

To: All Members and other interested parties

Ref: 21/160

Classification: Trading General

Date: 1 September 2021

Subject: **REOPENING OF THE RING ON 6 SEPTEMBER 2021 AND MEASURES TO SAFEGUARD AGAINST COVID-19**

Summary

1. This Notice sets out the various measures that the LME will take to minimise the spread of COVID-19 amongst Category 1 Member personnel and others that will access the Ring area when it reopens on 6 September 2021.

Background

2. In Notice 21/113, the LME confirmed that subject to government guidance around preventing the spread of COVID-19, the Ring will reopen on 6 September 2021.
3. The LME is committed to safeguarding those that work in the Ring area (including LME staff) against the spread of COVID-19. Following engagement with its Category 1 Members, the LME has introduced a number of measures, to help minimise the spread of COVID-19 and will continue to monitor government guidance to ensure that it is implementing appropriate measures to mitigate against the risks associated with COVID-19.
4. The Appendix to this Notice sets out the measures that the LME will take to safeguard personnel accessing the Ring area. The Appendix is separated into the following parts:
 - a) Section A – Measures taken to prevent the spread of COVID-19;
 - b) Section B – Ensuring the safety of Category 1 Member personnel and others in the Ring area; and
 - c) Section C – Procedure to be followed in the event of multiple Category 1 Members being unable to trade on the Ring.
5. In particular, Members' attention is drawn to Section C which states that where there are (or is likely to be) five or fewer Category 1 Member firms represented on the Ring, the LME may in its absolute discretion temporarily move to electronic determination of the Official Prices as per the LME's electronic business continuity methodology, until the LME can confirm that a minimum of five Category 1 Member firms have personnel available to trade on the Ring.
6. While temporarily moving Official Price discovery from the Ring to LMEselect would not necessitate the closure of the Ring, it is likely that trading in the Ring would also need to be temporarily suspended in order to further reduce the risks associated with the transmission of COVID-19 and to ease operational demands on Category 1 Members and LME staff.



7. For the avoidance of doubt, any suspension of trading on the Ring would be temporary and any temporary absences of Category 1 Member firm personnel due to Covid-19 would not constitute a lack of support for the determination of Official Prices in the Ring, particularly in respect of the Ring Liquidity Price Events set out in Notice 21/153.
8. Members should note that it may be necessary to supplement this Notice or change the approaches set out in this Notice at short notice, in order to adhere to evolving government guidelines. The LME will endeavour to ensure that it provides updates and information on accessing the Ring area in as timely a manner as possible.

Defined terms

9. Defined terms in this Notice shall have the meaning set out in the Rulebook unless otherwise defined in this Notice.

Other Matters

10. Should any Category 1 Member or other market participant have any questions in relation to this Notice, they should contact their usual Relationship Manager at rm@lme.com or Sales contact at sales@lme.com.

James Cressy
Chief Operating Officer, LME Group

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



Appendix

Section A – Measures taken to prevent the spread of COVID-19

1. The LME has monitored government guidance and consequently implemented a number of measures to minimise the risk of COVID-19 spreading in the Ring area. These measures include:
 - (i) temperature checking on entry to the Ring area;
 - (ii) adjustment to the ventilation system to bring as much fresh air as possible into the Ring area;
 - (iii) making available hand sanitiser around the Ring area;
 - (iv) a one way system with associated signage to direct individuals to/around the Ring area;
 - (v) daily deep cleaning of the Ring area (to take place from 6 September 2021);
 - (vi) protective visors to be worn by the LME's market operations team;
 - (vii) masks to be worn by other LME personnel that need access to the Ring area; and
 - (viii) restricting access to the Ring area (both ground floor and mezzanine) to those that are required to be there for business purposes only.
2. The LME has considered other measures, such as perspex screens and face masks for all those trading in the Ring, but has determined that they cannot be used in the Ring area, without significantly hindering trading activity and market monitoring.
3. Due to the unique nature of open outcry trading and the fact that there are certain measures that cannot be put in place, the Ring area is considered to be a higher-risk environment. Accordingly, the LME has requested that all Category 1 Member firms ensure that: (i) they fully assess the risks associated with accessing the Ring area from 6 September 2021; and (ii) ensure that any personnel entering the Ring area are comfortable to do so.
4. The LME has also advised each Category 1 Member to carry out its own COVID-19 workplace risk assessment in respect of the Ring area and their offices that are based in the Ring area.

Section B – Ensuring the safety of Category 1 Member personnel and others in the Ring Area

5. The LME requires that Category 1 Member's check whether their personnel have been fully (twice) vaccinated, and that they have complied with any additional invitations from the NHS regarding booster vaccinations. Where Category 1 Member personnel have not been fully vaccinated, the LME expects that such individuals shall take lateral flow tests on a twice-weekly basis, in line with the latest government guidance to ensure they are aware of their COVID-19 status. The LME expects each individual Category 1 Member firm to ensure that their staff comply with this safety measure.
6. Where an individual engaged by a Category 1 Member is awaiting the result of a PCR test or tests positive for COVID-19, such individual must not travel to the LME (in line with current government guidance).



7. Where an individual from a Category 1 Member learns that they have come into close contact with an individual that has tested positive for COVID-19 and the guidance suggests that a PCR test is taken, the LME requires that such individual will take a PCR test for their own protection and that of others in the Ring area.
8. Where an individual from a Category 1 Member firm has tested positive for COVID-19 or starts to develop symptoms in the middle of the day, the individual or the Category 1 Member firm must inform the LME by email to: covid-19reporting@lme.com of the name(s) of the individual(s) and must leave the Ring area immediately to either commence self-isolation or take a PCR test, as appropriate.
9. Where an individual has contacted the LME by email to the address set out in paragraph 8 above, the LME shall ask such individual to respond to certain questions to understand which other persons such individual has come into close contact with (as defined by the then current government guidance) in the Ring area. The LME shall then contact the relevant Category 1 Member floor-managers/deputy floor-managers (or equivalent roles notified to the LME) by phone, text message and/or email to inform them that certain individuals from their Category 1 Member firm have come into close contact with another individual that is self-isolating. As per paragraph 7 above, the LME requires such individual that has been in close contact with a person that is self-isolating, to then take a PCR test for their own protection and that of others in the Ring area.

Section C – Procedure to be followed in the event of multiple Category 1 Members being unable to trade on the Ring

10. In Notice 21/153, the LME set out how: (i) Official Prices would continue to be determined on the basis of Ring-trading activity following the decision that Closing Prices would be determined electronically; (ii) the mechanism by which, if certain criteria are met, the LME would be permitted to move Official Prices from being Ring-derived to being permanently electronically-derived without further consultation.
11. The LME also revised the mandatory nature of participation in Ring sessions, such that only participation in the second afternoon Ring session (“R2”) would be mandatory, with participation in all other Ring sessions to become voluntary.
12. The LME has considered circumstances in which certain Category 1 Members may not be able to participate in Ring trading activity while Category 1 Members’ personnel are self-isolating having either tested positive for COVID-19 or while they await the results of a PCR test.
13. Accordingly, until further notice, where a Category 1 Member’s personnel that would ordinarily participate in R2 is/are self-isolating, that Category 1 Member’s mandatory obligation to participate in R2 is suspended. Moreover, where the number of Category 1 Members that are able to participate in the discovery of Official Prices in the Ring falls to fewer than five, because personnel from Category 1 Members are self-isolating, the LME may in its absolute discretion issue a Notice to inform the market that the LME is temporarily moving to electronic determination of the Official Prices using a volume-weighted-average-price methodology (as per the LME’s electronic business continuity methodology), until the LME can confirm that five or more Category 1 Members’ personnel can return to trading activity on the Ring.
14. While it is possible that the Ring could remain open for trading during the period that the LME has made the decision to temporarily determine Official Prices electronically, it is likely that trading in the Ring will also be temporarily suspended in order to further reduce the risks associated with the transmission of COVID-19 and also ease the operational demands on Category 1 Members and LME staff.



15. Where Official Prices are temporarily being determined electronically (and potentially Ring trading has been suspended) in accordance with paragraphs 13 and 14 above, the LME shall remain in close contact with the market and issue a Notice confirming the date on which Official Price determination on the Ring will re-commence.
16. Members should note that it may be necessary for the LME to issue a Notice in accordance with paragraphs 13 and 14 above on short notice if it became aware of Category 1 Member personnel needing to self-isolate. Accordingly, Category 1 Members should ensure that their systems and processes are appropriate and ready for a sudden switchover to the electronic determination of the Official Prices, albeit on a temporary basis.