

SEPTEMBER 2022

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

**Release No 120**

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

Updates comprise:-

Part 2 – Replace the contents page and pages 2-44 and 2-45

Details of the substantive changes are below:

22/161	DECISION NOTICE ON OTC POSITION REPORTING & ACCOUNTABILITY LEVELS FOR REPORTABLE OTC POSITIONS
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**Tom Hine**

Ref: R120 (2022/3)

**PART 2**

**MEMBERSHIP, ENFORCEMENT AND DISCIPLINE**

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- (b) commit or permit the commission of any market abuse or any other breach of any applicable law or regulation applying to the Member, Client or the trading of any Contract; or
  - (c) enter into any Contract that is not compliant with any applicable Incentive Programme Requirements.
- 22.9 The Exchange may, at any time and from time to time, request from a Member such evidence as the Exchange may consider necessary or appropriate to determine the compliance by the Member, or any Client of the Member, with the Incentive Programme Requirements applicable to any Incentive Programme in which the Member or its Client is participating, and the Member shall, upon receipt of such request, promptly provide such evidence.
- 22.10 The Exchange may publish the names of any Member or Client participating in any Incentive Programme.
- 22.11 The Exchange may withdraw any Incentive Programme, together with any Incentive Programme Benefits available thereunder, at any time in its sole discretion. The withdrawal of any Incentive Programme shall not affect any Incentive Programme Benefits that have accrued to a Member prior to the time of such withdrawal.
- 22.12 Subject to Trading Regulation 21, a Member must not pursue, or permit any Client of the Member to pursue, a Market Making Strategy on the Exchange without first notifying the Exchange and entering into such agreements as the Exchange may specify, including any agreement required to satisfy any applicable legal or regulatory requirement. The Member must ensure that any activity it undertakes on the Exchange in pursuing a Market Making Strategy complies with the term of any such agreement, the Rules, including but not limited to the applicable requirements in Trading Regulation 21, and any relevant administrative procedure.
- 22.13 Regulation 22.12 above shall apply with effect from 3 January 2018.

## 23. **RECORDING OF TELEPHONE CALLS**

- 23.1 The Exchange may record:
- (a) telephone calls between representatives of Members and the Exchange; and
  - (b) the telephone number from which representatives of Members call the Exchange, together with the time, date and content of the call,
- and may maintain records relating to (a) and (b) above, in each case in accordance with the Exchange's policy on telephone recording from time to time and applicable law.

## 24. **PERIODIC OTC POSITION REPORTING**

- 24.1 Each Member shall provide to the Exchange, on a weekly basis (or such other frequency may be specified by the Exchange pursuant to Regulation 24.2):
- (a) such information in respect of positions under over-the-counter contracts;
  - (b) in respect of such metal(s);
  - (c) at such times; and

(d) in such format,

as in each case shall be specified by Notice, and which in the opinion of the Exchange could be important for its monitoring and ongoing operation of a fair and orderly market. For the avoidance of doubt, such information may include information regarding the over-the-counter positions of the Member and/or its affiliates and/or its clients.

24.2 The Exchange may, in its discretion, by Notice and with such advance notice as is practicable in the circumstances:

- (a) dis-apply the reporting requirement under Regulation 24.1 from any metal or, include any additional metal(s) to such reporting requirement; and/or
- (b) modify the reporting thresholds for any metal; and/or
- (c) modify the reporting format; and/or
- (d) modify the reporting frequencies or timescales for submission of the information.