LME Non-Display Licensing

Guidance and Frequently Asked Questions

THE LONDON METAL EXCHANGE

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1   Introduction

The LME introduced its market data Non-Display licence on 1 April 2021. A new attestation process will take effect from January 1st 2024.

2   Non-Display licensing

The Non-Display licence covers any use of LME Data other than where the use of the data is in support of its display or distribution, irrespective of delay class[1] ("**Non-Display**" use). If LME Data is being used in this way a Non-Display licence may be required. However, there are a number of fee waivers and licence exemptions available (see section 6 below).

The Non-Display licence can benefit an entire corporate group, therefore Licensees can apply for approval for an unlimited number of Affiliates to benefit from the single licence.

For the avoidance of doubt, the Non-Display licence does not apply to LBMA PGM data. To use LBMA PGM data in a Non-Display capacity a separate LBMA PGM Usage licence will be required.

For further information regarding LME Market Data policies, please visit https://www.lme.com/en-GB/Market-Data/Market-data-licensing or contact market.data@lme.com.

3   Application

Application for a Non-Display licence is via the LME Online Licensing Portal, which is accessible here from 1 January 2021. The application process is simple and requires the following information to be submitted:

- Details of the Licensee, and any affiliated entities to be covered under the agreement
- Data sources
- Details of how the data is being processed and used

Following submission of your application, if sufficient information has been provided, the LME will approve your application, or return it for further information to be provided. At this point, the licence will be executed by the parties, either electronically or in hard copy and subsequently uploaded to the LME Online Licensing Portal.

4   Categories of use

The LME categorises Non-Display use into three categories which are defined in the licence, and further guidance is provided below on various use cases, however this is not exhaustive and if you would like to discuss your specific use cases and how the below categories apply, please contact the LME at market.data@lme.com.

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[1] The LME licenses data under various delay classes, including real-time, 30 minute delayed, and next day delayed (after midnight UK time)

Category	Description
Trading Activities	Non-display use of the data where the Licensee conducts trading and settlement activities, including the trading of physical material, either on the LME or elsewhere, and trades as a principal on own account, or on behalf of clients. This includes, but is not limited to use in algorithmic trading applications, use in dealer to client platforms where LME data is not displayed, and order book analytics within trading environments;
Risk Management of LME Positions	Non-display use of the data for management of house and client positions either on exchange or conducted on an OTC basis;
Other	Non-display use of the data which is not Trading Activities or Risk Management of LME Positions and can include, but is not limited to, risk management of non-LME positions, trade surveillance software provision, order book analytics not within a trading environment, fund administration, portfolio management and research.

5 Attestations

Annual attestations are required under the LME Non-Display licence, submitted via the LME Licencing Portal.

Reporting must be submitted before the 23rd of December each calendar year.

6 Fees, Fee Waivers and Licence Exemptions

6.1 Fees

The fees for the Non-Display Licence, effective 1 January 2024 are as follows:

Annual License Fees (USD)	No. of Applications	Trading Activities	Risk Management	Other
Standard	1	13,200	3,960	6,600
Premium	2-3	26,400	7,920	13,200
Enterprise	4 +	52,800	15,840	26,400

The fees are applicable per number of applications of use in total, not by the number in each category of use, and are invoiced annually in advance, based on annual attestations submitted by the Licensee.

6.2 Fee Waivers

There are a number of fee waivers in place for the Non-Display licence, as further described below:

LME Member Waiver	LME members of categories 1, 2, 3 and 4 are fee waived for the purposes of Risk Management of LME Positions
Delayed Data Waiver	Applies to licensee solely using data that is 30 minutes delayed from time of original publication by the LME with the exclusion of data used for the purposes of 'Other' activity
New Testing Period	A testing period of one month from the start date of the agreement will be applied to all new licenses for the purpose of Trading Activity only
New LME Tier Waiver	Firms requiring Premium and Enterprise licences for the purpose of Trading Activity are eligible to a 25% discount of the annual licence fee in their first year

For the avoidance of doubt, the above waivers do not exempt Licensees from execution of the licence and submission of annual attestations to the LME.

6.3 Licence Exemptions

Parties may be eligible for an exemption if the use of the data solely comprises the activities below and therefore do not need to execute a licence via the Online Licensing Portal:

Licence Exemption	Eligible Users	Eligible Categories
Limited use of data ("De minimis") as per LME Usage Licence	Any party eligible for the "de minimis" exemption under the LME Usage licence as described in 4.3.1 of the LME Usage Licence FAQs	- Trading Activities - Risk Management of LME Positions

Participants who would like to discuss if the above exemption applies should seek confirmation from the LME by contacting market.data@lme.com.

7 Non-Display Use and other LME licences

The LME has a number of policies relating to Market Data that cover specific uses and complement the Non-Display licence, summarised below:

Subscriber Fees
Fees per user with access to, or applications processing the data. Reportable and payable to either Licensed Distributors or LME Members for the LMEselect API, for all same day receipt of LME data.

Non-Display Licence
Direct licence with the LME, where the data is not being processed for display or distribution purposes.

Separate licences for other use cases	Usage licensing *Required if the trademarks / data are being used as reference price in transactions / valuation and pricing activities*	Derived Data licensing *Required if the data is being used in creation of instruments such as indices, CFDs or ETPs*	Data rights in LME Rulebook *Applicable to LME Members only, providing additional rights above limited internal use*

The Non-Display licence is required where the data is being processed in certain application types but does not explicitly grant additional rights set out in the distinct licences for additional commercial purposes specified above. The granting of the right to process the data in a non-display manner or application in order to support these additional licensable use cases is subject to execution of the applicable licences.

As such, further licensing may be required alongside the Non-Display licence, or in some cases, the appropriate licensing may already be in place for existing customers.

For further information regarding available licensing for LME data, including distribution of data, please visit https://www.lme.com/en-GB/Market-Data/Market-data-licensing or contact market.data@lme.com.

8 Frequently Asked Questions

Is a licence required if:

1. **I am an LME member and I use real-time data in an application for risk management of positions on the LME:**

   Real-time use of the data in an application for the purposes of risk management requires a Non-Display licence, however LME members receive a fee waiver on the use of the data for this purpose. The number of instances of these applications should continue to be declared to your data provider in line with the LME Policy or LMEselect API Reporting Guide, depending on your data source.

2. **I am an LME member (or client) trading on the basis of real-time data:**

   If you are trading through a GUI and initiating a trade based on data displayed to you then this does not constitute Non-Display use as it is in support of its display. However, if the trade is based on an algorithmic process initiated by you then you will require a Non-Display licence. If you are a client and new to trading on the LME, you may be eligible for a fee waiver as detailed in 6.2 above, therefore please contact the LME to determine eligibility.

3. **I am an LME client and I use the data in an application for real-time risk management of positions on the LME:**

   Real-time use of the data in an application for the purposes of risk management requires a Non-Display licence. The number of instances of these applications should continue to be declared to your data provider in line with the LME Policy or LMEselect API Reporting Guide, depending on your data source. If you are new to trading on the LME, you may be eligible for a fee waiver as detailed in 6.2 above, therefore please contact the LME to determine eligibility.

4. **I am an LME client and I use real-time LME data in an algorithmic trading application:**

   Real-time use of the data in a manner where it is not displayed, but it is used for trading, constitutes Non-Display use and therefore this is licensable, and should be reported under the "Trading Activities" category of use. The number of instances of these applications should continue to be declared to your data provider in line with the LME Policy or LMEselect API Reporting Guide, depending on your data source.

5. **I am a physical market participant and I receive data via a display service from a Licensed Distributor:**

   Receipt of the data via a service where the data is displayed (e.g., Terminal) does not constitute Non-Display Use, therefore a licence is not required for this use case. Depending on how the data is being used, further licensing may be required.

6. **I am a physical market participant and I process LME data in a non-display application for my end of day risk management processes:**

   Use of delayed data in an application for the purposes of risk management requires a Non-Display licence, however fees are waived for use of delayed data for the "Risk Management of LME Positions" category of use. The number of instances of these applications should continue to be declared to your data provider in line with the LME Policy.

7. **I use delayed LME data in a non-display application for administrative activities related to house or client counterparty contracts, such as issuance of invoices:**

   Referencing LME data for administrative activities related to counterparty contracts, such as settlement and issuance of invoices reliant on processes non-display applications, constitutes Non-Display use under the category "Trading Activities". As such, this use is licensable, however fees are waived for use of delayed data. The number of instances of these applications should continue to be declared to your data provider in line with the LME Policy or LMEselect API Reporting Guide, depending on your data source.

8. **I receive LME data from the LMEselect API via an ISV screen, and I use it to trade on the LME interoffice telephone market and LMEselect:**

   Receipt and use of data via an ISV application where the data is displayed to the end user and reported to the Exchange via a Member/LMEselect Participant does not require a Non-Display licence as this display is in support of its distribution. Each instance of the data being displayed should continue to be declared to your data provider in line with the LMEselect API Reporting Guide.

9. **I am considering trading on the LME, and would like to process real-time data for the purpose of back testing my algorithm:**

   Non-display applications which are not in production and are undergoing internal testing benefit from a license exemption of one month for new applicants for the purpose of trading activity only. I if you are new to the LME, you may be eligible for a waiver as detailed in 6.2 above, therefore please contact the LME to determine eligibility. The number of instances of these applications should continue to be declared to your data provider in line with the LME licence or LMEselect API Reporting Guide, depending on your data source.

10. **I receive data from a licensed distributor and it is used for trading activities both on, and outside of the LME. The data is not displayed:**

    Real-time use of the data in a manner where it is not displayed, but it is used for trading, constitutes Non-Display use and therefore this is licensable, and should be reported under the

"Trading Activities" category of use. The number of instances of these applications should continue to be declared to your data provider in line with the LME licence.

11. I have a non-display application that processes LME data from both a licensed distributor, and an ISV. Do I need to get more than one licence, and do I need to pay fees per data source?

The Non-Display licence applies fees per number of applications and per relevant category regardless of the number of data providers/sources. As such, a single licence is required for your corporate group, and declared affiliates one fee applies per calendar year, based on the number of applications and category of use.

12. I receive data from a licensed distributor, and I consume it for use in a trade surveillance programme, which I then provide as a service to customers:

Use of the data in a trade surveillance programme where the underlying data is not displayed requires a Non-Display licence. This is categorised under the "Other" category of use. The number of instances of this application should continue to be declared to your data provider in line with the LME Policy. If the data is displayed, this is licensable under a distribution licence, and per user fees apply.

13. I am a licensed distributor of the data and consume data for redistribution to my customers:

This use case is in support of the distribution of the data under an LME licence and therefore this does not need to be covered by a Non-Display licence. Refer to the Distribution licence for further guidance.

14. I receive data from a licensed distributor, and I consume it for end of day fund administration activities:

Use of same day data in an application conducting non-display fund administration activities requires a Non-Display licence. This is categorised under the "Other" category of use. The number of instances of this application should continue to be declared to your data provider in line with the LME licence.

15. I have a Derived Data licence and create this data in non-display applications:

The Derived Data licence grants you the right to create the Derived Data, and this exempts you from requiring a Non-Display licence for the creation of the derived products only. Other uses of the data may still require licensing.

Any questions regarding any specific use cases can be sent to market.data@lme.com.