

# LBMA NEWS

BY RUTH CROWELL, LBMA CHIEF EXECUTIVE

Knowing how time constrained many of our readers are we have redesigned LBMA News to encapsulate the hot topics. If you have more time on your hands you can read about them in further detail elsewhere in the *Alchemist* or on our website.

## HEADLINES

### MANDATORY ADHERENCE TO THE CODE

With effect from 1 June 2018 adherence to the Global Precious Metals Code becomes mandatory for all LBMA members involved in the global wholesale precious metals market, but proportionality is key.

### 85% HAIRCUT

LBMA continues its ongoing efforts against the **85%** haircut that will apply to precious metals under the Net Stable Funding Ratio (NSFR).

### REQUEST FOR PROPOSAL

*LBMA will shortly be launching a Request for Proposal to enable the international market to further strengthen gold supply chain integrity.*

This builds on LBMA's Responsible Sourcing programme and focuses on how technology can ensure supply chain provenance (see page 33 for further details).

### Trade Reporting

Trading Members of LBMA are required to report as part of their membership obligations.

## Publications

We recently published the Precious Metals Integrity Brochure which highlighted how LBMA continues to set the highest standards for Responsible Sourcing as well as setting out our plans for the future.

If you would like a copy please contact [mail@lbma.org.uk](mailto:mail@lbma.org.uk)



### 4 NEW FILMS

LBMA has produced four new short films which will be launched shortly – What We Do, Good Delivery, Responsible Sourcing and How the Market Works.

The website will be refreshed in line with the new re-branding exercise to co-incide with the launch of the films.

### INCREASING TRANSPARENCY

To further increase our transparency, we will be publishing minutes of LBMA Board meetings on our website in the future.

# GLOBAL PRECIOUS METALS CODE

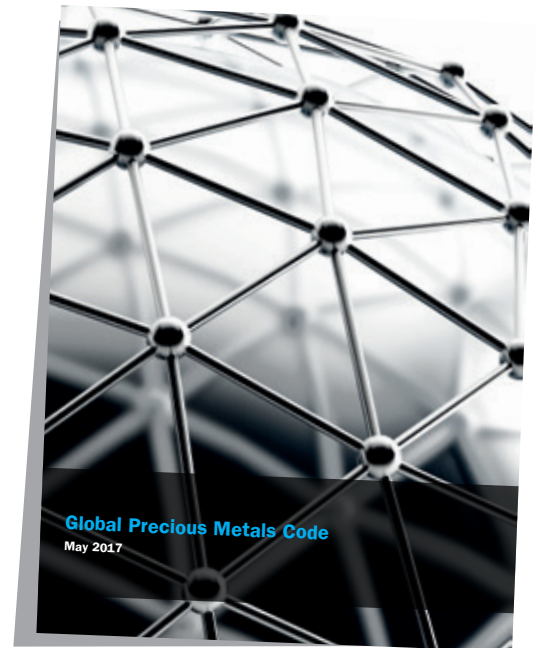
The Code is intended to define a robust, fair, effective and transparent market where all participants are able to transact following best practice guidelines.

## WEBINARS AND TRAINING

To assist Members with implementation of the Code, LBMA will be hosting a series of webinars over the coming months, as well as providing an online training module that can help Members with implementation, which will be available from March.

For application, proportionality is key and discretion is given to market participants to determine which provisions of the Code are most appropriate for their business.

Any questions regarding the Code and its implementation should be directed to Sakhila Mirza, LBMA General Counsel, at: [sakhila.mirza@lbma.org.uk](mailto:sakhila.mirza@lbma.org.uk)



## NSFR

**LBMA continues to be engaged with legislators and policy makers to advocate a full exemption for unallocated balances for clearing and settlement and precious metals loans shorter than 180 days from the required stable funding (RSF).**

LBMA and LPMCL are concerned that if adopted, NSFR would either increase the costs or effectively eliminate the provision by banks of transaction financing, clearing, and settlement services to precious metals market participants.

Norton Rose has been supporting LBMA and LPMCL with all the lobbying efforts. If anyone would like to get involved or have any questions, please contact [sakhila.mirza@lbma.org.uk](mailto:sakhila.mirza@lbma.org.uk).



## LBMA-i Trade Reporting



Many members have already begun to report their trades to the LBMA-i platform and many members are being on-boarded.

The reporting process continues with a view to establishing a robust data set which will be published in the second half of 2018.

Members requiring further information, including assistance about connecting to LBMA-i, should contact: [mail@lbma.org.uk](mailto:mail@lbma.org.uk)

## Delay to Publication of the LBMA Gold and Silver Prices

From 1 April 2018, the LBMA Gold and Silver Prices will not be available on the LBMA website until midnight London time on the date that the prices are set. The revised arrangements for delayed redistribution of the LBMA Gold Price and LBMA Silver Price were recently announced by ICE Benchmark Administration (IBA) and is consistent with the timing of the publication of the LBMA Platinum and Palladium prices. Customers that wish to access the LBMA Gold and Silver Prices in real-time should contact a market data redistributor. For further information please contact IBA at [iba-licensing@theice.com](mailto:iba-licensing@theice.com).



# Peter Smith

After more than 26 years as Chairman of the Physical Committee Peter Smith has decided to stand down as Chair of the Committee. LBMA would like to extend its gratitude and thanks to Peter for his outstanding contribution to the work of the market and the Association in his capacity as Chair and member of the Physical Committee throughout his long tenure. To mark this occasion an interview with Peter looking back at his Chairmanship of the Committee will feature in the next edition of the Alchemist. An election to identify Peter's replacement will take place shortly.

## ACCREDITED REFINERS

**TCA S.P.A was added to the Silver Good Delivery List on 3 October, 2017.**

The number of refiners on the LBMA Gold and Silver Good Delivery Lists stands at 98, with 52 accredited for both gold and silver, 17 gold only and 29 silver only.

### CURRENT APPLICATIONS

There are two active applications for the Gold Good Delivery List, one of which is in the initial review stage and the other will be progressing into Stage 2. There are also seven active applications for the Silver Good Delivery List – one is in the initial review stage, another at Stage 1 and five have progressed to Stage 2.

## LBMA Members

**On 29 November 2017, Sberbank was admitted as an Affiliate member and China Minsheng as a Full Member.**

There are currently 150 member companies located in more than 30 countries. The membership is broken down as follows: 13 Market Makers, 62 Full Members, 12 Affiliates, 3 Exchange Affiliates and 60 Associates.

Any companies including refiners, miners and central banks that may be interested in applying for membership are invited to contact LBMA Executive at: [mail@lbma.org.uk](mailto:mail@lbma.org.uk).

## 2018 PROFICIENCY TESTING SCHEME

The 2018 Proficiency Testing Scheme has recently been completed and the report will be published in March. The scheme is voluntary for all LBMA accredited refiners and is designed to assist them with improving their assaying techniques against their peers.



**40**

REGISTERED FOR BOTH GOLD AND SILVER – 36 GDL REFINERS AND 4 MEMBERS



**9**

REGISTERED FOR GOLD ONLY – ALL GDL REFINERS



**4**

REGISTERED FOR SILVER ONLY – 3 GDL REFINERS AND 1 OTHER (NON-GDL REFINER/MEMBER)

# LBMA Outreach and Industry Events in 2018

## 2-4 FEBRUARY:

World Money Fair, Berlin.

Ruth presented at the Media Day and to the Mint Directors Meeting about the work that LBMA is doing to deliver quality and integrity to the global precious metals market.

## 5-8 FEBRUARY:

Investing in African Mining Conference Indaba, Cape Town, South Africa.

Ruth and Neil Harby attended the event to reach out to miners and investors to explain the work that LBMA is doing in terms of Responsible Sourcing, including plans to address environmental related issues.

## 8 MARCH:

LBMA Annual Party Aqua Nueva, London.



## 14-15 MARCH:

5<sup>th</sup> India International Bullion Summit, Mumbai.

Neil will be speaking at the Technical Forum on 14 March and Ruth will be delivering the keynote address on 15 March.

## 17-20 APRIL:

OECD Forum on Responsible Mineral Supply Chains.

LBMA continues to act as Vice Chair for this event and encourages all stakeholders to engage and take part.

## 17-19 APRIL:

European Gold Forum, Zurich.

Sakhila Mirza will be speaking on 19 April about the regulatory impact on the precious metals market of recent legislation, including MiFID II.

## 3-5 JUNE:

Asia Pacific Precious Metals Conference (APPMC) Park Royal, Beach Road, Singapore.

Paul Fisher will deliver the keynote address on 4 June about the current challenges faced by regulators in Asia in modernising their gold markets in the context of both the regional and global market.

## 12 JULY:

LBMA AGM Glaziers Hall, London.



## 24-26 JULY:

China Gold Congress and Expo 2018, Beijing.

## 13 SEPTEMBER:

LPPM/LBMA Members' Cocktail Reception Lotte New York Palace Hotel, New York.



## 28-30 OCTOBER:

LBMA/LPPM Precious Metals Conference Boston Park Plaza Hotel, Boston.



## 5 DECEMBER:

LBMA Biennial Dinner Guildhall, London.

