A New Committee and a New Chairman

Editorial Comment by Kevin Crisp, LBMA Chairman

It is a great pleasure to be writing this Editorial for the Alchemist and to have been given an early opportunity to express some initial thoughts as the incoming Chairman of your Association.

Although I have served previously as Vice Chairman, it is a great honour to be elected as Chairman, perhaps even more so in that I am the first to hold this position from a non-Market Making member of the LBMA. It’s something that has been mentioned to me by many and I see it as perhaps another example of the changes underway in the bullion market.

First of all though, I must offer thanks on behalf of the entire membership to your outgoing Chairman, Jeremy Charles of HSBC. I can say from first-hand experience that throughout his Chairmanship, over a period of three tumultuous years in the market, Jeremy has always had the best interests of this Association and its membership at heart. He has shown a steady hand in guiding the LBMA and devoted a great deal of his time to the Association during some very testing times. If you haven’t read Jeremy’s final report as Chairman, presented to this year’s AGM on 11 June, I encourage you to do so. It is available on the LBMA’s website.

Of course, no Chairman works alone and Jeremy was supported very ably by our Executive under the management of Stewart Murray and by an active Management Committee. I am very confident that the new Management Committee will be equally active and very vocal in their contribution to discussions, with representatives from across the market, each of whom brings immense experience and knowledge to the table. Each of them in standing for the Management Committee is demonstrating a willingness to represent the wider interests of the bullion market.

We held our first Management Committee meeting on 24 June and it was definitely a case of hitting the ground running in terms of issues to be addressed. Of course, we continue to benefit from Stewart’s tremendous knowledge and experience, supported by Ruth Crowell and the rest of the Executive. The LBMA has to address a very wide range of day-to-day issues while, at the same time, keeping the bigger picture in mind.

While the nature of bullion trading is undergoing dramatic change, there are two constants underlying the global bullion market irrespective of the platform, namely the key pillars of Good Delivery and the Clearing System. This is why the LBMA has in recent years paid so much attention to issues such as Proactive Monitoring and Reference Materials, and why it has responded when issues such as REACH have presented challenges to the smooth operation of the market. While I perceive my role as Chairman as one of developing consensus, at the top of my personal list of priorities is to continue and, where possible, improve the level of communication between the LBMA’s “Organisation” and its membership and with the wider marketplace too.

As Jeremy and his predecessors have commented over the years, the bullion market continues to become more international with each passing year, as exemplified by the emergence of many new Exchanges around the world. To some extent, the process of internationalisation has accelerated of late as the impact of the global financial crisis has contributed to the renaissance in precious metals investment.

We see new market participants applying to join our membership list and refineries wishing to become accredited to the Good Delivery Lists for gold and silver. This means that the Physical and Membership Committees remain very busy handling a wide range of issues: again we have a very committed and talented group of individuals giving their time to ensure that the standards of this Association are maintained and improved. There are a number of important initiatives now coming toward fruition, including the Reference Materials Project and the electronic weighing of gold, which you will be hearing more about in the near future.

Our Finance Committee is charged with oversight of the Association’s coffers and while these were dented last year from a combination of events, close attention is being paid to ensure that the finances of the LBMA remain on a sound footing. Of course, the Public Affairs Committee under its new Chair, Edel Tully, is busy working on the upcoming LBMA Precious Metals Conference in Edinburgh at the start of November and is making good progress on the 2010 Conference. We look forward to seeing many of you in Edinburgh.

I would like to emphasise that the Committees and the Executive welcome your comments, ideas and suggestions about the Association.

In conclusion, as we all continue to feel the effects of the economic maelstrom, it is important to remember that the London bullion market is something more than the sum of its parts. The Management Committee will strive to work for the benefit of not just the London market but the wider bullion market, while ensuring that the foundations of the LBMA remain strong.

Kevin Crisp, Deputy General Manager, Metals Division Manager, Precious Metals Department at Mitsubishi Corporation, has been a member of the LBMA’s Management Committee since 2007 and became Chairman in June 2009. He worked as senior analyst for metals consultancy GFMS, covering the Middle East and Asia, before joining JPMorgan, working as precious metals strategist and later working for Credit Suisse First Boston, Dresdner Kleinwort and Koch Supply and Trading. Crisp joined Mitsubishi Corporation in 2006 and now manages its precious metals department in London.