

Regulation Update

– Responsible Gold Programme

By Ruth Crowell, Deputy Chief Executive, LBMA

Third-Party Audit Implementation – First 2012 Responsible Gold Audit Reports Received

The LBMA is delighted to announce that it is in the process of reviewing its first batch of Responsible Gold Audit Reports. These include voluntary audits for 2011 production as well as mandatory audits for 2012 production.

All LBMA Good Delivery gold refiners accepted the Responsible Gold Guidance in January 2012 and began implementation of Steps 1-3. Refiners are now in the process of undergoing or arranging Step 4 or Third Party Audits of 2012 production. The LBMA has communicated to all Good Delivery gold refiners that receipt of a 2012 Responsible Gold Audit Report is mandatory for maintaining their accreditation.

Basel III Implementation – European Developments

On 16 April, the Europe Parliament voted in favour of the final text of the Capital Requirements Regulation (CRR) and Directive (CRD IV). CRR & CRD IV implement Basel III (the international regulatory framework for banks) into EU law.

The European Parliament vote was originally scheduled for October 2012, but was delayed due to more than 30 rounds of negotiations. These negotiations did not focus on gold, but a number of controversial issues, including the compromise text on bankers' bonus caps. The final text includes specific recommendations in favour of gold. These recommendations legally require the European Banking Authority (EBA)

to review the case for gold's inclusion in the 30-day short-term liquidity buffer (the "Liquidity Coverage Ratio"). The European Commission tasked the EBA with this decision in July 2011. A final report from the EBA to the European Commission is expected by 31 December, 2013.

The EBA has already started this review process by including specific mention of and questions on data sources for gold in its recent Discussion Paper (February 2013). In response to these questions, the LBMA has assisted the World Gold Council in preparing a dossier to further make the case for gold's inclusion in the Liquidity Coverage Ratio. This includes a letter from the LBMA focused on the clearing statistics, as well as a video and multi-media submission created by the World Gold Council. These videos will be available on the LBMA website in due course.

Implementation Timetable:

Jan 2012	LBMA Responsible Gold Guidance became a formal requirement of Good Delivery
Jan 2013	LBMA Audit Guidance was finalised
Q2 2013	LBMA encourages audits to take place for 2012 production
Q2-4 2013	LBMA encourages refiners to submit audit reports ASAP, latest 31 Dec 2013*

* For some Refiners this may be 30 April 2013, as an LBMA Audit Report will be due no later than one year after the closing of the refiner's financial books.

DIARY OF EVENTS 2013

MAY

2
GFMS Platinum Launch
Canary Wharf, London, UK
www.gfms.co.uk

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Johnson Matthey Platinum
2013 Launch
London, UK

15

6th International Gold Summit
New Delhi, India
www.assochem.org/events

16

CPM Group Precious Metals
Mining Seminar
New York, USA

JUNE

20-21
International Gold Mining
Conference
Zhaoyuan, China
www.goldminingconference.com

22-25

IPMI 37th Annual Conference
J W Marriot, Phoenix, Arizona, USA
www.ipmi.org/seminars

AUGUST

5-7
Diggers & Dealers Forum 2013
Kalgoorlie, Australia
www.diggersnddealers.com.au

SEPTEMBER

15-20
New York Platinum Week
New York, USA

18-20

Colorado Precious Metals Summit
Park Summit, Colorado, USA
www.precioussummit.com

22-25

Denver Gold Forum 2013
Hyatt Regency, Denver, CO, USA
www.denvergold.org/gold-forums

26-29

World Gold 2013
Hilton Brisbane, Queensland,
Australia
www.ausimm.com.au

29/09 - 1/10

LBMA Precious Metals
Conference 2013
Hilton Cavalieri, Rome, Italy
www.lbma.org.uk

OCTOBER

7-10
LME Week 2013
London, UK
www.lme.com/lmeweek.asp

16-17

The Gold Symposium 2013
Luna Park, Sydney, Australia
<http://gold.symposium.net.au>

24-25

The Silver Summit
Spokane WA, USA
www.cambridgehouse.com

27-31

Conference of Metallurgists 2013
Québec, Canada
www.metsoc.org

NOVEMBER

4-5
Europe Precious Metals Summit
Park Hyatt, Zurich, Switzerland
www.precioussummit.com

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RBC Gold Conference
London
www.rbccm.com

26-27

NewGenGold 2013
Pan Pacific, Perth, Australia
www.newgengold.com