



Memo

TO: MGEX Clearing Members

FROM: MGEX Clearing House

SUBJECT: Proposed Rule Change Impacting Clearing of Bitnomial Exchange Contracts

DATE: August 16, 2022

MGEX provides clearing services to Bitnomial Exchange, LLC (“Bitnomial”) for certain physically delivered bitcoin futures contracts. Clearing Members approved to clear such contracts must comply with the provisions set forth in Chapter 23 of the MGEX Rulebook, including those involving delivery requirements. MGEX is issuing this memo to notify all Clearing Members of a potential change to Rule 23.12.2. and seek any feedback related to such.

Please see below for specifics of the proposed Rule change. MGEX welcomes any comments or concerns Clearing Members may have on these proposed amendments. Please direct any comments to Lindsay Hopkins at lhopkins@mgex.com by September 16, 2022.

23.12.2. ACCOUNTS ELIGIBLE FOR DELIVERY.

Only accounts approved for delivery shall be eligible for delivery and allowed to maintain open positions ~~during the delivery month of~~ 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. ~~first business day of the delivery month by an MGEX Clearing Member.~~ 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 delivery month will be subject to Exchange disciplinary action, including, but not limited to, fines or referring the matter to the Disciplinary Committee.

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