



# Registration of Aluminium Alloy Brands

## Guidance Notes for Applicant Producers

## Registration of NASAAC Aluminium Alloy Brands Guidance Notes for Applicant Producers

1. Aluminium Alloy producers wishing to apply for the listing of their brand by the LME will only be considered provided that they satisfy the following criteria (the “Core Listing Requirements”):
  - (i) The producer has been in business for at least 12 months.
  - (ii) The production plant has been in production for a minimum of 12 months and has a capacity to produce a minimum of 10,000 metric tons per annum of aluminium alloys.

**NB.** A production plant is defined as an integrated aluminium refinery with an associated ingot moulding line (lines) producing a brand of aluminium alloy of constant assay, quality and identity.

2. The producer is required to advise the LME in writing of the name of the Category 1-5 Member Company who will be processing the listing application (see Rule Book Part 7, Rule 1). Thereafter, all correspondence will be via the selected Member Company. A list of Members Categories 1-5 expressing a general willingness to assist producers list their brands can be found here:-

<https://www.lme.com/-/media/Files/Warehousing/Approval-process/Brand-Applications-Members-List.pdf>

3. Production from more than one production plant must be separately listed and production from each plant must be marked differently.
4. The application is in two stages and all documents must be in English.
5. The LME and LMEC reserve the right to discuss without restriction any information provided with any regulatory body; any third party provider of KYC, screening or other monitoring services; or any other persons or organisations, as the LME/LMEC may in their absolute discretion decide, and to make such other enquiries as they think fit (including using the information provided by the Producer in such enquiries).

**Note:** The LME has introduced responsible sourcing requirements for all LME listed brands; compliance with the first phase of requirements needs to be met on 30 June 2022 and compliance with the second phase of requirements needs to be met on 31 December 2023. Further information on the LME’s Policy on Responsible Sourcing can be found on the LME website: <https://www.lme.com/en-GB/About/Responsibility/Responsible-sourcing> .



## Stage One

The producer is to supply the following information in a letter on their headed notepaper addressed to the LME (the “Application Letter”<sup>1</sup>):

1. The name of the LME Member processing the application.
2. The full name and address of the producer to be listed by the LME.
3. Brief details of the history of the producer.
4. Details of the ownership of the producer.
5. The address of the production plant.
6. The first date of production of the plant.
7. The name of the Brand subject of the application.
8. The design capacity.
9. The current annualised use of capacity.
10. The monthly production figures for the previous 12 months.
11. The shapes to be listed; ingots; and/or sows and/or T-bars.

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<sup>1</sup> Note that the signatory and their position within the producer company must be shown on the dated Application Letter



**The following information (the “Additional Listing Requirements”) is to be provided by attachments to the covering Application Letter.**

A. The following financial information:

- (i) The last three consecutive profitable externally audited financial statements of the producer, where available;
- (ii) In the event that the producer cannot provide three consecutive profitable externally audited financial statements, the parent company of the producer must provide three consecutive profitable externally audited financial statements and a signed Letter of Support<sup>2</sup> regarding the financial position of the producer<sup>3</sup>;
- (iii) Confirmation that there has not been any restructuring of the producer over the last three years and no ongoing restructuring; and
- (iv) Evidence that the capital net worth<sup>4</sup> of the producer is a minimum of US\$2 million.

B. A copy of the incorporation certificate of the producer.

C. Details of the product as follows:

For ingots:

- (i) Photographs of an ingot product showing the brand, production cast reference and any other symbols on the metal.
- (ii) Provide a copy of any label used which must be plasticized, waterproof and use indelible ink. Labels must show the aluminium alloy specification, melt numbers and the brand name.
- (iii) Photographs of a strapped bundle from top and side dimensions.

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<sup>2</sup> The LME shall provide the Letter of Support to the producer.

<sup>3</sup> The LME reserves the right to require a signed Letter of Support from the parent company of a producer in such circumstances regarding the financial position of the producer as it, in its absolute discretion, considers appropriate.

<sup>4</sup> The capital net worth of the producer shall be determined on the basis of the permanent capital plus additional capital disallowables. In particular, permanent capital shall be issued and fully paid ordinary shares, issued and fully paid preference shares, share premium and other reserves not available for distribution. A deficit in reserves available for distribution will be deducted when calculating permanent capital. Additional capital shall be considered other equity reserves (distributable or otherwise) and profit and loss reserves. Further, disallowable items are considered intangible fixed assets such as goodwill, development costs etc, investments in subsidiaries and/or other group companies.



- (iv) Drawings of an ingot and a bundle with all dimensions in mm and weights in kilos and stating the number of ingots in a bundle. Also the producer is required to state with the drawing of the bundle the following phrases;
  - (a) Each bundle is securely strapped with material protected against corrosion and of sufficient strength and fixing to permit safe handling by fork lift truck without bundle distortion and breakage.
  - (b) The bundle size and shape is suitable for safe and secure stacking.
  - (c) The bundle assembly and security is such that on removing the security straps it remains an integral free standing bundle.
- D. A Letter of Undertaking dated and signed on behalf of the producer with the form shown at the end of these Guidance Notes.
- E. An outline of the production process including a process flow diagram.
- F. A production site plan/diagram.
- G. A paper giving the sampling and analytical regime and advising if any aspect of this work is outsourced. Show the detection levels used for determining impurities.
- H. A schedule of the production batch analysis data for the previous three months.
- I. A copy of the normal dated Certificate of Analysis which must include the English language, the name of the producer, the name of the brand and the production batch reference. Note that Certificates of Analysis provided by Listed Producers must at all times shown compliance with LME listed specifications by showing actual analysed content of the metal.
- J. A copy of the current ISO 9001 Certificate or, alternatively that of ISO/TS 16949.
- K. Also at **Stage One**, payment of the fee for applying for the listing of a NASAAC brand is required. The fee is US\$65,000 plus ruling UK VAT and it is non-refundable.

**NB. Value Added Tax (VAT):** Under current UK legislation, the LME understand that LME members established in the UK submitting applications for their own production operations or for third party producers must pay UK VAT to the LME at the ruling rate at the time of the application, regardless of domicile of the producer. LME Members should only on-charge UK VAT to producers established in the UK. LME Members not established in the UK making applications do not have to pay UK VAT to the LME regardless of the location of the production operations. This information is for guidance only and relevant parties should always seek their own advice in relation to tax matters. The LME will have no liability for reliance on the above

**At this stage, it is the Producer's responsibility to ensure that the information complies with the Special Contract Rules for NASAAC, LME Rules Part 6.**



## Stage Two

1. On receipt of all the information the LME will respond to the application as follows:
  - (i) Request such additional information as required.
  - (ii) Advise if any production plant auditing is required.
2. Sampling, if required, shall be carried out by an LME Listed Sampler and Assayer (LSA) at the applicant producer's production plant. Samples shall be taken, divided and distributed in accordance with LME procedures which include supplying samples to a second appointed LSA for analytical purposes to augment the analysis of the sampling LSA. The sampling LSA shall provide a sampling report in accordance with LME instructions. The two LSAs shall provide analysis reports of the metal tested in accordance with the LME requirements for aluminium alloy. The LME will include in its instructions any requirement of the applicant producer to submit their own assays on samples taken at their production plant parallel to those of the auditing LSA.
3. The LME will receive all assay and sampling reports.
4. The LME reserves the right to audit any producer's operations at any time prior to or post listing of a brand for verification of any aspect of the listing process.
5. Should the application be deemed satisfactory including, if applicable, receipt of satisfactory reports from LSAs, the Aluminium Committee will make a recommendation to the Executive Committee of the LME that the brand should be listed as suitable for delivery against the Contract.

**From time to time the LME will request every producer having listed brands of NASAAC to re-affirm the undertakings originally given at the time of listing.**

Failure to comply with the undertakings or supply evidence of continuing compliance with the ruling specification(s) and requirements may result in the delisting of the brand(s) concerned. If the producer fails to notify the LME promptly of any change in the information supplied with its original application, or if such changes are in the LME's view material, then the LME's Executive Committee may suspend the listing or delist the brand.

The listing of any brand is subject to the provisions of Rules 3 to 7 inclusive of Part 7, of the Rules and Regulations of the LME.



## Draft of Producer's Letter of Undertaking – NASAAC Aluminium Alloy

This letter must be issued by the applicant producer on headed paper, signed and dated and show the signatory's position.

The London Metal Exchange  
10 Finsbury Square  
London  
EC2A 1AJ  
United Kingdom

Attention: Physical Operations Department

(INSERT DATE)

In consideration of the LME maintaining our Aluminium Alloy Brand (*insert brand name*) in its list of brands deliverable in fulfilment of its NASAAC Aluminium Alloy Contract:

1. We (*insert applicant producer name*) undertake that the quality of our Aluminium Alloy Brand (*insert brand name*) produced at (*insert name and address of production plant*), will meet with the requirements of the LME NASAAC Contract for Aluminium Alloy specification LME NA380.1 and such quality will be maintained.
2. We also undertake that any complaints we may receive with regard to quality will be investigated without any restriction on the period within which such a claim be made.
3. We undertake that we will not attempt to restrict (*insert brand name*) brand from being delivered against the LME Contract.
4. We further undertake that any change in ownership, financial status, production practice, changes to stated production levels, or any other material circumstance will be advised to the LME without delay and to comply with Rules 3 to 7 inclusive of Part 7, of the Rules and Regulations of the LME, any amendments thereto and any Notices issued by the LME.
5. This letter of undertaking shall be governed by English law. The courts of England shall have non-exclusive jurisdiction to settle any disputes in relation to this letter of undertaking.

Yours sincerely

Signature .....

Name .....

Position in Company .....



## Draft of Parent Company's Letter of Support –

This letter must be issued by the applicant producer's parent company on headed paper, signed and dated and show the signatory's position.

London Metal Exchange  
Physical Operations Department  
10 Finsbury Square  
London  
EC2A 1AJ  
UK

(INSERT DATE)

In consideration of *(insert applicant producer's name)*'s application for the listing of *(insert brand name)* by the LME, in its list of brands deliverable in fulfilment of the *(insert relevant contract i.e. High Grade Primary Aluminium Contract)*, we, *(insert parent company's name)*, undertake that *(applicant producer's name)* is of good financial standing.

We acknowledge that as *(insert applicant producer's name)* has not produced *(insert brand name)* for a period of three years, *(insert applicant producer's name)* is currently unable to satisfy the financial criteria in full for LME brand registration. As *(insert parent company's name)* is the *(insert description of the corporate relationship i.e. majority shareholder)* of *(insert applicant producer's name)*, we can confirm that we support *(insert applicant producer's name)*'s application and that we will provide financial support to *(insert applicant producer's name)* where such support may be required in order to ensure that *(insert applicant producer's name)* remains of good financial standing.

We further undertake that *(insert applicant producer's name)* will inform the LME without delay of any change in its ownership, financial status, production practice or any other material circumstances that may affect the good financial standing or reputation of *(insert applicant producer's name)* and/or *(insert brand name)*.

This letter of support shall be governed by English law. The courts of England shall have non-exclusive jurisdiction to settle any disputes in relation to this letter of support.

Yours sincerely

Signature.....

Name.....

Company Name.....

Position in Company.....





## Strapping Specifications for Applicant Metals Producers

### 1. Steel strapping for all metals, polyester strapping for primary aluminium, aluminium alloy, tin, lead and zinc ingots

Strap	Size (mm)	Average strength (Newtons)	Applied tension (Newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6 x 0.9	6000	3500	Metal Seal	60%	2 – 3.5%
Polyester	15.6 x 0.9	6000	2500	Friction	80%	2 – 3.5%
Steel	19 x 0.63	12000	7000	No Seal	80%	0.1-0.3%
Steel	19 x 0.63	12000	5000	Metal Seal	60%	0.1-0.3%

### 2. Polyester strapping upgrade for copper and nickel cathodes

Strap	Size (mm)	Average strength (Newtons)	Applied tension (Newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0 x 1.0	10000	3500	Metal Seal	60%	2 – 3.5%
Polyester	19.0 x 1.0	10000	2500	Friction	80%	2 – 3.5%

### 3. Securing of Straps

Tool	Strap material	Joint type	Maximum applied tension (Newtons)	Joint strength
Manual	Polyester	Metal Seal	3500	60%
Pneumatic	Polyester	Friction Weld	2500	80%
Pneumatic	Steel	No Seal	7000	80%
Manual	Steel	Metal Seal	5000	60%

