

December 18, 2023

Web 2023-7

**MGEX Rulebook Update**

The following updates have been made to the MGEX Rulebook:

<b>Chapters/Section</b>	<b>Citation</b>	<b>Purpose</b>
<b>Chapter 3</b>	3.6.13.	Rule added to expressly prohibit the abusive trading practice commonly known in the derivatives industry as “front running.”
<b>Chapter 12</b>	1225.00., 1226.00., 1227.00., 1228.00., 1229.00., 1230.00., 1231.00., 1232.00.	Rules amended to modify summary fine amounts, and Rule added to include summary fine violations related to block trades.

These changes are available on the MGEX website at [www.miaxglobal.com](http://www.miaxglobal.com):

1. Click on “Our Markets”
2. Scroll down to “U.S. Futures” and click on “Rulebook” for the latest version of the MGEX Rulebook

If you have any questions or problems accessing the MGEX Rulebook, please contact me at (612) 321-7169 or [carlson@miaxglobal.com](mailto:carlson@miaxglobal.com).

Sincerely,



Layne G. Carlson, Secretary

# CHAPTER 3. TRADING RULES

## 3.6.13. FRONT RUNNING PROHIBITED.

No Market Participant shall place an order or execute any transaction based on non-public information regarding an impending transaction by another Person in the same or related product, which is commonly known within the derivatives trading industry as “front running.”

# CHAPTER 12. DISCIPLINE RULES

## 1225.00. SUMMARY FINES: GENERALLY.

The Exchange shall have the authority and sole discretion to impose summary fines on Market Participants or other Persons approved as Regular, not to exceed \$7,500 per offense for individuals and not to exceed \$15,000 per offense for entities, for violations of the requirements set forth in the summary fine rules of the Exchange or failing to meet any other obligation of the Exchange. The imposition of summary fines shall be final. There is no appeal to the Board of Directors or any other MGEX authority.

Notwithstanding anything to the contrary, the Exchange may, at any time, take further disciplinary action including, but not limited to, referring violations to the Disciplinary Committee.

In the event a summary fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

## 1226.00. SUMMARY FINES: GENERAL INFORMATION REQUESTS.

Data, records and other information requested by the Exchange must be accurate, complete and timely submitted. Such requests include, but are not limited to, the following documents:

- Tag 50 Information Forms
- EFR/EFP Document Requests
- Audit Trail Requests
- Account Statements

Failure to submit accurate, complete and timely information requested by the Exchange is subject to a warning letter or up to a \$15,000 fine per offense.

Submissions received after their designated deadlines are subject to an additional \$250 fine for every one (1) day late.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and

circumstances and may take further disciplinary action or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any given document request.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1227.00. SUMMARY FINES: TRADING SESSION SUBMISSIONS.**

Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C**.

All submissions received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances and may take further disciplinary action or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1228.00. SUMMARY FINES: FINANCIAL STATEMENTS.**

All FCMs, Clearing Members, non-FCMs with cash trading privileges, and Regular facilities are required to submit accurate financial statements by their designated deadline.

All submissions received after their designated deadlines are subject to a warning letter or up to a \$7,500 fine per offense plus an additional \$250 fine for every one (1) day late.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any required statement.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1229.00. SUMMARY FINES: FINANCIAL OBLIGATIONS.**

Settlement, margin, and intraday variation payments must be submitted accurately and in accordance with the deadlines set forth in **Resolution 2101.00.C**.

All payments received after the respective deadlines are subject to a warning letter or up to a \$15,000 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or summary fine is warranted based on the facts and circumstances and may take further disciplinary action or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1230.00. SUMMARY FINES: REGULAR FACILITIES.**

All Regular facilities must submit their renewal applications by their designated deadlines.

All renewal applications received after the scheduled deadlines are subject to a warning letter or up to a \$2,500 fine per offense plus an additional \$250 fine for every one (1) day late.

Offenses and summary fines shall be based upon events occurring within a rolling thirty-six (36) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee. The Exchange may also grant an extension for any application.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1231.00. SUMMARY FINES: STOCKS REPORTING FACILITIES.**

All Hard Red Spring Wheat Regular facilities must submit accurate stocks reports to the Exchange pursuant to the deadlines below.

Daily Stocks Reports (Form SRM):	1:00 p.m. (Central Time)
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All stocks reports received after the scheduled deadlines are subject to a warning letter or up to a \$7,500 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

#### **1232.00. SUMMARY FINES: BLOCK TRADES.**

All block trades must comply with the Exchange Rule on block trades for each respective product.

All block trades that do not comply with the Exchange Rule on block trades for the product in question are subject to a warning letter or up to a \$7,500 fine per offense.

Offenses and summary fines shall be based upon events occurring within a rolling twenty-four (24) month period. The Exchange may determine whether a warning letter or a summary fine is warranted based on facts and circumstances, and may take further disciplinary action, increase the fine amount, or present the matter to the Disciplinary Committee.

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.