

November 3, 2021

Web 2021-9

MGEX Rulebook Update

The following updates have been made to the MGEX Rulebook:

Chapters/Section	Citation	Purpose
Chapter 11	1160.00., 1161.00., 1162.00.	Amendment of Rules to align with the permanent closure of in-person Cash Market trading and the transition to solely remote reporting of sales of loaded rail cash commodities.
Chapter 20	Index 2005.00., 2005.01., 2005.02., 2006.00., 2035.00.	Amendment and removal of Rules to align with the permanent closure of in-person Cash Market trading and the transition to solely remote reporting of sales of loaded rail cash commodities

These changes are available on the MGEX website at www.mgex.com:

1. On the website home page, hover over the “RESOURCES” drop down menu, then select “RULES & REGULATIONS”;
2. On the Rules and Regulations page, select “MGEX RULES, REGULATIONS AND RESOLUTIONS” for the latest version of the MGEX Rulebook.

If you have any questions or problems accessing the MGEX Rulebook, please contact Jesse Marie B. Green at (612) 321-7122 or jgreen@mgex.com.

Sincerely,



Layne G. Carlson, Secretary

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CHAPTER 11 CASH COMMODITIES

1100.00. RECOURSE FOR HEATING AFTER DELIVERY.

If a carload of any commodity has been sold or applied on sale basis "delivered" to an unloading industry located within the Minneapolis or St. Paul switching district, if the Buyer has not rejected the car (or made other agreement or settlement with the Seller with respect thereto) within forty-eight (48) hours (Saturdays, Sundays and holidays excepted) after actual or constructive delivery has been made to the unloading industry, he shall not be allowed any claim for loss resulting from the commodity heating unless he is able to prove that at the time of such actual or constructive delivery the commodity was in a heating condition and the Seller had knowledge of the fact. The records of the railroad company shall be prima facie evidence of the time of such actual or constructive delivery.

1101.00. ACCEPTANCE OF NO. 5 AND SAMPLE GRADE CORN.

In all sales of corn grading No. 5 or sample grade because of moisture, unless otherwise agreed, the Buyer, if he has been able to obtain a sample of such corn within the Minneapolis or St. Paul or Duluth or Superior switching districts, must accept or reject such corn or notify the seller of his desire to call for a reconsideration of grade, by eleven o'clock (11:00) a.m. of the business day next succeeding the day of sale. If the Buyer has not been able to get his sample, he shall so notify the seller, and the time for acceptance, rejection or notice of desire to call for a reconsideration of grade shall be extended accordingly, but the Buyer must so act as soon after receipt of his sample as practicable.

PROVIDED, however, that the requirements of this Rule shall not apply in the case of cars that are inspected "in heavily loaded car."

1102.00. CALLS FOR RECONSIDERATION OF GRADE.

The expression "call for Reconsideration of Grade" as used in the Rules shall mean any request to the proper grading authorities for reinspection, appeal, Federal appeal, appeal to the Board of Grain Supervision or for any other grading of the contents of a car or of a lot or parcel of any commodity that you supersede the grade then in existence, including any request for a recheck of protein.

- A. A party who desires to call for a reconsideration (or reconsiderations) of grade on the contents of a car or a lot or parcel of any commodity shall first give to the other party at interest written notice of his desire to do so. If reconsideration of a Federal appeal grade is desired, a separate notice of such desire must be given. Permission to call for the desired reconsideration of grade must be granted by the other party, or the car must be replaced with another car of like grade and quality or other satisfactory settlement made.
- B. The cost of the reconsideration of grade, if any, shall be borne by the party making the call.

- C. Ordering a car "On Track" without the unloading destination being established shall not be construed as moving or ordering a car toward a specific unloading destination within the meaning of the Rules.
- D. Commodities in cars that have been billed to Minneapolis and that are "On Track" at points in Minnesota designated as sampling points by the Public Service Commission, or that are in transit between such points and Minneapolis, shall be considered the same as if actually "On Track" in railroad yards in Minneapolis.

In the case of commodities in cars at outside "Hold" or inspection points (whether located in Minnesota or elsewhere) sold to go to Minneapolis or St. Paul, or to some point beyond Minneapolis or St. Paul, or to Duluth-Superior (unless otherwise agreed) inspection, resampling and calls for reconsideration of grade shall be permitted at Minneapolis or St. Paul, or at Duluth-Superior on the same terms and conditions as though the cars had been sold after arrival in such markets.

1103.00. SHIPPERS' RIGHT TO OFFICIAL GRADES AND PROTEINS.

All shippers in this market shall have the right to official grades and proteins under the following terms:

Official grades and proteins based on official samples may be obtained by special written request only at the time of shipment.

Official grades and proteins based on submitted samples may be obtained at the time of unload, provided the request is made on the truck Bill of Lading or on written shipment advice.

Official grades and proteins based on a file sample, may be obtained for a minimum of five (5) calendar days after unload when firms are providing in-house grades and proteins.

All expenses incurred in obtaining official samples, grades and proteins, including truck detention and rail demurrage, shall be for the account of the shipper.

1104.00. HEAVILY LOADED CARS.

Cars so heavily loaded that they are inspected "in heavily loaded car" should be bought and sold on basis of special contracts made at time of trade between the Buyer and Seller, covering these conditions.

1105.00. INBOUND RATES, TRANSIT, ETC.: AGREEMENT CONCERNING.

In all sales made on arrival in Minneapolis-St. Paul or Duluth-Superior or at an outside "Hold" or inspection point all matters relative to point of origin, transit, inbound rates and location of the car should be understood and agreed upon by the Buyer and Seller and incorporated in the articles of trade. Unless otherwise agreed, the Seller shall be deemed and held to warrant:

- A. That there has been no previous transit stop on the car or transit billing used in connection with its movement; and,

- B. That the free time has not expired and the car is not on demurrage.

1106.00. SWITCHING, DEMURRAGE AND RECONSIGNING CHARGES: LIABILITY FOR.

- A. If a call for reconsideration of grade or official Minnesota protein is made by the Buyer on cars to be delivered either "On Track" or at local unloading industries, and the grade or protein is not changed, switching and demurrage charges caused by such call shall be paid by the Buyer; but, if the grade or protein is changed, such charges shall be paid by the Seller.
- B. If the call for reconsideration of grade or protein is made by the Seller, all switching and demurrage charges caused by such call be paid by the Seller whether or not the grade or protein is changed.
- C. Any charges accruing previous to sale of cars are to be paid by the Seller.
- D. Any reconsigning charges accruing after the sale, at the instance of the Buyer, are to be paid by the Buyer.

1107.00. PROMPT EXAMINATION OF CARS.

In order to reduce to a minimum the expense for switching and demurrage suffered by Sellers resulting from cars being "run through" at unloading industries on account of reconsideration of grades, recheck of proteins, or disputes as to quality, operators of unloading industries shall make every effort practicable to examine cars promptly after they are first delivered on the tracks of the industry, or those of the railroad company adjacent thereto, for the purpose of determining whether the cars were correctly graded, or are as represented by the sale sample.

1108.00. FREIGHT ON CARS LOADED BELOW MINIMUM CAPACITY.

If a carload of any commodity has been sold basis delivery "On Track" Minneapolis-St. Paul or Duluth-Superior for shipment to an unloading destination outside of Minneapolis-St. Paul or Duluth-Superior, the Seller shall pay the freight to the agreed unloading destination on the difference between the minimum shipping load for the car permitted by the carriers' tariffs and the actual load in the car.

If a carload of any commodity has been applied on a Sale "To Arrive," the Seller shall pay freight to the agreed unloading designation on the difference between the minimum shipping load for the car permitted by the carriers' tariffs and the actual load in the car.

1109.00. FREIGHT BILLS: SELLER TO FURNISH.

Sellers shall furnish Buyers duplicate inbound paid Freight Bills for all cars sold (or applied on sale) in cases where the Seller has paid the freight. Such duplicate Freight Bills must be those covering the identical cars sold (or applied on sale) and must be delivered to the Buyers as expeditiously as possible and, in any case, not later than ten (10) days after the date of the Freight Bills.

1110.00. BUYER TO BE REIMBURSED FOR FREIGHT CHARGES, ETC.

If a sale of a track carload of any commodity has been made basis "delivered" at a point outside of Minneapolis, the Seller shall, upon receipt of complete papers, including weight certificate, Freight Bill and reconsigning and reconsigning and/or demurrage charges (if any) accruing prior to delivery at final destination, immediately reimburse the Buyer for the same.

In sales made bases delivery "On Track Minneapolis for O.W.B." or "On Track Minneapolis for Shipment," the Seller, upon receipt of complete papers covering freight, reconsigning or demurrage charges (or overcharges) accruing prior to such delivery, shall immediately reimburse the Buyer for the same.

1116.00. WEIGHTS.

In all sales of commodities to be unloaded, Buyer and Seller shall agree at the time of the sale on the character of the weights to be furnished.

1117.00. SHIPPERS' WEIGHTS.

When a sale of a carload of any commodity has been made based on "shippers' weights," these weights (supported by an affidavit of the shipper certifying to the accuracy of the same) shall be furnished within two (2) weeks after the date of the application of the car upon the sale. In case of failure of the Seller to furnish shippers' weights so certified within the two (2) weeks mentioned, settlement shall be based upon destination weights.

1118.00. WEIGHTS ON BILLS OF LADING.

When shipments are weighed under supervision of State or other official/certified authorities, Bills of lading shall bear a notation to that effect.

1119.00. BUYER TO ACCEPT AMOUNT IN CAR.

In all sales of commodities made on arrival the Buyer shall accept the amount contained in the particular car purchased, except where a car is found to be unevenly loaded.

1125.00. DISPOSITION ORDERS: FORM OF.

All cars of commodities arriving in this market shall be ordered to unloading industries, "On Track" or to Outgoing Railroad Yards, by means of Disposition orders to be issued in duplicate, the form of which shall be as prescribed (or approved) from time to time by the Board of Directors.

1126.00. DISPOSITION ORDERS: "ON TRACK" CARS.

Disposition Orders covering cars ordered "On Track" or to Outgoing Railroad Yards for shipment shall in all cases carry any and all protection shown on the original Bill of Lading.

1127.00. DISPOSITION ORDERS AND OTHER DOCUMENTS: DELIVERY OF.

Buyers must demand and Sellers must deliver to Buyers the duplicate copy of the Disposition Order, duly executed and endorsed by the Seller to the Buyer, and signed or stamped by the

carrier's agent or his representative upon payment or invoices based on final weights of cars unloaded within the Minneapolis-St. Paul or Duluth-Superior switching districts.

Documents passing title (i.e., duplicate Disposition Orders, Bills of Lading or elevator Load-out Notices, as the case may be) shall be delivered to the Buyer upon payment of the advances authorized by **Rule 1146.00**.

In all cases, if the Seller has delivered his invoice or request for advances by the required time, he is entitled to payment if he has the Disposition Order or other necessary documents ready for delivery to the Buyer at the time payment is due.

If such Disposition Order or other documents have been delivered to the Buyer prior to the time required for payment of the invoice or request for an advance and, if for any reason, the Buyer fails or declines to make payment therefor when due, he shall forthwith upon demand return the Disposition Order or other documents to the Seller.

1128.00. DISPOSITION ORDERS: DELIVERY TO OPERATOR OF INDUSTRY.

Operators of industries located within the Minneapolis-St. Paul or Duluth-Superior switching districts unloading commodities for others must demand as authority for unloading, and the parties for whom such commodities are loaded must surrender the Duplicate Disposition Order covering each car unloaded not later than next business day following the day on which the car was unloaded.

1129.00. AUTHORITY TO SIGN DISPOSITION ORDERS AND LOAD-OUT NOTICES.

Persons shall furnish to the Railroad Joint Agent the authorized signatures or persons authorized to sign and endorse Disposition orders and Load-out Notices.

1130.00. ORDERING CARS TO INDUSTRIES.

No Person shall order cars for the purpose of avoiding proper demurrage charges, or order cars to any industry except for the purpose of unloading thereat.

Notice that cars have been ordered to an industry must be given to the operator of the industry by the party for whose account the cars are to be unloaded on the same day on which the cars were so ordered. Failure to give such notice (in addition to being a violation of this Rule) shall relieve the operator of the industry of liability for demurrage or switching charges, or for damage to contents of cars resulting from delay in unloading, caused by such failure.

1135.00. SALES: TO BE FOR CASH.

All sales of commodities, unless agreed to the contrary, whether for delivery "On Track," or at unloading industries, or FOB, or in any other manner or in any place shall be for cash. The Buyer is required to pay invoices and requests for advances with checks drawn on Minneapolis or St. Paul banks, unless agreed otherwise.

1136.00. PASSING OF TITLE.

Unless otherwise specified by contractual agreement, title passes to the Buyer as follows:

- A. On FOB origin or FOB basing point contracts at time and place of shipment. The time is the moment of acceptance of the appropriate shipping document by the carrier.
- B. On delivered contracts, when constructively placed, or otherwise made available at Buyer's original destination.
- C. Title to commodities sold (or applied on sale) basis delivery "On Track" in Minneapolis-St. Paul or Duluth-Superior, or at an outside "Hold" or inspection point, with unloading weights at a destination outside the Minneapolis or St. Paul or Duluth or Superior switching districts to govern, shall pass if, as, and when the Bill of Lading, duplicate Disposition Order or elevator Load-Out Notice (as the case may be), properly signed, endorsed and/or stamped so as to assign the right to possession of the car to the Buyer, has been delivered by the Seller to the Buyer.

1137.00. WARRANTY OF TITLE BY SELLER.

In all sales of commodities in this market the seller, whether acting as owner, agent or Commission Merchant (except when acting as Broker as defined in MGEX Rules), shall be deemed and held to warrant his right to sell and pass full clear title to the commodities. In every sale a warranty of the title by the seller to the purchaser of the commodity is a part of the contract of sale with the same force and effect as if expressly incorporated therein; PROVIDED, that at the time of the making of the contract of sale the parties thereto may limit the obligation of the seller by an agreement in writing expressing such limitation.

1138.00. RISK OF LOSS: COMMODITIES IN CARS OR TRUCKS.

On commodities sold basis unloading weights at industries located within the Minneapolis-St. Paul or the Duluth-Superior switching districts the Buyer shall assume the risk of loss by fire or other causes when the car or truck containing the commodity so sold has been delivered to the unloading industry specified by the Buyer.

1139.00. FINAL ACCEPTANCE OF CARS.

Except as otherwise provided in this Chapter or agreed by the parties, final acceptance of commodities sold or applied on sale shall take place:

- A. In the case of a sale made basis "delivered" to an unloading industry, whether in Minneapolis or elsewhere, if and when the car has been unloaded. PROVIDED, however, that settlement and acceptance of an unevenly loaded car shall be a matter of separate agreement between Buyer and Seller, and any portion of the grain identity -- preserved under the supervision of the official/certified Weighmaster shall remain the property of the Seller until such agreement is reached;
- B. In the case of a sale made basis delivery "On Track" Minneapolis, Duluth or elsewhere, for shipment beyond Minneapolis or Duluth, if and when the car has left the switching districts of Minneapolis-St. Paul or Duluth-Superior;

- C. In the case of a sale made basis delivery "On Track" at an outside "Hold" or inspection point, or elsewhere, for shipment to an interior destination without moving through Minneapolis or Duluth, if and when the car has left its location at the time sale.

If commodities are sold (either upon arrival in Minneapolis or Duluth or at an outside "Hold" or inspection point) and billed by the Seller at the Buyer's request to some destination outside the Minneapolis-St. Paul or Duluth-Superior switching districts, the sale shall be considered as having been made basis delivery "On Track" unless the terms of the sale specifically provide that it is made basis "delivered destination."

If a sale specified that grades other than the destination grades shall govern, any change in grade upon arrival at destination (whether on Federal appeal or otherwise) shall not be material as between Buyer and Seller.

1140.00. DIVERSION OF CARS: BY BUYER.

Whenever a sale of a carload of any commodity has been made, basis delivery at a specified unloading industry (or basis delivery "On Track" but to unload at a specified industry or destination), the Buyer shall not reorder or divert the car from such specified industry or destination without having secured the consent of the Seller so to do, which consent must be secured upon every such change.

Any reordering or diversion of a car away from such specified industry or destination, unless otherwise agreed, shall constitute a final acceptance of the car and shall entitle the Seller to a cash advance on the commodity sold equal to ninety percent (90%) of its value (based on the sale price), and, unless official/ certified destination weights can be furnished, settlement shall be made basis shipper's affidavit weights, or other weights, or other weights satisfactory to the Seller.

1141.00. PROCEEDS OF INSURANCE PLACED BY OTHERS THAN OWNER.

In case of loss by fire or other causes, if insurance has been placed that is payable to someone other than the actual owner of the commodity, the proceeds of the insurance shall stand as security in favor of such actual owner (or the Buyer, if he has become liable for such loss) as their interests may appear; and any Person collecting such proceeds shall hold them in trust to the extent of the interest of, and pay the same to, such actual owner, or Buyer, as their interests may appear.

1145.00. ADVANCES ON CARS SOLD TO UNLOAD LOCALLY.

Unless otherwise specified by a separate agreement between the Buyer and Seller, when a sale of a carload of any commodity is made to deliver within the Minneapolis-St. Paul or Duluth-Superior switching districts, the Seller shall have the right to demand a cash advance on the commodity equal to ninety percent (90%) of its value based on the sale price, but only if the car has not been unloaded within ten (10) days after being actually or constructively placed upon the tracks within the Minneapolis-St. Paul or Duluth-Superior switching districts.

1146.00. ADVANCES ON CARS SOLD TO UNLOAD AT OTHER DESTINATIONS.

Unless otherwise specified by a separate agreement between the Buyer and Seller, when a sale of a carload of any commodity has been made to deliver at a destination outside the Minneapolis-St. Paul or Duluth-Superior switching districts, the Seller shall have the right to demand a cash advance on the commodity equal to ninety percent (90%) of its value based on the sale price when documents passing title to the commodity have been delivered to the Buyer.

1147.00. DIRECT PAYMENT TO THE COUNTRY SHIPPER.

When making direct payment to the country shipper, payment shall be forwarded or credited to the shipper's account within five (5) business days after the date on the last applicable certificate.

1150.00. LOAD-OUT NOTICES.

The control of carloads of commodities loaded out of elevators within the switching districts of Minneapolis-St. Paul or Duluth-Superior shall be surrendered to the party for whose account the car was loaded by the delivery of a uniform elevator Load-out Notice covering such cars. Such Notices shall be in triplicate and in a form as prescribed or approved from time to time by the Board of Directors, (see [Rule 2026.00.](#)) and no Notice shall represent more than five (5) cars.

The original and duplicate Load-out Notices shall be surrendered to the carrier's agent or his representative with Bills of Lading or Disposition Orders.

1151.00. PAYMENT OF TERMINAL ELEVATOR CHARGES.

Invoices for terminal elevator charges, including storage, cleaning, drying, and other handling charges, State weighing and inspection fees, insurance, switching and demurrage charges and all other proper charges must be paid within five (5) business days after their receipt.

1156.00. PAN TICKETS.

Pan Tickets shall be used in connection with all carloads of any commodity offered for sale in this market and shall show (a) the car number, initial and inbound carrier, (b) the outside "Hold" or inspection point, if any, and the location of the car if not in the yard of the inbound carrier or first position, (c) the grade of the commodity and all the grade factors or other notations, including protein tests, furnished with the grade, (d) information concerning any previous transit stop or transit billing used in shipping the car.

All the information furnished by the Sampling Department, including the date on which the sample was obtained, must be shown either on the Sampling Department's ticket or on the Pan Ticket, and none of such information may be omitted, erased or altered.

Protein tests must designate the laboratory by which produced if from other than a Minnesota State Laboratory.

1160.00. CASH MARKET PARTICIPANTS.

Persons with cash trading privileges may participate as principal and/or agent, or act as agent for both Buyer and Seller, in cash commodity transactions executed on the Exchange.

However, such Persons must disclose to other Persons with cash trading privileges and the Cash Grain Market Reporter when they act as both principal and agent, or as agent for both Buyer and Seller.

Any party that is not a Person with cash trading privileges may participate in cash commodity transactions executed on the Exchange as a Buyer or Seller only by consignment through a Person with cash trading privileges.

1161.00. CONSIGNMENT.

Any cash commodity consigned to a Person with cash trading privileges for sale must be displayed on the Exchange for competitive bids prior to sale. The consignee must also disclose to Persons with cash trading privileges and the Cash Grain Market Reporter that the commodity is being sold on consignment. If the best bid is from the consignee or an affiliate of the consignee, then the consignor must be informed prior to the sale being completed.

1162.00. REPORTING CASH COMMODITY SALES.

Persons with cash trading privileges shall report all sales of loaded rail cash commodities made on the Exchange to the Cash Grain Market Reporter as soon as practicable after the sales are made, but no later than fifteen (15) minutes after the close of the cash market. Sales not made during the Hours of Trading shall not be included in the day's market report.

The Board of Directors is authorized to prescribe by Rule, the time, contents and method of reporting. All such reports shall be in accordance with the provision of such Rules.

Reports of sales of all commodities shall include the price, the grade, if any, and information such as "musty," "sour," "heating," "heavy dockage," or other factors that may have a distinct bearing on the price of the commodity. All reports must also disclose whether the sale was made on consignment as well as all parties to the transaction including Buyer and Seller, and principal and agent.

1163.00. CONFIRMATIONS.

Whenever a trade in a cash commodity is made, each party to the trade shall furnish to the other a signed Confirmation of the same not later than the next business day following the day of trade.

Persons, who have executed an order for the purchase or sale of any commodity, under the MGEX Rules, when acting as a Commission Merchant, or as an agent for others, shall furnish to each customer or principal for whom he is acting a written statement containing the names of the parties from whom the property was bought or to whom it was sold (as the case may be), the time when, the place where and the price at which the same was either bought or sold. (See Minnesota Statute Section 624.70.)

1164.00. DELIVERY OF DOCUMENTS TO THE ORIGINAL CONSIGNEE.

When grain and oilseeds (truck and rail, spot and "To-Arrive") are unloaded in the Minneapolis-St. Paul and Duluth-Superior switching districts, the unloading industry must forward or must provide the responsible certificate agency instructions to forward weight, grade, protein and oil certificates to the original consignee within three (3) business days of the dates appearing on

the certificates. In the event the above certificates bear different dates, the latest date shall govern.

If all settlement factors (grade, protein, oil, etc.) are determined in-house, it shall be the responsibility of the unloading industry to forward said certificates within three (3) business days of the date of unload.

The original shipper has the responsibility of furnishing a Bill of Lading or advice of shipment that clearly identifies the original consignee at the time of unload. If the shipper fails to identify the original consignee, certificates shall be forwarded within three (3) business days after the identify becomes known.

1165.00. CARS UNLOADED AT THE WRONG RECEIVING INDUSTRY.

In the event a car of grain, oilseed or byproduct is unloaded at the wrong receiving industry, the following methods for arriving at a settlement price shall govern. PROVIDED proper shipping advice, has been made in accordance with the Minneapolis Grain Exchange **Rule 1130.00. ORDERING CARS TO INDUSTRIES.**

- A. The Seller and the unloading industry agree on a new sale price for the car (Seller agrees to replace car to original destination) or,
- B. If the Seller and the unloading industry cannot agree on a price, the unloading industry must replace a like quantity, quality and protein (when applicable) to the original destination. Replacement cars must carry transit privileges equal to the cars unloaded by mistake.

Settlement is to be made within five (5) business days after the mistake is known to both parties. Nothing in **Rule 1165.00.** may be interpreted to limit carrier liability for misdelivery. Carrier liability is to be determined at Law.

1166.00. SPECIAL CONTRACTS.

The provisions of the Minneapolis Grain Exchange Cash Grain Trading Rules shall apply unless the terms of the contract otherwise provide. These Trading Rules shall not interfere with the rights of Buyers and Sellers to make contracts whose terms differ from those herein confirmed.

1167.00. CASH CALL MARKETS.

The Board of Directors, by its authority, may establish Cash Call Markets on the Exchange when in its opinion doing so is in the best interests of the Company. The commodities to be traded in the Call Market and the procedures, terms and conditions for trade will be established by Rule. Furthermore, the Exchange may authorize such fees as necessary to cover the operation of the Call Market.

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- 2055.03. Registration Of Floor Brokers/Floor Traders
- 2058.00. Collection Of Trading Documents
- 2059.00. Designation Of Open And Close On Trading Cards
- 2060.00. Official Closing Period: Futures
- 2061.00. Official Closing Period: Options
- 2062.00. Trading Cards: Form, Preparation And Maintenance
- 2062.01. Trading Records And Errors
- 2063.00. Time-Stamps
- 2064.00. Unmatched Trade Resolution
- 2065.00. Identification And Registration Of Broker Associations
- 2067.00. Electronic And Open Outcry Trading

CHAPTER 20 EXCHANGE RULES

2001.01. ADMISSION OF FLOOR CLERKS TO THE EXCHANGE ROOM.

Floor Clerks may be admitted to the Exchange Room under the following terms and conditions:

- A. The Exchange shall issue Floor Clerk permits upon application signed by an authorized individual who is the sponsor of a Floor Clerk. Such permits will be good until notification is given to the Exchange. The fee for the issuance thereof shall be determined by the Exchange.
- B. Floor Clerks will be admitted to the Exchange Room for the limited purpose of receiving orders from agents of their sponsor, and reporting to their sponsor.
- C. Floor Clerks may perform other routine clerical and telephone duties at their assigned position in the Exchange Room. After delivery of messages from their sponsor they are to return to their assigned position in the Exchange Room or leave the Exchange Room.
- D. Except as provided above, Floor Clerks shall not transact any business whatsoever in the Exchange Room with, or for, any person other than their principals and in no case shall they accept orders, report executions or have any other business duties whatsoever in the Exchange Room.
- E. No authorized individual shall employ more than two (2) Floor Clerks.
- F. Floor Clerk permits shall not be transferable. The Exchange must be notified if a new permit is issued. If the registered Floor Clerk is unable to perform his or her duties for reasons of illness, absence from the city, or other cause deemed sufficient and proper by the Exchange, a substitute Floor Clerk may be approved by the Exchange upon proper application and a temporary permit will be issued.
- G. The license conferred by a Floor Clerk permit may be revoked at any time by the Exchange if the holder violates any of the provisions of this Rule or is guilty of any other improper conduct in the Exchange Room.
- H. Floor Clerks may communicate by telephone with their sponsors so long as they do not solicit or do business for their own account.
- I. Floor Clerks may not solicit business for their sponsors or for their own account from the Exchange Room.

2002.00. EXCHANGE ROOM.

The Exchange, at its discretion, shall have the duties and powers to:

- A. Change the physical appearance and use of the Exchange Room.
- B. Establish security measures and procedures for admittance to the Exchange Room.
- C. Ascertain the equipment needs of the Exchange Room.

2003.00. ADMITTANCE OF VISITORS TO THE EXCHANGE ROOM.

Visitors' badges, permitting the holder to have access to the Exchange Room, shall be issued on the following terms and conditions:

- A. The Exchange, at its discretion, may authorize the issuance of visitors' badges.
- B. The license conferred by a visitor's badge may be revoked at any time by the Exchange if the holder violates any of the provisions of MGEX Rules.
- C. Authorized individuals may accept orders from visitors in the Exchange Room. However, no order may be given by a visitor directly to a Broker in the Pit.
- D. No visitor shall have access to the Exchange Room for more than three (3) days per month without the express approval of the Exchange.

2004.00. DECORUM AND DRESS WHILE IN THE EXCHANGE ROOM.

All authorized individuals and Floor Clerks must dress and conduct themselves within the confines of acceptable business decorum while in the Exchange Room. The following are enumerated for the guidance of authorized individuals and Floor Clerks:

- A. Proper attire must be worn at all times in the Exchange Room as determined and enforced by the Exchange.
- B. Matching of coins or other open forms of gambling in the Exchange Room is prohibited.
- C. Disorderly conduct, such as pushing or shoving, is prohibited.
- D. Vulgar or abusive language is prohibited.
- E. Any other conduct or activity determined to be detrimental to a professional and safe business environment is prohibited.

2004.01. EXCHANGE ROOM ENFORCEMENT.

The Exchange may issue a violation ticket to any Person following an infraction/violation of any MGEX Rule occurring in the Exchange Room. All violation tickets must be submitted to the Secretary of the Company promptly upon issuance. The Secretary of the Company shall thereafter immediately forward the completed violation ticket to the Department of Audits and Investigations. The Department of Audits and Investigations will give written notification to the violator of the infraction/violation and action taken, if any.

The notice shall inform the Person of the right to request a hearing before the Hearing Committee and the consequences of a failure to pay the fine if no hearing is requested. If a hearing is requested, the decision of the Hearing Committee shall be final.

Failure to request a hearing shall be deemed a consent to the action taken. Unless a hearing is requested within ten (10) calendar days, failure to pay a fine within thirty (30) days after the penalty is imposed shall automatically double the amount of the fine. If the increased fine is not paid within sixty (60) days after the original fine was imposed, the Disciplinary Committee may, without

hearing, revoke the badge or suspend the Person.

Persons will be responsible for fines given to their employee(s). Following is a schedule of penalties the Board of Directors has authorized the Department of Audits and Investigations or the Disciplinary Committee to issue:

First Violation:	Letter of Reprimand
Second Violation:	\$25.00 Fine
Third Violation:	\$100.00 Fine
Fourth Violation:	\$300.00 Fine
Fifth Violation:	\$500.00 Fine and/or One (1) Day Suspension

Each violation ticket written shall constitute a single violation and the number of violations accumulated will determine the action taken. If a Person is free of any violations for a period of two (2) years, the fine schedule will revert back to a first violation.

Any violation/infraction may be forwarded by the Department of Audits and Investigations to the Disciplinary Committee for further review or action. Additionally, nothing in this Rule shall prohibit further action from being taken against a Person for a violation of any other Rule.

2004.02. PENALTIES FOR BOISTEROUS OR DISORDERLY CONDUCT AND/OR OUTBURST OF VULGAR AND ABUSIVE LANGUAGE IN THE EXCHANGE ROOM.

Boisterous or disorderly conduct and/or outburst of vulgar and abusive language in the Exchange Room is strictly prohibited. Any Person or Exchange staff can file a complaint, in writing, with the Exchange.

The Department of Audits and Investigations shall open an investigation on the complaint. After an investigation, the Department of Audits and Investigations may forward the investigation to the Disciplinary Committee. After reviewing the investigation report, the Disciplinary Committee may issue a Notice of Charges to the Person, including the right to request a hearing before the Hearing Committee and the consequences of failure to pay any fine if no hearing is requested. The first infraction of this Rule involving physical contact or abusive or derogatory language is punishable by a monetary fine up to five hundred dollars (\$500.00). If a second infraction occurs within two (2) years of the first infraction, the penalty may include suspension up to a period of two (2) weeks and/or a monetary fine set by the Disciplinary Committee. Persons will be responsible for fines given to their employee(s).

2006.00. CASH TRADING PRIVILEGES: GRANTING OF AND APPLICATION FOR.

In order to execute cash contracts on the Exchange, a Person must be granted cash trading privileges by the Exchange.

The Exchange may grant cash trading privileges to any Person approved by the Exchange in an application for cash trading privileges meeting all the terms and conditions set forth in such application, provided, however, that if such entity has been legally created and is validly existing under the laws of any governmental authority, such entity must be legally qualified to do business in Minnesota.

Such cash trading privileges may be granted and retained only if the terms and conditions set forth below have been met:

- A. An application for cash trading privileges, on a form as prescribed by the Exchange, must have been duly executed and filed with the Exchange. Such application must be accompanied by a financial statement (See [Rules 2.2.2.](#), [2.2.4.](#), [2.2.5.](#), [2.2.6.](#), [2.2.7.](#), and [2.2.8.](#)) prepared and certified by a certified public accountant, in such form as the Exchange will prescribe, stating the assets and liabilities of the applicant and the nature and extent of the business that such applicant proposes to transact and such other information pertinent to the granting of the application as the Exchange may require;
- B. The applicant for cash trading privileges must meet and maintain the minimum financial requirements as determined by the Exchange (See [Rules 2.2.2.](#), [2.2.4.](#), [2.2.5.](#), [2.2.6.](#), [2.2.7.](#), and [2.2.8.](#)).

2006.01. CASH TRADING PRIVILEGES: INFORMATION TO BE FURNISHED.

Every Person with cash trading privileges shall file promptly after the end of his or its fiscal year (or after the end of each calendar year, in the absence of a fiscal year), with the Exchange, a financial statement, in such form as the Exchange shall prescribe from time to time, of his or its assets and liabilities at the end of such fiscal or calendar year, and such other information pertinent to the continuation of cash trading privileges as the Exchange may require. (See [Rules 2.2.2.](#), [2.2.4.](#), [2.2.5.](#), [2.2.6.](#), [2.2.7.](#), and [2.2.8.](#)).

In addition to filing the statements required above, every Person with cash trading privileges shall also comply with the following requirements at any time and from time to time, as and when the Exchange shall so order:

- A. Furnish to the Exchange such sworn written statements and information in respect to his or its assets and liabilities, (See [Rules 2.2.2.](#), [2.2.4.](#), [2.2.5.](#), [2.2.6.](#), [2.2.7.](#), and [2.2.8.](#)) and the volume and character of his or its business and other matters bearing on the adequacy of his or its business responsibility, all in such detail as the Exchange shall direct;
- B. Permit an audit and investigation to be made by a Person designated by the Exchange, of his or its books, records of account and papers that are pertinent to the determination of the adequacy of his or its financial responsibility;
- C. Produce at any hearing before the Board of Directors (or any authorized committee) such of his or its books, records of account and papers that are pertinent to the determination of the adequacy of his or its financial responsibility, as the Board of Directors shall require.

2006.02. CASH TRADING PRIVILEGES: CANCELLATION OR SUSPENSION OF.

The Exchange may cancel or suspend cash trading privileges of any Person:

- A. Upon the written request of the Person with cash trading privileges or entity having cash trading privileges;
- B. Upon the termination of the legal existence of the Person with cash trading privileges;

- C. Whenever the Exchange determines that any Person with cash trading privileges has failed within a reasonable time to comply with any MGEX Rules, any terms and conditions set forth in the Application for Cash Trading Privileges, or any order of the Exchange; or whenever the Exchange shall determine that such Person with cash trading privileges does not have adequate financial responsibility to insure the reasonable safety of his or its creditors and the prompt discharge by him or it of all liabilities and obligations incurred in connection with transactions made or likely to be made by him or it.

If the cash trading privileges of any Person shall have been cancelled or suspended, such Person may make application for restoration of cash trading privileges; and the Exchange may restore cash trading privileges to such Person whenever the Exchange shall determine that he or it has adequate financial responsibility and has complied with all of the provisions of [Rules 2006.00., 2006.01., and 2006.02.](#) and all orders of the Exchange issued thereunder.

The determinations and actions of the Exchange under the authority granted by this Rule shall be final and binding.

2007.00. FRAUD OR ATTEMPTED FRAUD PROHIBITED.

The Exchange prohibits any and all forms of fraud or attempted fraud (including but not limited to fraudulent trading or attempted fraudulent trading) on its markets or subject to MGEX Rules, regardless of whether it is intentional or is made with reckless disregard for the adverse impact.

2007.01. "SPOOFING" PRACTICES PROHIBITED.

The Exchange expressly prohibits all trade practices that are, or are of the character of, what is commonly known within the derivatives trading industry as "spoofing," regardless of whether any such trade practices are made intentionally or with reckless disregard for their adverse impact. Prohibited practices include, but are not limited to:

1. the entry of any and all bids, offers, or trades that are not made for the purpose of executing bona fide transactions, or made for any illegitimate purpose;
2. entering orders with the intent to cancel the bid or offer before execution, or modifying the order to avoid execution; and
3. bidding or offering trades and then cancelling said bids or offers prior to execution with reckless disregard for the adverse impact of such practices on the market in violation of these Rules.

2007.02. MANIPULATIVE DEVICES PROHIBITED.

The Exchange prohibits any Person, directly or indirectly, from intentionally or recklessly using or employing, or attempting to use or employ, any manipulative device, scheme, or artifice to defraud on its markets or subject to MGEX Rules.

2008.00. ADJUSTMENT OF TRADE PRICES AND CANCELLATION OF TRADES.

The Exchange has the authority to adjust trade prices and cancel trades when necessary to mitigate market disrupting events including, but not limited to, those caused by malfunctions in its

electronic trading platform or errors in orders submitted by any Market Participant. Any trade price adjustment or trade cancellation shall be publicly disclosed.

2010.00. FUTURES AND OPTIONS MONTHS PRESCRIBED.

- A. 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 unless otherwise determined by the Exchange.
- B. 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 Bulletin Board, the Exchange 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.

The Hours of Trading at the 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-thirty o'clock (1:30) p.m.

B. FUTURES AND OPTIONS

- 1. Unless otherwise stated elsewhere in the MGEX Rules, the Hours of Trading for any MGEX futures or options traded on the Electronic Trading Platform shall be the following:

Sunday to Friday: from seven o'clock (7:00) p.m. to one-thirty o'clock (1:30) p.m. A pause in trading occurs from seven forty-five o'clock (7:45) a.m. to eight-thirty o'clock (8:30) a.m.

Notwithstanding the foregoing, the Hours of Trading for the National Corn Index, National Soybean Index, Hard Red Winter Wheat Index, Hard Red Spring Wheat Index and Soft Red Winter Wheat Index shall be from seven o'clock (7:00) p.m. to one forty-five o'clock (1:45) p.m. with no pauses.

- 2. The Hours of Trading for Hard Red Spring Wheat options by open outcry shall be from eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.

2011.01. LAST TRADING DAY.

The last trading day of a contract month shall be the last business day of the contract month.

2011.02. LAST DAY FOR EXCHANGE FOR PHYSICAL AND RISK TRANSACTIONS.

The last day that a National Corn Index, National Soybean Index or Wheat Index futures contract may be exchanged for, or in connection with, a physical ("EFP") or risk ("EFR") transaction shall be the last business day of the contract month.

The last day that a SPIKES futures contract may be exchanged for, or in connection with, an EFR transaction shall be the last trading day of that contract.

The last day that a Spring Wheat futures contract may be exchanged for, or in connection with, an EFP or EFR transaction shall be the sixth (6th) business day following the last trading day of the contract month.

After the last trading day of the Spring Wheat futures contract, EFP and EFR transactions are permitted only for the purpose of liquidating futures positions. Such transactions shall not be permitted to initiate or establish new futures positions.

2012.00. TRADING LIMITS.

Trading is prohibited during any day in Futures Contracts of commodities traded on this Exchange at a price outside the limit above or the limit below either the settlement price for such commodity on the previous business day or the price of the first trade during the first day of trading in a Futures Contract.

- A. Wheat\$0.60 per bushel
Should two or more wheat Futures Contract months within a crop year close at limit bid or limit offer, the daily price limits for all contract months shall increase by 50 percent the next business day. Daily price limits shall revert back to \$0.60 the business day after which no wheat Futures Contract month closes at the expanded limit bid or limit offer.
- B. National Corn Index\$0.40
- C. National Soybean Index.....\$0.80
- D. Wheat Indices\$0.60

Notwithstanding the foregoing provisions, there shall be no price limits on the spot Hard Red Spring Wheat Futures Contract month commencing the first business day after expiration of non-serial options on the spot month.

Further, there shall be no price limits on Index Futures and Options Contracts commencing two business days preceding the first business day of the expiring contract month.

2013.00. FUTURES POSITION LIMITS.

- A. **National Corn Index.**

No individual or entity shall own or control in excess of thirteen-thousand five-hundred (13,500) contracts net long or short in the settlement month, thirteen-thousand five-hundred (13,500) contracts net long or short in any single month, or twenty-two thousand (22,000) contracts net long or short in all contract months

combined.

B. National Soybean Index.

No individual or entity shall own or control in excess of six-thousand five-hundred (6,500) contracts net long or short in the settlement month (except during the last five trading days when the limit shall be five-thousand six-hundred (5,600) contracts net long or short), six-thousand five-hundred (6,500) contracts net long or short in any single month, or ten-thousand (10,000) contracts net long or short in all contract months combined.

C. Hard Red Winter Wheat Index.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month, five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

D. Hard Red Spring Wheat Index.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month (except during the last five trading days the limit shall be three-thousand four-hundred (3,400) contracts net long or short), five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

E. Soft Red Spring Wheat Index.

No individual or entity shall own or control in excess of five-thousand (5,000) contracts net long or short in the settlement month (except during the last five trading days when the limit shall be two-thousand seven-hundred fifty (2,750) contracts net long or short), five-thousand (5,000) contracts net long or short in any single month, or six-thousand five-hundred (6,500) contracts net long or short in all contract months combined.

2013.01. OPTIONS POSITION LIMITS.

A. National Corn Index.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds twenty-two thousand (22,000) futures-equivalent contracts net long or short in all contract months combined, thirteen-thousand five-hundred (13,500) futures-equivalent contracts net long or short in any single contract month, or thirteen-thousand five-hundred (13,500) futures-equivalent contracts net long or short in the settlement month.

B. National Soybean Index.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds ten-thousand (10,000) futures-equivalent contracts net long or short in all contract months combined, six-thousand five-

hundred (6,500) futures-equivalent contracts net long or short in any single contract month, or six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be five-thousand six-hundred (5,600) futures-equivalent contracts net long or short).

C. Hard Red Winter Wheat Index.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-thousand (5,000) futures-equivalent contracts net long or short in the settlement month.

D. Hard Red Spring Wheat Index.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-thousand (5,000) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be three-thousand four-hundred (3,400) futures-equivalent contracts net long or short).

E. Soft Red Spring Wheat Index.

No individual or entity shall own or control a combination of Options and underlying Futures Contracts that exceeds six-thousand five-hundred (6,500) futures-equivalent contracts net long or short in all contract months combined, five-thousand (5,000) futures-equivalent contracts net long or short in any single contract month, or five-thousand (5,000) futures-equivalent contracts net long or short in the settlement month (except during the last five trading days when the limit shall be two-thousand seven-hundred fifty (2,750) futures-equivalent contracts net long or short).

For the purpose of this Rule, a long call option, a short put option and a long underlying Futures Contract are on the long side of the market; similarly, a short call option, a long put option and a short underlying Futures Contract are on the short side of the market.

2013.03. POSITION LIMITS FOR HARD RED SPRING WHEAT.

C. Applicability. MGEX Rules 2013.03., 2013.04., 2013.05, and 1402.00. will govern position limits for HRSW.

D. Limits. Position limits for HRSW will be determined by the Exchange but will not be greater than the position limits for HRSW pursuant to Part 150 of CFTC Regulations.

No Market Participant may hold or control in excess of one thousand two-hundred (1,200)

HRSW contracts net long or short in the spot month; twelve thousand (12,000) HRSW contracts net long or short in any single month; or twelve thousand (12,000) HRSW contracts net long or short in all contract months combined on a net futures-equivalent basis.

For the purposes of this Rule, the spot month is defined as beginning at the close of the trade day preceding first notice day.

- E. **Compliance.** No Market Participant may exceed the limits at any time during the trade day. Positions in excess of the limits will be presumed to be a violation. The Exchange may direct any Market Participant owning, holding, controlling, or carrying a position for another Market Participant in excess of the limits set forth in this Rule to liquidate or reduce its position to comply with this Rule. Market Participants exceeding federal position limits for futures-equivalent positions as a result of either 1) an Options assignment; or 2) movement in that day's closing price of HRSW Futures that increases the Options positions using delta equivalent values, will be allowed one (1) business day to liquidate the excess position without being considered in violation of the limits.
- F. **Enforcement.** The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, or Clearing Member as the case may be) shall maintain adequate books and records that disclose the identity of and positions held by any Market Participant. Such books and records must be made available to the Exchange upon request. The Market Participant owning, holding, controlling, or carrying a position (as well as the account holder, FCM, and Clearing Member) may be held accountable for any violation of the limits. The Department of Audits and Investigations may take enforcement action against any or all of the parties, whether or not each had actual knowledge of the position or a violation.

2013.04. EXEMPTIONS FROM POSITION LIMITS FOR HARD RED SPRING WHEAT.

A Market Participant intending to exceed position limits for HRSW, including to exceed a position established pursuant to a previously approved exemption, must file, in good faith, a complete and accurate Position Limit Exemption Request Form, available through the Exchange, for exemption and receive approval from the Department of Audits and Investigations prior to exceeding such limits. In order to obtain an exemption from position limits, a Market Participant must provide the following:

- A. a description of the exemption sought, including whether the exemption is for *bona fide* hedging transactions or positions as defined in CFTC Regulation 150.1, and whether the exemption is for enumerated or non-enumerated hedging transactions or positions, or spread transactions as described in CFTC Regulation 150.3;
- B. a complete and accurate explanation of the underlying exposure and strategy related to the exemption request;
- C. a statement indicating whether the Market Participant on whose behalf the request is made (i) maintains positions in the HRSW contract for which the exemption is sought with any other account holder or owner, and/or (ii) has made a previous or contemporaneous request pursuant to the Rule through another Market Participant, and if so, the relationship of the information set forth in such requests;

- D. a statement that the Market Participant will immediately supply the Exchange with any material changes to the information submitted pursuant to this Rule;
- E. a statement that the Market Participant will comply with all Exchange rules, and the conditions or limitations imposed by the Department of Audits and Investigations with respect to the exemption;
- F. such further information as the Exchange may request, including the daily, weekly, or periodic filing of any documents or reports; and
- G. a statement documenting policies and procedures currently implemented to monitor and ensure compliance with MGEX Rules related to position limits and exempted levels.

The Department of Audits and Investigations may approve, deny, condition, or limit any exemption request based on factors deemed to be relevant in accordance with sound commercial practices, including, but not limited to, the Market Participant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

The Department of Audits and Investigations will notify the Market Participant the exemption has been granted on all or specified portion of such transaction or position, and any limitations placed on the exemption, within five (5) business days of receiving a written request for exemption. An exemption will remain in effect until (i) the Market Participant on whose behalf the request is made requests a withdrawal; (ii) the Exchange revokes, modifies, or places further limitations on the exemption; (iii) the exemption expires; or (iv) the CFTC determines otherwise.

A Market Participant who establishes a *bona fide* hedging position in excess of position limits due to demonstrated sudden and unforeseen increases in its *bona fide* hedging needs and files the required application with the Department of Audits and Investigations will not be in violation of this rule provided the filing occurs within five (5) business days after assuming the position and the application includes an explanation of the circumstances warranting the sudden or unforeseen increases in *bona fide* hedging needs. If the positions in excess of the limits are not exemption-eligible, the Market Participant and Clearing Member will be in violation of speculative limits for the period of time in which the excess positions remained open and must reduce their positions at or below the positions limits within one (1) business day of being informed that the positions are not eligible for an exemption.

Any Market Participant who avails themselves of an exemption must keep and maintain complete books and records concerning the details of the exemption, including information required to be kept by CFTC Regulation 150.3(d). A Market Participant who has received written authorization from the Department of Audits and Investigations to exceed position limits must file, at least annually, an updated application no later than one year following the approval date of the most recent application. A Market Participant must renew an application if there are any material changes to the information provided on the application. Failure to file an updated application will result in expiration of the exemption.

Nothing in this Rule will in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Department of Audits and Investigations to review at any time the positions held or controlled by any Market Participant and to direct that such position be reduced to the position limits in Rule 2013.03.B. The Exchange will also use CFTC Part 150 as a guide

when assessing the exemption request but will not be limited by it.

2013.05. AGGREGATION OF POSITIONS FOR HARD RED SPRING WHEAT.

In determining whether any Market Participant has exceeded the position limits for HRSW, all positions in accounts for which such Market Participant, by power of attorney or otherwise, directly or indirectly controls trading or holds a ten percent (10%) or greater ownership or equity interest will be included with the positions held by such Market Participant. Such limits upon positions will apply to positions held by two (2) or more Market Participants acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Market Participant. Market Participants may be eligible for an exemption from aggregation under CFTC Regulation 150.4(b). Any Market Participant seeking an exemption must follow procedures listed in CFTC Regulation 150.4(c). Market Participants must notify the Department of Audits and Investigations of all CFTC approvals.

The Exchange will follow the CFTC definition of aggregation, the procedures for aggregating positions, and exemptions from aggregation as described in CFTC Part 150, including CFTC Regulations 150.4(a), 150.4(b), and 150.4(c), or elsewhere as applicable.

2013.06. REPORTABLE POSITIONS AND TRADING VOLUME FOR HARD RED SPRING WHEAT FUTURES.

The reportable position level will be a position of one hundred and fifty (150) or more HRSW futures on this Exchange, long or short, in any one (1) month. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.

Pursuant to CFTC Regulation 15.04 and Part 17, a volume threshold account that has trading volume in the HRSW Futures Contract during a single trading day equal to, or in excess of, 50 contracts is required to be reported to the CFTC. All such positions must be reported in a manner and form as designated by the CFTC or the Exchange.

2014.00. SETTLEMENT PRICES.

A. Electronic Trading System Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1. The settlement price for the lead month, as defined below, shall be determined by the volume-weighted average of outright trades and applicable bids and offers made in the closing period on the Electronic Trading System. If there is no volume-weighted average of the outright, then the last trade price is compared to the current bid/ask. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price. If there is no last trade price available, then the prior settlement is compared to the current bid/ask. If the prior settlement is outside of the bid/ask spread, then the contract settles to the nearest bid/ask price. If the prior settlement is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement

price.

The lead month shall be determined by the Exchange and is generally the most active month. The lead month shall change at the time when the daily electronically-executed volume and open interest in the contract month following the current lead month is greater than the daily volume and open interest in the lead month for two consecutive business days.

2. All non-lead months are deferred contract months and settle based upon the volume-weighted average of calendar spread transactions made in the closing period on the Electronic Trading System. If there are no relevant calendar spreads, bids and offers in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and best possible ask, and the contract will settle at the midpoint of the bid/ask spread.
3. Notwithstanding the above, if such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

B. Reservation.

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification. In addition, the Exchange reserves the right to change which contract month is the lead month when, in its discretion, doing so is in the best interest of the marketplace. If any such change to the lead month is made pursuant to this reservation, the Exchange shall provide notification to the public via the MGEX website or other means it deems effective.

2015.00. SETTLEMENT PREMIUMS.

A. Open Outcry/Electronic Trading System Contracts.

Promptly after the close of trading in each Options Contract, the Exchange shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1. Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Open Outcry Contract. The Exchange shall then determine the settlement premiums by using a theoretical pricing model.
2. If the Exchange believes, based on its review of the market and market

conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials:

- a. among the premiums for the listed striking prices for the option month;
 - b. among the premiums for the different option months listed for trading; and
 - c. between the premium for the relevant striking price and the price of the underlying Futures Contract.
3. In the case of HRSW Calendar Spread options, the Exchange may use current trade, bid, and offer information, along with correlation between underlying futures months or a theoretical option pricing model in determining daily settlement premiums for the listed Calendar Spread options.

B. Reservation.

The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

2016.00. FILLING ORDERS AND WITHHOLDING OR WITHDRAWING OF TRADES.

- A. **Filling of Orders.** Orders to buy or sell Futures or Options must be executed sequentially by completely filling an order bearing an earlier time stamp before proceeding with the next earliest time-stamped order at the same price. Any and all verbal orders received must be, as a minimum, immediately documented as to time of receipt, and the order with the earliest time must be filled first.

In the event orders carry identical time stamps or lack time stamps and it is necessary to allocate trades among these accounts, a record of the accounts, the amount assigned to each account, and why it was necessary to make the assignment must be documented.

- B. **Withholding or Withdrawing Trades.** No Market Participant shall withhold or withdraw from the market any order or part of an order for another Market Participant for the convenience of another Market Participant.

2018.00. OPENING THE MARKET ON A SPREAD TRANSACTION.

In the event the first daily transaction in a Contract market by open outcry is a spread transaction, the price associated with the spread transaction shall be reported as the opening quote in this Contract market. The opening price shall be reported at or within the current bid and offer.

However, if there is no bid or offer in effect, an announcement of the actual price shall be made

in the Pit. Upon receiving no objections, the trade shall be reported and the transaction recorded as the opening trade.

2019.00. OFFICIAL REPRESENTATIVE TO OBSERVE THE EXECUTION OF BUYING AND SELLING ORDERS AT THE SAME PRICE.

The President is authorized to designate an employee of the Grain Exchange as the official representative of this Exchange to observe transactions where a Market Participant shall have in hand at the same time both buying and selling orders from different principals for a like quantity of a commodity for Futures or Options in the same delivery month and who, in compliance with the provisions of **Rule 742.00.**, desires to execute such trades at the market price in the presence of such official representative.

In order to facilitate the handling of such orders the Market Participant must notify the official representative of the Exchange of his desire to make these trades and present the orders and trading cards to the official representative upon execution of the trades. Upon observation and approval of the trades, the official representative will promptly stamp and sign the orders and trading cards.

The official representative shall also prepare a memorandum showing the date, executing Broker, month, commodity, option, strike price, price or premium, quantity, and the Clearing Member(s) and accounts involved.

This memorandum shall be time stamped, signed by the observer, and retained by the Exchange as a permanent record.

Any Broker seeking to match orders under **Rule 742.00.** must be diligent in openly bidding and offering the orders on hand before crossing them under the observation of the designated Exchange employee. To assure the fairness of such trades, all cross trades must be bid and offered by open outcry at least three (3) times before being matched.

2023.00. STRIKING PRICES.

The Exchange shall set the procedure for introduction of striking prices and may modify the procedure as it deems appropriate in order to respond to market conditions, subject to the provisions of the CEA and CFTC Regulations.

A. Spring Wheat.

1. Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10) per bushel. At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5)

consecutive lower in five cent (\$0.05) increments and an additional ten (10) consecutive higher and ten (10) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

2. When Options in months not listed for trading in Futures become available to trade, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Spring Wheat Futures Contract and the next ten (10) higher and ten (10) lower striking prices in five cent (\$0.05) increments. If the previous day's settlement price on the underlying Spring Wheat Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure at least ten (10) striking prices in five cent (\$0.05) increments above and below the previous day's settlement price.

B. National Corn Index.

Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Corn Index Futures Contract and the next five (5) consecutive higher and the next consecutive lower in five cent (\$0.05) increments, and the next five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying National Corn Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

C. National Soybean Index.

Trading may be conducted for Options with striking price increments of ten cents (\$0.10) and twenty cents (\$0.20). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying National Soybean Index Futures Contract and the next five (5) consecutive higher and the next five (5) consecutive lower in ten cent (\$0.10) increments, and the next five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments. If the previous day's settlement price on the underlying National Soybean Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments and an additional five (5) consecutive higher and five (5) consecutive lower in twenty cent (\$0.20) increments above and below the previous day's settlement price.

D. Wheat Indices.

Trading may be conducted for Options with striking price increments of five cents (\$0.05) and ten cents (\$0.10). At the commencement of trading in an option class, the following striking prices shall be listed: the striking price closest to the previous day's settlement price on the underlying Wheat Index Futures Contract and the next five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments, and the next five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments. If the previous day's settlement price on the underlying Wheat Index Futures Contract is midway between two (2) striking prices, the closest price shall be the larger of the two (2).

Sufficient new striking prices shall be added prior to the next trading session to insure there are five (5) consecutive higher and five (5) consecutive lower in five cent (\$0.05) increments and an additional five (5) consecutive higher and five (5) consecutive lower in ten cent (\$0.10) increments above and below the previous day's settlement price.

2025.00. TIMES FOR DELIVERY OF "DELIVERY NOTICES" AND DELIVERY AND PAYMENT ON FUTURES CONTRACTS.

All Delivery Notices shall be made in accordance with the provisions of the CEA, CFTC Regulations, and MGEX Rules issued thereunder.

All Delivery Notices shall be in the form specified by the Exchange.

All Delivery Notices shall be delivered to the Clearing House two (2) business days prior to the date of delivery and at such time as determined by the Exchange (see [Res. 2101.00.C.](#)) on all such business days. The Exchange shall have until nine o'clock (9:00) a.m. on the following business day to make delivery of the Delivery Notice to the Buyers.

Parties holding Delivery Notices shall present the same before one o'clock (1:00) p.m. on the delivery day, at the place designated by the Issuer, together with full payment, as provided in [Rule 810.00.](#), for the net amount due for the property represented by said notices. Upon payment at the place designated by the said Issuer, the holder of such Delivery Notice shall be entitled to receive the property represented by the same, its value being based upon the closing market price of the Exchange on the day preceding that on which the Delivery Notice was issued.

2026.00. LOAD-OUT NOTICES: FORM OF.

Load-Out Notice, as required by the Rules, shall be on [Form 20-26.00](#), Page 7033 and shall be issued in triplicate.

2027.00. LOAD-OUT, STORAGE AND INSURANCE CHARGES: DELIVERY GRAIN.

The maximum load-out charges on delivery grain, which is tendered in satisfaction of a Hard Red Spring Wheat Futures Contract, shall be eight cents (8¢) per bushel for wheat regardless of the date of the warehouse receipt.

The maximum storage charges on delivery grain, which is tendered in satisfaction of a Hard Red Spring Wheat Futures Contract, shall be seven cents (7¢) per bushel per month or two thousand

three hundred thirty three thousandths of a cent (\$.002333) per bushel per day for wheat regardless of the date of the warehouse receipt.

Insurance charges shall be included within the maximum storage charges.

2028.00. LOADINGS IN SATISFACTION OF WAREHOUSE RECEIPTS.

Written notice of loading in satisfaction of warehouse receipts shall constitute full tender only when the grade called for by the receipts has been established by an inspection agency for the commodities loaded. The official grade at the time of loading shall govern the applicable Options for reconsideration of the grade.

Prior to or concurrent with delivery of the loading orders for a conveyance, the party surrendering the warehouse receipts must notify the warehouse whether appeal for federal reconsideration of the grade is requested.

This Rule shall apply to loadings in satisfaction of warehouse receipts (whether acquired by delivery on Futures Contracts or otherwise) from Regular or federally licensed elevators within the switching districts of Minneapolis-St. Paul, Red Wing and Duluth-Superior. [See Interpretation.](#)

2036.00. DISPOSITION ORDERS: FORM OF.

Disposition Orders, as required by the Rules, shall be in the form and text hereto appended in the appendix of this Chapter. The dimensions of the form are to be 6 inches deep by 8 ½ inches wide. The original to be printed on white paper and the duplicate on yellow paper. Additional copies are permissible and may contain supplemental information or instructions, but each copy must be printed on paper of a different and distinctive color.

The form and text of the original duplicate Disposition Orders hereto appended must not be varied in any particular. Nothing therein, except provision for endorsement, may be added to or omitted; but, if desired, supplemental agreements, phrases or notices regarding claims freight, or other matters not inconsistent with the terms and purposes of the Disposition Orders, may be printed or written on separate pieces of paper to accompany or to be attached to the Disposition Orders to which they relate (See Form 20-36.00, Page 7031.)

2038.00. PAN TICKETS.

When Pan Tickets used in connection with all carloads of any commodity offered for sale in this market show a car number, the Seller assures the Buyer that all such grain displayed is physically loaded into rail cars. Car numbers are not to be used when selling grain with an official grade unless the cars are loaded.

In no case shall grain displayed and sold, but which has not been loaded into rail cars, be used to establish the market close on any day.

2039.00. DELIVERY AND PAYMENT TO INVOICES AND REQUESTS FOR ADVANCES ON TRUCK/RAIL COMMODITIES.

- A. The Buyer must, before two-thirty o'clock (2:30) p.m., give to the Seller disposition that will enable the Seller to move the car so as to avoid demurrage charges or the Buyer will be liable for any ensuing demurrage.

- B. Invoices based on final weights, whether destination or FOB, must be delivered to the Buyer before one o'clock (1:00) p.m. Buyer's checks in payment of such invoices must be ready for delivery to the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following business day.
- C. If requests for advances have been delivered to the Buyers before one o'clock (1:00) p.m., Buyers must have checks for the advances due ready for the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following business day.
- D. A Seller who has been unable to deliver invoices on FOB cars or requests for advances in accordance with the provisions of Sections b. and c. of this Rule may, however, avoid liability for demurrage charges by delivering to the Buyer documents passing title before three o'clock (3:00) p.m. If not so delivered, the liability for demurrage shall be on the Seller. If documents passing title have been so delivered, the Buyer must, at the request of the Seller, receipt for the same, and must, upon demand, have the check in payment of the invoice, or for the advance due, ready for the Seller's representative as soon as practicable, but no later than one o'clock (1:00) p.m. the following day.

2040.00. WHEAT UNFIT FOR HUMAN CONSUMPTION NOT DELIVERABLE ON FUTURES CONTRACTS.

Wheat declared unfit for human consumption under Federal Food, Drug and Cosmetic Act is not deliverable on a Minneapolis Futures Contract.

2054.00. BOARD OF ARBITRATION: FEES.

For each case involving claims and counterclaims by a Market Participant, the following fees will apply:

Up to \$10,000	\$700 + 1% of total value
\$10,001 to \$50,000	\$800 + 1% of total value
\$50,001 to \$100,000	\$1,100 + ½% of total value
\$100,001 to \$200,000	\$2,100 + ¼% of total value
\$200,001 and above	\$2,600 + ¼% of total value
Any non-monetary claims	\$1,600

Furthermore, the Board of Directors authorizes the Corporate Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to Chapter 4 of MGEX Rules. Any such actual costs or other expenses may be allocated between the parties.

2054.01. CUSTOMER CLAIMS ARBITRATION PANEL: FEES.

For each case involving claims and counterclaims by a customer, the following fees will apply:

Up to \$10,000	\$400
\$10,001 to \$50,000	\$750
\$50,001 to \$100,000	\$850
\$100,001 to \$200,000	\$1,000
\$200,001 and above	\$1,200
Any non-monetary claims	\$1,000

Furthermore, the Board of Directors authorizes the Corporate Secretary of the Exchange, in its discretion, to assess such actual costs and other expenses incurred by the Exchange in the administration of any arbitration brought pursuant to Chapter 4 of MGEX Rules. Any such actual costs or other expenses may be allocated between the parties.

2055.03. REGISTRATION OF FLOOR BROKERS/FLOOR TRADERS.

- A. Any authorized individual who executes trades in the Pit for an account other than his own must be registered as a floor broker with NFA.
- B. Any authorized individual who trades in the Pit for his own account must be registered with NFA as a floor broker or floor trader.
- C. All authorized individuals registered with NFA are responsible for completing acceptable ethics training programs and maintaining evidence of completion in accordance with the CEA and CFTC Regulations.

2058.00. COLLECTION OF TRADING DOCUMENTS.

- A. All trading cards and order tickets prepared pursuant to CFTC Regulation 1.35 must be submitted by the executing Person to the Clearing Member immediately at the end of intervals not to exceed thirty (30) minutes. Such intervals shall commence with the beginning of the trading session. All documents must be submitted to the Clearing Member within fifteen (15) minutes of the designated interval. Additionally, all trading documents must be submitted by the executing Person to the Clearing Member no later than fifteen (15) minutes after the close of the futures market and fifteen (15) minutes after the close of the Options market. The Exchange, 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 CEA.
- 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 Rule 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 Market Participant 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.

Unless otherwise stated elsewhere in the MGEX Rules, the official closing period for all MGEX Futures shall be determined by the Exchange.

2061.00. OFFICIAL CLOSING PERIOD: OPTIONS.

The closing period for all Options Contracts shall be determined by the Exchange.

2062.00. TRADING CARDS: FORM, PREPARATION AND MAINTENANCE.

- A. Trading cards used to record the execution of purchase or sale of a Futures or Options transaction governed by MGEX Rules must contain:
 - 1. Pre-printed Market Participant identification or other unique identifying information which would permit the trading cards of one Market Participant to be distinguished from cards of all other Market Participants;
 - 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 Market Participant from his/her other trading cards for no less than a one (1) week period.
- B. Trading cards prepared by the Market Participant must also include the following:
 - 1. Market Participant's name
 - 2. Clearing Member's name
 - 3. Transaction date
 - 4. Quantity bought or sold
 - 5. Commodity
 - 6. Contract for future delivery or physical
 - 7. Future (month) or expiration date
 - 8. Price or premium
 - 9. Put or call and strike price
 - 10. Transaction time to the minute
 - 11. Opposite Broker/Trader
 - 12. Opposite Clearing Member
 - 13. Indicators for the following types of transactions: (C) cash exchange; (T) office transfer; (S) spread; (D) delivery; (E) exercise; (R) exchange for risk
 - 14. Any other information required by the Exchange
- C. A Market Participant 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 trading card the remaining lines should be marked through. When two-sided trading cards are used, blank lines on both sides of the card must be marked through.
- D. A Market Participant must use a new trading card at the beginning of each designated interval required pursuant to **Rule 2058.00**.
- E. A Market Participant is accountable for all trading cards prepared pursuant to MGEX Rules in exact numerical sequence, whether or not such trading cards are relied upon as original source documents.
- F. A Market Participant must identify on his/her trading cards trades executed during

opening and closing periods in the manner required by [Rule 2059.00](#).

2062.01. TRADING RECORDS AND ERRORS.

- A. All trading records including trading cards, order forms and order tickets that are prepared or used by a Market Participant or Clearing Member to document requests or executions for Pit or ex-Pit transactions must be completed in non-erasable ink.
- B. The Market Participant or Clearing Member may correct any errors on trading records by crossing out the erroneous information with a single line or an "X" and recording the correct information. The originally recorded information must not be obliterated or otherwise made illegible when it is crossed out.
- C. After the initial time-stamp, a Clearing Member may not correct erroneous information on trading records unless the party making the correction has initialed the trading document as near as possible to the correction.
- D. With regard to trading cards only, a Market Participant may correct erroneous information by rewriting the trading card. However, both the original trading card and the rewritten trading card must be prepared and submitted in accordance with the requirements of Exchange [Rule 2058.00](#) and [2062.00](#). A Market Participant may not rewrite the trading card after it has been submitted to the Clearing Member.

2063.00. TIME-STAMPS.

All time-stamps required by MGEX Rules must show the time to the nearest minute as well as the correct date.

At the beginning of each trading day, each Clearing Member must ensure that each time-clock used on the Trading Floor by that Clearing Member is synchronized with the official time displayed by the official master clock on the Exchange Floor.

It shall be considered uncommercial conduct to manipulate or tamper with any time-clock so as to put it out of synchronization with the official master clock.

2064.00. UNMATCHED TRADE RESOLUTION.

It is the responsibility of the Market Participant to make herself/himself or an authorized representative available to resolve any unmatched trades throughout the day as they may occur.

2065.00. IDENTIFICATION AND REGISTRATION OF BROKER ASSOCIATIONS.

- A. A Broker Association shall include two (2) or more Market Participants with floor trading privileges, of whom at least one (1) is acting as a floor Broker, who:
 - 1. engage in floor brokerage activity on behalf of the same employer;
 - 2. have an employer and employee relationship which relates to floor brokerage activity;

3. share profits and losses associated with their brokerage or trading activity;
or
 4. regularly share a deck of orders in which floor Brokers have knowledge of the orders to be shared.
- B. A member of a Broker Association may not receive or execute an order unless the Broker Association is registered with the Exchange.
- C. A Broker Association member must register with the Exchange no later than ten (10) business days after an event requiring registration.
- D. Registration of each Broker Association shall include the following information where applicable:
1. Name and legal form of the Broker Association;
 2. Name of each person who is a member or otherwise has a direct beneficial interest in the Broker Association;
 3. All identifying badge numbers of Broker Association members;
 4. Account numbers for all accounts belonging to any Broker Association member, accounts in which any Broker Association member(s) have an interest, and any proprietary or customer accounts controlled by any member(s) of the Broker Association;
 5. Identification of all Broker Associations with which each Market Participant is associated; and
 6. Individual(s) authorized to represent the Broker Association in connection with its registration obligations.
- E. It shall be the responsibility of the Broker Association and its authorized representative to ensure the Broker Association is properly registered. It shall be the responsibility of each Broker Association member to ensure he has complied with registration requirements and to ensure the accuracy of the information filed. Any changes to the information previously reported must be provided within five (5) business days after an event giving rise to the changes.
- F. The Exchange may request any additional information from a Broker Association or its members as it deems necessary.
- G. "Floor Brokerage Activity" is defined as the reception of orders or execution of trades for all accounts other than for a Market Participant's personal account.
- H. "Regularly Share A Deck Of Orders" is defined as instances regularly occurring more than once per week where Market Participants sharing a deck of orders have knowledge of the terms of the orders shared. Knowledge can be obtained by handing off orders for execution after a Broker has seen the terms of the order.
- I. Where there are individual relationships which technically come within the definition of a Broker Association but are incidental to or involve no floor brokerage

activity, a request for exemption from registration may be made to the Department of Audits and Investigations. Such request must be made in writing with full disclosure as to the nature of the trade activity and individual relationships. The Department of Audits and Investigations has sole discretion to determine exemption which may be revoked for just cause at anytime.

2067.00. ELECTRONIC AND OPEN OUTCRY TRADING.

A clearing member and broker shall have a fiduciary responsibility in the handling and execution of all orders received, by whatever means, to obtain the best price available among trading platforms. However, Market Participants trading for themselves by open outcry and orders initiated directly by a user for electronic execution will not be subject to this Rule.