

To: All Members, warehouse companies and their London agents and other interested parties

Ref: 19/419

Classification: Warehousing

Date: 27 December 2019

Subject: **Minor Amendments to Warehouse Agreement – Off-Warrant Stock Reporting**

## Summary

1. This Notice makes minor amendments to clauses 6.3.1 and 6.3.4 (the “Minor Amendments”) of the terms and conditions of the warehouse agreement between the LME and each of its listed warehouse companies (the “Warehouse Agreement”) which was published with LME Notice 19/347 dated 1 November 2019 “Decision Notice: LME Warehouse Reform” (the “Decision Notice”).

## Minor Amendments

2. Terms not defined in this Notice have the meaning given to them in the amended Warehouse Agreement enclosed with this Notice (the “Amended Warehouse Agreement”).
3. The Amended Warehouse Agreement incorporates the Minor Amendments and replaces the Warehouse Agreement published with the Decision Notice. The Amended Warehouse Agreement comes into effect on 1 February 2020.
4. Clause 6.3.4 of the Warehouse Agreement published with the Decision Notice requires Warehouses to: “...report to the Exchange the quantity of metal held by the Warehouse on the final day of the preceding calendar month that is not on Warrant (either live or cancelled) and which, at any point during that preceding month, was subject to an LME Off-Warrant Storage Agreement.” The Minor Amendments include:
  - (a) Corrections of minor typographical errors;
  - (b) Clarification that references to a Warehouse’s listed facility have the same meaning as LME-registered sheds; and



- (c) Clarification that when submitting its matrix report pursuant to clause 6.3.4(iii) of the Warehouse Agreement, metal which should be reported as “non-GDL” metal pursuant to clause 6.3.4(iii)(a) of the Warehouse Agreement is (amongst other things) metal held in an area or location situated more than a 10 mile radius from any LME-registered shed. This change will remove the possibility that some metal could technically be reported in the “GDL” form and the “non-GDL” form.
  
- 5. The LME intends to publish guidance which explains (for the benefit of both Warehouses and metal owners) how Warehouses should report metal subject to LME Off-Warrant Storage Agreements. The guidance will be made available at <https://www.lme.com/Trading/Warehousing/Reporting-of-off-warrant-stock> and may be amended from time to time.

Any questions regarding this Notice should be directed to the LME Physical Operations Department at: [operations@lme.com](mailto:operations@lme.com).

**Tom Edwards**  
**Warehouse Inspector**

cc: Board directors  
Warehousing Committee