

LBMA News

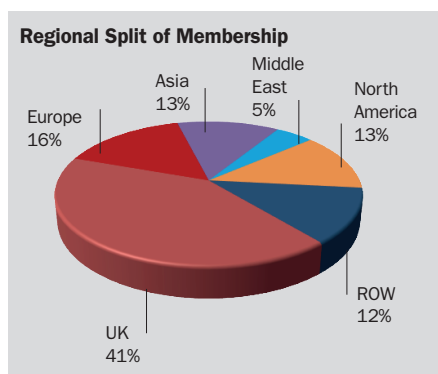
By Ruth Crowell, LBMA Chief Executive

Membership

On 5 May 2017, Jane Street Global Trading was admitted as a Full Member. On 12 May 2017, ABC Bullion (NSW) Pty Ltd was admitted as a Full Member and CJSC 'Sberbank' CIB was reclassified from Associate to a Full Member, as was National Australia Bank Limited on 22 June 2017.

These changes brought the total membership to 147 companies, comprising 13 Market Makers, 61 Full Members, 10 Affiliates and 63 Associates.

In accordance with Article 3 of the Articles of Association, the LBMA Board has recently introduced a new Membership class of "Exchange Affiliate" that will be directly linked to the existing class of Affiliate Member.



Good Delivery List

Currently, there are seven active applications for silver, one of which is in the initial review stage, three are in Stage 1 and three are in Stage 2. There is also one active gold application in the initial review stage.

There are presently 70 refiners on the Gold Good Delivery List and 79 on the Silver Good Delivery List.

LBMA Board

The Board continues to focus on a range of strategic issues and projects, including trade reporting, Responsible Sourcing and the lobbying exercise in respect of the Net Stable Funding Ratio (NSFR). The Board has also been closely involved in the recent decision to appoint ICE Benchmark Administration as the new administrator for the LBMA Silver Price. It is expected that the new platform will be implemented in Autumn 2017. In the meantime, to ensure the continuity and integrity of the LBMA Silver Price during this transition, CME Group and Thomson Reuters have committed to continue to administer the auction.

The Committee noted the departure of Steven Lowe following nine years on the Board, six of those as Vice Chairman. The Board and the Executive formally recorded their thanks for his service to the Association and the Market.

Subcommittees

Regulatory Affairs Committee

The Committee continues to provide guidance to the LBMA in respect of a wide range of regulatory developments as well as continuing to provide support and advice to the wider LBMA membership. Other issues which the Committee continues to be involved with include the LBMA-i Trade Reporting initiative, NSFR, the Market Abuse Regulation regime, Margin Requirements for Non-Cleared Derivatives, as well as the EU Conflict Minerals legislation. For further details, as well as other regulatory information, please refer to the Regulatory Update on page 20.

Physical Committee

Erwin Diethelm has retired from UBS AG and accordingly has stepped down from the Committee. The LBMA would like to thank him for his contribution to the work of both the Committee and the Association.

The Committee has been very busy over the past few months, particularly with new applications, Proactive Monitoring and recent activity relating to the Good Delivery Lists. Recent incidents and initiatives emphasise the need to ensure that market disruption is kept to minimum.

The LBMA will in future endeavour to ensure that any Former List movements due to the tangible failings will take place at the end of the calendar year to minimise disruption and confusion. This, however, may not be possible in a case that requires swift action.

The LBMA will continue to welcome refiners who do meet the strict criteria for listing. There has been a large number of Good Delivery applications in recent months and the Executive is expecting the next 12 months to be a busy period for applications, with five or six potential applications already anticipated.

The first round of Proactive Monitoring is underway, based on the revised schedule and the new requirement for refiners to demonstrate the ability to cast London Good Delivery bars.

A significant step towards greater transparency has already occurred with the recent publication of the physical gold and silver holdings of the vaults operating within the loco London market. Please see the article by Neil Harby and Joni Teves on page 3 for further details.

Membership Committee

Angus Whiteman of G4Si joined the Committee following the departure of Michael Ludwig (formerly of Malca-Amit). The Committee thanked Michael for his support of the Committee and the Association.

The Committee continues to focus its attention on the development and implementation of the Due Diligence Policy, which will be executed on a staggered basis for all members.

The Committee has worked on the development of a new category of membership, Exchange Affiliates, which was recently introduced, as well as processing a number of new applications for Full Member, Associate and Affiliate status. The Committee continues to progress the review of the sponsorship process.

Any companies including refiners, producers or central banks that may be interested in applying for membership are invited to contact the LBMA Executive at: mail@lbma.org.uk.

Public Affairs Committee

Rupen Raithatha from Johnson Matthey has joined the Committee following the resignation of John Cullen of Johnson Matthey. The Committee would like to thank John for his support of the Committee and the Association.

The Committee is focused on preparations for the annual Conference in Barcelona and is now close to finalising the Conference programme. The keynote speakers have been confirmed. Megan Greene, Managing Director & Chief Economist at MAM, will be delivering the international macroeconomic perspective and will weave into her presentation relevance to the precious metals market. Megan is a former director of European Economics, a graduate of both Oxford and Princeton universities, and comes highly recommended. In addition, Pedro Schwartz, of the Catedrático Fundación del Pino en la UCJC and Visiting Professor, University of Buckingham, will be delivering the other keynote address. He will focus on the flows of gold and silver from South America to Spain during the XVII and XVIII centuries, and compare and contrast these flows against those which are currently taking place, particularly those moving from the west to the Far East. Other highlights in the programme include a Monetary Policy session to be moderated by the LBMA Chairman, Paul Fisher, as well as dedicated sessions on investment, refiners, regulation, and a session focussed on developments in the platinum and palladium markets. The programme has been launched, see the LBMA website for details.

The Committee is also considering ways to deliver improved networking opportunities for delegates, for example, by introducing new technologies, as well as looking ahead to next year and deciding the location and venue for the 2018 Conference. The final decision will be announced at the forthcoming Conference in Barcelona, so if you haven't already registered, please do so at: www.lbma.org.uk.

Finance Committee

Simon Ward of Baird joined the Committee following the departure of Jane Lloyd of Scotiabank. The Committee thanked Jane for her support of the Committee and the Association.

The Committee has been focused on the budget and forecast out to 2019. The Committee is also monitoring the financial management of the major events throughout the year as well as the integration of the LBMA's new customer relationship management (CRM) project, which will be launched shortly. Look out for further member communications for updates on the CRM project.

Annual General Meeting

The LBMA's 29th Annual General Meeting took place at Glaziers Hall on 6 July. This year, it was the turn of the Market Maker representatives on the Board to stand down, although they were eligible to stand again for election for a further two-year period.



Given that the number of candidates was greater than the number of places available, an election was required to decide which representatives would be re-elected or elected.

Peter Drabwell, HSBC Bank plc, Raj Kumar, ICBC Standard Bank, and Sid Tipples, JP Morgan Chase Bank N.A., were duly elected as members of the Board. Grant Angwin was also elected as the Vice-Chairman of the LBMA. The other Board members are Dr Paul Fisher, Chairman, Andrew Quinn, Non-Executive Director, Medhi Barkhordar, MKS PAMP, Hitoshi Kosai, Tanaka, as well as LBMA Executive members Ruth Crowell and Sakhila Mirza.

In his report at the AGM, LBMA Chairman, Dr Paul Fisher, commented on the number of initiatives that the LBMA had introduced over the past year as well those it will be involved with in the future. An abridged version of Paul's speech is reproduced in the Editorial on page 22.

DIARY OF EVENTS FOR 2017

2017

AUG

04 - 06

Bullion Federation Global Convention
Hyatt Regency, New Delhi, India
<http://bullionfederation.com/>

07 - 09

Diggers and Dealers Mining Forum 2017
Kalgoorlie, Australia
<http://diggersnddealers.com.au/>

11 - 13

14th India International Gold Convention
Grand Hyatt, Goa, India
<http://www.goldconvention.in/>

SEP

07

World Platinum Investment Council
Quarterly Demand Supply Report
<https://www.platinusummit.com/reporting-calendar>

14

LPPM/LBMA Cocktail Reception
– Members only event
Lotte New York Palace Hotel, New York
admin@lppm.com.

18 - 20

2017 Precious Metals Summit Beaver Creek
Park Hyatt Beaver Creek, Colorado, USA
<http://www.precioussummit.com/event/2017-summit-colorado/>

24 - 27

Denver Gold Forum
The Broadmoor Hotel, Colorado Springs,
Colorado, USA
<http://www.denvergoldforum.org/dgf17/>

29 - 30

Coinex 2017
The Ballroom, Millennium Hotel, London, UK
<http://www.bnta.net/index.cfm?do=coinex>

OCT

15 - 17

LBMA/LPPM Precious Metals Conference
Hotel Arts
Barcelona, Spain
www.lbma.org.uk

26 - 27

Silver Institute Industrial Conference 2017
Embassy Suites Hotel Convention Center,
Washington DC, USA
<http://www.silverinstitute.org/site/>

30/10 - 3/11

LME Week
London, UK
<https://www.lme.com/news-and-events/events/metals-seminar/>

NOV

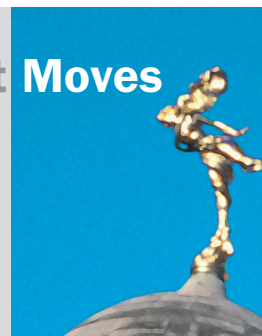
07 - 08

2017 Precious Metals Summit Zurich
Park Hyatt Zurich, Switzerland
<http://www.precioussummit.com/event/2017-summit-zurich/>

09 - 10

2017 Precious Metals Summit London
Hyatt Regency – The Churchill, London
<http://www.precioussummit.com/event/2017-summit-london/>

Market Moves



Sumitomo Corporation Global Commodities; retirement of Lance Brown and arrival of Arzhang Kaynama

Following ten valued years' service to the company, Sumitomo Corporation Global Commodities announce the departure of Lance Brown. His career in the London bullion market spanned more than 35 years and included spells with JMB, Mase Westpac, Republic National Bank and HSBC. His many friends in the precious metals community will wish him and Lucy a long and happy retirement. He has been replaced at SCGC by Arzhang Kaynama, formerly of AIG, Credit Suisse and Bank of America, Merrill Lynch.