

# Blocks Guidance (draft)



# 1 Legal Disclaimer

This guidance is not part of Consultation 25/083 and is provided in proposed draft form to provide market users as much information as possible to understand how the introduction of Minimum Volume Thresholds (“MVT”) may be practically implemented and to assist Members and others in understanding the practical and operational impact of the implementation of the proposed changes. The LME may amend this guidance as and when necessary, at any point in time without further consultation. In the case of any discrepancies between the description of the Rules in this document and the Rules themselves, the Rules prevail.

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### 3 Introduction

As described in Consultation Notice 25/083 (the “**Consultation**”), the LME is consulting on a number of measures for which various additional supporting documentation will be made available. This document is a technical guidance document (the “**Blocks Guidance**”) and forms part of the supporting documentation and is provided to support market understanding of the proposed introduction of the minimum volume threshold rules (the “**MVT Rule**”) (also known as Block rules on other markets). It should be read in conjunction with the Consultation and reflects the discussions in the Block Working Group (“**BWG**”) and other broad market engagement. This guidance is being provided at an early stage to support the market in understanding how the MVT Rule may technically be delivered should the LME proceed with its introduction. Whilst the LME is not formally seeking specific views on the Blocks Guidance, the LME welcomes any views on the technical solutions proposed.

### 4 Scope

The proposed MVT Rule prohibits the execution in the inter-office market of Agreed Trades in instruments in scope of the MVT Rule which are below the MVT. The main exclusion to this rule is where a Member is trading with a Client and, before submitting the Agreed Trade for execution in the inter-office market, has executed an equivalent trade to the Agreed Trade (**Equivalent Trade to the Client Trade**) in LMEselect. This exception and other exemptions (described in section 6.1 and 6.2 below) will be identified and validated upon submission to LMEsmart by introducing a new set of Trade Category values which will be introduced in addition to the existing Trade Category values (see section 6.2 below). The LME will outline the specific instruments and thresholds to which the MVT Rule applies via Notice. The thresholds themselves will be applied per metal the calibration of which is described in section 5 below.

For the purpose of this document, trade scenarios are defined using similar descriptions used in the Consultation and Rulebook i.e. they describe an Agreed Trade as either being with a Client (**Client Trade**) or with another Member (**Member-Member inter-office Trade**) and, where the Client Trade is executed on LMEselect, it is described as the Equivalent Trade to the Client Trade. (See example ‘MVT Example 1’)

#### 4.1 In scope of the MVT Rule

The MVT Rule will apply to Agreed Trades submitted to LMEsmart that are:

- 1) Futures
- 2) Inter-office trades
- 3) Member-to-member trades
- 4) Member-to-client trades
- 5) Aluminium, Copper, Zinc, Nickel, and Lead futures
- 6) Monthly outright contracts out to month 6 initially

- 7) 3-month outright contract
- 8) Any spreads where both legs involve:
  - a. a monthly contract out to month 6 or
  - b. the 3-month contract
- 9) 'Current' or 'historic' Price Type

## 4.2 Out-of-Scope of the MVT Rule

This is not an exhaustive list of out-of-scope items but provides additional clarity for the avoidance of doubt.

The MVT will not apply to trades submitted to LMEsmart that are:

- 1) Trades executed on the Ring or LMEselect
- 2) Daily prompt dates (outright)
- 3) Spreads where one leg is a daily prompt or cash
- 4) Any spreads where one or more legs is not a monthly or a 3-month
- 5) Cash outright contracts
- 6) Tin, Cobalt, Alloy, NASAAC, Cash settled futures, premiums, Options, TAPOs, MAFs
- 7) Cancels and reversal/corrections
- 8) 'Historic' Price Type
- 9) The following trade categories and post-trade functions:
  - a. Give-Up Executor/Give-Up Clearer trades
  - b. OTC Bring On
  - c. OTC Take Off
  - d. Financing
  - e. Exception Reportable
  - f. Exception Non-Reportable
  - g. Transfer

MVT criteria will be applied prior to the assessment of the pre-trade LIS thresholds the logic for which will be unaffected by the implementation of MVT.

## 5 MVT Calibration

The initial calibration of MVT has been determined by analysing the volume, the bid ask spreads and top of book liquidity for the contracts for which the thresholds are being applied. This analysis, and Member feedback, has been used to determine the calibration of the MVT across the various metals.

The LME will continue to develop its thinking relating to the calibration of MVT and will monitor markets with a view to any possible recalibration of the MVT at least every 12 months, with the possibility for ad hoc review should it be deemed appropriate.

## 6 MVT Rule

The MVT Rule will prohibit the execution in the inter-office market of Agreed Trades in instruments in scope of the MVT which are below the MVT except where a Member is trading with a Client and, before submitting the Client Trade for execution in the inter-office market, has executed an

Equivalent Trade to the Client Trade in LMEselect in the exact same instrument or a set of instruments the combination of which results in a position equivalent to the Client Trade, or, where other exemptions to this rule apply (see section 6.2 below).

An Agreed Trade would only be capable of execution in the inter-office market if:

- it is in scope of the MVT Rule and is equal to or above the MVT (see '*MVT Example 2*')  
OR
- it is in scope of the MVT Rule and is below the MVT but benefits from an exception (described further in section 6.1 below)  
OR
- it is in scope of the MVT Rule and is below the MVT but benefits from an exemption (described further in section 6.2 below)  
OR
- it is out of scope of the MVT Rule (see '*MVT Example 3*')  
OR
- the MVT Rule have been expressly disapplied by the LME on a temporary basis, for instance because of an operational issue with LMEselect (described further in section 6.2.6.3 and 6.2.6.4 below).

For trades in scope of the MVT Rule, Members and RIBs would be prohibited from aggregating their trades to meet or exceed the MVT threshold.

For a partial fill in the inter-office market (where the Equivalent Trade to the Client Trade has not been executed on LMEselect), the partial fill must adhere to the MVT Rule

For examples and further description of aggregation and partial fills see section 6.3 and 6.4 below.

## **6.1 Exceptions**

As described above, there will be two exceptions to the application of the MVT Rule:

### **6.1.1 Executing an Equivalent Trade to the Client Trade in LMEselect**

Where a Member agrees a trade with a Client and the Member has executed an Equivalent Trade to the Client Trade against resting order(s) in LME Select in the exact same instrument(s) (the combination of which results in a position equivalent to the Client Trade), the Member can submit the Client Trade on LMEsmart.

To allow the LME to identify these trades for circumvention of the MVT Rule, the Client Trade must be submitted with the Trade Category 'Normal' and the Venue 'Select' (see '*MVT Example 4*').

### **6.1.2 Crossing an Equivalent Trade to the Client Trade in LMEselect**

Where a Member agrees a trade with a Client and the Member has executed an Equivalent Trade to the Client Trade in LME Select in compliance with a specified method of crossing (see Crossing Rules) in the exact same instrument(s) (the combination of which results in a position equivalent to the Client Trade), the Member can submit the Client Trade on LMEsmart.

To allow the LME to identify these trades for circumvention of the MVT Rule, the Client Trade must be submitted with the Trade Category 'Normal' and the Venue 'Select' (See 'MVT Example 5').

## 6.2 Exemptions

The LME has identified a number of specific use cases where the application of the MVT Rule will be subject to a number of technical exemptions where below MVT trades will be allowed to be submitted to LMEsmart. Consequently, the LME is proposing to introduce a set of new Trade Categories to allow the identification of these exemptions. LMEsmart will reject upon submission any trades submitted that are within scope of the MVT Rule and do not benefit from an exemption (See 'MVT Example 6 & 7').

### 6.2.1 Trade Categories

A new set of trade categories will be introduced to allow for the submission of trades that are exemptions to the MVT Rule. These will be in addition to the existing trade categories. All trade categories are defined in section 14 of the Matching Rules and a summary is provided in the Appendix of this document.

These new trade categories will give the LME sufficient detail upon submission to LMEsmart to allow the identification of trades that are within scope of the MVT Rule but which will benefit from an exemption.

The following table provides a summary of the proposed new trade categories.

Trade Category	Description of Exemption
ETR Allocation	To be used where the Member has executed an Equivalent Trade(s) to the Client Trade(s) in the exact same instrument(s) on LME Select and the Members operational processes require the trade to be booked with Venue Inter-office
Option Delta Hedge	To be used to identify an option delta hedge booked alongside an option, where that future is below MVT.
Strip	To be used to identify a Strip trade where one or more legs has a volume below MVT.
IOT Allocation	To be used for sub-allocations of the Client trade which are split across more than one sub-account of the same client <i>(Note: This should not be used for an Inter-office allocation where the original Equivalent Trade to the Client Trade was below MVT)</i>
MVT Exempt	To be used: <ol style="list-style-type: none"> <li>1) in relation to various scenario not covered by the Trade Categories above<sup>1</sup></li> <li>2) when LMEselect is closed</li> <li>3) when LMEselect is unavailable for any other reason</li> <li>4)</li> </ol>

1 – See section 6.2.6 for additional examples

### **6.2.2 Trade Category - ETR Allocation**

Trade Category 'ETR Allocation' has been added to allow Members who have executed the Equivalent Trade to the Client Trade in LMEselect to book Client Trades in LMEsmart which are below MVT but where the Member's business processes require the Venue to be populated with "Inter-office". In these instances, the Member can use the Trading Category 'ETR Allocation' on the Client Trade submitted to LMEsmart. This will allow the LME to monitor that the Equivalent Trade to the Client Trade has been executed on LMEselect and is an exemption to the MVT Rule. (See example '*MVT Example 8, 9, & 10*)

### **6.2.3 Trade Category – Option Delta Hedge**

Trade Category 'Option Delta Hedge' has been added to allow Members to submit in LMEsmart the futures delta hedge of an option delta hedge trade below MVT. In these instances, the Member can use the Trade Category of 'Option Delta Hedge' on the futures delta hedge submitted to LMEsmart. (See example '*MVT Example 11*'). This allows the LME to monitor the trade as an exemption.

### **6.2.4 Trade Category - Strip**

Trade Category 'Strip' has been added to allow Members to submit a strip trade in LMEsmart where one or more individual leg volumes are below the MVT. (See example '*MVT Example 12*')

A Strip will be defined as more than two legs where each leg is a 3<sup>rd</sup> Wed in the same metal in ascending order in the same direction. The legs of a Strip do not have to be the same price or volume or consecutive. See table below for examples of valid and invalid strips.



Description	Leg 1	Leg 2	Leg 3	Leg 4	Valid Strip	Rationale
<2 legs, ascending order, same direction	Buy Jun25 Vol: 11	Buy Jul25 Vol: 11	Buy Aug25 Vol: 11	-	✓	A valid strip but outside the scope of MVT as all leg volumes are above the MVT
<2 legs, ascending order, same direction	Buy Mar25 Vol: 2	Buy Apr25 Vol: 3	Buy Jun25 Vol: 4	Buy Jul25 Vol: 5	✓	A valid strip and in scope of MVT as at least one leg vol is below MVT. Trade Category 'Strip' should be used.
<2 legs, ascending order, same direction	Buy Mar25 Vol: 9	Buy May25 Vol: 12	Buy Jun25 Vol: 12	Buy Jul25 Vol: 13	✓	A valid strip and in scope of MVT as at least one leg vol is below MVT. Trade Category 'Strip' should be used.
<2 legs, ascending order, same direction	Buy Mar25 Vol: 3	Buy Jun25 Vol: 3	Buy 25 Vol: 3	-	✓	A valid strip and in scope of MVT as at least one leg vol is below MVT. Trade Category 'Strip' should be used.
<2 legs, ascending order, same direction	Q2 Average (Apr25) Vol: 5 Price 9000	Q2 Average (May25) Vol: 5 Price 9005	Q2 Average (Jun25) Vol: 5 Price 9010	-	✓	A valid strip and in scope of MVT as at least one leg vol is below MVT. Trade Category 'Strip' should be used.
<2 legs, not ascending order, same direction	Buy Jun25 Vol: 2	Buy Aug25 Vol: 5	Buy Jan26 Vol: 2	Buy Dec25 Vol: 5	✗	Invalid - the legs are not in ascending order
<2 legs, ascending order, not same direction	Buy Jun25 Vol: 5	Sell Jul25 Vol: 8	Buy Aug25 Vol: 10	-	✗	Invalid - the legs are not all in the same direction
Not <2 legs, ascending order, same direction	Buy Jun25 Vol: 10	Buy Jul25 Vol: 10	-	-	✗	Invalid - there are only 2 legs



### 6.2.5 Trade Category – IOT Allocation

The Trade Category 'IOT Allocation' should be used where the Equivalent Trade to the Client Trade has been executed inter-office above the MVT and the Member is splitting the Client Trade across several sub-accounts of the same client below MVT. (See example '*MVT Example 13*')

Trade Category 'IOT Allocation' should **not** be used where the Equivalent Trade to the Client Trade has been executed inter-office below the MVT and the Member is splitting the Client Trade across several sub-accounts of the same client below MVT as the Equivalent Trade to the Client Trade is below MVT. This would be in breach of the MVT Rules. (See example '*MVT Example 14*')

Trade Category 'IOT Allocation' should **not** be used where the Equivalent Trade to the Client Trade has been executed on LMEselect above or below the MVT and the Member is splitting the Client Trade across several sub-accounts of the same client below MVT. This would be in breach of the MVT Rules. In this instance the Member should use the Trade Category 'ETR Allocation'. (See example '*MVT Example 15*')

Trade Category 'IOT Allocation' should **not** be used for Member-to-Member trades. This would be in breach of the MVT Rules. Such trades will be rejected upon submission to LMEsmart. (See example '*MVT Example 16*')

### 6.2.6 Trade Category - MVT Exempt

The Trade Category MVT Exempt should be used in the following situations:

1. For trades that are below the MVT but where the execution in the inter-office market is exempt from the MVT Rule:
  - a. Cash and Adjust (See example below)
  - b. MOC (See example below)
2. For trades that are below the MVT between 19:00 and 20:00 when LMEselect is unavailable. (See example below)
3. If LMEselect is unavailable for any other reason (See example below)

The following examples provide additional detail regarding business scenarios where the trade category MVT Exempt would be used:

#### 6.2.6.1 Cash and Adjust

The Trade Category 'MVT Exempt' should be used when a client executes a trade in the Cash prompt in the Ring below MVT threshold and requests an adjustment to a future tenor that is in scope of MVT Rule. (See example '*MVT Example 17*')

#### 6.2.6.2 Market on Close

The Trade Category 'MVT Exempt' should be used when a client trades an adjustment basis the close below MVT (See example '*MVT Examples 18 to 23*')

### 6.2.6.3 LMEselect Closed

LMEsmart is open outside the opening hours of LMEselect. In these instances, Members are unable to execute the Equivalent to the Client trade on LMEselect and so can use the Trade Category 'MVT Exempt' to submit below MVT trades in LMEsmart. (See example '*MVT Example 24*')

### 6.2.6.4 LMEselect Unavailable

If LMEselect is unavailable for any reason and the MVT Rules have not been disappplied by the LME, the Member will be unable to execute the Equivalent Trade to the Client Trade on LMEselect. In these circumstances the Member can use the Trade Category 'MVT Exempt' to submit below MVT trades in LMEsmart. (See example '*MVT Example 25*')

## 6.3 Aggregation

As described in the updated Rulebook, individual Agreed Trades may be aggregated pursuant to one of the exceptions set out in Regulation 3.12 (a) and (b) and executed in the inter-office market only where each component order of the Agreed Trade (including any adjustment of the Prompt Date under Regulation 3.12(b)) is equal to or above the Minimum Volume Threshold.

For clarification, the following examples give some further details of aggregation that are allowed:

- 1) Aggregated trades from the same Client where Equivalent Trades to the Client Trades have been executed on LMESelect representing either multiple buy or multiple sell transactions (being transactions in the same direction) aggregated above block and booked into the Client account ✓ (See example '*MVT Example 26*')
- 2) Client trading DEA aggregating multiple buy or sell transactions (being transactions in the same direction) aggregated above block and booked into the Client account ✓ (See example '*MVT Example 27*')
- 3) Aggregated trades from the same Client executed Inter-office (each individual trade or fill must be above MVT) and aggregated above block and booked into the Client account ✓ (See example '*MVT Example 28*')
- 4) Client executes a number of trades in one prompt in one direction (e.g. 3month, adhering to the MVT Rule) then adjusts the aggregate volume to another prompt (the adjustment spread trade must be above MVT) and booked into the Client account ✓ (See example '*MVT Example 29*')

For clarification, the following give some further examples of aggregation that are NOT allowed:

- 1) A number of below MVT Inter-office trades aggregated (the total being above or below MVT) and booked into the Client account ✗ (See example '*MVT Example 30*')
- 2) Client executes a number of trades in one prompt in one direction (e.g. 3month, in-breach of the MVT Rule) then adjusts the aggregate volume to another prompt (where the adjustment spread trade is above or below MVT) and booked into the Client account ✗ (See example '*MVT Example 31*')

- 3) Individual Agreed Trades from separate Clients which have been aggregated where any such trade is below the MVT ✘ (See example '*MVT Example 32*')

#### **6.4 Partial fill in the inter-office market**

Members can partially execute Client orders above or below the MVT on LMEselect on an agency basis. Members can also partially execute Client orders above the MVT Inter-office on an agency basis. However, Members cannot partially execute Client orders below the MVT Inter-office on an agency basis – these would need to be executed on LMEselect. See example '*MVT Example 33*')

#### **6.5 Crossing Trade Identification**

Members should ensure that the Client Account Code, Order Origination Trader and any other required fields are correctly populated on the client side of the cross to ensure these trades can be identified as cross trades.

#### **6.6 Linking Trade Components**

Linking trade components refers to the linkage between the Client Trade(s) submitted to LMEsmart and the Equivalent Trade(s) to the Client Trade(s) executed on LMEselect. (See example '*MVT Example 34*')

The LME is not at this point mandating how participants link trades, but Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange (as described in *insert section* of the LME Matching Rules).

In the future the LME may look to mandate trade linking and may use either an existing field such as the TradeLinkID field which exists for this purpose for Members for whom the LME must transaction report or introduce a new field to facilitate this.

## 7 Appendix

### 7.1 Abbreviations

Name	Description
BWG	Block Working Group
IO	Inter-office
TC	Trade Category
MVT	Minimum Volume Threshold
MOC	Market on Close

### 7.2 Venue Field Description

#### 7.2.1 LMEsmart Fix Spec defines the VenueID as:

- 0 – Inter-office
- 1 – Ring
- 2 – Select
- 3 – Basis Ring

#### 7.2.2 LMEsmart GUI defines Venue as:

- Telephone (equivalent to Inter-office)
- Ring
- Select

### 7.3 Example Diagrams

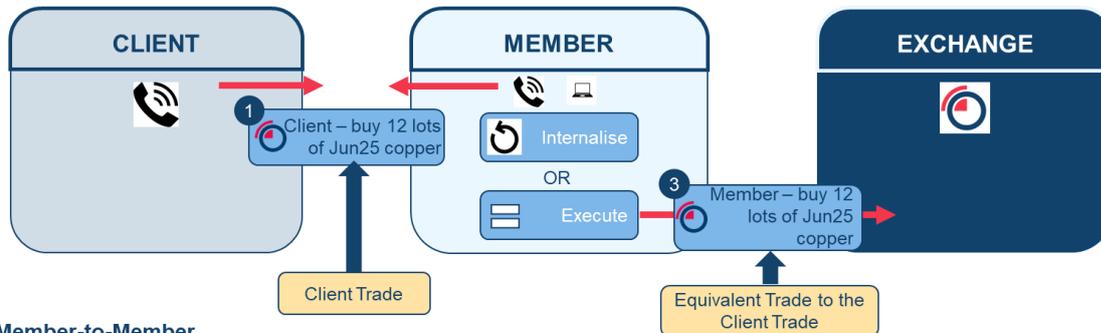
#### Section 4: Scope Example

# MVT Example 1

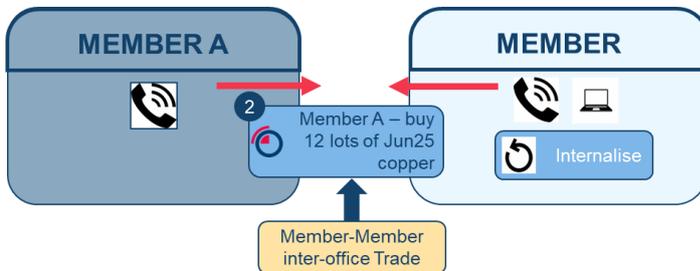
## Example of an Agreed Trade and an Equivalent Trade to the Client Trade

An Agreed Trade can be with a Client ① (described as the "Client Trade"), or with another Member ② (which is described as the "Member-Member" inter-office Trade). These are booked in LMEsmart. The execution of an Agreed Trade with a Client on LMEselect ③ is described as the "Equivalent Trade to the Client Trade".

### Member-to-Client



### Member-to-Member

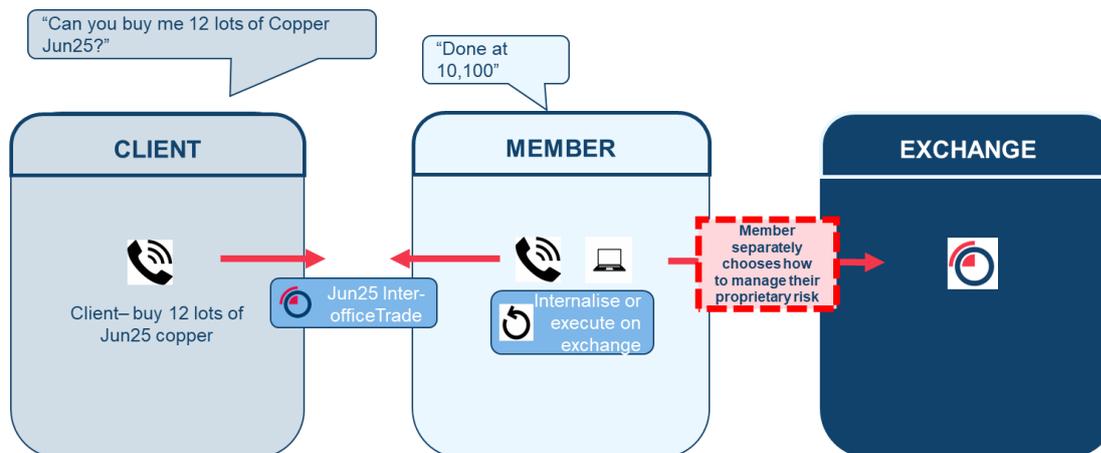


## Section 6: MVT Rule Examples (section 6)

# MVT Example 2

## In scope of the MVT Rule and the Agreed Trade is above MVT

Example: Executing the monthly in Copper in a size above MVT<sup>1</sup>



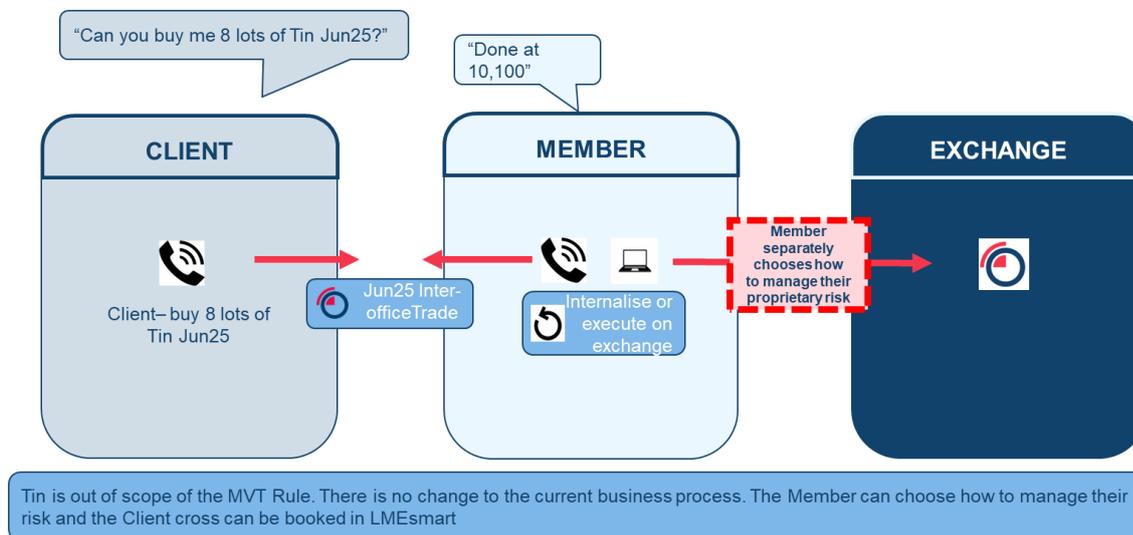
Copper Jun25 is in scope of the MVT Rule but the volume of the Agreed Trade is above the MVT. There is no change to the current business process. The Member can choose how to manage their risk and the Client Trade can be booked in LMEsmart

1 - MVT is assumed to be 10 for the purpose of this example

## MVT Example 3

A contract and/or maturity out of scope of the MVT Rule

Example: Executing a monthly in Tin



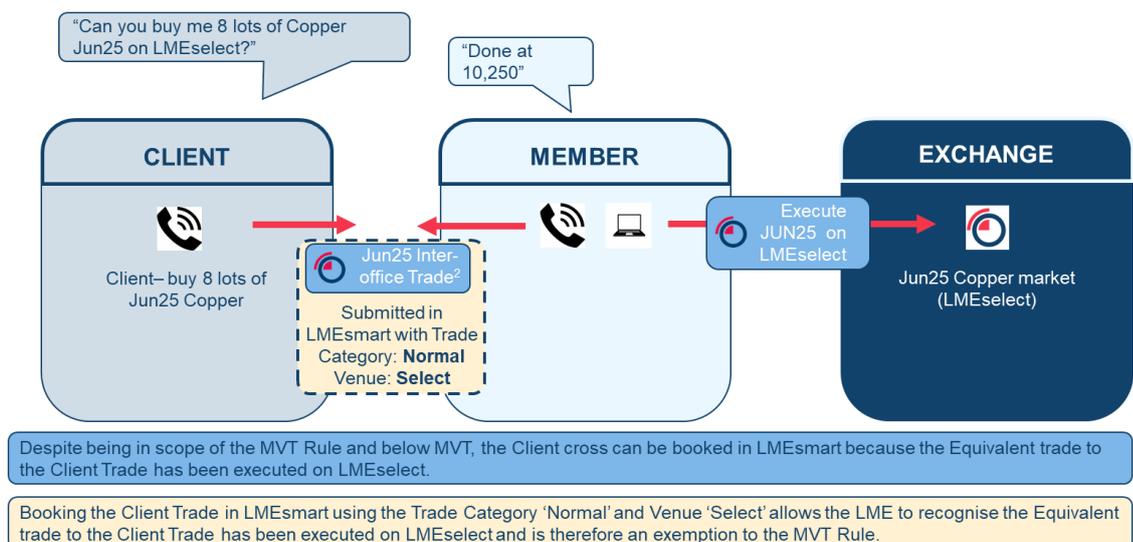
## Section 6.1: Exceptions

### Section 6.1.1: Executing an Equivalent Trade to the Client Trade in LMEselect Examples

## MVT Example 4

Executing an Equivalent Trade to the Client Trade on LMEselect using the Trade Category 'Normal'

Example: Executing the monthly in Copper below the MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal' and Venue 'Select'.



1 - MVT is assumed to be 10 for the purpose of this example

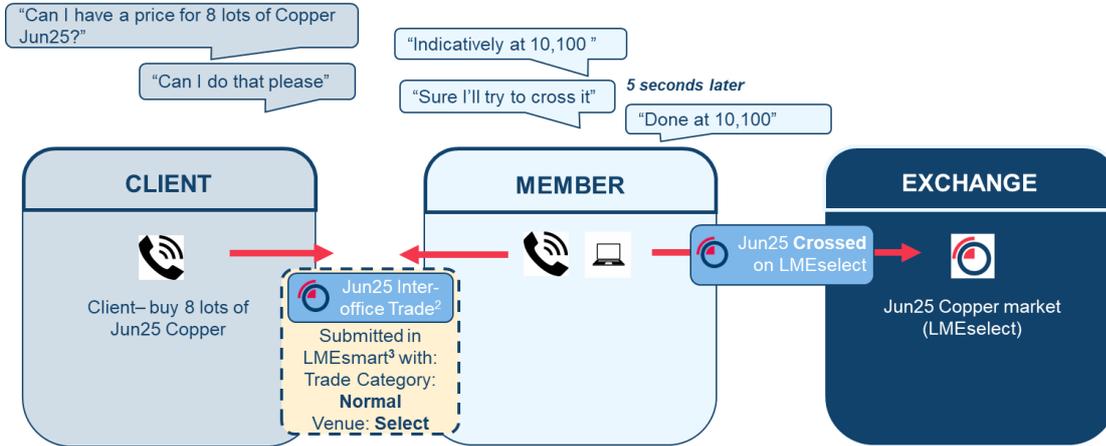
2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

## Section 6.1.2: Crossing an Equivalent Trade to the Client Trade in LMEselect Examples

### MVT Example 5

#### Crossing an Equivalent Trade to the Client Trade on LMEselect using the Trade Category 'Normal'

Example: Executing the monthly in Copper below MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been Crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal'<sup>1</sup> and Venue 'Inter-office'.



Despite being in scope of the MVT Rule and below MVT, the Client trade can be booked in LMEsmart as the Equivalent trade to the Client Trade has been executed on LMEselect.

Booking the Client Trade in LMEsmart using the Trade Category 'Normal' and Venue 'Select' allows the LME to recognise the Equivalent trade to the Client Trade has been executed on LMEselect and is therefore an exemption to the MVT Rule.

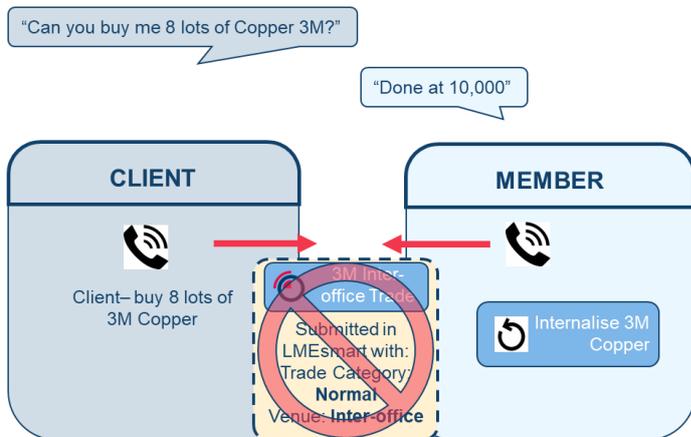
1 - MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange  
 3 - The client cross can be booked with embedded commission

## Section 6.2: Exemptions

### MVT Example 6

#### Trade Category Normal - Rejection

Example: Executing 3M in Copper below the MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been internalised and the Client Trade has been booked in LMEsmart using the Venue 'Inter-office' and Trade Category 'Normal'.



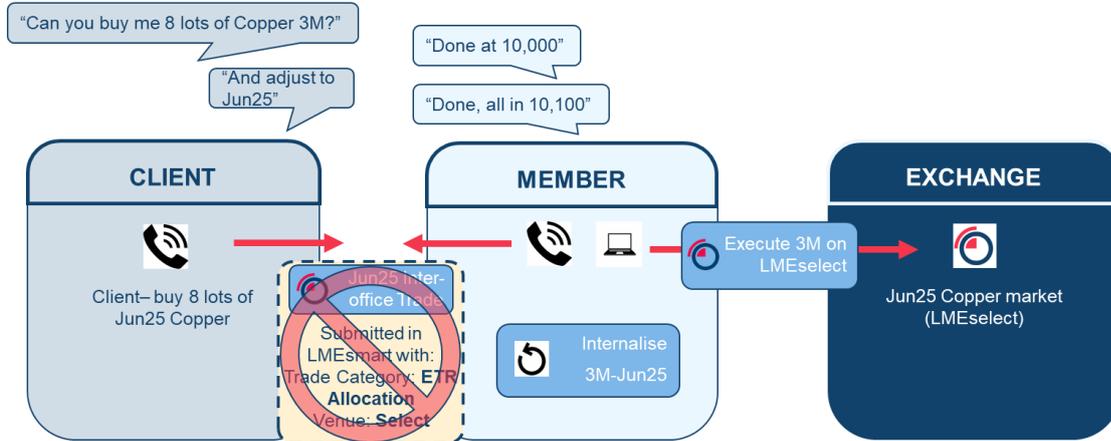
'Normal' Trade Category cannot be used because the Equivalent Trades to the Client Trade was not executed on LMEselect. This will be rejected upon submission to LMEsmart.

1 - MVT is assumed to be 10 for the purpose of this example

# MVT Example 7

## Trade Category ETR Allocation - Rejection

Example: Working the 3M then adjusting in Copper below MVT<sup>1</sup> where not all of the Equivalent trades to the Client Trades (3M and 3M-Jun25) have been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'ETR Allocation'.



ETR Allocation trade category cannot be used because not all of the equivalent trades to the client trade have been executed on LMEselect.

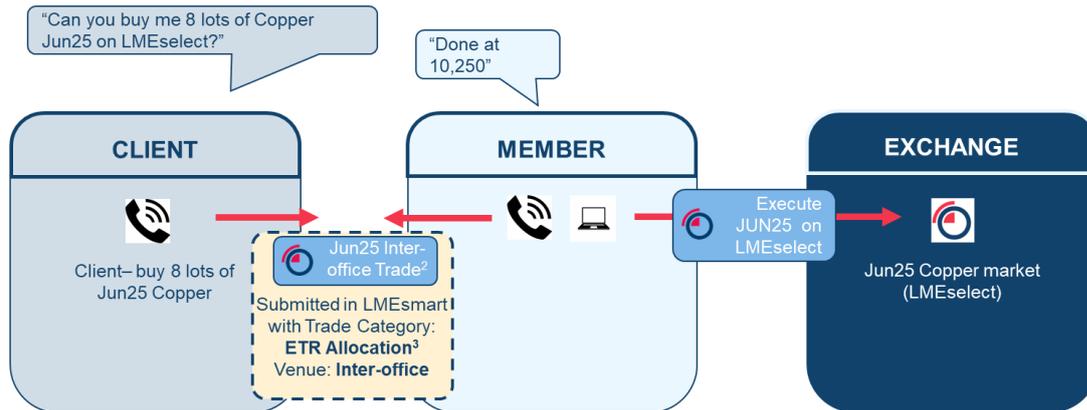
1 - MVT is assumed to be 10 for the purpose of this example

## Section 6.2.2 Trade Category – ETR Allocation

# MVT Example 8

## Executing an Equivalent Trade to the Client Trade on LMEselect using Trade Category 'ETR Allocation'

Example: Executing the monthly in Copper below the MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Venue 'Inter-office' and Trade Category 'ETR Allocation'.



Despite being in scope of the MVT Rule and below MVT, the Client cross can be booked in LMEsmart as the Equivalent trade to the Client Trade has been executed on LMEselect.

Booking the Client Trade in LMEsmart using the Trade Category 'ETR Allocation' allows the LME to recognise the Equivalent trade to the Client Trade has been executed on LMEselect and is therefore an exemption to the MVT Rule despite the Venue being populated as 'Inter-office'.

1 - MVT is assumed to be 10 for the purpose of this example

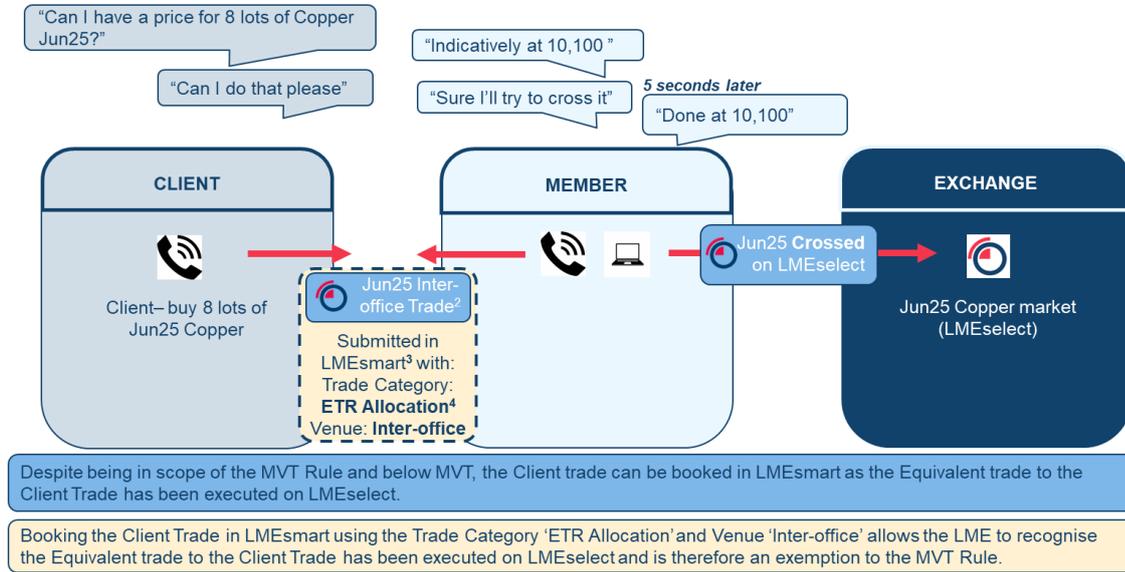
2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

3 - Trade Category 'ETR Allocation' can only be used where Venue is 'Inter-office'. Venue 'Select' and Trade Category 'ETR Allocation' will be rejected upon submission

# MVT Example 9

## Crossing an Equivalent Trade to the Client Trade on LMEselect using Trade Category 'ETR Allocation'

Example: Executing the monthly in Copper below MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been Crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal'<sup>1</sup> and Venue 'Inter-office'.

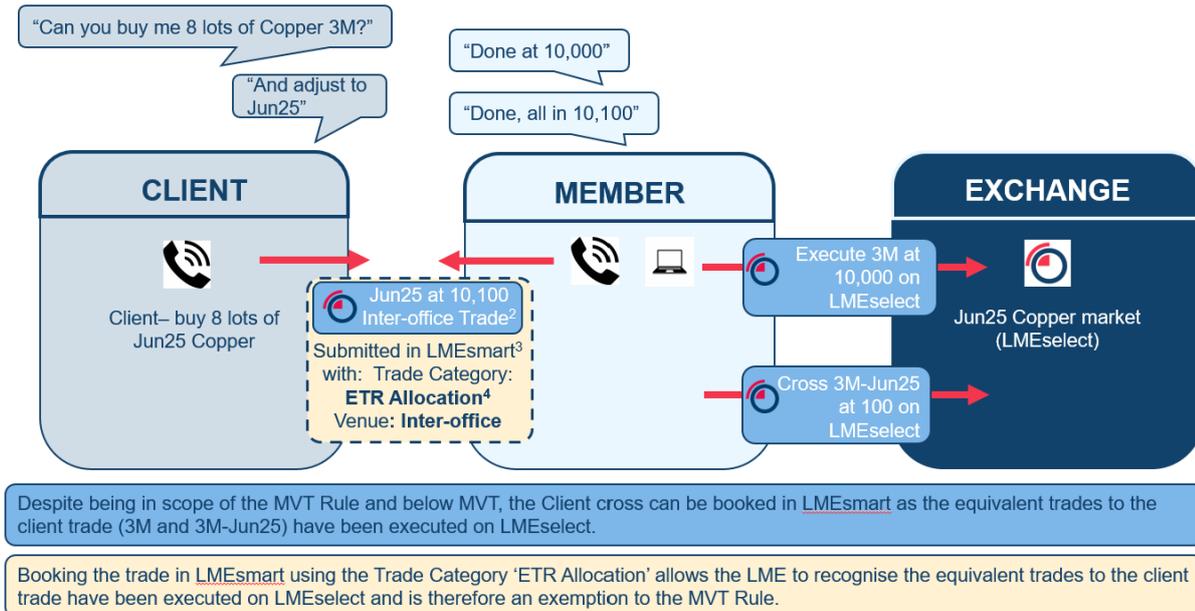


1 - MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange  
 3 - The client cross can be booked with embedded commission  
 4 - Trade Category 'ETR Allocation' can only be used where Venue is 'Inter-office. Venue 'Select' and Trade Category 'ETR Allocation' will be rejected upon submission

# MVT Example 10

## Executing an adjustment using Trade Category - ETR Allocation

Example: Working the 3M in Copper below MVT<sup>1</sup> then adjusting where the Equivalent Trades to the Client Trade (3M and 3M-Jun25) have been executed or crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'ETR Allocation'.



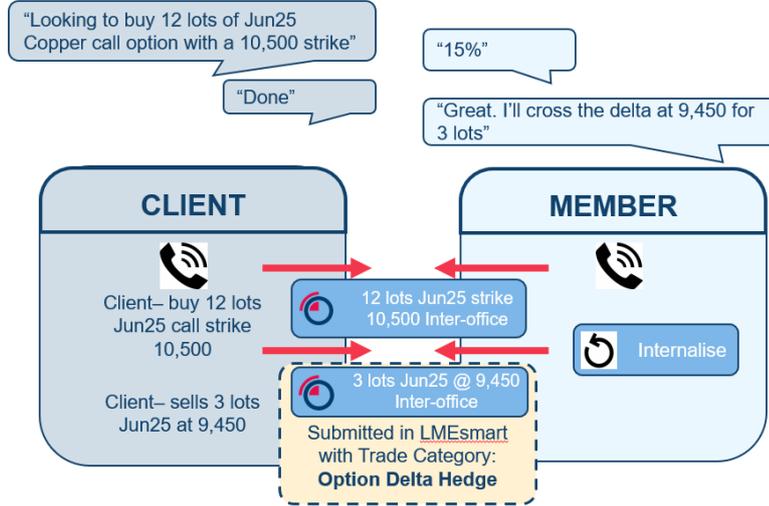
1 - MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange  
 3 - The client cross can be booked with embedded commission  
 4 - Trade Category 'ETR Allocation' can only be used where Venue is 'Inter-office. Venue 'Select' and Trade Category 'ETR Allocation' will be rejected upon submission

## Section 6.2.3 Trade Category – Option Delta Hedge Examples

### MVT Example 11

#### Trade Category – Option Delta Hedge

Example: Executing an options trade in [LMEsmart](#) where the futures hedge is below MVT<sup>1</sup> using the Trade Category 'Option Delta Hedge'



Client Trades which are the futures delta hedge of an option delta hedge can be booked in [LMEsmart](#) below the MVT by using the Trade Category 'Option Delta Hedge'

Booking the trade in [LMEsmart](#) using the Trade Category 'Option Delta Hedge' allows the LME to recognise the trade as an exemption to the MVT Rule.

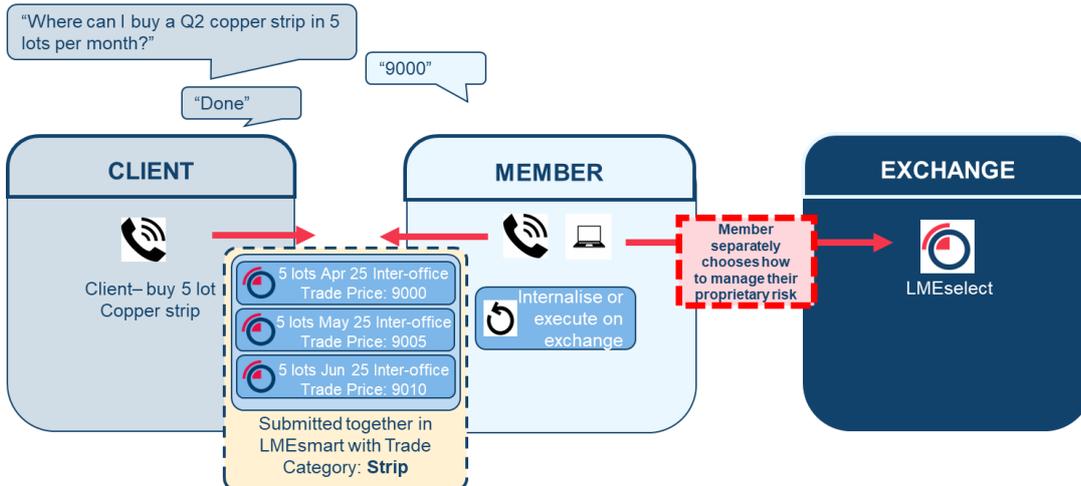
1 - MVT is assumed to be 10 for the purpose of this example

## Section 6.2.4: Trade Category - Strips Examples

### MVT Example 12

#### Trade Category – Strip

Example: Booking a Copper strip in [LMEsmart](#) with leg volumes below MVT<sup>1</sup> using the Trade Category 'Strip'.



Strips where one or more individual leg volumes are below the MVT can be submitted in [LMEsmart](#) as individual submissions using the Trade Category 'Strip'

Booking the trade in [LMEsmart](#) using the Trade Category 'Strip' allows the LME to recognise the trade as an exemption to the MVT Rule.

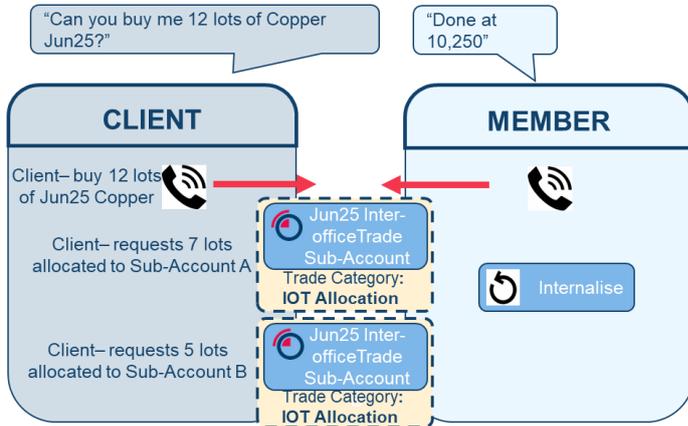
1 - MVT is assumed to be 10 for the purpose of this example

## Section 6.2.5 Trade Category - Allocations Split Examples

### MVT Example 13

#### Trade Category – IOT Allocation

Example: Executing the monthly in Copper below MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been traded inter-office above MVT and the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT and the subsequent below MVT Client Trades are booked in LMEsmart with the Trade Category 'IOT Allocation'.



Despite being in scope of the MVT Rule and below MVT, the Client crosses can be booked in LMEsmart as the Equivalent trade to the Client Trade is above MVT.

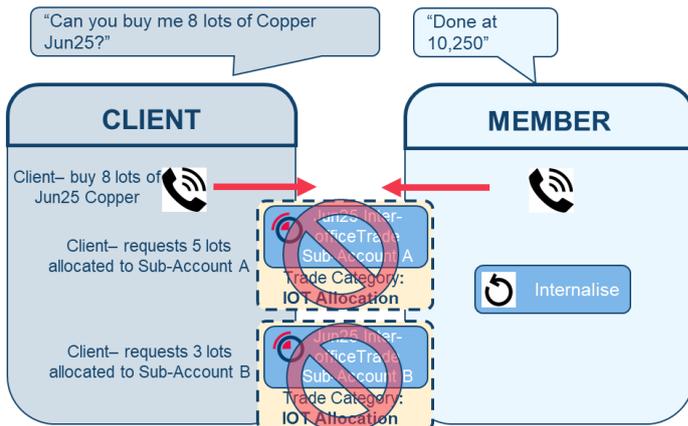
Booking the trade in LMEsmart using the Trade Category 'IOT Allocation' allows the LME to recognise the Equivalent trade to the Client Trade is above MVT and therefore the below MVT allocations are exempt from the MVT Rule.

1 - MVT is assumed to be 10 for the purpose of this example

### MVT Example 14

#### Trade Category – IOT Allocation

Example: Executing the monthly in Copper below MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been traded Inter-office below MVT and the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT.



The buy of 8 lots of Copper should be traded on LMEselect as it is below the MVT and booked using the Trade Category ETR Allocation to indicate the Equivalent Trade to the Client Trade was executed on LMEselect.

These trades should not be booked in LMEsmart as the Equivalent trade to the Client Trade is below MVT and is in scope of the MVT Rule.

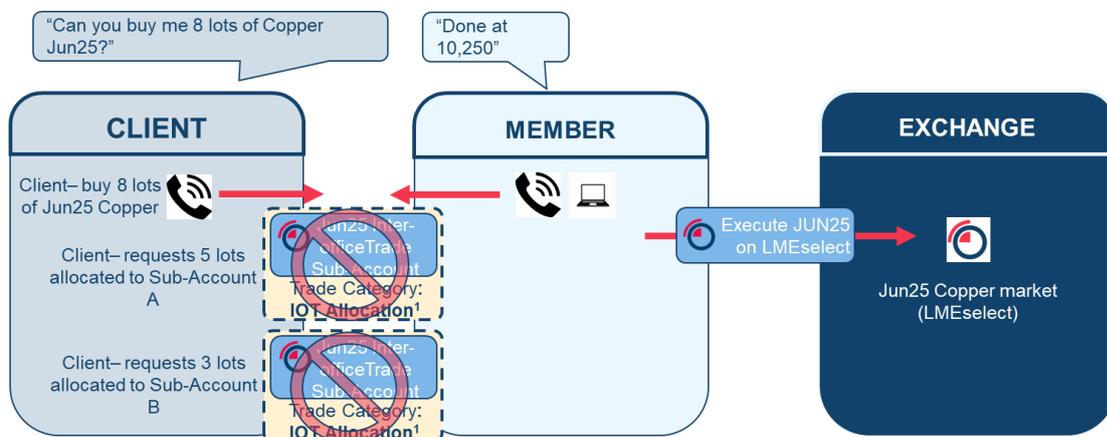
Booking the trade in LMEsmart using the Trade Category 'IOT Allocation' is not allowed as the Equivalent trade to the Client Trade is below MVT and is in scope of the MVT Rule.

1 - MVT is assumed to be 10 for the purpose of this example

# MVT Example 15

## Trade Category – IOT Allocation

Example: Executing the monthly in Copper below MVT<sup>1</sup> where the Equivalent trade to the Client Trade has been traded on LMEselect above or below MVT (this example shows below) and the subsequent below MVT Client Trades are booked in LMEsmart with the Trade Category 'IOT Allocation' (as the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT).



These trades should be booked using Venue 'Select' and Trade Category 'Normal' or Venue 'Inter-office' and Trade Category 'ETR Allocation'.

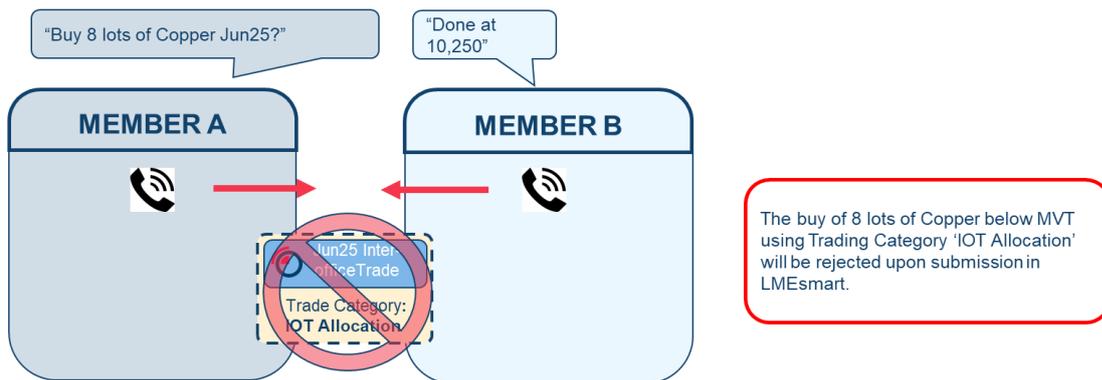
Booking the trade in LMEsmart using the Trade Category 'IOT Allocation' where the Equivalent Trade to the Market Trade has been executed on LMEselect is not allowed.

1 - MVT is assumed to be 10 for the purpose of this example

# MVT Example 16

## Trade Category – IOT Allocation

Example: Member trading with another Member below MVT<sup>1</sup> and then booking the Agreed trade in LMEsmart with Trade Category 'IOT Allocation'.



Below MVT Member to Member trades should not be booked using the Trade Category 'IOT Allocation'. These will be rejected upon submission in LMEsmart.

Booking Member-to-Member trades in LMEsmart using the Trade Category 'IOT Allocation' is not allowed and will be rejected upon submission in LMEsmart.

1 - MVT is assumed to be 10 for the purpose of this example

## Section 6.2.6: Trade Category - MVT Exempt Examples

### Section 6.2.6.1: Cash and Adjust Examples

#### MVT Example 17

##### Using Trade Category 'MVT Exempt' for Cash and Adjust

Example: Client trades Cash and adjusts basis close below MVT<sup>1</sup>.



The Cash trade ① and Cash/Jun25 trade ② are out of scope of the MVT Rules. The resulting Jun25 Client cross ④ is in scope of the MVT Rules but is exempt.

Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt'.

1 - MVT is assumed to be 10 for the purpose if this example

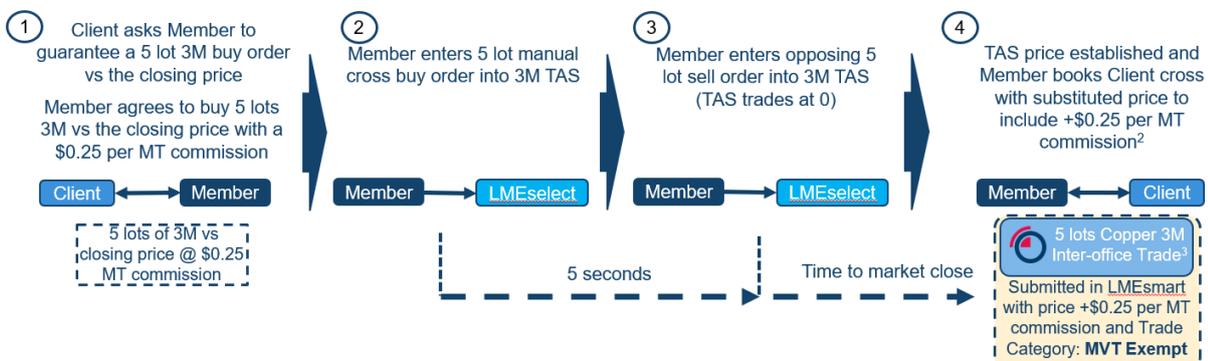
2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

### Section 6.2.6.2: Market on Close (MOC) Examples

#### MVT Example 18

##### Using Trade Category 'MVT Exempt' for MOC Orders

Example: Client trades 3M MOC below MVT<sup>1</sup> via TAS manual market cross where commission is added



The manual cross trade ② & ③ is out of scope of the MVT Rules. The resulting 3M Client cross ④ is in scope of the MVT Rules but is exempt.

Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt' with a price to include commission.

1 - MVT is assumed to be 10 for the purpose if this example

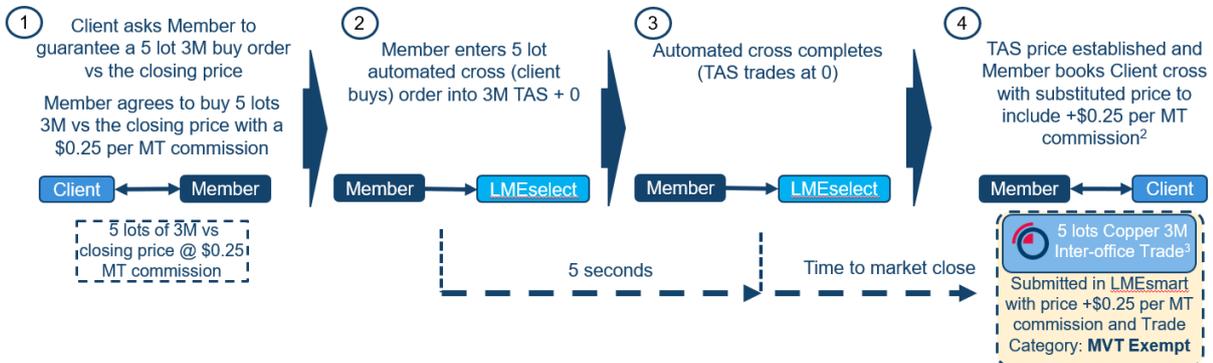
2 - The client cross can be booked with embedded commission

3 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 19

## Using Trade Category 'MVT Exempt' for MOC Orders

Example: Client trades 3M MOC below MVT<sup>1</sup> via TAS self-traded automated cross where commission is added



The automated cross trade ② & ③ is out of scope of the MVT Rules. The resulting 3M Client cross ④ is in scope of the MVT Rules but is exempt.

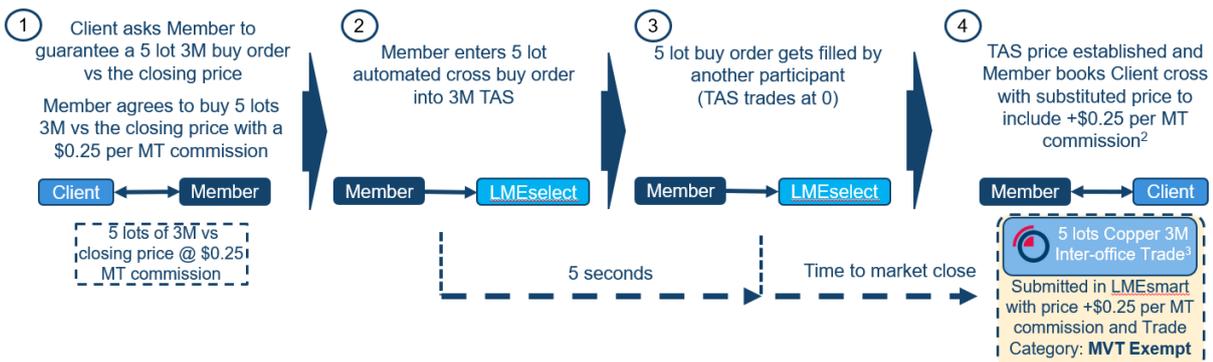
Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt' with a price to include commission.

1- MVT is assumed to be 10 for the purpose of this example  
 2 - The client cross can be booked with embedded commission  
 3 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 20

## Using Trade Category 'MVT Exempt' for MOC Orders

Example: Client trades 3M MOC below MVT<sup>1</sup> via TAS market traded automated cross which is filled by another participant and commission is added



The automated cross trade ② & ③ is out of scope of the MVT Rules. The resulting 3M Client cross ④ is in scope of the MVT Rules but is exempt.

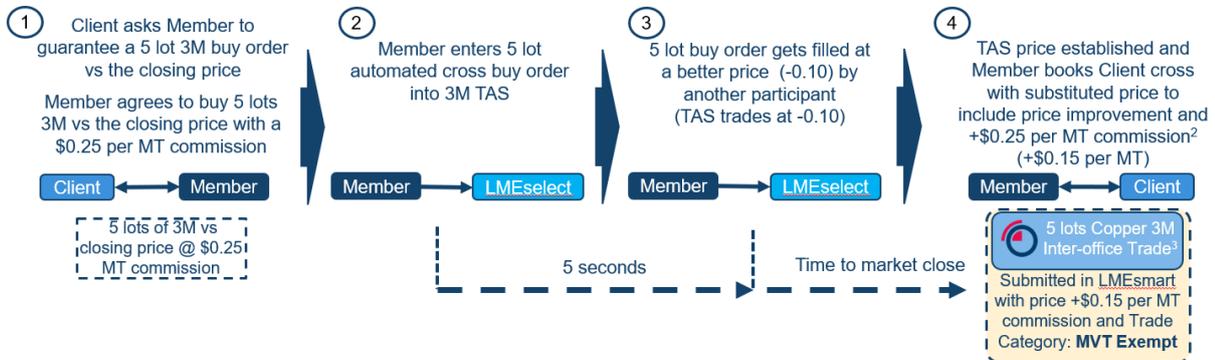
Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt' with a price to include commission.

1- MVT is assumed to be 10 for the purpose of this example  
 2 - The client cross can be booked with embedded commission  
 3 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 21

## Using Trade Category 'MVT Exempt' for MOC Orders

Example: Client trades 3M MOC below MVT<sup>1</sup> via TAS market traded automated cross with an improved price and where commission is added



The automated cross trade ② & ③ is out of scope of the MVT Rules. The resulting 3M Client cross ④ is in scope of the MVT Rules but is exempt.

Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt' with a price to include price improvement and commission.

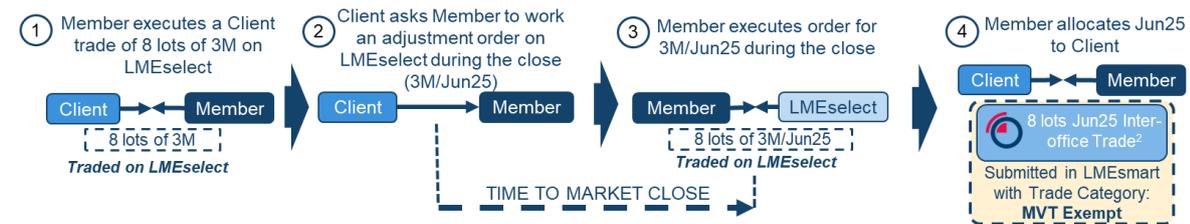
1- MVT is assumed to be 10 for the purpose of this example  
 2 - The client cross can be booked with embedded commission  
 3 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 22

## Using Trade Category 'MVT Exempt' for MOC trades

Example: Client trades 3M and adjusts basis close below MVT<sup>1</sup>.

### Working Order on Close Scenario



The 3M/Jun25 trade ③ is out of scope of MVT as it is traded on LMEselect. The Jun25 Client cross ④ is in scope of the MVT Rules but exempt.

Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt'.

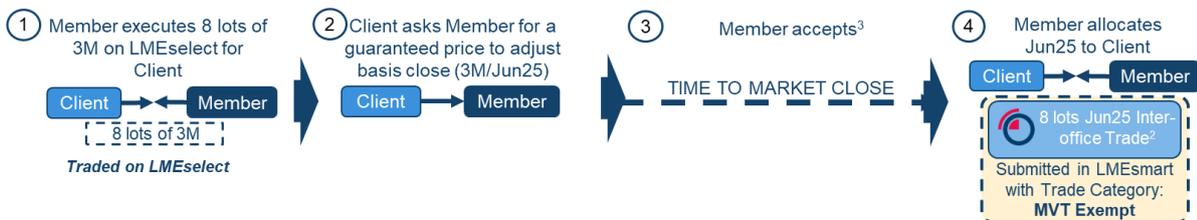
1- MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 23

## Using Trade Category 'MVT Exempt' for MOC trades

Example: Client trades 3M and adjusts basis close below MVT<sup>1</sup>.

### Guaranteed Closing Order Scenario (Market on Close)



The Member can accept the guaranteed price to adjust basis the close so long as the original execution **1** does not breach the MVT rules. In this scenario it does not breach the MVT rules as it is executed on LMEselect. The resulting Jun25 Client cross **4** is exempt from the MVT Rule.

Client cross **4** can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt'.

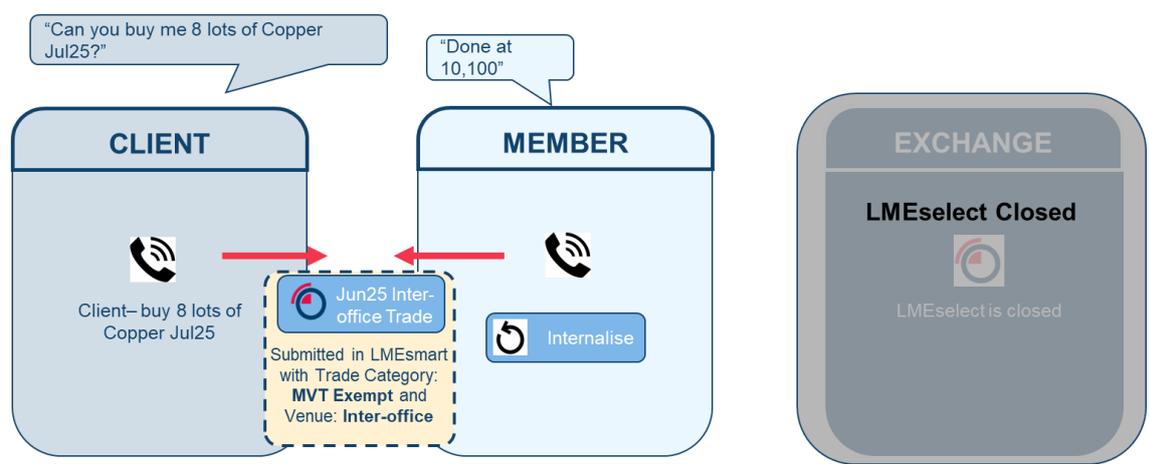
1 - MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange  
 3 - The Member cannot offer a risk price in 8 lots as that would be in breach of the MVT rules even though subsequently it will be adjusted basis a closing order (the closing order component is exempt from the MVT rule).

## Section 6.2.6.3: LMEselect Closed Examples

# MVT Example 24

## MVT rule is not applicable when LMEselect is closed.

Example: Executing the monthly in Copper when LMEselect is closed.



LMEselect is closed. There is no need for execution on LMEselect.

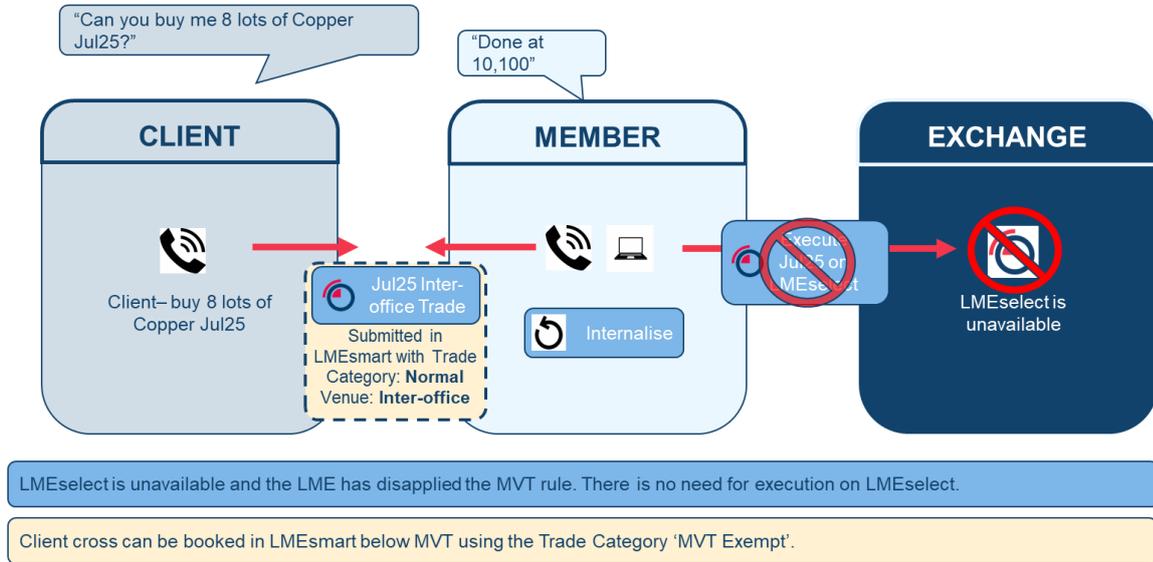
Client cross can be booked in LMEsmart below MVT using the Trade Category 'MVT Exempt'.

### Section 6.2.6.4: LMEselect Unavailable Examples

#### MVT Example 25

MVT rule has been disabled by the LME because of an operational issue with LMEselect.

Example: Executing the monthly in Copper during a period where the LME has disabled MVT<sup>1</sup> due to issues with LMEselect



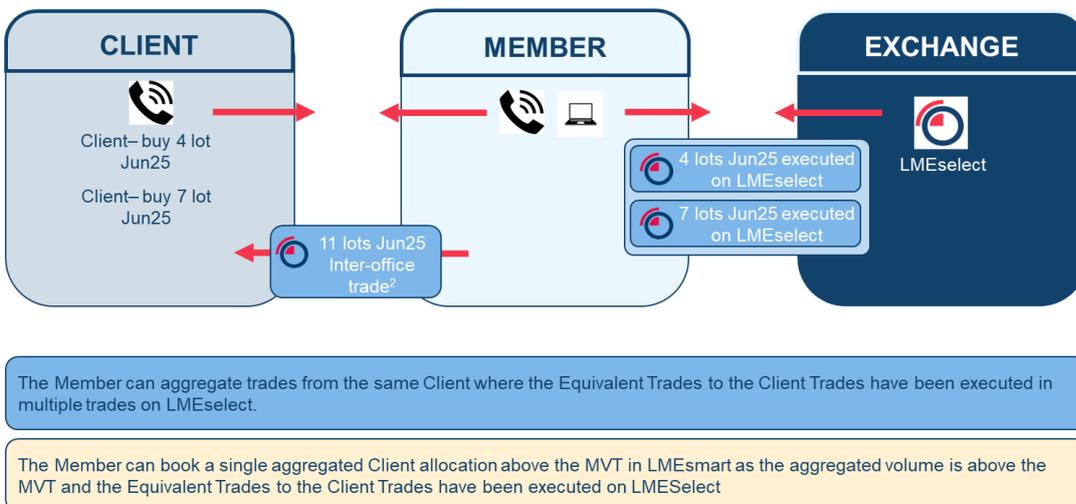
1 - MVT is assumed to be 10 for the purpose of this example

### Section 6.3: Aggregation

#### MVT Example 26

Aggregation

Example: Aggregated trades from the same Client where the Equivalent Trades to the Client Trades have been executed on LMEselect representing either multiple buy or multiple sell transactions (being transactions in the same direction) aggregated above the MVT<sup>1</sup> and booked into the Client account



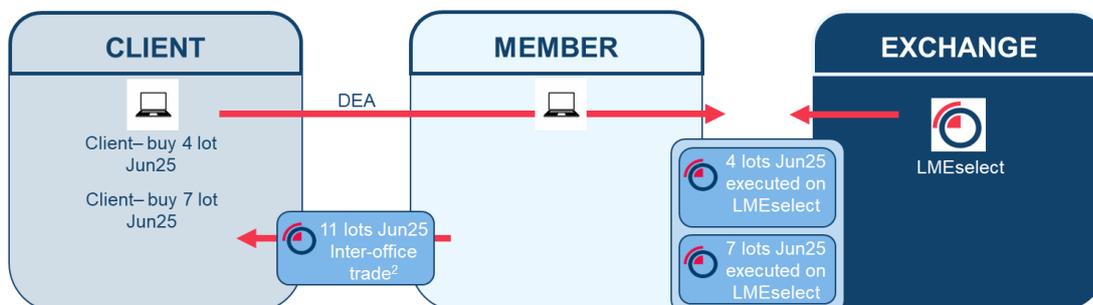
1 - MVT is assumed to be 10 for the purpose of this example

2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

## MVT Example 27

### Aggregation

Example: Client trading DEA aggregating multiple buy or sell transactions (being transactions in the same direction) aggregated above MVT<sup>1</sup> and booked into the Client account



The Member can aggregate the trades executed by the DEA Client on LMEselect into a single above MVT client allocation.

The Member can book a single aggregated Client allocation above the MVT in LMEsmart as the aggregated volume executed DEA by the Client is above the MVT and executed on LMEselect

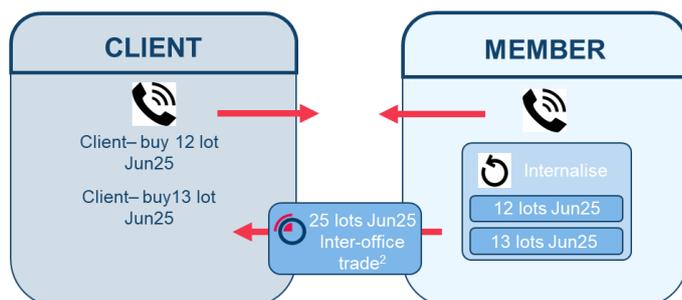
1 - MVT is assumed to be 10 for the purpose of this example

2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

## MVT Example 28

### Aggregation

Example: Aggregated trades from the same Client executed Inter-office (each individual trade or fill must be above MVT) and aggregated above MVT and booked into the Client account



The Member can aggregate the above MVT Client trades into a single above MVT client allocation.

The Member can book a single aggregated Client allocation above the MVT in LMEsmart as the individual Client trades and the aggregated volume are all above the MVT

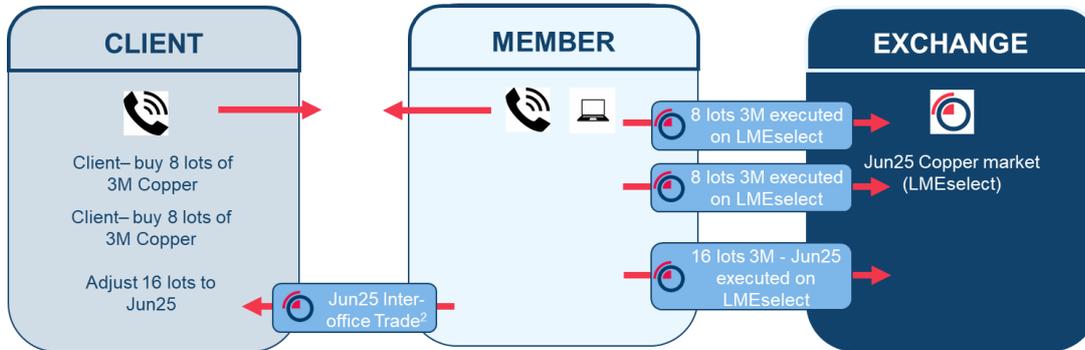
1 - MVT is assumed to be 10 for the purpose of this example

2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 29

## Aggregation

Example: Client executes a number of trades in one prompt in one direction (e.g. 3Month, adhering to the MVT<sup>1</sup> Rules) then adjusts the aggregate volume to another prompt (the adjustment spread trade must be above MVT) and booked into the Client account



The Member can aggregate the below MVT Client trades into a single above MVT adjustment spread trade and submit the above MVT adjustment client allocation in LMEsmart.

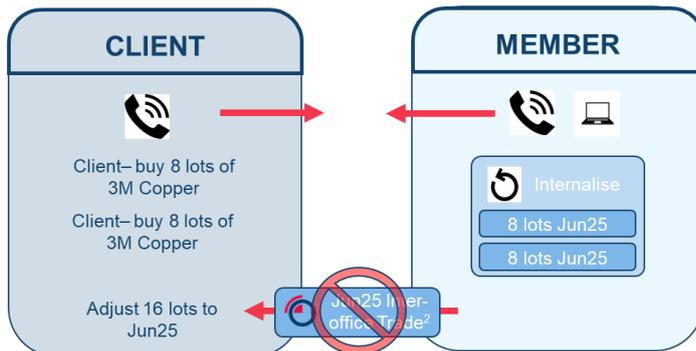
The Member can book a single aggregated Client allocation above the MVT in LMEsmart as all the trades were executed on LMEselect.

1 - MVT is assumed to be 10 for the purpose of this example  
 2 - Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange

# MVT Example 30

## Aggregation

Example: A number of below MVT Inter-office trades aggregated (the total being above or below MVT<sup>1</sup>) and booked into the Client account.



The Member cannot aggregate below MVT inter-office Client trades into a single above MVT adjustment spread trade and submit the above MVT adjustment client allocation in LMEsmart.

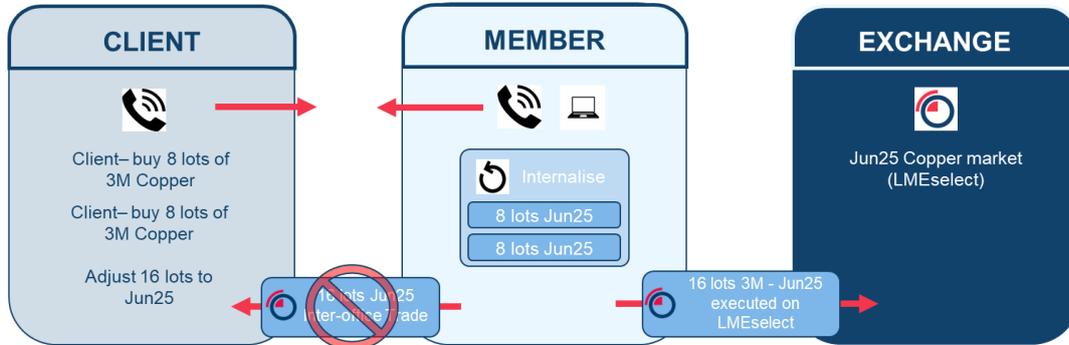
The Member cannot book a single aggregated Client allocation above the MVT in LMEsmart as all the trades were NOT executed on LMEselect.

1 - MVT is assumed to be 10 for the purpose of this example

## MVT Example 31

### Aggregation

Example: Client executes a number of trades in one prompt in one direction (e.g. 3month, in-breach of the MVT<sup>1</sup> Rule) then adjusts the aggregate volume to another prompt (where the adjustment spread trade is above or below MVT) and booked into the Client account



The Member cannot aggregate the inter-office Client trades into a single above MVT adjustment spread trade and submit the above MVT adjustment client allocation in LMEsmart.

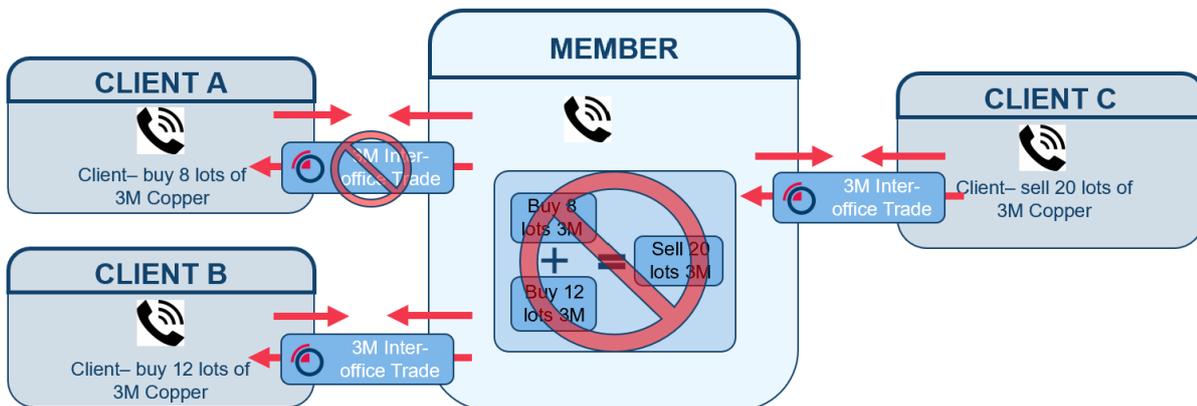
The Member cannot book a single aggregated Client allocation above the MVT as not ALL the Client trades were executed in LMEselect.

1 - MVT is assumed to be 10 for the purpose of this example

## MVT Example 32

### Aggregation

Example: Individual Agreed Trades from separate clients cannot be aggregated where one or more trades are below the MVT



The Member cannot aggregate separate client trades where one or more of the client trades are below MVT.

The Member cannot book a below MVT allocation (Client A) in LMEsmart as the Client trade was not executed in LMEselect.

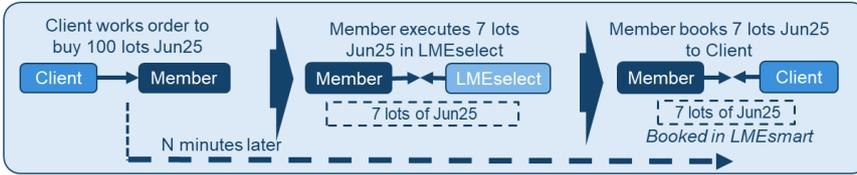
1 - MVT is assumed to be 10 for the purpose of this example

## Section 6.4: Partial Fill in The Inter-office Market Examples

### MVT Example 33

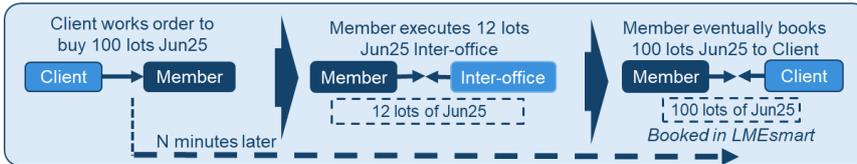
Partial fill in the inter-office market must adhere to the MVT<sup>1</sup>

Agency partial fill on LMEselect



✓ If member accepts an order from the client, they CAN partially execute some on LMEselect on an agency basis and fill client.

Agency partial fill Inter-office



✓ If a member accepts an order from the client, they CAN partially execute an above MVT amount inter-office on an agency basis and partially fill client. All partial fills must be above MVT

Agency partial fill Inter-office below MVT threshold



✗ Member CANNOT after x mins say done on 7 lots without executing on LMEselect.

<sup>1</sup> - MVT is assumed to be 10 for the purpose of this example

## Section 6.5: Crossing Trade Identification Examples

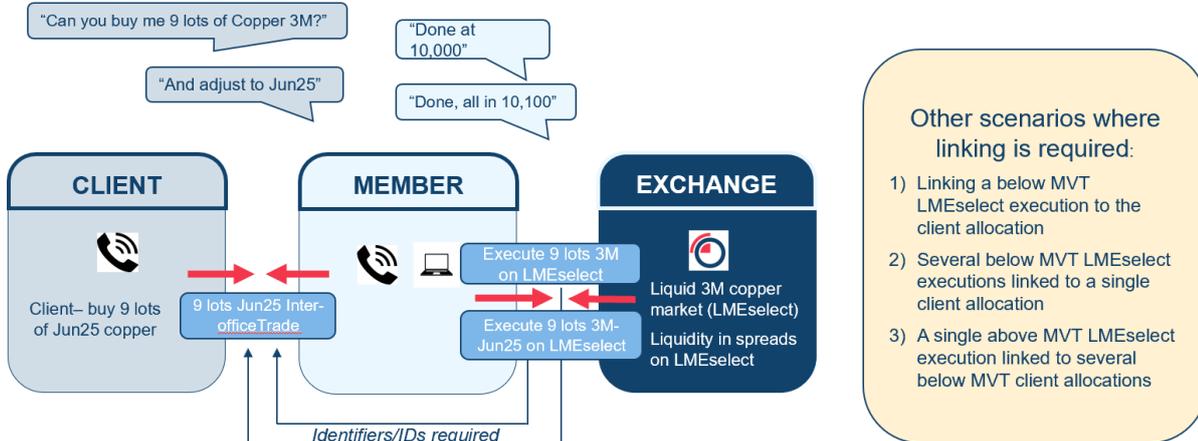
Members should ensure that the Client Account Code, Order Origination Trader and any other required fields are correctly populated on the client side of the cross to ensure these trades can be identified as cross trades.

## Section 6.6: Linking Trade Components Examples

### MVT Example 34

#### Linking Trade Components

Component trades need to be linked for monitoring and audit purposes. An example below shows the need for an identifier to link the adjustment trades to the client allocation:



The LME is not at this point mandating how participants link trades, but Members are reminded that they must retain a full audit trail for all orders submitted to LME Select, all Equivalent Trade to the Client Trades agreed non-electronically, and all post-trade operations. The audit trail should contain sufficient information to demonstrate a complete history of the transaction, if requested by the Exchange.

## 7.4 Summary of All Trade Categories

The following table summarises all trade categories and highlights those that are new and/or impacted by the MVT.

Trade Category	Description
Normal	Used to enter new market trades Executed on the Ring, Basis Ring or agreed in the inter-office market (including trades agreed via a Fixed Price Auction) or via the Matching System. This trade category should also be used when adjusting trades Executed in LME Select following the application of the Lending Rules.
Give-Up Executor/Give-Up Clearer	Used to effect the give-up of a transaction to another Clearing Member.
OTC Bring-On	Used to convert a previously executed over-the- counter contract to a Cleared Contract, where the intention is to bring the transaction on-Exchange. Further information regarding the OTC Bring-On trade category is contained in the section headed "OTC Bring-Ons and OTC Backloading" below.

OTC Take Off	Used to convert an on-Exchange Contract to an over-the-counter contract.
Financing	used to enter a trade that relates to financing transactions.
Exception Reportable	Can only be used in order to submit a trade to the Matching System that has been identified by the Member as a reportable transaction under MiFID II.
Exception Non-Reportable	Can only be used in order to submit a trade to the Matching System that has been identified by the Member as a non-reportable transaction under MiFID II. An example of this would be the submission of a transaction derived from an option expiry.
Transfer	Post trade functionality to be used to affect the move of a registered single trade or group of trades (“a position”) between Members or alternatively within a Member’s own client account structure
(New) ETR Allocation	To be used where the Member has executed an Equivalent Trade(s) to the Client Trade(s) in the exact same instrument(s) on LME Select and the Members operational processes require the trade to be booked with Venue Inter-office
(New) Option Delta Hedge	To be used to identify an option delta hedge booked alongside an option, where that future is below MVT.
(New) Strip	To be used to identify a Strip trade where one or more legs has a volume below MVT.
(New) IOT Allocation	To be used for client trade allocations which are split across more than one sub account of the same client and are below the MVT  <i>(Note: This should not be used for an inter-office allocation where the original Equivalent Trade to the Client Trade was not above the MVT)</i>
(New) MVT Exempt	To be used: <ol style="list-style-type: none"> <li>1) in relation to trades where the execution in the inter-office market is exempt from the MVT Rule</li> <li>2) during the trading hours 19:00 and 20:00 when LMEselect is closed</li> <li>3) when LMEselect is unavailable for any other reason</li> </ol>



## 7.5 Scenario Summary

Scenario	Description	Scenario Specifics
MVT Example 1	Example of an Agreed Trade and an Equivalent Trade to the Client Trade	N/A
MVT Example 2	In scope of the MVT Rule and the Agreed Trade is above MVT	Executing the monthly in Copper in a size above MVT
MVT Example 3	A contract and/or maturity out of scope of the MVT Rule	Executing a monthly in Tin
MVT Example 4	Executing an Equivalent Trade to the Client Trade on LMEselect using the Trade Category 'Normal'	Executing the monthly in Copper below the MVT where the Equivalent trade to the Client Trade has been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal' and Venue 'Select'.
MVT Example 5	Crossing an Equivalent Trade to the Client Trade on LMEselect using the Trade Category 'Normal'	Executing the monthly in Copper below MVT <sup>1</sup> where the Equivalent trade to the Client Trade has been Crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal' <sup>1</sup> and Venue 'Inter-office'.
MVT Example 6	Trade Category Normal - Rejection	Executing 3M in Copper below the MVT <sup>1</sup> where the Equivalent trade to the Client Trade has been internalised and the Client Trade has been booked in LMEsmart using the Venue 'Inter-office' and Trade Category 'Normal'.
MVT Example 7	Trade Category ETR Allocation - Rejection	Working the 3M then adjusting in Copper below MVT where not all of the Equivalent trades to the Client Trades (3M and 3M-Jun25) have been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'ETR Allocation'.
MVT Example 8	Executing an Equivalent Trade to the Client Trade on LMEselect using Trade Category 'ETR Allocation'	Executing the monthly in Copper below the MVT where the Equivalent trade to the Client Trade has been executed on LMEselect and the Client Trade has been booked in LMEsmart using the Venue 'Inter-office' and Trade Category 'ETR Allocation'.
MVT Example 9	Crossing an Equivalent Trade to the Client Trade on LMEselect using Trade Category 'ETR Allocation'	Executing the monthly in Copper below MVT where the Equivalent trade to the Client Trade has been Crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'Normal' <sup>1</sup> and Venue 'Inter-office'.

MVT Example 10	Executing an adjustment using Trade Category - ETR Allocation	Working the 3M in Copper below MVT then adjusting where the Equivalent Trades to the Client Trade (3M and 3M-Jun25) have been executed or crossed on LMEselect and the Client Trade has been booked in LMEsmart using the Trade Category 'ETR Allocation'.
MVT Example 11	Trade Category – Option Delta Hedge	Executing an options trade in LMEsmart where the futures hedge is below MVT using the Trade Category 'Option Delta Hedge'
MVT Example 12	Trade Category – Strip	Booking a Copper strip in LMEsmart with leg volumes below MVT using the Trade Category 'Strip'.
MVT Example 13	Trade Category – IOT Allocation	Executing the monthly in Copper below MVT where the Equivalent trade to the Client Trade has been traded inter-office above MVT and the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT and the subsequent below MVT Client Trades are booked in LMEsmart with the Trade Category 'IOT Allocation'.
MVT Example 14	Trade Category – IOT Allocation	Executing the monthly in Copper below MVT where the Equivalent trade to the Client Trade has been traded Inter-office below MVT and the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT.
MVT Example 15	Trade Category – IOT Allocation	Executing the monthly in Copper below MVT where the Equivalent trade to the Client Trade has been traded on LMEselect above or below MVT (this example shows below) and the subsequent below MVT Client Trades are booked in LMEsmart with the Trade Category 'IOT Allocation' (as the Client asked for the Trade to be split across 2 sub-accounts of the same Client below MVT).
MVT Example 16	Trade Category – IOT Allocation	Member trading with another Member below MVT and then booking the Agreed trade in LMEsmart with Trade Category 'IOT Allocation'.
MVT Example 17	Using Trade Category 'MVT Exempt' for Cash and Adjust	Client trades Cash and adjusts basis close below MVT
MVT Example 18	Using Trade Category 'MVT Exempt' for TAS Orders	Client trades 3M MOC below MVT via TAS manual market cross where commission is added
MVT Example 19	Using Trade Category 'MVT Exempt' for TAS Orders	Client trades 3M MOC below MVT via TAS self-traded automated cross where commission is added

MVT Example 20	Using Trade Category 'MVT Exempt' for TAS Orders	Client trades 3M MOC below MVT via TAS market traded automated cross which is filled by another participant and commission is added
MVT Example 21	Using Trade Category 'MVT Exempt' for TAS Orders	Client trades 3M MOC below MVT via TAS market traded automated cross with an improved price and where commission is added
MVT Example 22	Using Trade Category 'MVT Exempt' for MOC trades	Client trades 3M and adjusts basis close below MVT
MVT Example 23	Using Trade Category 'MVT Exempt' for MOC trades	Client trades 3M and adjusts basis close below MVT
MVT Example 24	MVT rule is not applicable when LMEselect is closed.	Executing the monthly in Copper when LMEselect is closed
MVT Example 25	MVT rule has been disapplied by the LME because of an operational issue with LMEselect	Executing the monthly in Copper during a period where the LME has disapplied MVT due to issues with LMEselect
MVT Example 26	Aggregation	Aggregated trades from the same Client where the Equivalent Trades to the Client Trades have been executed on LMESelect representing either multiple buy or multiple sell transactions (being transactions in the same direction) aggregated above the MVT and booked into the Client account
MVT Example 27	Aggregation	Client trading DEA aggregating multiple buy or sell transactions (being transactions in the same direction) aggregated above block and booked into the Client account
MVT Example 28	Aggregation	Aggregated trades from the same Client executed Inter-office (each individual trade or fill must be above MVT) and aggregated above block and booked into the Client account
MVT Example 29	Aggregation	Client executes a number of trades in one prompt in one direction (e.g. 3Month, adhering to the MVT Rules) then adjusts the aggregate volume to another prompt (the adjustment spread trade must be above MVT) and booked into the Client account
MVT Example 30	Aggregation	A number of below MVT Inter-office trades aggregated (the total being above or below MVT) and booked into the Client account.
MVT Example 31	Aggregation	Client executes a number of trades in one prompt in one direction (e.g. 3month, in-breach of the MVT Rule) then adjusts the aggregate volume to another prompt (where

		the adjustment spread trade is above or below MVT) and booked into the Client account
MVT Example 32	Aggregation	Individual Agreed Trades from separate clients cannot be aggregated where one or more trades are below the MVT
MVT Example 33	Partial fill in the inter-office market must adhere to the MVT	Agency partial fill on LMEselect Agency partial fill Inter-office Agency partial fill Inter-office below block threshold
MVT Example 34	Linking Trade Components	Component trades need to be linked for monitoring and audit purposes. An example below shows the need for an identifier to link the adjustment trades to the client allocation