

To: All Members and other interested parties

Ref: 15/219:A214

Date: 17 July 2015

Subject: **LAUNCH OF LMEPRISM**

## Summary

1. This Notice advises members of the LME's intention to replace its LMEcvrs system with LMEprism with effect from Monday 2 November 2015. LMEcvrs is used to receive daily option volatilities from members to assist the LME in the determination of the Closing Prices for Traded Options. This Notice outlines the additional features that will be included in LMEprism.

## Background

2. Members will be aware that Regulation 6.3 of the Metal Options Regulations obliges members to submit daily option volatilities to the LME to assist in the determination of Closing Prices, upon request. The introduction of LMEprism does not alter this obligation and therefore those members who currently submit daily option volatilities to the LME will be required to continue doing so until advised otherwise by the LME.

## Upgrade Details

3. LMEprism will include the following system enhancements that will provide greater functionality and ease of use for both contributing members and the LME:
  - a) The ability for the LME to omit individual submissions from LMEprism users rather than the whole curve;
  - b) An improvement to statistical reporting and retrieval of historic data;
  - c) A quicker processing time for the calculation algorithm when volatility submissions have been received by the LME;
  - d) The ability for LMEprism users to analyse 'wings' as differentials and absolute values;
  - e) The ability for the LME to publish objections efficiently with a full anonymous audit trail to all LMEprism users;



- f) The ability to allow late submissions from LMEprism users;
- g) The functionality to distribute volatility reports via SFTP, which is not currently available;
- h) The functionality for LMEprism users to chart by metal and delta; and
- i) The addition of an activity log to allow LMEprism users to track actions performed by both the LME and in-house users (relevant to their own company).

### **General**

- 4. LMEprism will be a web-based facility (unchanged from LMEcvrs) and available for use with Google Chrome and Internet Explorer 11.
- 5. The submission process, reports generated and formatted file types will remain unchanged from those currently used by members in LMEcvrs.
- 6. It is intended that both member testing and training will take place from late September through to early October. The LME will provide further updates on the go-live activities, including exact dates for member testing and training as they become available.
- 7. If members, customers or other interested parties have any questions on the launch of LMEprism or the general procedure used for determining the Closing Prices for Traded Options, they should direct enquiries to [tradingoperations@lme.com](mailto:tradingoperations@lme.com).

A handwritten signature in black ink, appearing to read 'Peter Childs'.

**Peter Childs**  
**Head of Trading Operations and Price Discovery**

cc: Board directors, Traded Options Committee, User Committee, Trading Committee