

JANUARY 2020

**REVISIONS TO THE LOOSE-LEAF RULEBOOK  
OF THE LONDON METAL EXCHANGE**

**Release No 110**

Enclosed are replacement pages of the LME Rulebook affected by recent revisions.

Updates comprise:-

Contents Page – Replace the contents page

Part 3 – Replace page 3-26

Details of the substantive changes are below:

	CORRECTION OF AN INCORRECT RING REFERENCE
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**Tom Hine**

Ref: R110 (2020/1)

5.7.6 For the avoidance of doubt, the daily Settlement Price for LMEprecious Options may be used for the purpose of margin calculations, but shall not be the price by reference to which the contract shall be exercised or abandoned on the Expiry Day (which price shall be the Settlement Price comprising the Exercise Reference Price, as determined in accordance with the LMEprecious Option Regulations).

## 6. **CLOSING PRICES AND MARGIN**

6.1 After the close of the afternoon Ring trading session on each Business Day, the Quotations Committee shall determine, in accordance with the applicable Pricing Methodology:

- (a) Closing Prices in the Major Currency for each metal (for which there is a Ring trading session) for each Prompt Date;
- (b) the Premium Contract Closing Prices for each Prompt Date; and
- (c) the Index Futures Closing Price for each month forward.

The Exchange shall contemporaneously publish these prices and shall communicate them to the Clearing House within a reasonable time after close of kerb trading (K2). The Quotations Committee shall, at the same time, advise the Clearing House of such quoted values of Metal Contracts and Premium Contracts for such other Prompt Dates as may be necessary to enable current prices for all Prompt Dates to be calculated. The Exchange may, subject to consultation where required in the circumstances, and where not inconsistent with the Exchange's regulatory obligations to maintain orderly markets, determine the methodologies and data that will be used by the Quotations Committee to determine Closing Prices, including by specifying the use of electronically-based methodologies and/or sources of data, where deemed to be appropriate. Regulation 6.3 below shall apply to any such methodology or change of methodology from time to time.

For the purposes of Initial and Variation Margin, Carries shall comprise two or more separately identifiable Contracts each with a different Prompt Date.

6.2 Where any documentation issued by the Exchange in relation to LMEprecious Futures refers to the "Closing Price" of such Contract(s), such reference shall be construed to mean the LMEprecious Daily Settlement Price.

6.3 The Exchange may, subject to consultation where appropriate in the circumstances, may determine that the methodology and/or source of data to be used by the Quotations Committee for determining the Closing Prices of any metal or tenor shall be changed, either on a time-limited or on a permanent basis. In the event that the Exchange proposes to make such a change, the Exchange shall, by Notice, provide Members with advance prior notice of the change and the basis on which such Closing Prices shall be determined. The Exchange shall provide such notice as it considers reasonable in the context of the proposed change and any operational impact on Members and the wider population of users of the Closing Prices.

## 7. **PAYMENT SYSTEM**

Every Clearing Member shall make such arrangements as may be requisite for his participation in the payment system administered by the Clearing House.