

To: All Members and other interested parties

Ref: 17/302

Classification: General updates

Date: 7 September 2017

Subject: **LME DISCUSSION PAPER ON MARKET STRUCTURE
FEEDBACK SUMMARY AND LME STRATEGIC PATHWAY**

Summary

1. This Notice announces the publication of (i) the summary of all the feedback received in response to the LME's Discussion Paper on Market Structure, and (ii) the LME's strategic pathway.

Background

2. The LME Discussion Paper on Market Structure ran from 24 April to 30 June 2017, during which time the LME undertook a comprehensive market engagement process designed to elicit feedback from a broad range of market participants. This feedback was sought in order to help frame the LME's decision making in respect of its strategy. The LME received 162 written responses to the Discussion Paper and is very grateful to all its stakeholders for the time and effort they have taken in support of this process.
3. Following a period of analysis, the LME is today announcing the results of this Discussion Paper, and its Strategic Pathway. Both of these documents are attached to this Notice, together with a summary presentation of the Strategic Pathway.

LME Discussion Paper on Market Structure: Feedback Summary

4. The Discussion Paper feedback summary document articulates the LME's analysis of the market views provided in response to the Discussion Paper, and the LME's response to such views where appropriate.



LME Strategic Pathway

5. The LME's Strategic Pathway provides an in depth analysis of the LME's view as to its market, and its pathway to evolve that market for the benefit of all stakeholders.
6. This analysis includes an outline of the strategic principles which have provided the framework through which the LME has assessed the future development of its market, as well as the strategic direction for each of the six topics outlined in the Discussion Paper, and the intended actions proposed in support of that direction.

Other items

7. In support of the announcements made today, and to provide additional clarity on the LME's strategic initiatives, the LME is also publishing today:
 - (a) Notice 17/303 on revisions to the LME fee structure, with the updated fee schedule attached
 - (b) A press release on today's announcements
 - (c) A video interview with Matthew Chamberlain, CEO of the LME, in which he discusses the initiatives published today
8. All of these documents are available on the LME website at www.lme.com/strategicpathway.

Next steps

9. The LME is aware that a broad spectrum of market opinion exists in respect of many of the core features of the LME market and would like to express its deep gratitude to current and potential market participants for their engagement in the process.
10. The LME's implementation of the intended actions will be a significant journey, with both market engagement and consultation.
11. The LME is also committed to ongoing interaction with its market in respect of strategic topics, and would welcome further discussion on any of the items contained in the attached Strategic Pathway document.



Matthew Chamberlain
CEO LME

Adrian Farnham
CEO LME Clear

cc: Board directors
User Committee
Physical Market Committee
All metals committees
Trading Committee
Ring Dealers Committee
Traded Options Committee
Warehousing Committee