

1 Eligible Collateral

1.1 LME Clear will accept the following as Eligible Collateral:

Eligible Cash currencies	Eligible Securities	Eligible Gold	Eligible LME Warrants
USD	United States Maturities between 5 Business Days and 30 years Ticker; B, T, TF	Allocated LBMA Gold	High Grade Aluminium
GBP	United Kingdom Maturities between 10 Business Days and 30 years Ticker; UKT, UKTB		Copper
EUR	Germany Maturities between 5 Business Days and 30 years Ticker; BKO, BUBILL, DBR, OBL		Lead
JPY	France Maturities between 5 Business Days and 30 years Ticker; BTF, BTNS, FRTR		Nickel
CNH	Netherlands Maturities between 5 Business Days and 30 years Ticker; DTB, NETHER		Tin
	Finland Maturities between 5 Business Days and 30 years Ticker; RFGB, RFTB		Zinc
	Japan Maturities between 5 Business Days and 20 years Ticker; JGB, JTDB		



Note 1

- 1.2 All Eligible Securities must be issued and explicitly guaranteed by the government or central bank of the relevant country listed in the table in Section 1.1.
- 1.3 All Eligible Collateral can be used to cover debit contingent variation margin.
- 1.4 Credit contingent variation margin can be used to offset margin requirements.
- 1.5 For securities, the Eligible Collateral type may differ relating to the issuer and the following types of securities will not form part of Eligible Collateral:
 - a) strips;
 - b) perpetual bonds;
 - c) zero coupon bonds;
 - d) inflation linked bonds;
 - e) floating rate notes issued by the Japanese government;
 - f) private placement issuance;
 - g) structured bonds or notes;
 - h) bonds or notes with optionality.
- 1.6 Eligible Securities must be issued in the home country of the issuer and be denominated in their domestic currency.
- 1.7 LME Warrants will only be allowed to cover margin liabilities resulting from the same underlying metal (i.e. copper warrants may cover margin liabilities resulting from copper positions but not margin liabilities resulting from any other metal);
- 1.8 Members wishing to post non-cash collateral will be required to sign additional documentation. Certain formalities (including registration of security interests) may apply before non-cash collateral is accepted. LME Clear will only accept non-cash collateral from Members where it is satisfied that the arrangements are enforceable without delay in the event of a member default. In relation to warrants, members should note there is a lead time to posting warrants as collateral due to the requirement to obtain legal advice as to the enforceability of the arrangements in the relevant jurisdiction(s).