

LBMA Gold Price – Frequently Asked Questions

What is changing?

On 20th March 2015 the historic London Gold Fix will be discontinued and replaced by the LBMA Gold Price. ICE Benchmark Administration (IBA) will become the administrator for the “LBMA Gold Price”. IBA will provide the auction platform, methodology as well as overall independent administration and governance for the LBMA Gold Price. The LBMA will hold the intellectual property rights for the LBMA Gold Price.

What are the main features of the new process?

IBA will host an electronic auction process for the LBMA gold price. The main features of the auction process are:

- independently administrated and tradable
- electronic and physically settled
- aggregated and anonymous bids and offers published on-screen and in real-time
- conducted in US Dollars

Will the LBMA Gold Price continue to be set twice daily?

Yes, the price will continue to be set twice daily at 10:30 am and 3:00 pm each business day.

Will the Gold Fixing Price and the LBMA Gold Price be calculated in parallel for a transitional period?

No. The last publication of the Gold Fixing Price will be on March 19, 2015. The first publication of the LBMA Gold Price will be on March 20, 2015.

Where can I source the LBMA Gold Price?

- LBMA website
- Wide range of Data Vendors & Redistributors
- ICE website

Will there be a change to the market data vendor instrument codes?

No, the instrument codes will remain unchanged.

Who are the direct participants in the auction?

Direct participants will be announced on the day of launch.

How can I become a participant?

The auction is designed to be transparent and allow as many participants as possible. Please contact IBA for more information on becoming a participant: iba@theice.com or +44 20 7429 7100.

What information will be available at the end of the auction process? At the end of the auction process, IBA will publish the benchmark price. IBA will also publish a Transparency Report showing

for each round: the price in USD; the aggregated bid and offer volume; the number of participants; and the timings for each round.

What information will be available during the auction process through redistributors?

The major market data redistributors will display:

At the start of each round – the price that is being tried for that round of the auction

At the end of each round of the auction – the aggregated bid and offer volume at the end of that round

How should the price be referenced in documentation?

The official registered name of the benchmark is “LBMA Gold Price”. From the close of business on March 19, 2015 the London Gold Fix will cease. Any documentation which refers to London Gold Fix or similar should be updated to reference the “LBMA Gold Price” from March 20, 2015.

Documentation that specifically refers to the LBMA Gold Price published at 10:30am London time should be updated to refer to “LBMA Gold Price AM”. Documentation that specifically refers to the LBMA Gold Price published at 3:00pm London time should be updated to refer to “LBMA Gold Price PM”.

ISDA have made amendments to their definitions as follows:

“GOLD–LBMA PRICE-AM” means that the price for a Pricing Date will be that day’s morning London Gold price per troy ounce of Gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated and administered by independent service provider(s), pursuant to an agreement with the LBMA, and published by the LBMA on its website at www.lbma.org.uk that displays prices effective on that Pricing Date.

“GOLD–LBMA PRICE-PM” means that the price for a Pricing Date will be that day’s afternoon London Gold price per troy ounce of Gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated and administered by independent service provider(s), pursuant to an agreement with the LBMA, and published by the LBMA on its website at www.lbma.org.uk that displays prices effective on that Pricing Date.

Do I need to add a disclaimer to documentation that references the LBMA Gold Price?

Yes. A disclaimer should be added to documentation that references the LBMA Gold Price as follows:

All references to LBMA Gold Price are used with the permission of ICE Benchmark Administration Limited and have been provided for informational purposes only. ICE Benchmark Administration Limited accepts no liability or responsibility for the accuracy of the prices or the underlying product to which the prices may be referenced.

Do I need to licence with ICE Benchmark Administration to use or redistribute the LBMA Gold Price? IBA intends to introduce new licensing arrangements for LBMA Gold Price. However, in order to facilitate an orderly transition to the new auction process and administrator, the introduction of new licensing arrangements will not come into effect before September 1, 2015.

All existing licences with the Gold Fixing Company will be terminated at close of business on March 19, 2015 and existing licensees have been informed by the Gold Fixing Company.

Clients are not required to have a licence with ICE Benchmark Administration until September 1, 2015. Any party requiring an agreement to cover the interim period should contact ICE Benchmark Administration. Please contact ICE Benchmark Administration for more information on iba@theice.com or +44 20 7429 7100.

Is the LBMA Gold Price a regulated benchmark?

From April 2015 the LBMA Gold Price will be a regulated benchmark, as it will become a 'specified benchmark' for the purposes of Art 63O of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.