

To: All members and other interested parties

Ref: 16/026 : A:026

Date: 22 January 2016

Subject: **INTRODUCTION OF NEW MARKET DATA USAGE POLICY
EFFECTIVE 4 APRIL 2016**

Summary

1. The London Metal Exchange (LME) is introducing a new market data usage policy, which will come into effect from 4 April 2016. To support the launch of the policy, an online portal will be available for firms to register and apply for a licence for LME and/or London Bullion Market Association (LBMA) market data where required. From launch a number of fee waivers will be available to Category 1-5 Members and their Clients who are party to LME Client Contracts.

Background

2. LME prices are used as the global reference for metals trading. Many firms use the LME's trademark and pricing for their own commercial activities but do not pay the LME for that use, nor do they trade on the LME. The LME believes that it is fair that these firms obtain a licence to use the LME's proprietary information, given the value and credibility it provides.
3. Capitalised terms used in this Notice unless otherwise defined shall have the meaning ascribed to them in the LME Rules and Regulations (the "Rules").

Usage Licence

4. A licence will be required by any firm that uses LME or LBMA Platinum and Palladium (PGM) Data¹ or Trademark(s)² for either of the following uses:
 - a. for valuation and/or pricing activities; and/or
 - b. as a reference price in transactions.

(a "Usage Licence")

¹ "Data" shall mean data in any form relating to the LME market, including, without limitation, market data prices, volumes, quotations, indices, time stamps, news and other information relating to contracts and other instruments traded on any platform operated by the LME and the LBMA Platinum Prices and LBMA Palladium Prices.

² "Trademark(s)" shall include "LME" together with any other trademarks registered by LME or other marks or trading names as further notified from time to time and LBMA Platinum Price and LBMA Palladium Price.



5. For 2016, the Usage Licence will have two annual pricing options (prorated) depending on the number of Affiliates³ a firm wants to include in the licence:

LME Usage Licence

- a. Standard – includes the firm and up to five Affiliates: \$3,500
- b. Premium – includes the firm and unlimited Affiliates: \$8,500

LBMA PGM Usage Licence

- c. Standard – includes the firm and up to five Affiliates: \$1,000
- d. Premium – includes the firm and unlimited Affiliates: \$2,500

6. An online licensing portal will be made available in March 2016 to allow firms to register for a licence. An email will be issued to provide the link to the portal when it is available. In due course, the online licensing portal will also offer users an electronic facility to apply for existing market data licences. From March 2016, current next day data distribution licences will be available from the portal.

Fee waivers

7. Members and their Clients who require a licence should apply using the online licensing portal irrespective of eligibility for a fee waiver by 4 April 2016.
8. For 2016, the Standard LME Usage Licence fee will be waived for Category 1-5 Members and their Clients who are party to LME Client Contracts.
9. Members and their Clients who require Premium LME Usage Licences can apply for such licences via the online licensing portal. Please consult the Frequently Asked Questions (FAQs) for more information.
10. In accordance with Regulation 6.4 of the London Platinum Price and London Palladium Prices Regulations (“LPP Prices Regulations”⁴), Member Participants and their Affiliates (both as defined within the LPP Prices Regulations) who require a licence shall not be charged a fee for any LBMA PGM Usage Licence. Member Participants who require a licence also need to apply by 4 April 2016 using the online licensing portal.

Further information

11. An email will be issued in March to provide the link to the online licensing portal. The link will also be displayed on www.lme.com/pricing-and-data/usage.

³“Affiliates” shall mean a company which is a subsidiary or holding company of it, or any company which is a subsidiary of any such holding company, “holding company” and “subsidiary” having the meanings ascribed to them in section 1159 of the Companies Act 2006.

⁴ The LPP Prices Regulations are available from <https://www.lme.com/metals/precious-metals/governance>.



12. Please refer to www.lme.com/pricing-and-data/usage for Frequently Asked Questions (FAQs) and further information.
13. If you have any questions that are not addressed in the FAQs, please contact datalicensing@lme.com.

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