; succeeding ten (10) minute periods will add additional \$25 charges each. (For example, eleven (11) minutes late will be \$35; twenty-five (25) minutes late will be \$60).

Trades must be entered in "TEMS" within forty-five (45) minutes of the conclusion of each half (½) hour trading bracket.

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.

The Minneapolis Grain Exchange Clearing House Committee has adopted a fine of \$100 for Form 200 errors in excess of two per month.

Spring Wheat Options Form 200's for the last trading day will incur the following fines:

Form 200's not received by 5:00 p.m. expiration day	\$1,000
Errors not corrected by 6:00 p.m. expiration day	\$1,000
Errors not corrected by 8:00 a.m. next business day an additional	\$1,000

All give-up trades properly received in accordance with [Regulation 2106.00](#) by the carrying Clearing Member by 2:15 p.m. and not accepted by the carrying Clearing Member by 3:00 p.m. shall result in the following fines:

First offense	\$1,000
Second offense	\$2,000
Third offense	as determined by Business Conduct Committee

Amended by the Board of Directors November 11, 2004, effective January 4, 2005.

RESOLUTION 2101.01.B.

The Minneapolis Grain Exchange Board of Directors has adopted the following schedule of Clearing service fees to be paid to the Corporation for each contract of Minneapolis Grain Exchange Futures bought, sold, exchanged for physical or risk, transferred, delivered, accepted for delivery or cash settled, or for each contract of Minneapolis Grain Exchange Options bought, sold, transferred, exercised or assigned.

Open Outcry

Type 1 rates	\$0.05
Member rate	\$0.20
Non-Member rate	\$0.20

MGEXpress

<u>First 15,000 Contracts per month</u>	
Member rate	\$0.20
Non-Member rate	\$0.20

Next 15,000 Contracts per month

Member rate	\$0.20
Non-Member rate	\$0.20

Each Additional Contract per month

Member rate	\$0.20
Non-Member rate	\$0.20

The maximum combined Exchange and Clearing service fees for Open Outcry Type 1 rates is five thousand dollars (\$5,000) per year.

For purposes of computing fees, a "member" is the individual listed as the record holder of a membership and trades Exchange contracts for their own account. Further, member rates apply to a firm or corporation which is a record owner of a membership. Member rates do not apply to employees, associated persons, affiliate companies, subsidiary corporations or parent corporations of a member firm or corporation unless they also are a record owner of a membership.

Approved by the Board May 8, 2003, effective May 9, 2003.

RESOLUTION 2102.00. C.

The Minneapolis Grain Exchange Board of Directors, or its designee, has adopted the following margins as the minimum amounts that are proper and adequate.

A.	Margins on Futures	<u>Amount Per Contract</u>	<u>Intra-Market Spreads</u>	<u>Amount Per Contract</u>
	National Corn Index	\$1000	Market	
	National Soybean Index	\$2000	Market	
	Hard Red Winter Wheat Index	\$2700	Market	
	Hard Red Spring Wheat Index	\$2700	Market	
	Soft Red Winter Wheat Index	\$2700	Market	
	Spring Wheat – Old Crop	\$4000	Market	
	Spring Wheat – New Crop	\$2500	Market	
B.	Inter-Commodity Spreads		<u>Spread Credit</u>	<u>% Savings</u>
	NCI vs. NSI		50%	
	HRWI vs. Spring Wheat		100%	
	HRSI vs. Spring Wheat		100%	
	SRWI vs. Spring Wheat		100%	
	HRWI vs. HRSI		100%	
	HRWI vs. SRWI		100%	
	SRWI vs. HRSI		100%	
C.	Inter-Exchange Spreads - MGEX Side			
	MGEX NCI vs. CBOT Corn		100%	
	MGEX NSI vs. CBOT Soybeans		100%	
	MGEX HRWI vs. CBOT Wheat		100%	

MGEX HRWI vs. KCBT Wheat	100%
MGEX HRSI vs. CBOT Wheat	100%
MGEX HRSI vs. KCBT Wheat	100%
MGEX SRWI vs. CBOT Wheat	100%
MGEX SRWI vs. KCBT Wheat	100%
MGEX Spring Wheat vs. CBOT Wheat	60%
MGEX Spring Wheat vs. KCBT Wheat	60%

- D. Margins on Options. Under the provisions of [Rule 760.00.](#), the Board of Directors, or its designee, hereby establishes that minimum margins for options transactions will be determined by the Standard Portfolio of Analysis of Risk margin calculations. SPAN[®] is a registered trademark of the Chicago Mercantile Exchange. The Chicago Mercantile Exchange assumes no liability in connection with the use of SPAN[®] by any person or entity.

Approved by the Clearing House Committee May 21, 2008, effective May 22, 2008.