

To: All Members and other interested parties

Ref: 20/0112

Classification: General updates Technical

Date: 20 April 2020

Subject: **POSTPONEMENT OF THE IMPLEMENTATION OF PRE-TRADE
TRANSPARENCY CHANGES IN THE INTER-OFFICE MARKET**

Summary

1. This Notice announces the postponement of the implementation of Systematic Fixed Priced Auctions in the inter-office market given the backdrop of COVID-19.

Background

2. In order to meet its regulatory obligations for Pre-Trade Transparency (“**PTT**”), the Exchange (the “**LME**”) announced in Notice 19/416 dated 20 December 2019 its intention to implement Systematic Fixed Priced Auctions (“**SFPA**”) in the inter-office market in mid-2020.
3. Notwithstanding the importance that the LME places on implementing its PTT solution, in light of the continued spread of COVID-19 and the significant impact on market conditions, the LME’s priority is to maintain normal business operations and an orderly market.
4. Given the temporary closure of the LME trading floor at 10 Finsbury Square and the transition to electronic pricing, together with the fact that the vast majority of LME staff are remote working, the LME has taken steps to restrict non-essential technology changes.
5. Further, Members and independent software vendors (“**ISVs**”) have highlighted that their operational focus is presently on maintaining business continuity under the current circumstances and have expressed concerns around meeting the original PTT implementation timeline.



PTT implementation

6. Therefore, in order to minimise any avoidable burden on both the Exchange's and Member/ISV technology change capacity, the LME will postpone the implementation of PTT.
7. Notwithstanding the focus on normal operations and support for the electronic pricing process, internally the LME will continue to prioritise working on the SFPA solution, so that, when normal operations are resumed, it can deliver SFPA with the shortest delay possible.
8. The PTT changes were scheduled to be released into the member test environment in May 2020. The LME was also shortly due to consult on some further changes to the Rulebook to accommodate minor changes to the SFPA solution as a result of market feedback. The release of the changes into member test, and the Rulebook changes, will now be delayed. The LME will make the member test environment and the consultation available as soon as practicable and will announce the new dates in due course.
9. The Member test environment will be available for two months from the point of launch until the go-live date. Members and ISVs are reminded that the FIX specifications for this mandatory change are already available.
10. Although delayed, the LME still strongly encourages Members to continue to take steps to ensure they will be ready for when the two-month testing window opens. Given the importance the LME places on this project, it is imperative that the delay is minimised as much as possible.

General

11. If Members or other interested parties have any questions or requests for further clarification regarding this announcement, please contact the Business and Service Development team at business.development@lme.com.

Matthew Chamberlain
Chief Executive Officer

cc: Board directors
User Committee
All metal committees
Traded Options Committee