



MEMO

DATE: November 19, 2015

TO: MGEX Members & Market Participants

FROM: MGEX Department of Audits and Investigations

SUBJECT: Regulations Regarding Position Limits and Exemption Procedures for HRSW Futures

The Minneapolis Grain Exchange, Inc. ("MGEX") has approved changes to regulations regarding position limits and exemption procedures for HRSW futures. These changes are effective for positions held at the close of business on **Tuesday, December 1, 2015**. To be eligible for an exemption from position limits for HRSW futures under **MGEX Regulation 2013.04.**, an applicant must submit an MGEX Position Limit Exemption Request Form ("Form") to the Department of Audits and Investigations prior to exceeding the limits.

Information for Applicant:

- A. The "Applicant" shall be deemed to be the market participant on whose behalf the Form is being submitted.
- B. To be eligible for an exemption, Forms must be submitted five business days prior to exceeding the position limit. An exemption shall not be deemed valid until the Applicant has received confirmation of approval from MGEX.
- C. Limits are effective on both inter-day and intra-day basis. When position limits are in effect, a market participant may not hold a position above the limit at any time without having an exemption.
- D. Position limits do not apply to bona fide hedging positions as defined in CFTC Rule 1.3(z). However, a form still needs to be completed if position limits will be exceeded. The Exchange retains the right to limit bona fide hedging positions that it determines are not in accord with sound commercial practices or exceed an amount which may be established and liquidated in an orderly fashion.

Please visit http://www.mgex.com/spring_wheat.html for the MGEX Position Limit Exemption Request Form and complete list of Regulations regarding position limits and exemption procedures for HRSW futures.