

To: All members, warehouse companies and their London agents

Ref: 22/136

Classification: Warehousing Brands

Date: 04 May 2022

Subject: **SUSPENSION OF WARRANTING OF RUSSIAN LEAD BRANDS**

Summary

1. This Notice announces the suspension of warranting of Russian produced lead in any LME approved warehouse with immediate effect.

Defined Terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the Rulebook.

Background

3. On 8 April 2022, the EU Council adopted Regulation 2022/576 amending EU Council Regulation No. 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.
4. EU Council Regulation 2022/576 introduced a specific prohibition in Article 3i of EU Council Regulation No. 833/2014, which states that it is prohibited to purchase, import, or transfer, directly or indirectly, certain listed items into the EU, if they originate in Russia or are exported from Russia. The items which are the subject of this restriction are listed in Annex XXI to the Council Regulation and include "unwrought lead". The prohibition took effect from 9 April 2022. There is an exception in relation to the execution until 10 July 2022 of contracts concluded before 9 April 2022 or ancillary contracts necessary for the execution of such contracts.
5. The restrictive measures in Article 3i of EU Council Regulation No. 833/2014 apply (*inter alia*) within the territory of the EU, to any person inside or outside the territory of the EU who is a national of an EU Member State; to any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of an EU Member State; and to any other legal person, entity or body in respect of any business done in whole or in part within the EU.
6. This Notice sets out the LME's response to these restrictive measures. It does not constitute legal advice or guidance and should not be relied upon by any person.
7. As at the date of this Notice, there are no warrants in LMEsword in relation to lead of Russian origin or lead which has been exported from Russia ("Russian Lead"); however, there is one listed Russian Lead brand: FRGT PB985R produced by Fregat LLC.
8. In view of the potentially broad nature of the restrictive measures outlined above, and the potential application of those measures to those subject to the jurisdiction of the EU, the LME considers that as a precautionary matter it is appropriate to suspend with immediate effect all deliveries of Russian Lead into all LME warehouses. This is a matter that the LME will keep under review, including pending any relevant guidance from the European Commission.



Suspension

9. Pursuant to its powers under the LME Rulebook, the LME hereby suspends all warranting of Russian Lead at any LME warehouse. This suspension will take effect immediately and will remain in place until the LME considers it appropriate to remove the suspension, in accordance with its powers under the LME Rulebook.

James Cressy

Chief Operating Officer – LME Group

cc: Board directors
Lead and zinc committee
Physical Markets Committee
Warehousing Committee