



Market Data Usage Licence FAQs

Please respond to:

LME Market Data

datalicensing@lme.com

THE LONDON METAL EXCHANGE

10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888

Registered in England no 2128666. Registered office as above.

[LME.COM](https://www.lme.com)

1 Introduction

1.1 What is a Usage Licence?

The prices discovered on the LME's platforms are used globally as the reference price, and often are used as the basis for physical trading, as well as in the valuation of trading portfolios and other pricing activities. The Usage Licence explicitly grants the use of the data for the permitted uses under the licence, and the recognition of being directly licensed by the LME and the ability to reference the Data and the LME Trademark(s) in client contracts can add value and credibility to your services.

A LME Usage Licence is required by any firm that uses LME data or trademark(s) for either of the following uses, other than for limited internal business use:

- i. For valuation and/or pricing activities where such activities do not constitute Non-Display Use; and/or
- ii. As a reference price in transactions.

A LBMA Usage Licence is required by any firm that uses London Bullion Market Association Platinum and Palladium (LBMA PGM) data or trademark(s) for either of the following uses, other than for limited internal business use:

- i. For valuation and/or pricing activities; and/or
- ii. As a reference price in transactions.

1.2 Are there any other uses of Data which require licensing?

The uses mentioned above in 1.1, and further described below in section 6, are not exhaustive, and are intended to provide guidance on the types of activities which may require a Usage Licence. There may be additional activities which may require a Usage Licence; therefore we would recommend that you contact datalicensing@lme.com if you require further clarification on whether particular use cases would require a Usage Licence.

Additional market data licensing agreements are required for the following activities:

- Distribution of data to third parties;
- Non-display use of data
- Distribution of data in media publications;
- Distribution of data via wallboards;
- Creation of derived data products (e.g. indices, certificates or CFDs);
- Creation of structured products that would otherwise be subject to the Financial OTC Booking Fee Policy (see section 5);
- Use of data for trading, clearing and/or settlement of contracts on exchanges or CCPs other than the LME and/or LME Clear;
- Natural user netting of fees for real time pre-trade transparency data.

If you require further guidance on whether licensing is required, please contact datalicensing@lme.com.



1.3 How does the Usage Licence work?

The Usage Licence is an enterprise-style licence which covers a company and its Affiliates at an entity level, rather than individual users/subscribers. The licence is managed and executed online so licensees can 'self-service' as required.

2 What Data can be licensed under Usage?

2.1 LME data

LME data, including all non-ferrous and ferrous data except for those datasets listed in 2.3 below, can be licensed under either a standard or a premium LME Usage Licence.

2.2 LBMA PGM data

The LME administers the AM and PM auctions on behalf of the London Platinum and Palladium Market and licenses the resulting LBMA PGM data. The LBMA PGM data can be licensed under a separate Usage Licence.

2.3 Non-Licensable Datasets

The LME has undertaken an impact assessment of all market data licensing arrangements in light of the European Benchmark Regulation (“**BMR**”). In light of this assessment, the LME has ceased to license certain prices to the Licensee under the LME Usage Licence, and the datasets that cannot be licensed are defined as “**Non-Licensable Datasets**”.

Non-Licensable Datasets is any data from the following datasets:

- Asian Reference Price;
- Cash Settled Futures Daily Settlement Prices;
- Contributed Options Volatilities and Strikes;
- Indicative Options Exercise Price;
- LMEprecious Daily Settlement Prices;
- LMEprecious Final Settlement Prices;
- LMEEX Daily and Final Settlement Prices;
- Moving Monthly Average Settlement Price; and
- Unofficial Closing Prices.

and as updated by the LME from time to time in writing.

3 Applying for a Usage Licence

Usage Licences are available for execution via the [LME Portal](#).

The LME Portal allows companies to apply online for their appropriate licence, electronically execute agreements and manage these on an ongoing basis. There are several licence types available for execution on the LME Portal.



4 Fees, Waivers and Exemptions

4.1 Fees

There are two tiers of licensing available for both LME and LBMA PGM Usage Licensing.

- i. Standard Licence – includes the Licensee and up to five affiliates;
- ii. Premium Licence – includes the Licensee and unlimited affiliates.

Fees are applied in accordance with the licensable data, the number of affiliates to be listed and also eligibility for fee waivers or exemptions.

4.1.1 LME Usage Licence Fees (effective 2021)

Licensee	Annual Licence Fees (USD)	
	Standard Licence	Premium Licence
LME Member (Category 1-5)	Fee waived	Fee waived
LME Client	Fee waived	5,000
LPP Member Participant	3,500	8,500
Physical Participant	Fee waived	Fee waived
Other	3,500	8,500

4.1.2 LBMA PGM Usage Licence Fees (effective 2021)

Licensee	Annual Licence Fees (USD)	
	Standard Licence	Premium Licence
LME Member (Category 1-5)	2,500	5,000
LME Client	2,500	5,000
LPP Member Participant	Fee waived	Fee waived
Physical Participant	2,500	5,000
Other	2,500	5,000



4.2 Fee Waivers

There are a number of fee waivers available for the LME and LBMA PGM Usage Licences, under which Licensees are still required to execute the agreement via the LME Portal:

4.2.1 Fee Waivers for LME Usage Licence

- LME Member firms benefit from a fee waiver on both the Standard and Premium LME Usage Licences;
- Any party who has received an LME registered Client Contract¹ in the last twelve (12) months can benefit from a fee waiver on the Standard LME Usage Licence, and receive a discount on the Premium LME Usage Licence;
- Physical market participants, who use LME data as a reference in physical supply contracts, can benefit from a fee waiver on both the Standard and Premium LME Usage Licence.

4.2.2 Fee Waivers for LBMA PGM Usage Licence

- LPP Member Participants² (parties who directly participate in the LBMA PGM auctions) can benefit from a fee waiver on both the Standard and Premium LBMA PGM Usage Licence.

4.2.3 Physical Use

Effective 1 January 2017, firms who require LME data for use as a reference price in their physical supply contracts (i.e. purchase or sales contracts) are eligible for a fee waiver for obtaining the LME Usage Licence.

Please note that the physical fee waiver only applies to the LME Usage Licence, it does not apply to the LBMA PGM Usage Licence which permits the use of LBMA Platinum and LBMA Palladium data and trademarks.

This change was communicated in Member notice 16/388:A381 on 15 December 2016.

4.3 Exemptions

A Usage Licence is not required if use of the data falls under one or more of the following categories:

1. *De minimis* threshold (applicable to LME Usage Licences):

Any company issuing transactions/contracts using the data (and not using the data for any other activities that may require a licence) with a combined annual notional value of \$10,000,000 (USD) or below, over a period of twelve (12) calendar months, is exempt from the Usage Licence and therefore does not need to apply, through use of the *de minimis*

¹ 'Client Contract' is a contract between an LME Member of category 1, 2 or 4, and any other party, which has been entered into the Matching System as a Client Contract, with definitions as per the [LME Rulebook](#).

² Member Participants as defined in the London Platinum Price and London Palladium Price Regulations ("LPP Price Regulations"),



threshold. Companies are requested to make their own assessment as to whether the combined annual notional value of their transactions using the data is below the threshold.

2. Recipients of contracts using the data (applicable to LME and LBMA PGM Usage Licences):

Companies who are solely recipients of contracts using the data, would not require a licence for those activities, whereas those issuing contracts which mandate the use of the LME or LBMA data may require a licence. Where the data is used in mutual agreements, e.g. both parties mutually agree to embed the use of the data in a contract, both parties would require a licence (unless under the *de minimis* threshold).

3. Internal use only:

Companies using LME and/or LBMA data for internal business use only do not need to apply for the Usage Licence (e.g. not in any commercial activities, or an external pricing or valuation activities).

5 Non-Display Use

The Non-Display policy covers any use of LME data other than in support of its' display or distribution, including accessing, processing, or consumption of data in this way.

If LME data is being used in a way where it is processed without being displayed to end users, or distributed to end users, a Non-Display Licence may be required. Use of LME data for pricing and valuation activities which are conducted in a non-display manner should be licensed under a Non-Display Licence. Where these activities are conducted with data being displayed, this should be licensed under an LME Usage Licence.

6 Financial OTC Booking Fee (FOTCBF)

As part of the LME Strategic Pathway, the LME has introduced a financial-intermediary booking fee for relevant LME metals OTC contracts. You may need to register under the FOTCBF if you are a financial intermediary that licenses LME data and does OTC LME business. Further information can be found at <https://www.lme.com/Trading/New-initiatives/Financial-OTC-Booking-Fee>.

7 Frequently Asked Questions

7.1 Usage Licensing and when it may be required

7.1.1 What are some examples of valuation and / or pricing activities?

The following examples would be considered valuation and/or pricing activities for the purposes of the Usage Licence when used for external business use. When the following activities are performed using LME data on a Non-display application, a Non-Display licence will be required instead of the LME Usage licence. For more information, on Non-Display licensing, please refer to <https://www.lme.com/en-GB/Market-Data/Market-data-licensing/Non-display>.



Please note that valuation and/or pricing activities are not limited to the below list. If you would like further guidance as to whether you require a Usage Licence, please contact market.data@lme.com.

- Collateral calculations;
- Portfolio valuations;
- Contract pricing;
- Asset valuations;
- Valuation of holdings or inventories;
- Pricing curves;
- Discount curves; or
- Forward curves.

7.1.2 What are some examples of using LME and LBMA PGM data as a reference price in transactions?

The following would be considered transactions for the purposes of the Usage Licence when used for external business use. The Usage Licence applies to firms that issue the transaction/contract. Please note that transactions using Data as a reference is not limited to the below list. If you would like further guidance as to whether you require a Usage Licence, please contact datalicensing@lme.com.

- Physical delivery contracts;
- Commercial contracts;
- Client derivatives contracts; or
- Other bi-lateral or OTC contracts.

7.1.3 Are LME and LBMA Usage licences available for execution separately?

The Usage Licensing for LME and LBMA PGM data are treated separately, therefore if you are using both data sets for the permitted use, you will be required to execute each licence separately. Similarly, if you use either LME or LBMA PGM data, you are only required to apply for the respective licence.

7.1.4 Does any use of delayed data for the permitted uses require licensing, or is it real time only?

The Usage Licence is applicable irrespective of the delay class or source of the data being used. For example, a company using the next day delayed Monthly Average Settlement Price (MASP) from www.lme.com as a reference price in their contracts would require a licence. Similarly the licence is also agnostic to the source of the data; however the LME strongly recommends that companies source their data either [directly from the LME](#) or from a [licensed distributor](#) of LME and LBMA PGM data.

7.1.5 Does the Usage Licence permit distribution of the data to clients?

Firms with a Usage Licence may provide the data externally to their clients only in the ordinary course of business of providing pricing/valuation services or referencing the data in transactions. As an example, providing a specific LME price on a valuation report or a bi-lateral trade for a client is acceptable. Any distribution beyond this, such as displaying data on a



streaming or continuous basis on a terminal, trading system or website would require a separate distribution licence.

7.1.6 Do licensed distributors of LME and/or LBMA data require a Usage Licence?

A Usage Licence is required by any firm that uses LME data or trademark(s) for valuation and/or pricing activities that do not constitute Non-Display Use and/or as a reference price in transactions or London Bullion Market Association Platinum and Palladium (“LBMA PGM”) data or trademark(s) for valuation and/or pricing activities and/or as a reference price in transactions.

Holding another market data licence with the LME does not exempt you from requiring a Usage Licence to cover any of the above activities.

7.2 Usage Licensing fees and waivers

7.2.1 Do the fees get pro-rated if application is processed midway through the year?

The annual licence fees as described in 4.1 will be pro-rated for the remainder of the calendar year. Following the initial term, the LME will invoice the full fee from January 01 annually in advance, depending on the licence.

7.2.2 Do Physical Participants require an LME Usage Licence when receiving contracts referencing LME data (e.g. hedging contracts)?

Physical firms who receive financial contracts from their broker for hedging purposes which reference LME data do not require a Usage Licence. It is the responsibility of the broker to ensure they are meeting their own licence requirements for using LME data. In this scenario, the broker is deemed to be the issuer of the contract.

7.2.3 Are Physical Participants using the data for financial activities eligible for a physical waiver?

If your firm or any Affiliate listed on the Usage Licence is using LME data for both physical and financial activities then you will not be eligible for a physical waiver. For the avoidance of doubt, the physical waiver is granted only where the sole use of LME Data is as a reference in physical supply contracts and for hedging purposes as is described above. Any Affiliate listed under this waiver will also be restricted to this sole use.

7.2.4 Does the Usage Licence affect end user fees paid to licensed distributors of the data?

Clients that receive Data from a licensed data distributor are still required to pay the relevant monthly subscriber/end user fees. The Data you receive from your distributor is for limited internal business use and as such, any use above and beyond this may require further licensing. The Usage Licence is a separate agreement, direct with the LME, which may be required depending on whether you engage in the activities covered under the permitted use. If any company, including licensed distributors, are using the data for the permitted use covered under a Usage Licence, a Usage Licence would be required.



7.2.5 How does the Usage Licence impact the end user fees paid to licensed distributors for receipt of the data?

Clients that receive LME or LBMA PGM data from a licensed distributor are still required to pay the relevant monthly subscriber/end user fees. Licensed distributors are listed at the LME website at www.lme.com/pricing-and-data/distributors. The Data you receive from your vendor is for limited internal business use. The Usage Licence is a separate agreement, direct with the LME, which may still be required depending on whether you engage in the activities set out in this document.

