LBMA Good Delivery Rules

Summary of Changes – June 2007 to September 2012

This document summarises changes in the Rules and specifications for Good Delivery bars since June 2007. The most recent changes to the Rules are found at the end of this document.

1. June 2007 Version (These items became effective from 1st January, 2008)

Preamble

The following is a brief summary of the technical changes that have been made to the Good Delivery Rules which will become effective on 1st January, 2008, as far as existing Good Delivery refiners are concerned and with immediate effect in respect of new Good Delivery applicants.

(i) Weight Range of Silver Bars

The required weight range for an acceptable Good Delivery bar remains 750 to 1100 troy ounces but a recommended range of 900 to 1050 troy ounces has been introduced. It was felt that if the new narrower range was made mandatory this could be onerous for some refiners.

(ii) Prohibition on the Use of Closed or Gated Moulds

The use of such moulds will be prohibited immediately as far new GD applicants are concerned and with effect from 1st January, 2008, as far as existing GD refiners are concerned with the proviso that if an existing GD refiner feels that the proposed timeframe is too tight the Executive / PC may, on a case by case basis, be prepared to consider an extension not exceeding three months. We are investigating the possible inclusion of a technical article on how to produce good quality castings using open moulds in the next Alchemist.

(iii) Casting

It was thought appropriate to introduce a recommended minimum / maximum range for the undercut on gold and silver bars of 7% to 15% on the length and 15% to 30% on the width in order to facilitate the easier and safer handling of bars. The Executive has undertaken a comparison of line drawing held on file and the vast majority of GD bars fall within the recommended ranges. Undercut is calculated as top edge dimension less bottom edge dimension with that figure being divided by the top edge dimension and the result being expressed as a percentage.

(iv) Marks

Marks on both gold and silver bars may be applied using either conventional stamping methods or dot matrix (pneumatic punching) provide that if the latter method is adopted it must be done in such a way so as to be no less legible and durable than conventional stamping. Gold bars must be stamped on the top surface. Silver bars may either be stamped on the top surface or the end of the bar but in the latter case only the dot matrix method is acceptable.

The bottom stamping of bars will be prohibited immediately as far new GD applicants are concerned and with effect from 1st January, 2008, as far as existing GD refiners are concerned with the proviso that if an existing GD refiner feels that the proposed timeframe is too tight the Executive / PC may, purely on a case by case basis, be prepare to consider an extension not exceeding three months. Bar numbers must not be comprised of more than ten digits or characters. With effect from 1st January, 2008, the bar marks must include the year of manufacture as a four digit number unless incorporated as the first four digits in the bar number. If bar numbers are to be re-used by a Good Delivery refiner each year then the LBMA strongly recommends that the first four digits represent the year of production although a separate four digit year stamp may be used in addition.
2. **October 2008 Version**

*(Copied from Preamble in July 2010 Version).* The October 2008 edition was a major revision, the first since April, 2004. It contained new recommendations and specifications which were developed following consultation with Good Delivery Refiners. The new Rules were first circulated to Refiners on the Good Delivery List in July, 2007 and came into effect in January, 2008. The substantive changes in the October 2008 version of the document are the changes to section 6 and Annex I concerning increases in Good Delivery charges and the addition of Annex L which lists companies that can act as facilitators to applications and Annex M which lists the elements typically determined using spectrographic analysis by LBMA Referees.

3. **October 2010 Version**

**Section 4.1:** The representation of assays is now shown in fineness terms (parts per thousand) rather than in figures at the fifth significant place (i.e. parts per hundred thousand).

**Section 7:** *(Addition)* If bars are produced in the general form of Good Delivery bars, but due to their intended use (for example bars produced for and delivered directly to an industrial customer for use as a raw material) they do not meet the Good Delivery specifications (for example, inferior appearance or sub-standard bar marks) then the Good Delivery refiner must stamp the bars NGD (meaning Non Good Delivery) in close proximity to the LBMA-approved manufacturer's mark.

**Section 7:** The requirement that, if a refiner changes its bar marks or dimensions, the new bar must comply with the recommended dimensions shown in sections 8 and 9.

**Section 9:** a clarification that silver bars produced prior to January 2008 which are outside the current range of 750 to 1,100 troy ounces but within the old wider range of 500-1,250 troy ounces will eventually be phased out.

**Annex I:**
Section 5 – the reference to the cost of gold reference samples along with shipping costs was removed. Section 8 – the cost of individual gold reference samples was updated to be £525 as a fixed price per sample, increased following the last Referee’s meeting. Shipping costs will be additional. The reference to silver sample costs was removed.

4. **June 2011 Version**

**Section 2:** An additional criteria was added to this section and also point (c) was expanded.

The following statements were added to the end of this section.

“The LBMA reserves the right to reject any application and is under no obligation to disclose the reason(s) for its decision.”

**Section 4.1:** The reference to the use of potentiometric titration as a form of analysis of silver dip samples will be removed, and replaced with the following:

*In the case of the assaying of silver by spectrographic methods, oxygen and nitrogen should be ignored when deducting the sum of the impurities from 1000 (in other words, these gases should be treated as silver).*

**Section 6:** The Fees Table has been updated to reflect the new charges: Gold Stage I: £16,200; providing a total of £30,700 for a gold application. No change to Stage II fees.

**Annex A:** Reference to submitting a film of the refining operation on VHS/PAL etc format removed (DVD only).

Unit “tonnes” added to description of production data to be submitted with application

Price of application fee updated to reflect 20% VAT cost.
**Section 8.2**: Charges updated for reference samples (Au: £675 per sample/Ag: £225 per sample) and total charge for Au GDL application also updated.

**Annex I**: Extensively re-written to clarify best practise in respect of assaying procedures for silver; the increased cost of reference samples and general updating of the proactive monitoring testing.

5. **January 2012 Version**

**Section 2**: The minimum Tangible Net Worth requirement of GDL applicants and existing refiners has been increased to £15million.

**Section 3**: The GDL application fee has been increased to £2,000 + VAT from £1,400 + VAT.

**Section 7**: A note has been added regarding informing the LBMA of a change to dot matrix marking of silver bars.

**Section 10**: Production and financial data will now be required on an annual basis. PAM will continue to be required of all GD refiners on a three year cycle.

**Section 10.1**: The annual maintenance fees have been increased to £2,000 for one metal or £3,000 for both.

**Annex I** has been updated to include the requirement to submit production and financial data annually. A note regarding the increased minimum TNW requirements has also been included in this Annex.

6. **May 2012 Version**

**Annex E**: The addition of Malca-Amit Commodities Ltd as a Security Transport Company that is a Member of the LBMA.

**Section 2 (b)**: The increase of the minimum annual refining production requirement for silver from 30 to 50 tonnes for new GDL applicants.

7. **June 2012 Version**

**Section 7**: The additional option to use a continuous casting method for silver Good Delivery bars was introduced to this section. Full approval from the LBMA will be required prior to this method being selected by a Good Delivery refiner.

**Annex F- Approved Weighers**: The list of approved weighers shown in this section has been amended with JM Plc, JBR Recovery Ltd, Thessco, Britannia Refined Metals and Deutsche Bank having been removed.

**Annex G**: The specified thickness of pallets has been amended from 25mm to 25mm±3mm.

8. **September 2012 Version**

Some minor amendments to wording/contact details of various organisatons have been made in this version of the Rules and the major changes are listed below.

**Section 2 (e)**: Application criteria now includes the requirement for all gold Good Delivery applicant refineries to indicate a willingness to comply in full with the LBMA’s Responsible Gold Guidance document.

**Annex A** – Application Form: Gold applicants must submit a letter on company letterhead confirming its willingness to accept and implement the requirements of the LBMA’s Responsible Gold Guidance document.

**Annex D** - Supervisors: Alex Stewart International has been added to the list of supervising companies. Also, Stewart Group Inspection has changed its name to ALS Inspection.
Annex F – Approved Weighers: The list of approved weighers shown in this section has been amended to include Barclays Bank.

Annex M: The list of residual elements has been amended and now appears as a single list.

20th September, 2012