



WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM

WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM
WWW.MGEX.COM

Electronic Mail

October 11, 2004

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

2004 OCT 12 AM 7:47
RECEIVED
CFTC

SUBJECT: Rule Certification

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission (ACommission@) Regulation 40.6(a), the Minneapolis Grain Exchange (AMGEX@) hereby certifies that the attached amended Rules 7405.00., 7605.00. and 7805.00., Regulations 2011.00., 2011.01., 2011.02., 2014.00., 2015.00., 2060.00. and 2061.00., and Resolution 2101.00.C., new Regulation 2067.00., new Resolution 1402.00., and deleted Regulation 2016.01. comply with the CEAct and the regulations thereunder. Deletions have been crossed-out; while additions have been underlined.

Changes to the Rules, Regulations and Resolutions identified above are necessary to implement trading of MGEX contracts on e-cbot[®] powered by LIFFE CONNECT[®]. The changes will modify trading hours, eliminate references to morning or afternoon trading sessions, modify MGEXpress[®] settlement procedures, modify the official closing period for MGEXpress[®] futures contracts, define the relationship between contracts traded by open outcry and electronically, and amend cabinet trade capabilities. The Rules, Regulations and Resolutions do not materially change the terms or conditions of any MGEX contract with open interest.

Pursuant to its authority under MGEX Rules 210.01., 242.00., 719.00., 1817.00., 1818.00., 7307.00., 7417.00., 7507.00., 7617.00., 7707.00. and 7817.00., the Board of Directors approved the changes. The MGEX plans to implement the changes the next business day after receipt of this submission to the Commission.

Page 2

If there are any questions regarding this submission, please contact me at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "M Bagan".

Mark G. Bagan
Vice President,
Market Administration

Enclosure
cc: Anne Reuter

2011.00. HOURS OF TRADING.

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

The hours of trading at the Minneapolis Grain Exchange shall conform to Central Time.

A. CASH MARKET

The hours of trading in the cash market shall be from nine-thirty o'clock (9:30) a.m. to one-fifteen o'clock (1:15) p.m.

B. SPRING WHEAT CONTRACT

1. The hours of trading in Spring Wheat Futures by open outcry shall be from nine-thirty o'clock (9:30) a.m. to one-fifteen o'clock (1:15) p.m.

2. The hours of trading in Spring Wheat Futures on MGEXpress shall be from seven-thirty two o'clock (7:32) p.m. to six o'clock (6:00) a.m.

~~3.~~ The hours of trading in Spring Wheat American-Style-Options by open outcry shall be from nine-thirty o'clock (9:30) a.m. to one-thirty o'clock (1:30) p.m.

4. The hours of trading in Spring Wheat Options on MGEXpress shall be from seven-thirty four o'clock (7:34) p.m. to six o'clock (6:00) a.m.

C. NATIONAL CORN INDEX CONTRACT

1. The hours of trading in National Corn Index Futures shall be from seven-thirty o'clock (7:30) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.~~ for the morning trading session and from two o'clock (2:00) p.m. to four o'clock (4:00) p.m. for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.

2. The hours of trading in National Corn Index Options shall be from seven-thirty two o'clock (7:32) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.~~ for the morning trading session and from two o'clock (2:00) p.m. to four o'clock (4:00) p.m. for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.

D. NATIONAL SOYBEAN INDEX CONTRACT

1. The hours of trading in National Soybean Index Futures shall be from seven-thirty one o'clock (7:31) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock~~

~~(1:30) p.m. for the morning trading session and from two o'clock (2:00) p.m. to four o'clock (4:00) p.m. for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.~~

2. The hours of trading in National Soybean Index Options shall be from seven-thirty three o'clock (7:33) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.~~ for the morning trading session and from ~~two o'clock (2:00) p.m. to four o'clock (4:00) p.m.~~ for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.

E. WHEAT INDEX CONTRACTS

1. The hours of trading in Wheat Index Futures contracts shall be from seven-thirty two o'clock (7:32) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.~~ for the morning trading session and from ~~two o'clock (2:00) p.m. to four o'clock (4:00) p.m.~~ for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.
2. The hours of trading in Wheat Index Options contracts shall be from seven-thirty four o'clock (7:34) p.m. to one-forty five o'clock (1:45) p.m. ~~eight-thirty o'clock (8:30) a.m. to one-thirty o'clock (1:30) p.m.~~ for the morning trading session and from ~~two o'clock (2:00) p.m. to four o'clock (4:00) p.m.~~ for the afternoon trading session. At four o'clock (4:00) p.m. trading will be suspended until the next morning trading session.

2011.01. LAST TRADING DAY.

Pursuant to the provisions **Rules 7307.00., 7507.00., 7707.00., 7907.00. and 8107.00.**, the Board of Directors has adopted this Regulation.

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

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

Pursuant to the provisions of **Rule 719.00.**, the Board of Directors has adopted this Regulation.

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

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 last business day of the contract month.

Effective with the March 2005 Spring Wheat futures 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.

2014.00. SETTLEMENT PRICES.

A. Open Outcry Contracts.

Promptly after the close of trading in each Futures Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement prices for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1. After the closing bell, all Brokers and Traders in the Pit shall report to the Market Observer and a member of the Quotations Committee all trades, bids and offers made in the closing period. The settlement price shall be determined by the weighted average of the trades and applicable bids and offers made in the closing period.
2. If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer. In such cases, the higher bid or lower offer shall be the settlement price.
3. If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing or to members of the Quotations Committee, or if the settlement was inaccurately determined, the designated Exchange official, with the advice of the Quotations Committee, may establish a settlement price at a level consistent with such other settlement prices or market information and shall prepare a written record setting forth the basis for any modification of such settlement price.

B. MGEXpress Contracts.

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

1. ~~Exchange staff shall~~ A review of 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 price or range for each contract. The settlement price shall be determined by the weighted average of the trades, and applicable bids and offers from the closing period.

2. If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer that existed at the close of the market. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer that existed at the close of the market. In such cases, the higher bid or lower offer shall be the settlement price.
3. If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing, or if the settlement was inaccurately determined, the designated Exchange official may establish a new settlement price may be established at a level consistent with such other settlement prices or market information and shall prepare a written record setting forth the basis for any modification of such settlement price shall be prepared.

2015.00. SETTLEMENT PREMIUMS.

A. Open Outcry Contracts.

Promptly after the close of trading in each Options Contract, Exchange staff, in conjunction with the Quotations Committee, 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 Contract. Exchange staff, in conjunction with the Quotations Committee, shall then determine the settlement premiums by using a theoretical pricing model.
2. If Exchange staff, in conjunction with the Quotations Committee, 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.

Where a settlement premium is established in accordance with this section by Exchange staff, in conjunction with the Quotations Committee,

a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

B. MGEXpress Contracts.

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

1. ~~Exchange staff shall~~ A review of 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 Contract. ~~Exchange staff shall then determine~~ The settlement premiums shall be determined by using a theoretical pricing model.
2. ~~If Exchange staff believes,~~ Based on its review of the market and market conditions ~~if 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~~ new settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials may be established:
 - 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.

Where a settlement premium is established in accordance with this section ~~by Exchange staff~~, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

~~2016.01. ELECTRONIC TRADING SYSTEM ORDERS.~~

~~Pursuant to the provisions of Rules 1817.00 and 1818.00, the Board of Directors has adopted this Regulation.~~

~~Except for the last trading day of a contract month, orders existing at the end of the MGEXpress morning trading session will remain eligible for later same day trading sessions unless otherwise cancelled.~~

2060.00. OFFICIAL CLOSING PERIOD: FUTURES.

The closing period shall be the last thirty (30) seconds of the ~~morning~~ trading session for both open outcry contracts and the ~~last sixty (60) seconds of the morning trading session for~~

MGEXpress contracts.

2061.00. OFFICIAL CLOSING PERIOD: OPTIONS.

The closing period shall be the last sixty (60) seconds of the morning trading session.

2067.00. ELECTRONIC AND OPEN OUTCRY TRADING.

Pursuant to the provisions of Rule 1818.00., the Board of Directors has adopted this Regulation for Contracts permitted by the Board of Directors to trade on the Electronic Trading System and by open outcry:

- A. When an order is placed with a clearing member, introducing broker ("IB") or futures commission merchant ("FCM") without specifying whether the order is to be offered on the Electronic Trading System or by open outcry, the clearing member, IB or FCM will be free to choose the trading platform and will not be held liable for such decision.
- B. The Electronic Trading System and open outcry may have separate opens, open ranges, highs, lows, closes and closing ranges. However, there shall be only one settlement price.
- C. The Electronic Trading System and open outcry may each have trade volume that is reported separately. However, there shall be only one combined open interest number reported by the Exchange.
- D. Contracts traded on both the Electronic Trading System and by open outcry shall be fungible. This means positions entered into on one platform may be offset by positions executed on the other platform. As a result, clearing members shall submit to the Clearing House only combined position reports.

7405.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium is one dollar (\$1.00) per option contract.

7605.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium is one dollar (\$1.00) per option contract.

7805.00. MINIMUM PRICE FLUCTUATION.

The minimum price fluctuation shall be one-eighth cent (\$0.00125) or six dollars twenty-five cents (\$6.25) per contract. All prices shall be quoted in U.S. dollars. In the case of a cabinet trade, when both sides are closing transactions, the option premium is one dollar (\$1.00) per option contract.

RESOLUTION 1402.00.

Pursuant to Rule 210.01., the Minneapolis Grain Exchange Board of Directors has adopted this Resolution.

That until further notice is given by the Board, the premium for a Spring Wheat options cabinet trade executed on MGEXpress shall be limited to one dollar when both sides are closing transactions.

Approved by the Board September 27, 2004

RESOLUTION 2101.00.C.

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

8:00 a.m.	Form 200's
9:00 a.m.	Settlement and margin payment Offset requests
11:15 a.m.	Weekly account position updates Daily Delivery/Exercise account updates
2:15 p.m.	Last submission of trades
3:00 p.m.	Give-up transfer trades Unmatched trade fixes
3:30 p.m.	Long position lists for delivery Delivery Notices (not accepted if late) Exercise Notices (not accepted if late) Auto-Exercise Cancellation Notices (not accepted if late) Verbal Notification to the Clearing House is necessary if reports are going to be later than 3:30 p.m. Deadline for receipt of notices is 4:00 p.m.

~~Afternoon-Evening~~ trading session activity will clear as part of the next business day's activity.

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

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

Any unresolved unmatched trades may be suspended pending possible resolution the following business day as an "as of" trade. "As of" trades can be carried no longer than one business day.

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

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

Form 200's not received by 9:00 a.m. Saturday (expiration day)	\$1,000
Errors not corrected by 11:00 a.m. Saturday	\$1,000
Errors not corrected by 8:00 a.m. Monday an additional	\$1,000

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

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

Approved by the Clearing House Committee effective September 14, 1998. Amended by the Board of Directors effective September 26⁹, 2002⁴.