



To: All members

Ref: 23/094

Classification: Trading

Date: 02 June 2023

Subject: **LARGE IN SCALE PRE-TRADE TRANSPARENCY THRESHOLDS UPDATE**

Summary

1. This Notice sets out the list of liquid financial instruments and their associated Large In Scale (“**LIS**”) pre-trade transparency thresholds that shall apply to Inter-Office transactions with the effect from 01:00 London time on 05 June 2023. Market participants are reminded that these LIS thresholds are used by the LME’s systems to determine whether an Inter-Office Order is a PTT Order, and therefore subject to a Fixed Price Auction requirement.

Defined terms

2. Defined terms used in this Notice shall have the meaning ascribed to them in the Rules and Regulations of the LME (“**LME Rules**”), unless stated otherwise.

Introduction

3. The LME is subject to certain pre-trade transparency disclosure requirements under MiFIR. The LME has obtained a Large In Scale waiver from the FCA in relation to certain of these requirements, where the applicable “LIS pre-trade threshold” is met for the relevant Contract. These thresholds are applied by the LME’s systems to determine whether a Fixed Price Auction is required in relation to an Inter-Office Order. Inter-Office Orders that are PTT Orders (i.e. that are below (smaller than) the applicable threshold) will trigger a Fixed Price Auction based on the thresholds below.
4. The LIS pre-trade thresholds currently applicable to the LME are set out on the LME Website. However, following the recent publication by the Financial Conduct Authority (“**FCA**”) of the annual transparency calculations for derivative contracts, a revised list of liquid instruments and associated LIS thresholds have been determined which will come into effect on 5 June 2023.
5. These revised list of liquid instruments and their LIS pre-trade thresholds are set out below:

Metal	Notional Currency	Time to Maturity	LIS pre-trade threshold (€)	Equivalent lot threshold
Aluminium (AH)	EUR	TTM_0_1Y	500,000	8
	JPY	TTM_0_1Y	700,000	12
	USD	TTM_0_1Y	500,000	8
	USD	TTM_1_2Y	1,500,000	24
	USD	TTM_2_3Y	3,000,000	48
	EUR	TTM_0_1Y	500,000	3



Copper (CA)	JPY	TTM_0_1Y	2,000,000	10
	USD	TTM_0_1Y	500,000	3
	USD	TTM_1_2Y	3,500,000	17
	USD	TTM_2_3Y	5,000,000	25
Lead (PB)	USD	TTM_0_1Y	500,000	10
Nickel (NI)	USD	TTM_0_1Y	500,000	4
	USD	TTM_1_2Y	2,000,000	14
	USD	TTM_2_3Y	3,500,000	25
Tin (SN)	USD	TTM_0_1Y	500,000	4
Zinc (ZS)	USD	TTM_0_1Y	500,000	7
	USD	TTM_1_2Y	700,000	9

Questions

- If you have any queries with regards to the new thresholds please contact Trading Operations via telephone 0207 113 8200 or email tradingoperations@lme.com.

James Macdonald

Head of Trading Operations

cc: Board directors
User Committee
All Metal Committees
Traded Options Committee