

To: All LME Clear Members

Date: 28th November 2022

Ref: 22-060

Classification: Risk

Subject: **Default Fire-drill Auction**

LME Clear members are advised that the annual external fire-drill auction involving clearing members will be held on **29th to 30th November 2022**. Clearing members are being strongly encouraged to participate in the default auction to understand the process, timings and requirements. The auction is subject to the LME Clear rules and specifically Annex 8 of the Rulebook.

The LME Base auction will be held on **30th November** at **13:45 – 14:00**, bids falling outside the 15 minute window will not be considered. Please submit all bids via the production LMEmercury GUI confirming the dollar amount you expect to pay to or receive from LME Clear in respect of accepting the auction portfolio. You are expected to hold your bid for a maximum of 15 minutes after the bid cut off time of 14:00. The winning clearing member will be informed by 14:15 that they have been successful. LME Clear will contact all other clearing members who were unsuccessful.

The initial auction portfolio will be provided on the **29th November** in each participant's sFTP section under the folder "defaultmanagement" (file path: /<member mnemonic>/<defaultmanagement>). The name of the file will have the following format; "Base_Auction_File_DD_MM_YYYY.xlsx". An updated portfolio, with the same positions but updated prices and valuations, will be provided on the **30th November**.

If you have any questions regarding the auction process please contact the Relationship Management team on RM@lme.com.

Matt Wade
Head of Clearing Risk