



June 25, 2025

Mr. Rahul Varma
Acting Director
Division of Market Oversight
Commodity Futures Trading Commission
1155 21st Street NW
Washington, DC 20581

Re: Request for Comment on MIAX Futures Request for No-Action Relief

Dear Mr. Varma:

Better Markets¹ appreciates the opportunity to comment on the Request for Comment² (“RFC”) issued by the Division of Market Oversight (“DMO”) of the Commodity Futures Trading Commission (“CFTC”) regarding MIAX Futures Exchange, LLC’s request for no-action relief³ to permit the exclusive use of block trades for Minneapolis Hard Red Spring Wheat (HRSW) options on futures. Although the proposed no-action relief⁴ is limited to a two-month period, it raises serious concerns about market structure, transparency, and precedent.

According to the request, MIAX seeks to operate the HRSW options market without an electronic trading platform following its transition off CME Globex and prior to the rollout of its new Onyx system. In the interim, MIAX proposes to allow all HRSW options trading to occur

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements, and more.

² CFTC Request for Comment on Proposed No-Action Position to MIAX Futures Exchange, LLC (June 23, 2025), available at <https://www.cftc.gov/PressRoom/PressReleases/9089-25>.

³ MIAX Futures Request for Time-Limited Relief from Competitive Execution and Part 40 Requirements for HRSW Options (June 23, 2025), available at https://www.cftc.gov/media/12421/MIAX-requestTimeLimitedRelief_06232025/download.

⁴ Division of Market Oversight, MIAX Futures Exchange, LLC – Time-Limited No-Action Position with Respect to the Trading of Minneapolis Hard Red Spring Wheat Options on Futures, available at https://www.cftc.gov/media/12416/MIAX-proposedNAL_06232025/download

through off-exchange block trades, while also reducing the block trade threshold from 15 contracts to just one and permitting non-ECP (retail) participants to engage in these transactions. This would represent a significant departure from longstanding regulatory norms and core market protections.

We understand that DMO is attempting to provide short-term flexibility in order to avoid harm to MIAX customers who hold open positions and may otherwise be unable to exit or manage them during the transition. That is a legitimate concern. However, the scope of this relief implicates fundamental regulatory principles that should be clearly acknowledged and strictly constrained.

Risks to Market Structure and Precedent

The relief requested would allow MIAX to: (1) eliminate centralized trading for these contracts; (2) reduce the block trade threshold from 15 contracts to just one; and (3) allow non-ECPs to engage in privately negotiated block trades. Together, these changes amount to a substantial departure from the market structure protections embedded in Core Principle 9⁵ and Commission Regulation 1.38.⁶

Block trading is intended for large, institutionally negotiated transactions that cannot be efficiently executed on a centralized exchange. It is not designed to serve as a substitute for an exchange's entire market, nor to facilitate off-exchange trading by retail participants. Reducing the threshold to one contract and opening it to non-ECPs undermines these principles and invites adverse selection, reduced transparency, and price formation risks.

Moreover, HRSW is an enumerated agricultural commodity with open interest in the affected contract months. Under CEA Section 5c(c)(4),⁷ any material changes to how such contracts trade, including execution method and participant eligibility, would typically require formal submission for Commission approval rather than self-certification or staff-level action. While DMO may have discretion to issue temporary no-action relief, using that relief to sidestep a statutory review process, particularly to permit non-ECP access and single-contract block trades, raises concerns about process integrity and creates a concerning precedent for future regulatory treatment.

Concern About Future Use of Relief

While we recognize that the proposed relief is limited to a two-month period, we are concerned that it may serve as a trial run for broader or longer-term exemptions, particularly if it is allowed to proceed without public challenge. Even a temporary and narrowly framed no-action letter can have significant influence if it is later cited as precedent. If other exchanges or market participants view this relief as a signal that centralized execution requirements and participant eligibility standards can be waived, the Commission may face growing pressure to provide comparable accommodations in less justifiable situations.

It is also worth noting that MIAX submitted its request on June 23, just six days before the scheduled transition. Given the timeline involved in winding down access to CME Globex and

⁵ 7 U.S.C. 7(d)(9).

⁶ 17 CFR § 1.38.

⁷ 7 U.S.C. § 7a-2(c)(4).

developing the Onyx platform, it is difficult to understand why this issue was not addressed earlier. As a result of the delayed submission, the public was given only two days to comment on a proposal that implicates core market protections and statutory oversight. That compressed timeframe is not sufficient for meaningful public input on a matter of this importance.

CONCLUSION

We hope these comments are helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Cantrell Dumas", with a stylized flourish at the end.

Cantrell Dumas
Director of Derivatives Policy

cdumas@bettermarkets.org

<http://www.bettermarkets.org>