

LBMA News

By Ruth Crowell, LBMA Chief Executive

Membership

On 22 January 2016, Citibank NA was reclassified as a Market Maker in both Forwards and Options.

On 2 February 2016, Barclays was reclassified as a Spot Market Maker as was ICBC Standard on 4 April 2016.

On 16 February 2016, the National Australia Bank Limited was admitted as an Associate and on 24 February, Credit Suisse was reclassified as an Ordinary Member.

These changes brought the total membership to 147 companies, comprising 81 Members (of which 14 are Market Makers) and 66 are Associates.

Committees

Management Committee

The main focus of the Committee has been working with the Strategy User Group to progress the LBMA's strategic development. This includes discussion of the roll-out of new services. To support these new services, the Committee will update the LBMA's legal structure and governance. The Committee will be recruiting Non-Executive Directors to give further firepower as well as enhanced governance to the LBMA. Members will have the opportunity to vote on these matters at the General Meeting in June (see page 13 for further details).

Regulatory Affairs Committee

The Committee continues to focus on the developments with international regulations, including NSFR. Further Regulatory information can be found on page 20, which includes a summary of the work relating to NSFR.

Refiners whose financial years coincide with the calendar year have submitted their Responsible Gold audits and these are currently under review.

A new version of the Responsible Gold Third Party Audit Guidance has been released to bring it in line with the amendments in Version 6 of the LBMA Responsible Gold Guidance.

The Committee is also developing a series of Member webinars to help the market get up to speed on the volume of proposed regulations. These currently include NSFR, MiFID, MAD, EU Benchmark regulation and EU Conflict Minerals regulation.

Physical Committee

The LBMA welcomes Paul McKerrell of ICBC Standard Bank Plc and Ian Warman of Standard Chartered Bank, who have both been appointed members of the Committee. Together, they bring a wealth of experience of the physical market which will be of great benefit to the work of the Committee.

Proficiency Testing

A total of 62 laboratories (48 GDL refiners and 14 other facilities) participated in the latest annual LBMA gold Proficiency Testing Scheme. The scheme is anonymous and allows participating laboratories to see how their assay results compare in terms of accuracy and precision with those of other participants. In its fifth year, the scheme continues to be a critical component to assist laboratories achieve and maintain ISO 17025 accreditation.

New Certified Reference Materials – Tender Process

A tender document for the production of a new series of Certified Reference Materials (CRMs) has been circulated to all GDL refiners. AuRM1, AuRM2, AgRM1 and AgRM2 have now completely sold out. A limited number of AuRM3 is still available (please note no AgRM3 was produced). New CRMs will replicate the original high-purity materials and are available to any laboratories that would like to calibrate their analytical equipment using LBMA standards.

Enhanced GDL Monitoring

An enhanced monitoring process has been introduced to ensure that all Good Delivery gold and silver refiners continue to maintain the integrity of the lists. This includes a robust process for the annual review of throughput, tangible net worth and adherence to the LBMA's Responsible Gold Guidance. Proactive monitoring has been developed further to provide additional reassurance about a refiner's ability to supply LGD bars.

Membership Committee

The Committee continues to see growth in both the number of Membership applications and overall Membership levels, which demonstrates the relevancy and diversity of the Association. Any companies including refiners, producers or central banks that may be interested in applying for membership are invited to contact the LBMA Executive at mail@lbma.org.uk.

Public Affairs Committee

The Public Affairs Committee's attention is very much focused on preparations for the 2016 Conference, in particular the speaker programme. The keynote speaker will be William White, Chairman of the

OECD's Economic and Development Review Committee. The Committee has also secured Michael Portillo to be the guest speaker at this year's Biennial Dinner on 1 December. The details of these and other LBMA events taking place later this year are summarised on page 13.

Charitable Donations

Each year, the LBMA identifies charitable causes to support on behalf of the Market. So far this year, the Committee has agreed to make a donation to Bowel Cancer Research and to PESTS, which is an Ealing-based charity that provides support to parents of children with special needs. The LBMA would welcome suggestions from Members for other suitable charities. The Executive can be contacted at mail@lbma.org.uk.

Finance Committee

The LBMA welcomes Brian Pereira, Finance Director at Brinks, who has been appointed the new Chairman of the Committee to replace Richard England. The LBMA would like to thank Richard for his great contribution throughout the 10 years that he served on the Committee. The Committee is focused on a range of issues, including reviewing end-year figures for 2015 as well as the budgets for LBMA events, most notably the annual conference in Singapore in October.

Executive Travel and Events

20 April 2016 – OECD Integrity Forum – Fighting The Hidden Tariff.

28 April 2016 – Aurubis 150 Anniversary.

09-14 May 2016 – OECD-ICGLR-UN GoE Forum on Responsible Mineral Supply Chains.

5 July 2016 – LBMA Seminar at the Gokhran, Moscow. The seminar will address a range of mutual issues of interest and include representatives from Russian refiners, the Russian State Assay Office, gold producers and the Central Bank.

The LBMA is Changing

Non-Executive Directors & Services for PGMs

As announced at the 2015 AGM, the LBMA is expanding its remit to provide new services and technology to the market. To support these new services, the LBMA must update its Memorandum & Articles of Association via a Members' Vote on 29 June.

**Notice of General Meeting
(Members' Vote on Governance & Scope)
29 June, Glazier's Hall**

All contacts from all Members, Affiliates and Associates are encouraged to attend all the LBMA's General Meetings. The focus of the June meeting will be a Members' Vote on the proposed changes to the Memorandum & Articles, to update the LBMA Governance to meet Best Practice and to formally include its support for the PGM markets.

The inclusion of the PGM markets will allow the LBMA to continue to hold the IP rights to the benchmarks on behalf of those markets. Formal papers and a draft of the proposed changes will be circulated closer to the date.

The normal proceedings for the Annual General Meeting will take place on 27 September also at Glazier's Hall.

**2016 LBMA/LPPM Conference
Shangri-La Hotel, 22 Orange Grove Rd,
Singapore**

16-18 October, 2016
The 2016 LBMA/LPPM Conference will take place amidst the splendid gardens surrounding the Shangri-La Hotel in Singapore. This year's event will be held in association with the Singapore Bullion Market Association (SBMA).



The Conference takes place over two and a half days, with proceedings beginning with a welcome and networking reception on Sunday afternoon followed by a full two day programme featuring speakers who are the leading experts drawn from all aspects of the international precious metals market. Speakers will be focusing on the key issues and trends within the international precious metals industry to inform and enlighten delegates attending.

Widely recognised as the premier event in the industry calendar, registration opens in early May. Keep an eye on the LBMA's website for details relating to registration, the speaker programme and other aspects relating to the Conference.

Sponsorship and Exhibition

There are also a wide range of sponsorship and exhibitor packages available. The Conference provides a unique opportunity for companies which service and support the precious metals markets to promote themselves and their products, either through sponsorship of events or by displaying their products in the exclusive exhibitors' area.

For all enquiries concerning sponsorship opportunities and exhibition booths, please contact Jamie Maskall, LBMA Head of Marketing at Jamie.Maskall@lbma.org.uk.

Press attendees

The LBMA offers members of the Press complimentary registration for the Conference (up to a maximum of two people per company). Any members of the press interested in attending the Conference should contact Aelred Connelly, LBMA Public Relations Officer at aelred.connely@lbma.org.uk.

LBMA Staff

The LBMA is delighted to announce the appointment of two new members of staff.

Manuela Burki has been appointed as the LBMA's Compliance Officer.



Manuela Burki.

Juan Modinger has been appointed as the Executive Assistant to the Chief Executive, Ruth Crowell, and the General Counsel, Sakhila Mirza.



Juan Modinger.

Market Moves



**Ian Penney joins
Standard Chartered**

Ian Penney joined Standard Chartered as Director in February 2016. Having worked at Mitsui Precious Metals and Natixis prior to that, Ian brings over 10 years experience in Commodities. He will report to Darren Botha the new UK Head Precious Metals Trading who has replaced Warren Holt after he retired in December 2015.

**Nicholas Frappell joins
ABC Bullion**

Nick Frappell has joined ABC Bullion in Sydney to become Global General Manager of the business. He worked previously at Mitsui & Co. Precious Metals Inc. in Hong Kong, responsible for growing business in ASEAN and Australia, and prior to that he worked for their London office. Nick was formerly manager of precious metals at Triland Metals, RBS Sempra Commodities, and Sumitomo Corporation, and has worked in London, Tokyo, Singapore and Hong Kong.

The Alchemist is published quarterly by the LBMA. If you would like to contribute an article, or if you like to place an advert in the *Alchemist*, please contact Aelred Connelly, London Bullion Market Association, 1-2 Royal Exchange Buildings, Royal Exchange, London EC3V 3LF
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