



# LBMA RULES

## FOR MEMBERS AND ASSOCIATES

V1, March 2020



# LBMA MEMBERSHIP RULEBOOK

<b>Section 1</b>	<b>Definitions</b>
<b>Section 2</b>	<b>Purpose and High-Level Principles</b>
2.1	Purpose
2.2	Principles
2.3	Legal and Compliance
<b>Section 3</b>	<b>Member/Associate Application Process</b>
3.1	Overview
3.2	Online Application and Supporting Documentation
3.3	Review Process
<b>Section 4</b>	<b>Operational Requirements</b>
4.1	Classification
4.2	Periodic Reviews
4.3	Fees
4.4	Notification
<b>Section 5</b>	<b>Rules</b>
5.1	Governance
5.2	Compliance
5.3	Business Conduct
5.4	Trade Reporting
<b>Section 6</b>	<b>Enforcement</b>
<b>Section 7</b>	<b>Resignation</b>
<b>Schedules:</b>	
<b>Schedule 1</b>	Statement of Commitment
<b>Schedule 2</b>	Members and Associate Requirements
<b>Schedule 3</b>	Membership and Associateship Benefits
<b>Schedule 4</b>	Membership Application Process

## Section 1: Definitions

Applicable Laws	The laws, rules and regulations applicable to a Member or Associate, as applicable, and the precious metals market in each jurisdiction in which they operate or transact.
Associate	An entity who is affiliated to LBMA through election and by payment of an annual subscription, but is not a Member
Affiliate Members	Members who are affiliated to a Market Making Member or Full Member
Clearing Members	Market Making Members that also generally provide the service of clearing gold, silver, platinum and/or palladium
The Code	The Global Precious Metals Code issued by LBMA (or any relevant entity which may replace it in such function in the future), the most recent version of which was issued in April 2018
Due Diligence	Performing checks on each Member or Associate as per LBMA's Due Diligence Policy
Due Diligence Policy	The policy developed by LBMA to govern how its staff perform ongoing and specific Due Diligence on Members, Associates, Good Delivery Refiners and all applicants. A copy of LBMA's Due Diligence Policy is available upon request
Exchange Affiliate Member	A subsidiary classification of Full Member and is solely open to any Market Exchange operating companies that wish to become a Member of the LBMA. No other classification of Membership is available for Exchange operating companies.
ExCom	Comprises the Executive Committee Leadership team and the Chief Executive to whom the LBMA Board has delegated some decision-making powers
FSMA	The Financial Services and Markets Act 2000 together with any subsidiary legislation and guidance, including the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and the Financial Conduct Authority Handbook
Full Member	Members (other than a Market Making Member, Affiliate Member or Exchange Affiliate Member) which, at the time of admission to Membership or following reclassification, are actively engaged in the London Bullion Market



LBMA	London Bullion Market Association
LBMA-i	The trade transparency and reporting service for the London Bullion Market
London Bullion Market	The London gold and/or London silver market and/or London platinum market and/or London palladium market
Market Maker	An entity which represents itself as consistently willing to quote prices and enter into transactions, as principal, for the purchase and sale of gold, silver, platinum and/or palladium for spot or for forward settlement or of options on gold, silver, platinum and/or palladium in the London Bullion Market, at prices determined by it generally throughout recognised working hours each business day
Market Making Member	Members which, at the time of admission to Membership or following reclassification, are Market Makers
Member	The Members of LBMA are the subscribers to the Memorandum of Association and such other persons as the Board shall admit to Membership in accordance with the Articles of Association
Membership Committee	Subcommittee of the ExCom with delegated authority to make recommendations and provide guidance on Membership of LBMA
The Office	The registered address of LBMA
Reporting Member	Includes all LBMA Market Makers, LBMA Full Members who trade any of the Reporting Products, and LBMA Full Members who trade above the <i>de minimis</i> level (as defined in the LBMA-i Governance Framework)
Reportable Products	All precious metals data in the following instruments: spot; forward; options; swaps; leases/loans/deposits



## Section 2: Purpose and High-Level Principles

### 2.1 Purpose

LBMA is the international trade association that represents the global wholesale over-the-counter (OTC) market for precious metals. The role of LBMA includes helping to ensure the market operates against a fair and effective framework, and it therefore plays a fundamental role in setting standards and providing for quality assurance.

For LBMA to effectively carry out its obligations, these Rules for Members and Associates (Rule(s)) have been established as a requirement that all Members and Associates of LBMA must meet.

This Rulebook comprises:

- i. Principles that all Members and Associates must adhere to
- ii. Application Process
- iii. Operational Requirements for all Applicants
- iv. Business Conduct Rules
- v. Enforcement Provisions
- vi. Resignation Procedure

The Rules are set by the ExCom and ratified by the Membership Committee and Board of LBMA and may be altered in accordance with the powers conferred on them by the Articles of Association.

Notices may be issued by the ExCom that may contain an administrative procedure (a Notice) for implementing the Rules or any part thereof and shall have the same force as the Rules. Where a Rule has been amended, a Notice shall be sent to the appropriate category of Member or Associate to which it applies.

For the purpose of these Rules, both a Rule and Notice shall be referred to as Rule(s) collectively.

LBMA reserves the right to make changes to this Rulebook at any point. Any changes will be communicated in a timely way, and all Members will be provided with reasonable notice to implement and comply with the changes.

### 2.2 Principles

The Principles represent the overarching spirit of the Rulebook. Breaching a Principle can potentially lead to removal from LBMA membership as highlighted in section 7 (Enforcement).



**Principle 1 – Integrity:** A Member/Associate must act with integrity including by adopting best practice and responsible business practices, and must be open and cooperative in its dealings with LBMA.

**Principle 2 – Skill, care and diligence:** A Member/Associate must conduct its business with due skill, care and diligence.

**Principle 3 – Management and control:** A Member/Associate must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.

**Principle 4 – Financial prudence:** A Member/Associate must maintain adequate financial resources and records.

**Principle 5 – Market conduct:** A Member/Associate must observe proper standards of market conduct.

## 2.3 Legal and Compliance

Members/Associates are responsible for adopting their own internal policies and procedures designed to comply with the Applicable Laws. In the event of a conflict between the Applicable Laws and these Rules, the Applicable Laws will prevail.

The Rules shall be binding on all Members and Associates. Failure to comply with any of the Rules or with any decision of the Board or direction of the ExCom made pursuant to the Rules shall constitute a breach of the Rules, and may lead to potential disciplinary action, up to and including termination of Membership or Associate status.

The ExCom may grant to a Member or Associate a waiver of particular requirements of these Rules in such circumstances and subject to such conditions that they deem fit. Such waivers may be provided by the ExCom if it is satisfied that:

- a) Compliance with the relevant requirements would be unduly burdensome to the Member or Associate;
- b) The waiver would not create unacceptable risks for the market generally or any other Member; and
- c) The waiver would not result in unreasonable or inequitable discrimination between Members or Associates.

Waivers granted by the ExCom shall be notified at the next meeting of the Board.



## Section 3: Member/Associate Application Process

### 3.1 Overview

LBMA aims to process applications in accordance with the process set out in Schedule 4 in approximately three to four months. The timeframe can change, depending on the outcomes of the detailed Due Diligence process and questions arising from the LBMA committees (ExCom and Membership Committee).

### 3.2 Online Application and Supporting Documentation

All new applicants (Applicants) must complete an online application form. The application form is accessible via the [MyLBMA](#) portal. As part of the online application, Applicants must provide three Members as attestors to support their application. The attestors must be current Members with whom the Applicant has had a bullion-based relationship for at least one year. The attestors must each provide a letter of recommendation, confirming the nature and duration of their bullion-based relationship with the Applicant.

In addition, in accordance with section 4.3, Applicants should pay an application fee before the Due Diligence process can commence.

### 3.3 Review Process

The LBMA Executive Staff will review the application, carry out enhanced Due Diligence through external database searches and prepare a file for the Membership Committee to review. The Membership Committee may ask additional questions, reserve the right to interview the Applicant, and once satisfied, will provide a recommendation for the ExCom's consideration.

The ExCom will have the ultimate decision to accept or reject an application, and this decision will be ratified by the LBMA Board. A letter will then be sent to the Applicant informing them of the decision. However, LBMA is not obliged to provide any reason for its decision to approve or reject.

This process applies to all applications for all Membership classes and for Associates.



## Section 4: Requirements

### 4.1 Categorisation

There are two categories available to Applicants: Membership category or Associate category. Under each category, there are different classes available. Every Applicant must make clear which category and, where appropriate, which class, they are applying under. If approved, every Member/Associate then needs to make sure the requirements attributed to each category are followed.

#### 4.1.1 Membership

LBMA Membership is divided into four classes:

- a) Full Members
- b) Market Making Members
- c) Affiliate Members
- d) Exchange Affiliate Members

See section 1 for definitions.

The ExCom and the Membership Committee must be satisfied that each Member meets the specific relevant requirements set out in Schedule 2 of this Rulebook and that they comply with the Rules.

The benefits currently associated with each Member class are set out in Schedule 3, which also highlights the voting rights as well as the appropriate restrictions.

Membership of LBMA and all related rights are not transferable.

#### 4.1.2 Associate

Associates must be businesses whose activities are relevant to the London Bullion Market. Associates are not members of LBMA and cannot be an individual person. There is no provision for subdivision of Associates; all are of a single class and have equal rights and responsibilities.

The ExCom and the Membership Committee must be satisfied that each Associate meets the specific relevant requirements set out in Schedule 2, and that they comply with these Rules. Associates are also subject to restrictions in voting which are set out in Schedule 3.

Associates have no right to vote in the affairs of LBMA. They do, however, have the right to make representations of their views through the Chief Executive of LBMA, who is bound to bring the views of any Associate to the attention of the Board should an Associate request the Chief Executive to do so.





The Associate status and all related rights are not transferable.

### 4.1.3 Reclassification

#### Changing Membership Category

A Member may change its Membership category or apply for a new category in respect of a new service. This change may only be made if the Member meets the requirements of the new category and approval is provided by the ExCom. The change or addition in category may be subject to an increase in the annual subscription fee and would become payable in the year of application.

#### Market Making Members

Any applicant wishing to be classified as a Market Making Member must first be a Full Member in order to be eligible to apply for reclassification. The Full Member should apply in writing, stating for which product(s) it would like to apply for Market Making status. The ExCom may at any time in its absolute discretion reclassify a Market Making Member as a Full Member.

The Member will need to undergo a probationary period of approximately three months, during which time it must provide two-way price quotes to the current Market Making Members. At the end of the probationary period, a poll is taken of the current Market Making Members to determine in their good faith judgement whether they are satisfied with the service provided by the applicant Member and are willing to recommend its application for Market Making status to the ExCom. If the current Market Making Members are not satisfied with the service provided by the applicant Member, they must provide the ExCom with such detail of the shortcomings as the ExCom reasonably requests.

## 4.2 Periodic and Ad Hoc Reviews of Members and Associates

### 4.2.1 Periodic Reviews

LBMA reviews every Member and Associate periodically. This includes, but is not limited to, review of compliance with these Rules and the Member or Associate's standing and engagement in the London Bullion Market. In addition, LBMA may request the Member or Associate to obtain a renewed letter of attestation from its original three attesters. If one or more of the original attesters is no longer an LBMA Member, a new attester must be provided.

### 4.2.2 Ad Hoc Reviews

LBMA may carry out an ad hoc review of any Member or Associate at any time. Such a review may be instigated under various circumstances, including but not limited to adverse media coverage, or any allegation or evidence of a potential breach of the Applicable Laws.



### 4.2.3 Provision of Information

Subject to the Applicable Laws, LBMA reserves the right to ask for information related to a periodic or ad hoc review. This can include but is not limited to:

- a) Annual audited accounts (including balance sheet, profit and loss account, and cash flow statement) within four months of the end of its financial year, together with those of its ultimate parent company (if any);
- b) Further information in relation to commercial matters;
- c) Further information in relation to regulatory and compliance matters;
- d) Further information to confirm compliance with the Code and/or Applicable Laws;
- e) Details of systems, controls and procedures attested by the Members/Associates' Board of Directors and/or a reasoned legal opinion from a reputable law firm that such relevant systems, controls and procedures are appropriate to address any applicable legal or regulatory requirements.

### 4.2.4 On-Site Inspection

Where routine Due Diligence checks or market intelligence raise concerns about a Member or Associate, the Chief Executive and those empowered by her, generally or in any specific case, shall be entitled to attend at the premises of any Member or Associate for the purpose of inspecting any of the information referred to in section 4.2.3 and the Member or Associate must ensure that all cooperation is afforded.

### 4.2.5 Government/Regulatory Enquiry

The Chief Executive and those empowered by her, generally or in any specific case, may cooperate with any governmental or regulatory or enforcement organisations in such manner as they deem fit. However, LBMA is not obliged to share any trade data that is being reported under section 6.

## 4.3 Fees

### 4.3.1 New Applicant Fee

All Applicants must pay an application fee. The application fee is non-refundable regardless of the application's success.

### 4.3.2 Annual Subscription Fee

On admittance to LBMA, an annual subscription is payable. Membership/Associateship runs from 1 January to 31 December and subscription fees will be adjusted on a pro rata basis throughout the first Membership/Associateship year. This subscription fee must be made before the publication of any admittance decision is made. This annual subscription fee may vary from time to time.

All Members and Associates must pay the annual subscription fee within 30 days of invoicing on or before 1 January of each year, except for the calendar year when Membership/Associateship first commenced. Should the payment of any subscription fees be extended beyond the 90-day point, a non-negotiable surcharge will be added to the cost of fees at the rate stated within the annual subscription renewal letter.



A Member or Associate is not entitled to exercise any of the rights or privileges of Membership/Associateship unless and until the Member or Associate has paid all fees to LBMA.

If a Member or Associate resigns or Membership/Associateship is terminated/revoked, the annual subscription fee is payable in full for the year in which its resignation or termination occurs. If the Member or Associate has already paid the annual subscription fee, there is no entitlement to recover such payment or any part thereof from LBMA.

Ultimately, the Board reserves the right to amend any of the fees.

## 4.4 Notification of change

### 4.4.1 Changes to Member or Associate Particulars

A Member or Associate must promptly notify LBMA if there has been a change in:

- a) Name;
- b) Registered address;
- c) Ownership or majority shareholding and in particular where any person becomes or ceases to be, or proposes to become or cease to be a controller;
- d) Corporate/partnership structure;
- e) LBMA primary contact;
- f) Any permission(s) or relevant exclusion(s) used by such person to carry on a regulated activity by the UK Financial Conduct Authority (or an equivalent regulator) – for example, if there has been a variation or cancellation of a permission; or
- g) Any other particulars provided in the original application.

### 4.4.2 Notifying

This notification must be made in writing, addressed to the Chief Executive and sent to the LBMA Office.

### 4.4.3 Review

On receipt of the Notice sent under section 4.4.1, the ExCom may review the suitability of the Member or Associate. The ExCom may require the Member or Associate to provide additional information to help with the review. If at the end of the review, the ExCom is not satisfied that the Member or Associate continues to fulfil the criteria for Membership or of an Associate, the ExCom may suspend/terminate the rights of the Member or its status as an Associate as outlined in section 6.



## Section 5: Business Conduct Rules

These Rules apply to all Members/Associates, with the exception of section 5.4, which applies to Reporting Members only.

Members/Associates must have an effective governance framework that ensures accountability and oversight of their business. Members/Associates must also have a compliance and risk framework that provides for a robust control and compliance environment, which identifies and manages risks associated with their engagement in the market.

This section sets out the Rules that each Member/Associate must meet at a minimum to demonstrate how they are managing their risks. Various elements of this section are also supported by detailed policies applicable to all Members/Associates, for example, the Code. This section does not replace the detail provided within the Code.

Failure to meet the requirements of this section can potentially lead to the Membership/Associateship being suspended or revoked (as provided for under section 6). The determination of any sanction is based on the sole discretion of the ExCom.

### 5.1 Governance

- 5.1.1 Required to ensure that it is appropriately incorporated and structured in the relevant jurisdiction.
- 5.1.2 Required to ensure that the named contact representing its organisation has the authority to interact with LBMA.
- 5.1.3 Required to deal with LBMA or its representatives in an open and cooperative manner and keep LBMA promptly informed of anything concerning the Member or Associate that might reasonably be expected to be disclosed to it.

### 5.2 Compliance

- 5.2.1 Required to pass LBMA Due Diligence checks and procedures on an ongoing basis.
- 5.2.2 Required to ensure that any business conducted by it, or through any of its dealers or staff, shall not cause the Member or Associate or staff of LBMA to be in breach of any Applicable Laws, which includes, but is not limited to the UK Bribery Act 2010 and FSMA.
- 5.2.3 Required to comply with all relevant economic/trade sanctions lists, which for the avoidance of doubt includes, but is not limited to, the UN, EU, UK, US sanction lists.



Breach of any economic/trade sanctions lists will lead to immediate removal from the List.

- 5.2.4 Required to have appropriate anti-money laundering and financial crime systems, controls and procedures. The adequacy of such procedures must be satisfactory to address the risk that LBMA Membership may be used for any improper purpose and to address any requirements under Applicable Law.
- 5.2.5 Required to ensure that all global wholesale precious metals market business is conducted with integrity and complies with the principles of the Code. The Member or Associate must be able to attest its compliance to the Code by a signed Statement of Commitment provided in Schedule 1 of this Rulebook.

## 5.3 Business Conduct

- 5.3.1 Required to organise and control its internal affairs in a responsible and effective manner with appropriate and adequate risk management systems.
- 5.3.2 Required to ensure that all of its dealers, staff and directors involved in the conduct of business in any regulated market, or on a recognised exchange are fit and proper, suitable, appropriately and adequately trained, properly supervised, and, where appropriate, suitably qualified.
- 5.3.3 Required to have appropriate and adequate business continuity plans.

## 5.4 Trade Reporting

- 5.4.1 Required to comply with the Trade Reporting requirements.

All Reporting Members are required to report all Reportable Products to LBMA-i at the end of each business day, in accordance with the data reporting standards set out in the LBMA-i Governance Framework. The LBMA-i Governance Framework is available at [www.lbma-i.com](http://www.lbma-i.com).

Reporting Members must report all Reportable Data to the extent they do not have any other conflicting commitments, for example, client contractual obligations.

All Reporting Members must pay due regard to the integrity of their reported trade data, ensuring it is accurate, fair and not misleading. Each Reporting Member is required to ensure its internal trade record-keeping is appropriate and adequate and that it is capable of complying with the trade reporting requirements and rules using LBMA-i.

If a Reporting Member consistently fails to report trades promptly and correctly to LBMA-i, or is unwilling to do so, this would be deemed a breach of these Rules and the Reporting Member would be subject to the options outlined in section 6. Consistent failures to report can include (i) missing deadlines for reporting trades



to LBMA; (ii) submitting incorrect trades to LBMA, requiring continuous amendments; or (iii) lack of engagement and response to LBMA in its requests for information relating to Trade Reporting, if any of these occur over a period lasting longer than five consecutive days.

These Trade Reporting requirements are in addition to any other transaction reporting requirements that may apply to a Reporting Member under Applicable Law or otherwise.



## Section 6: Enforcement

### 6.1 Sanctions for Failure to Comply with these Rules

#### Level 1

##### 6.1.1 Warning and/or Suspension

If a Member or Associate is found to be in breach of these Rules, the ExCom has the following options available, at its sole discretion:

- a) Written warning: a written warning will be issued, asking the Member/Associate to remediate the breach within given time. Failure to remedy, could lead to suspension, or termination.
- b) Suspension: LBMA reserves the right to suspend Membership or Associateship status with immediate effect until further notice should LBMA require time to investigate potential issues/breaches. If on further analysis, LBMA determines that the Rules are not being adhered to, LBMA reserves the right to terminate or revoke Membership/Associateship.

#### Level 2

##### 6.1.2 Termination

If a Member or Associate:

- a) Commits a serious breach of these Rules;
- b) Repeatedly breaches these Rules (which can amount to a serious breach);
- c) Fails to remedy a breach within six months of first being sent a warning notification; or
- d) Commits a serious offence under the rules of any relevant regulatory body;

and it is determined by the ExCom that as a result of the breach or offence, the Member's/Associate's continuing Membership or Associateship status could bring LBMA into disrepute, the Membership or Associateship status may be terminated/revoked.

If a Member or Associate ceases carrying on business, is adjudicated bankrupt or makes any scheme, arrangement or composition with its creditors generally, or an administration order is made in respect of any Member or Associate or a resolution is passed or an order is made for the winding up or dissolution of any Member or Associate, or if an award of sequestration is made against any Member or Associate, or a similar event which occurs under the law of a country outside the United Kingdom, LBMA reserves the right to terminate or revoke Membership/Associateship.

##### 6.1.3 Termination by Calling a General Meeting

Alternatively, subject to the provisions of the Applicable Laws, any Member or Associate may be removed from Membership or such status of LBMA by a resolution of the Members in a General Meeting. The resolution must be passed by at least three-fourths of the Members of LBMA present and voting at a General Meeting. The General Meeting can only take place if not less than 28 clear days' notice has been provided to the party



whose removal is in question and to all the Members of LBMA, specifying the intention to propose such resolution. Notice of the general nature of the grounds on which such resolution is proposed must be sent to the Member or Associate whose removal is in question at least 14 clear days before the meeting, as it is entitled to be heard by the Members at that meeting.





## Section 7: Resignation

A Member or Associate may at any time resign from LBMA by giving notice in writing to LBMA and shall thereupon cease to be a Member or cease to have Associate status.

In the event of a Member or Associate resigning, the annual subscription fee shall be payable in full for the year during which such resignation or termination of Membership or Associateship occurs. If the Member or Associate has already paid its annual subscription fees, the Member or Associate shall not be entitled to recover such payment or any part thereof from LBMA.



## Schedule 1 – Global Precious Metals Code

### STATEMENT OF COMMITMENT TO THE GLOBAL PRECIOUS METALS CODE

[Name of institution] (“Institution”) has reviewed the content of the Precious Metals Global Code (“Code”) and acknowledges that the Code represents a set of principles generally recognised as good practice in the wholesale Precious Metals Market (“Market”). The Institution confirms that it acts as a Market Participant as defined by the Code, and is committed to conducting its Market activities (“Activities”) in a manner consistent with the principles of the Code. To this end, the Institution has taken appropriate steps, based on the size and complexity of its Activities, and the nature of its engagement in the Market, to align its Activities with the principles of the Code.

[INSTITUTION NAME]

Date:

## Schedule 2 – Member and Associate Requirements

Member/Associate Requirements	Market Making Member	Full Member	Affiliate	Exchange Affiliate	Associate
Is incorporated in the UK or overseas	X	X	X	X	X
Is active in areas that are closely related to the London Bullion Market	X	X	X	X	
	These activities include trading, broking, shipping and storage, mining, refining, inspection and assaying, and research. For companies trading bullion and derivatives, this means trading bullion or related derivatives, such as forwards and options, in the loco London market with at least three existing Members.				
Has activities that are relevant to the global precious metals markets					X
	Activities such as trading, refining (must have LBMA Good Delivery List status before an application will be considered), melting and assaying, fabricating, broking, mining, vaulting, inspections, auditing, consultancy or whose business activities are relevant to LBMA.				
Is able and committed to comply with the Global Precious Metals Code	X	X	X	X	(X)
	For banking, trading and broker entities only (including GDL Refiners with trading arms).				
Is able and committed to comply with the requirements of the Trade Reporting regulations	X	X	X	X	(X)
	For banking, trading and broker entities only (including GDL Refiners with trading arms).				
Enjoys a financial and business standing suitable for the type of Membership that it is applying for	X	X	X	X	X
	In assessing this criteria, the Membership Committee and ExCom will have regard to the suitability of its employees or representatives.				
Is able to respond quickly to requests for prices from other Market Makers, providing two-way price quotations in line with current market conditions	X				
	Market Making applies to spot, forward and options trading, and applicants can apply by specific product or a combination thereof. Applicants who are admitted for all three products will be deemed to be Full Market Making Members.				
Offers the service during normal London Bullion Market trading hours	X				
	These are 08:00 to 17:00 GMT or, on days when the New York market is closed, until the London PM Gold Price auction.				



Is able to quote any combination of spot, options and forwards for both gold and silver throughout the London business day in the maximum quantities	X															
	Quantities are subject to review and amended from time to time by the LBMA Board.															
	<p><b>Note - Current Market Making Quantities:</b></p> <table border="1"> <thead> <tr> <th>Metal</th> <th>Spot</th> <th>Forwards</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Gold</td> <td>5,000 oz</td> <td>100,000 oz to 6 months 50,000 oz from 6 months to 2 years 32,000 oz from 2 to 5 years</td> <td>50,000 oz during the period 1 week to 3 years</td> </tr> <tr> <td>Silver</td> <td>100,000 oz</td> <td>1M oz up to 6 months 500,000 oz from 6 months to 1 year 250,000 oz from 1 to 3 years</td> <td>1M oz from 1 week to 1 year 0.5M oz from 1 to 3 years</td> </tr> </tbody> </table>					Metal	Spot	Forwards	Options	Gold	5,000 oz	100,000 oz to 6 months 50,000 oz from 6 months to 2 years 32,000 oz from 2 to 5 years	50,000 oz during the period 1 week to 3 years	Silver	100,000 oz	1M oz up to 6 months 500,000 oz from 6 months to 1 year 250,000 oz from 1 to 3 years
Metal	Spot	Forwards	Options													
Gold	5,000 oz	100,000 oz to 6 months 50,000 oz from 6 months to 2 years 32,000 oz from 2 to 5 years	50,000 oz during the period 1 week to 3 years													
Silver	100,000 oz	1M oz up to 6 months 500,000 oz from 6 months to 1 year 250,000 oz from 1 to 3 years	1M oz from 1 week to 1 year 0.5M oz from 1 to 3 years													



### Schedule 3 – Membership and Associateship Benefits

Member/Associate Benefits	Market Making Member	Full Member	Affiliate	Exchange Affiliate	Associate
Vote at General Meetings, Annual General Meetings or on written resolutions	X	X			
	<b>For Affiliates only:</b> Unless the Market Making Member or Full Member to which the Affiliate Member is affiliated has nominated the Affiliate Member to exercise such rights on behalf of and in place of it.				
Count toward the quorum at General Meetings or Annual General Meetings	X	X			
	<b>For Affiliates only:</b> Unless the Market Making Member or Full Member to which the Affiliate Member is affiliated has nominated the Affiliate Member to exercise such rights on behalf of and in place of it.				
Nominate, vote, propose or second Board Members	X	X			
	<b>For Affiliates only:</b> Unless the Market Making Member or Full Member to which the Affiliate Member is affiliated has nominated the Affiliate Member to exercise such rights on behalf of and in place of it.				
Run for election to the Board	X	X			
	In accordance with the Articles of Association, there are six elected posts on the LBMA Board. There are three posts for Market Making Members and three for Full Members. Elections for Market Making and Full Member posts are held on alternate years in accordance with the Articles of Association.				
Benefit from the Terminal Markets Order	X	X	X	X	
	The Terminal Markets Order is an agreement between LBMA and HM Revenue & Customs, providing Members with zero-rated VAT on investment gold and silver products. Specific terms are covered under the HMRC/LBMA Memorandum of Understanding.				
Eligible to apply to Benchmark Administrators to become a Direct or Indirect participant in the Benchmark Price Auction processes	X	X	X		X
	Please note that the ultimate decision to participate in the benchmark auctions rests with the relevant benchmark administrator.				
Significant discounts for Annual Conference and other open events	X	X	X	X	X
Access to free to attend “Member Only” events, enabling networking	X	X	X	X	(X)
	Some limitations may be placed upon Associate attendance, depending on the nature of the event.				



with other Member businesses					
Access to free educational webinars	X	X	X	(X)	(X)
	Webinars are targeted to appropriate industry sectors and access to webinars may be limited to Members, depending upon the subject matter.				
Access to market intelligence and expert analysis	X	X	X	X	X
LBMA Membership demonstrates integrity and transparency throughout precious metals supply chain	X	X	X	X	(X)
	Coupled with organisation's attestation to the Code.				
Receive advance notice of upcoming legislation, providing organisations with the opportunity to lobby legislation	X	X	X	X	(X)
	While Associates may receive notification of such changes, they may only make representations to the LBMA Executive who will raise any issues for the Board's consideration.				



## Schedule 4 – Membership Application Process

