



ISAE 3000 Type II Report - Report on internal controls in respect of the administration and calculation of Benchmarks for the period 1 January 2025 to 31 December 2025



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Section I: Introduction



Introduction

The London Metal Exchange (“**LME**”) is a world centre for the trading of industrial metals and provides pricing, risk and terminal market services to the global physical metals industry. The LME publishes various prices that fall within the definition of ‘benchmark’ pursuant to the UK Benchmarks Regulation¹ (“**BMR**”) and as such was authorised and is regulated by the Financial Conduct Authority (“**FCA**”) in respect of its benchmark administration activities.

Overview of the Report

The report is produced by LME and provides an understanding and examination of the policies and procedures designed and implemented by LME in respect of the administration and calculation of benchmarks, for the year ended 31 December 2025.

This report is structured into the following sections:

- **Section I** – Introduction
- **Section II** - Statement by the Directors of the LME.
- **Section III** - Independent Auditor’s Assurance Report provided by BDO LLP (“**BDO**”).
- **Section IV** - Description of the Control Objectives and related controls prepared by the LME, a description of the tests of controls performed by BDO and the results of those tests.
- **Section V** - The requirements of the BMR, with the relevant controls that the LME has mapped against each requirement.
- **Section VI** – IOSCO Principles and the relevant controls that the LME has mapped against each Principle.

Key Terms

This report should be read in conjunction with the LME Benchmark Defined Terms (“**Definitions**”) and other BMR related documents, for example, benchmark methodologies and benchmark statements (the “**BMR Documents**”) available on the LME’s website. Any capitalised terms not specifically defined in this report shall have the meaning given to them in the Definitions and BMR Documents.

Purpose of the Report

This report is published pursuant to Annex II (18) of the BMR in respect of the audit requirement for a review and report on the LME’s adherence to its stated methodology criteria and with the requirements of the BMR.

In addition to an assessment against the requirements of the BMR, this report also evaluates the LME’s adherence with the IOSCO Principles for Oil Price Reporting Agencies (“**IOSCO Principles**”) and is published pursuant to Principle 2.21. The LME is not an oil price reporting agency, nor are any of the benchmarks administered by the LME oil benchmarks, however the IOSCO Principles’ role is acknowledged as a global standard for the provision of benchmarks. This is demonstrated in relation to a third country administrator applying for recognition. The European Securities and Markets Authority Questions and Answers on the Benchmarks Regulation (“**ESMA Q&A**”) sets out under 7.5 that “*where*

¹ UK Benchmarks Regulation being Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, to the extent that such have been incorporated in UK law pursuant to the European Union (Withdrawal) Act 2018 and as modified by UK Statutory Instruments, including but not limited to, The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019), following the UK’s exit from the European Union and the Financial Services Act 2021 paragraph 19 which became applicable on 1 July 2021 amending the UK Benchmark Regulation.



Article 32(2) of BMR states that in order to assess compliance with the IOSCO principles for Oil Price Reporting Agencies (PRAs), the FCA (or ESMA under the European Benchmarks Regulation) may rely on an assessment [of the IOSCO Principles] by an independent external auditor". Another example where the IOSCO Principles are seen to be an appropriate proxy is with regards to audit requirements. ESMA Q&A also sets out under 7.6 that "Pursuant to Article 19 of the BMR, for those commodity benchmarks applying Annex II of the BMR instead of Title II of BMR, ESMA considers that an annual review of IOSCO principles for PRAs by an independent external auditor is sufficient to ensure compliance with paragraph 18 of Annex II of BMR".

Scope

The relevant BMR and IOSCO Principles requirements for the purpose of this report are set out in the regulation mapping table in Sections V and VI. In Section IV of this report, the LME describes the relevant control objectives and underlying controls (the "**LME Control Framework**") operated to meet those objectives for the period from 1 January 2025 until 31 December 2025 ("**Period Under Review**") relevant to four families of benchmarks, namely the Official Prices, Closing Prices, Monthly Average Settlement Prices ("**MASPs**"), and LBMA Platinum and LBMA Palladium ("**LPP**") Prices (collectively the "**Benchmarks**") administered by the LME during the Period Under Review. A list of the Benchmarks and each Benchmark Family to which those Benchmarks belong can be found in Appendix A.

Independent Assurance

The LME appointed BDO to provide independent assurance regarding the design and operating effectiveness of the LME's Control Framework put in place to satisfy the requirements of the BMR and IOSCO principles and that, throughout the Period Under Review, the applicable requirements of the BMR and IOSCO Principles, and the published benchmark methodologies have been adhered to in respect of the Benchmarks. BDO have expressed an assurance opinion in Section III.

Further Information

If any interested parties have any questions or requests for further clarification regarding this report, please contact the LME at benchmarks@lme.com.

Further details about the LME, the Benchmarks or other services can be found at www.lme.com.

Disclaimer

© The LME, 2026. The London Metal Exchange logo is a registered trademark of The London Metal Exchange. All rights reserved. The LME is authorised and regulated by the Financial Conduct Authority in respect of its benchmark administration activities under the BMR. The London Metal Exchange is also a recognised investment exchange under Part XVIII of the Financial Services and Markets Act 2000 ("**FSMA**") and a regulated market pursuant to the Markets in Financial Instruments Directive. The LME is an exempt person for the purposes of FSMA in respect of its exchange activities.

All information contained within this document (the "**Information**") is provided for reference purposes only. While the LME endeavours to ensure the accuracy, reliability and completeness of the Information, neither the LME, nor any of its affiliates makes any warranty or representation, express or implied, or accepts any responsibility or liability for, the accuracy, completeness, reliability or suitability of the Information for any particular purpose. The LME accepts no liability whatsoever to any person for any loss or damage arising from any inaccuracy or omission in the Information or from any consequence, decision, action or non-action based on or in reliance upon the Information.

This report is intended solely for use by the management of the LME and its user entities and is not intended and should not be used by anyone other than these specified parties.



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Section II: Statement by the Directors of the London Metal Exchange



Statement by the Directors of the London Metal Exchange

As directors of the London Metal Exchange (“**LME**”), we are responsible for the identification of the control objectives and the design, implementation and operation of the LME’s controls to provide reasonable assurance that the control objectives are achieved in respect of the administration and calculation of the four families of benchmarks in response to the applicable requirements of the Benchmarks Regulation (EU) 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by, including but not limited to, The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019) (“**BMR**”) Articles 10, 19, 27, 28.1 and Annex II, to the applicable requirements of the International Organization of Securities Commissions (“**IOSCO**”) Principles for Oil Price Reporting Agencies (“**IOSCO principles**”) and over the LME’s adherence to its benchmark methodologies for the calculation of the benchmarks.

The four families of benchmarks in scope are, Official Prices, Closing Prices, Monthly Average Settlement Prices, and LPP Prices (collectively the “**Benchmarks**”).

The accompanying description in Section IV (the “**Description**”), has been prepared for clients who have a sufficient understanding to consider the description for the intended purpose of this report.

As described in Section IV, the LME uses a subservice organisation presented using the carved-out method (the “carve-out subservice organisation”) for its backup tape collection and storage services. The Description includes only the control activities and related control objectives of the LME and excludes the control objectives and related control activities related to the services provided by the carve-out subservice organisation.

We confirm that:

- a) The Description fairly presents LME’s administration and calculation of the Benchmarks for the period 1 January 2025 to 31 December 2025 (the “**Period Under Review**”). The criteria used in making this assertion were that the Description:
 - (i) Fairly describes the design and implementation of:
 - relevant control objectives and controls designed to achieve those objectives; and
 - other aspects of our control environment, risk assessment process, information system (including the related business processes) and communication, control activities and monitoring controls that were relevant.
 - (ii) Does not omit or distort information relevant to the Description;
- b) The controls related to the control objectives stated in the Description were suitably designed and operated effectively throughout the Period Under Review. The criteria used in making this assertion were that:
 - (i) The risks that threatened achievement of the control objectives stated in the Description were identified;
 - (ii) The identified controls would, if operated as described, provide reasonable assurance that those risks did not prevent the stated control objectives from being achieved; and
 - (iii) The controls were consistently applied as designed, including that manual controls were applied by individuals who have the appropriate competence and authority, throughout the Period Under Review.



A handwritten signature in black ink, appearing to read 'Matthew Chamberlain', is positioned below the logo.

Matthew Chamberlain, Chief Executive Officer and Board Director
On behalf of the Board, London Metal Exchange
18 February 2026



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Section III: Independent Service Auditor's Assurance Report

Independent Service Auditor's Assurance Report

To the Board of Directors of the London Metal Exchange ("LME")

Scope

We have been engaged to report on the LME's description in Section IV of its internal controls for the period 1 January 2025 to 31 December 2025 in respect of the administration and calculation of the families of benchmarks in scope, in response to the applicable requirements of the Benchmarks Regulation (EU) 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by, including but not limited to, The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019) ("BMR") Articles 10, 19, 27, 28.1 and Annex II, to the applicable requirements of the International Organization of Securities Commissions ("IOSCO") Principles for Oil Price Reporting Agencies ("IOSCO principles"), over the LME's adherence to its benchmark methodologies for the calculation of the benchmarks, and on the suitability of the design, implementation and operation of controls to achieve the related control objectives stated in the description.

While the LME's response may be informed by the need to satisfy legal or regulatory requirements, our scope of work and our conclusions do not constitute assurance over compliance with those laws and regulations. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

As described in Section IV, the LME uses a subservice organisation presented using the carved-out method for its backup tape collection and storage services (the "carve-out subservice organisation"). The description includes only the control activities and related control objectives of the LME and excludes the control objectives and related control activities related to the services provided by the carved-out subservice organisation. Our examination did not extend to control activities of the carve-out subservice organisations.

LME's Responsibilities

LME is responsible for: preparing the description in Section IV and accompanying Directors' Statement in Section II; including the completeness, accuracy and method of presentation of the description and the Directors' Statement; providing the services covered by the description; stating the control objectives; and designing, implementing and effectively operating controls to achieve the stated control objectives throughout the period from 1 January 2025 to 31 December 2025.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the LME's description and on the suitability of the design and operating effectiveness of controls related to the control objectives stated in the description based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board ("IAASB"). That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented, and the controls are suitably designed and operating effectively to achieve the related control objectives stated in the description.

An assurance engagement to report on the description, design and operating effectiveness of controls involves performing procedures to obtain evidence about the disclosures of description of its system, and the design and operating effectiveness of controls. The procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks that the description is not fairly presented, and that controls are not suitably designed and operating effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved.

An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the control objectives stated therein, and the suitability of the criteria specified by the LME and described in Section II. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Management

In performing our engagement, we have complied with the independence and other ethical requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and which is at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants.

The firm applies International Standard on Quality Management (UK) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limitations of Controls at LME

LME's description is prepared to meet the common needs of clients and their auditors and may not, therefore, include every aspect of the system that each individual client may consider important in its own particular environment. Also, because of their nature, controls at LME may not prevent or detect all errors or omissions in the administration and calculation of the Benchmarks. Also, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls at LME may become inadequate or fail.

Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects, based on the criteria described in the LME's Statement by the directors in Section II:

- a) The description in Section IV fairly presents the control procedures operated by LME that relate to the specified control objectives as designed and implemented throughout the period 1 January 2025 to 31 December 2025;
- b) The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the specified control objectives would be achieved, if the

described controls operated effectively throughout the period from 1 January 2025 to 31 December 2025; and

- c) The controls tested in Section IV, which were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period from 1 January 2025 to 31 December 2025.

Description of Tests of Controls

The specific controls tested and the nature, timing and results of those tests are listed in Section IV.

Other Information

Other information provided within this report is presented by the LME to provide additional information to the user of the report, such information has not been subjected to formal assurance procedures. Our procedures are limited to those stated within Section IV for the controls, and associated control objectives that address the requirements of the BMR and IOSCO principles, related to the administration and calculation of the benchmarks in scope.

Intended Users and Purpose

This report and the description of tests of controls, and results thereof is intended only for the use of directors of the LME as a body, and solely for the purpose of reporting on the control of the LME, in accordance with the terms of our engagement letter dated 6 November 2025. Our report must not be made available to any other party without our prior written consent, save as set out in our engagement letter.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LME and the Directors of LME as a body, for our work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Chartered Accountants
55 Baker Street, London
18 February 2026



Section IV: LME's Control Objectives, Description of Controls and Independent Service Auditor's Test of Controls



LME’s Control Objectives, Description of Controls and Independent Service Auditor’s Test of Controls

In Section IV, the LME has specified its Control Objectives and identified the controls in place to achieve those objectives in respect of the administration and calculation of benchmarks for the year ended 31 December 2025. The LME’s Control Objectives are summarised below.

Control Objective 1			
Controls provide reasonable assurance that benchmark statements and methodology documents are in place and periodically reviewed to ensure they contain up to date and relevant information as required under the BMR and disseminated to stakeholders where required.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
1.1	For any new Benchmarks or Benchmark Family that may be used in the United Kingdom in accordance with Article 29, the LME publishes a Benchmark Statement within two weeks for each of the new Benchmarks or Benchmark Family on their website.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for any new Benchmarks or Benchmark Families that may be used in the United Kingdom in accordance with Article 29, the LME publishes a Benchmark Statement within two weeks for each of the new Benchmarks or Benchmark Family on their website.</p> <p>The Regulatory Coordination Manager confirmed that there were no new Benchmarks or Benchmark Families during the Period Under Review. As a result, BDO were unable to perform further validation procedures.</p>	Control did not operate during the Period Under Review.
1.2	Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee (“PVC”), (or the Oversight Committee in respect of the LPP Prices (“LPPOC”)) to confirm, prior to them being published on the LME’s website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that Benchmark Statements for each Benchmark Family are reviewed annually, and any updates approved by the PVC, (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME’s website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p>	No exceptions noted.



Control Objective 1			
Controls provide reasonable assurance that benchmark statements and methodology documents are in place and periodically reviewed to ensure they contain up to date and relevant information as required under the BMR and disseminated to stakeholders where required.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.	<p>Confirmed that a record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>Inspection For a sample of Benchmark Families, inspected Benchmark statements and confirmed that they were reviewed within the Period Under Review by the PVC and included the requirements set out in Article 27 of the BMR, including those required by TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>Also inspected the relevant governance minutes and confirmed that the record of review was maintained.</p>	
1.3	<p>Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>Confirmed that a record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>Inspection For a sample of Benchmark Families, inspected Benchmark Methodologies and confirmed that</p>	No exceptions noted.



Control Objective 1			
Controls provide reasonable assurance that benchmark statements and methodology documents are in place and periodically reviewed to ensure they contain up to date and relevant information as required under the BMR and disseminated to stakeholders where required.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>they were reviewed within the Period Under Review by the PVC (or LPPOC in respect of the LPP Prices) and that any updates had been approved prior to them being published on the LME's website.</p> <p>Confirmed that the sampled Benchmark Methodologies included the requirements set out in Annex II (1) - (3).</p> <p>Inspected relevant governance minutes and confirmed that the record of review was maintained.</p>	
1.4	<p>The LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations (“LPP Prices Regulations”) in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark. This procedure and LPP Prices Regulations are published on the LME's website.</p> <p>The LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC.</p> <p>A record of each review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>	<p>Inquiry</p> <p>Inquired of the Regulatory Co-ordination team and confirmed that the LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LPP Prices Regulations in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark.</p> <p>Confirmed that this procedure and LPP Prices Regulations are published on the LME's website.</p> <p>Confirmed that the LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC. Confirmed that a record of each review, along with redlines and version control, is</p>	No exceptions noted.



Control Objective 1			
Controls provide reasonable assurance that benchmark statements and methodology documents are in place and periodically reviewed to ensure they contain up to date and relevant information as required under the BMR and disseminated to stakeholders where required.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>Inspection Inspected the LME Benchmark Changes and Cessation Procedure and Regulation 19 of the LPP Prices Regulations in respect of the LPP Prices and confirmed that they defined the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark.</p> <p>Inspected the LME's website and confirmed that The LME Benchmark Changes and Cessation Procedure and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations were published on the website.</p> <p>Inspected minutes of the relevant governance meetings and confirmed that the LME's Benchmark Changes and Cessation Procedure was reviewed and approved within the Period Under Review by the PVC and the LPP Prices Regulations was reviewed and approved within the Period Under Review by the LPPOC.</p>	
1.5	Changes to Benchmark Methodologies are overseen by the PVC (or LPPOC in respect of the LPP Prices). The nature of the change is assessed and a determination made as to whether the change is material and whether consultation should be considered. Where a change is deemed to be material and where to follow a consultation process would not be	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that changes to Benchmark Methodologies are overseen by the PVC (LPPOC in respect of the LPP Prices).</p> <p>Confirmed that when a change is deemed material, a consultation period is adopted and</p>	Control did not operate during the Period Under Review.



Control Objective 1			
Controls provide reasonable assurance that benchmark statements and methodology documents are in place and periodically reviewed to ensure they contain up to date and relevant information as required under the BMR and disseminated to stakeholders where required.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	<p>inconsistent with the LME's regulatory obligations as the operator of a trading venue, the LME typically adopts a consultation period of four weeks, where practicable for all the Benchmarks except the LPP Prices where the LPP Prices Regulations set out how long participants have to object to any proposed changes to those regulations.</p> <p>The LME, subsequent to the consultation, will make users comments and the response to those comments accessible to all market users, except where a commenter has requested confidentiality. The material change is approved by the LME Chief Operating Officer before being implemented.</p>	<p>subject to the consultation, comments received from users and responses to those comments are made accessible.</p> <p>Confirmed that material changes are approved by the LME Chief Operating Officer before implementation.</p> <p>The Regulatory Coordination Manager confirmed that there were no changes to Benchmark Methodologies during the Period Under Review. As a result, BDO were unable to perform further validation procedures.</p>	
1.6	At least annually, the LME Benchmark Inventory is reviewed to determine whether the categorisation of the Benchmarks remains appropriate. The review is overseen by the PVC.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the PVC review the LME Benchmark Inventory at least annually to consider whether it remains appropriate.</p> <p>Inspection Inspected the PVC meeting minutes and confirmed that the LME Benchmark Inventory was reviewed within the Period Under Review.</p>	No exceptions noted.



Control Objective 2			
Frameworks are in place to effectively monitor outsourced functions in the provision of a benchmark and for the performance of third parties.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
2.1	The LME maintains the BMR Outsourcing Arrangements which sets out the LME's approach to outsourcing arrangements under the BMR Article 10. At least annually, the BMR Outsourcing and the register contained within, is reviewed to determine whether there are any relevant services and activities in the provision of a benchmark outsourced to a third-party. The review is overseen by LME's Third-Party Risk Management ("TPRM") team and the PVC.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME maintains the BMR Outsourcing Arrangements containing details of how it approaches outsourcing arrangements under the BMR Article 10.</p> <p>Inspection Inspected the BMR Outsourcing Arrangements and the register maintained by the LME and confirmed that it contained details of how it addresses regulatory obligations stemming from the BMR and that there were no third-party arrangements that the LME considered to be outsourcing of activities in the provision of the Benchmarks during the Period Under Review.</p> <p>Inspected the relevant meeting minutes to confirm the BMR Outsourcing Arrangements and register was reviewed by PVC and TPRM during the Period Under Review.</p>	No exceptions noted.
2.2	For those services or activities in the provision of the Benchmarks that are outsourced by the LME, the TPRM framework shall be considered to identify, assess, monitor, and manage risks arising from the reliance on these outsourced service providers. SLA reviews with outsourced service providers are held, per the frequency set out in the TPRM framework, to ensure compliance with Article 10 (3) and that they remain fully responsible for discharging all the administration's obligations related to the activities in the provision of a benchmark under the BMR.	<p>Inquiry Inquired of the Regulatory Coordination team and confirmed that there were no outsourced arrangements related to the activities in the provision of a benchmark under the BMR during the Period Under Review. As a result, BDO were unable to perform further validation procedures.</p>	Control did not operate during the Period Under Review.



Control Objective 2			
Frameworks are in place to effectively monitor outsourced functions in the provision of a benchmark and for the performance of third parties.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	Incidents related to the performance of outsourced service providers is also reviewed during monthly service review meetings.		
2.3	The LME follows a formal supplier onboarding process to assess the supplier's experience and capability before appointment. This includes independent external auditors engaged to review the administrator's adherence to its stated methodology and the requirements of the BMR. A Contract Coversheet is reviewed and signed off before a formal appointment is made.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME follows a supplier onboarding process and assesses the supplier's experience and capability before appointment. This includes independent external auditors to review the administrator's adherence to its stated methodology criteria and with the requirements of the BMR. Confirmed that a Contract Coversheet is reviewed and signed off before a formal appointment is made.</p> <p>Inspection For the new external auditor appointed to report on the administrator's adherence to its stated methodology criteria along with the requirements of the BMR within the period, inspected the contract coversheet and confirmed that this was reviewed and signed off before the appointment was made.</p>	No exceptions noted.
2.4	The LME undergoes an annual external audit, and the audit report is published within three months after the audit has been completed.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME undergoes an annual external audit, and the audit report is published within three months of completion.</p> <p>Inspection Inspected the annual external audit report and website and confirmed it was published within three months of completion.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
3.1	Trading Operations maintains a register that tracks and records the assessment of operational and systematic documentation to ensure accurate and up to date information is maintained. The register is updated following a review and the review noted to the PVC and LPPOC where deemed appropriate.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that Trading Operations maintains an up to date and accurate register of operational and systematic documentation.</p> <p>Confirmed that the register is updated following a review and is recorded in the version control.</p> <p>Inspection Inspected a sample of Trading Operations procedures and confirmed that they had been reviewed within the Period Under Review, recorded in the Trading Operations register and noted to the PVC and LPPOC where appropriate.</p>	No exceptions noted.
3.2	The LME Quotations Committee Procedure is reviewed annually by members of the Quotations Committee. The review is recorded in the version control.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME Quotations Committee Procedure is reviewed annually by members of the Quotations Committee and that the review is recorded in the version control.</p> <p>Inspection Inspected the version control of the LME Quotations Committee Procedure and confirmed that it had been reviewed within the Period Under Review by members of the Quotations Committee.</p>	No exceptions noted.
3.3	For the 3M Closing Prices, Trading Operations send a summary of the trading information (including the VWAP and application of the Pricing Waterfall from the pricing model, and a comparison against the application generated	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for 3M prices, members of Trading Operations send a summary of the trading information, including the VWAP and application of</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	<p>3M prices) in the daily pricing team's chat.</p> <p>Prices undergo a four-eyes check and are agreed by the Quotations Committee in the daily pricing teams chat, including details of Expert Judgement rationale where applicable. Once agreed Trading Operations enter the 3M price into the pricing system.</p>	<p>the Pricing Waterfall from the pricing model, and a comparison against the application generated 3M prices into the daily pricing team chat.</p> <p>Confirmed that prices undergo a four-eyes check and are agreed by the Quotations Committee in the daily pricing teams chat, including details of Expert Judgement where applicable. Confirmed that once agreed, Trading Operations then enters the 3M price into the relevant pricing system.</p> <p>Inspection For a sample of 3M Closing Prices, inspected the daily pricing team chat and confirmed Trading Operations sent a summary of the trading information, including the VWAP and application of the Pricing Waterfall from the pricing model, and a comparison against the application generated 3M prices into the daily pricing team chat.</p> <p>For the sample of 3M Closing Prices, inspected the daily pricing team chat and confirmed the price was four-eyes checked and agreed by the Quotations Committee, and that Trading Operations entered the 3M price into the relevant pricing system.</p>	
3.4	<p>The forward months for the Closing Prices are subject to four-eyes checks by the Quotations Committee prior to dissemination of the provisional prices and the Objection Window. This is to ensure there is appropriate challenge to the application of the pricing procedures when determining the prices. Decisions and actions are recorded in the daily pricing team chat.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that forward months are subject to four-eyes checks by the Quotations Committee prior to dissemination of the provisional prices and the Objection Window, and that decisions and actions are recorded in the daily pricing team chat.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		Inspection For a sample of Closing Prices, inspected the daily pricing team chat and confirmed that forward curves were four-eyes checked by the Quotations Committee before dissemination.	
3.5	The Closing Prices are only provisionalised once a four-eyes check of the spreads has been completed by the Quotations Committee. The four-eyes check involves reviewing the pricing model against the pricing system and once confirmed, the check will be recorded in the relevant daily pricing team chat. The Quotations Committee member responsible for the metal then provisionalises and records this in the daily pricing team chat.	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that Closing Prices are provisionalised once a four-eyes check of the spreads has been completed by the Quotations Committee. Confirmed that the four-eyes check and the provision is recorded in the daily pricing team chat. Inspection For a sample of Closing Prices, inspected the daily pricing team chat and confirmed the spreads were four-eyes checked by the Quotations Committee before being provisionalised.	No exceptions noted.
3.6	If objection(s) are received to the provisional Closing Prices, an objection notification email is sent to the market stating which metal and period has been objected to. Objections are reviewed by the Quotations Committee and the decision confirmed. The outcome is communicated by email to the objector stating the reasoning for the decision. If an objection is upheld, the change will be reflected when the Closing Price is published. All objections to the Closing Prices are recorded for recorded keeping purposes.	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that if objection(s) are received to the provisional Closing Prices, an objection notification email is sent to the market stating which metal and period has been objected to. Confirmed that objections are reviewed by the Quotations Committee, the decision confirmed, and the outcome communicated by email to the objector. Confirmed that if an objection is upheld, the change will be reflected when the Closing Price is published.	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>Confirmed that all objections to the Closing Prices are recorded.</p> <p>Inspection For a sample of objections within the Period Under Review, inspected email communication and confirmed that notifications were sent to the market stating which metals and period had been objected to.</p> <p>For the sample of objections, inspected the daily pricing team chat and confirmed the objection was reviewed by the Quotations Committee. Inspected email communication and confirmed the decision was communicated to the objector.</p> <p>For the instances within the sample whereby an objection was upheld, inspected the daily pricing team chat and confirmed the Quotations Committee made the change and re-provisionalised the price to the market.</p>	
3.7	Any use of Expert Judgement for the Closing Prices, including the 3M and forward prices, is recorded. This includes an explanation to clearly explain any deviation from the Pricing Waterfall and the determination of the prices. Record keeping also includes details of any objections or disregarded input data.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed any use of Expert Judgement for the Closing Prices is recorded, and that record keeping also includes details of any objections or disregarded input data.</p> <p>Inspection For a sample of Closing Prices, not including premiums, inspected the pricing model and confirmed any use of Expert Judgement, objections or disregards were recorded.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
3.8	On completion of the daily pricing models for the Closing Prices, including both 3M and forward pricing models, the daily sheets are exported to monthly summaries. Supervisory checks of the monthly summaries are completed and signed off monthly.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that once the daily pricing models have been completed for the Closing Prices, including 3M and forward pricing models, the daily sheets are exported to monthly summaries.</p> <p>Confirmed that supervisory checks of the monthly summaries are completed and signed off monthly.</p> <p>Inspection For a sample of months, inspected the monthly summaries and confirmed that supervisory checks were completed and signed off.</p>	No exceptions noted.
3.9	Management information for Closing Prices is reported to the Quotations Committee monthly. This management information includes stats on various pricing metrics such as number of objections (and their outcomes) and disregards (including where Expert Judgement has been exercised to disregard trading information). A summary of monthly management information is available to the PVC by dashboard to provide challenge to the correct application of pricing procedures and monitoring of trends against previous months.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that monthly, management information is reported to the Quotations Committee and a monthly summary provided by dashboard to the PVC.</p> <p>Inspection For a sample of months, inspected management information provided to the Quotations Committee and confirmed that it included stats on various pricing metrics such as number of objections (and their outcomes) and disregards.</p> <p>For the sample of months, inspected the dashboard provided to the PVC and confirmed it contained a summary of the management information.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
3.10	<p>Following the Ring session for each metal, each member of the Quotations Committee who was present in the Ring submits in the daily pricing team chat their view of the last bid and offer for either Cash or 3M and any other details that will help the Chair determine a provisional price. This can include information such as last trade, counterparties, tonnage, movements and any spread information.</p> <p>The Chair reviews the information available, including their own view of the activity in the Ring session, and determines a provisional price for Cash and 3M in line with the relevant pricing procedure. This is relayed to the Quotations Committee and rostrum through the daily pricing team chat. The Quotations Committee four-eyes check the provisional prices and agree back in the chat before provisional prices are submitted.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that following the Ring session for each metal, each member of the Quotations Committee who was present in the Ring submit their view of the last bid and offer in the daily pricing team chat.</p> <p>Confirmed that the Chair reviews the information available, determines a provisional price, and relays this to the Quotations Committee via the daily pricing team chat. Further confirmed that the determined price is four-eyes checked by the Quotations Committee and agreed in the chat before the prices are submitted.</p> <p>Inspection For a sample of Official Prices, inspected the daily pricing team chat and confirmed that the last bid and offer was submitted by each member of the Quotations Committee who was present in the Ring, and a provisional price was determined by the Chair which was four-eyes checked by the Quotations Committee and agreed back in the chat before the price was submitted.</p>	No exceptions noted.
3.11	<p>Five minutes after the close of each metal trading session, the Chair checks the prices, including the system generated outright prices for the forward months, and makes the metal provisional in the pricing system. The provisional prices appear in green in the pricing system and on the wallboard. The wallboard is checked and confirmed in the daily pricing team chat.</p> <p>After a further five minutes, if there is no objection to the provisional prices, the Chair</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that five minutes after the close of each metal trading session, the Chair checks and provisionalisises the price.</p> <p>Confirmed that the wallboard is double checked which is confirmed through the daily pricing team chat, and if there is no objection, the Chair confirms the Official Prices as final.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	confirms the Official Prices as final, and they will show up in red in the pricing system and on the wallboard and at the same time are disseminated to the wider market.	<p>Inspection For a sample of Official Prices, inspected the daily pricing team chat and confirmed that the metal was provisionalised in the system, the wallboard was double checked by an assigned member of the Quotations Committee, and the Chair confirmed the Official Prices as final.</p>	
3.12	Objections raised against a provisional price within the Objection Window, are reviewed by the Quotations Committee using digital video and audio technology. The Chair confirms the outcome of the objection to the Quotations Committee and rostrum through the daily pricing team chat. The Quotations Committee four-eyes check and agree the final prices in the chat before prices are submitted. All objections to the Official Prices are recorded for recorded keeping purposes.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that where an objection is raised within the Objection Window where the price is published as provisional, it is reviewed by the Quotations Committee using digital video and audio technology.</p> <p>Confirmed that the Chair confirms the outcome to the Quotations Committee and rostrum through the daily pricing team chat, and the Quotations Committee four-eyes check the final prices before prices are submitted.</p> <p>Inspection For a sample of objections raised within the Objection Window, inspected the daily pricing team chat and confirmed that the Chair confirmed the outcome of the objection, and the Quotations Committee four-eyes checked the final prices and agreed back to chat before submission.</p>	No exceptions noted.
3.13	All details for the determination of the Official Prices, including Expert Judgement and justification for decisions made, will be recorded	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that all details for the determination of the Official Prices, including Expert Judgement and justification will be recorded by Trading</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	<p>for BMR record keeping purposes by Trading Operations.</p> <p>The daily record keeping is later checked and signed off, ordinarily by the Chair, to ensure it is an accurate record of pricing before submitting the records to the monthly summary.</p> <p>Further supervisory checks of the monthly summaries are carried out at the end of the month to ensure accuracy and to mark them as complete prior to being used in any management information. The summaries cannot be completed if there is missing information.</p>	<p>Operations, and the daily record keeping of the Official Prices is checked and signed off.</p> <p>Confirmed that each month, supervisory checks of the monthly summaries are carried out, and the summaries cannot be completed if there is missing information.</p> <p>Inspection For a sample of Official Prices, inspected the daily pricing summary and confirmed details were recorded by Trading Operations, and that it was signed off.</p> <p>For a sample of months, inspected the monthly summary sheets and confirmed supervisory checks were performed and that the sheets were marked as complete.</p>	
3.14	<p>Management Information for Official Prices is reported to the Quotations Committee monthly, which includes stats on various pricing metrics such as number of objections and outcomes of the same. A summary of monthly management information is available to the PVC by dashboard to provide challenge to the correct application of pricing procedures and monitoring of trends against previous months.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that Management Information for Official Prices is reported to the Quotations Committee monthly. Confirmed that a summary of the management information is provided by dashboard to the PVC monthly.</p> <p>Inspection For a sample of months, inspected the Quotations Committee meeting minutes and confirmed that management information had been reported. Also confirmed that a summary of monthly management information had been made available to the PVC.</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
3.15	<p>Monthly Average Settlement Prices (“MASP”) are automatically calculated on the last business day of each month by the pricing system. Trading Operations check the input data for big figure errors prior to publication of the MASP. This is recorded on the daily checklist.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that MASP are automatically calculated each month by the pricing system. Also confirmed that Trading Operations check the input data for big figure errors prior to publication of the MASP, and record this on the daily checklist.</p> <p>Inspection For a sample of months, inspected the daily checklist to confirm that Trading Operations checked the input data for big figure errors.</p> <p>Reperformance For a sample of Monthly Average Settlement Prices, reperfomed the calculation of the Monthly Average Settlement Prices based on the Official Prices from that month.</p>	No exceptions noted.
3.16	<p>For each platinum and palladium auction, the Benchmark Pricing Function (“BPF”) completes the daily pricing model. This records activity within the auction, including any instances where Expert Judgement has been exercised. The daily pricing model cannot be finalised until all the checks in the checklist have been completed and flags cleared.</p> <p>The Chair checks and signs off the daily pricing model before committing to the monthly summary. The monthly summaries can also identify any missing or incomplete daily pricing models allowing for any corrections before exporting for management information purposes to the LPPOC.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for each platinum and palladium auction, the BPF completes the daily pricing model, and that this cannot be finalised until all the checks in the checklist have been completed.</p> <p>Confirmed that the Chair checks and signs off the daily pricing model before committing to the monthly summaries.</p> <p>Inspection For a sample of LLP Prices, inspected the daily pricing model and confirmed that a member of the BPF had completed the daily pricing model,</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>recording any instances whereby Expert Judgement has been exercised.</p> <p>For a sample of LLP Prices, inspected the daily pricing model and confirmed that the Chair had checked and signed off.</p>	
3.17	<p>Following the AM or PM platinum and palladium auctions, an email is sent to the Benchmark Oversight Function (“BOF”), from the BPF, summarising any observations, referrals, and use of Expert Judgement. The BOF review any observations raised for potential instances of market abuse. All compliance reports are saved for record keeping purposes.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that following each LLP auction, an email is sent to the BOF, from the BPF, summarising any observations, referrals, and use of Expert Judgement.</p> <p>Confirmed that the BOF review any observations noted for any potential instances of market abuse, and that all Compliance reports are saved to the Trading Operations drive.</p> <p>Inspection For a sample of LLP Prices, inspected the email sent by the BPF to the BOF, summarising any observations, referrals, and use of Expert Judgement.</p> <p>For the sample of LLP Prices, confirmed that the compliance report was saved to the Trading Operations drive.</p>	No exceptions noted.
3.18	<p>Monthly management information, which includes statistics on various pricing metrics such as number of price moves, use of Expert Judgement and observations is reported by the BPF and BOF. This management information is provided by dashboard to the LPPOC on a</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that management information is reported by the BPF and BOF, and that a summary of this management information is provided by dashboard to the LPPOC on a quarterly basis.</p>	<p>Minor deviation noted: For 1 of 2 quarters sampled, the LPPOC meeting was cancelled. As a result, there was no evidence of management information review for that quarter until the subsequent meeting, which covered an extended period.</p>



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	quarterly basis to provide challenge to the correct application of pricing procedures.	<p>Inspection For a sample of quarters, inspected LPPOC meeting minutes to confirm the LPPOC reviewed a summary of monthly management information was reported by the BPF and BOF, including stats on various pricing metrics such as number of objections, price moves, use of Expert Judgement and observations.</p>	
3.19	<p>The LME maintains an internal procedure for identifying and handling of error trades on LMEselect. The procedure is annually reviewed by Trading Operations.</p> <p>Trades identified and confirmed as erroneous are removed by Trading Operations prior to the determination and publication of the provisional prices. For trades that would form part of a VWAP calculation, this is done by a Trading Operations manager or with the permission from a Trading Operations manager.</p> <p>Removal of erroneous trades are recorded by Trading Operations and an observation or referral sent to Market Surveillance.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the Error Trade Guide is reviewed annually by Trading Operations and that it sets out the internal procedure for identifying and handling of error trades on LMEselect.</p> <p>Confirmed that trades identified and confirmed as erroneous are removed by Trading Operations prior to the determination and publication of the provisional prices, and that for trades that would form part of a VWAP calculation, this is done by a Trading Operations manager or with the permission from a Trading Operations manager.</p> <p>Confirmed that the removal of erroneous trades are recorded by Trading Operations and an observation or referral sent to Market Surveillance.</p> <p>Inspection Inspected the Error Trade Guide and confirmed that this was reviewed within the Period Under Review by Trading Operations.</p> <p>For a sample of error trades that would usually form part of a VWAP calculation, inspected email</p>	No exceptions noted.



Control Objective 3			
Benchmark prices are accurately calculated and errors or delays noted are justified and appropriately remediated and authorised.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		evidence to confirm that the Trading Operations Senior Manager emailed Market Surveillance to raise an observation and notify them of the error trade that was excluded. Inspected evidence that the error trade was recorded by Trading Operations.	
3.20	<p>All observations and referrals, including those identified by Trading Operations relating to activity that has taken place during the Ring, on the LME's electronic trading platform, or during any platinum or palladium auction, are sent to Market Surveillance. The observations and referrals are reviewed by Market Surveillance in line with internal procedures, with observations either becoming referrals or being closed.</p> <p>All referrals are approved by Market Surveillance prior to being submitted to the Referral Committee. All relevant records for referrals are retained.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that all observations and referrals are sent to Market Surveillance and reviewed in line with internal procedures, with observations either becoming referrals or being closed.</p> <p>Confirmed that all referrals are approved by Market Surveillance prior to being submitted to the Referral Committee, and all relevant records for referrals are retained.</p> <p>Inspection For a sample of referrals and observations, inspected email evidence to confirm that these were reviewed by Market Surveillance.</p> <p>For a sample of referrals, inspected evidence to confirm that these were approved by Market Surveillance before being submitted to the Referral Committee.</p>	No exceptions noted.



Control Objective 4			
Recruitment and onboarding of new employees is performed in line with the LME's recruitment rules and guidelines, and all employees are adequately trained and their performance periodically assessed.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
4.1	<p>The LME Assessors Selection & Competence Procedures sets out the necessary training, experience and skills required to perform certain tasks.</p> <p>The Assessor Training Tracker reflects the level of knowledge and experience of each of the assessors. The procedure and tracker are reviewed annually by Trading Operations and review noted to the PVC, as evidenced through version control and meeting minutes.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME Assessors Selection & Competence Procedures and the Assessor Training Tracker are reviewed annually by Trading Operations and noted to the PVC.</p> <p>Inspection Inspected the LME Assessors Selection & Competence Procedures and confirmed that it sets out the necessary training, experience and skills required to perform certain tasks.</p> <p>Inspected the Assessor Training Tracker and confirmed that it reflects the level of knowledge and experience of each of the assessors.</p> <p>Inspected PVC meeting minutes and confirmed that the review by Trading Operations of the LME Assessors Selection & Competence procedures and Assessor Training Tracker were noted.</p>	No exceptions noted.
4.2	<p>Upon joining, LME employees involved in the benchmark activities are subject to the same new starter training as other new starters which includes COI, PAD and G&E.</p> <p>All new joiners' complete classroom and online training within the first quarter of joining, which includes BMR and Compliance policies and procedures. Training completion is tracked by HR or Compliance.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that new LME employees in relation to BMR receive the same new starter training as other new starters which includes COI, PAD and G&E. Confirmed that classroom training is completed within the first quarter of joining and is tracked by HR or compliance.</p> <p>Inspection For a sample of new joiners in relation to BMR, inspected evidence to confirm that new starter</p>	No exceptions noted.



Control Objective 4

Recruitment and onboarding of new employees is performed in line with the LME’s recruitment rules and guidelines, and all employees are adequately trained and their performance periodically assessed.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>training was completed, covering COI, PAD and G&E.</p> <p>For the sample of new joiners in relation to BMR, inspected classroom training and confirmed it was completed within the first quarter of joining and which covered BMR and compliance policies and procedures.</p>	
4.3	Performance of Trading Operations personnel is reviewed bi-annually by management through the performance review process and any instances of underperformance are investigated by Trading Operations management.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that performance for each Trading Operations member is reviewed bi-annually by management.</p> <p>Confirmed that any instances of underperformance are investigated by Trading Operations management.</p> <p>Inspection For a sample of Trading Operations members, inspected performance reviews and confirmed that management reviewed performance.</p>	No exceptions noted.
4.4	On an annual basis, staff involved with the administration of the Benchmarks are required to read the LME Benchmarks Policy and attest to their understanding of their obligations. Attestations are recorded for record keeping purposes.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that staff involved with the administration of Benchmarks are required to read through the LME Benchmarks Policy and attest their understanding of their obligations on an annual basis.</p> <p>Inspection For a sample of staff members involved with the</p>	No exceptions noted.



Control Objective 4			
Recruitment and onboarding of new employees is performed in line with the LME's recruitment rules and guidelines, and all employees are adequately trained and their performance periodically assessed.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		administration of Benchmarks, inspected attestations and confirmed that they attested to their understanding of their obligations within the annual requirement.	

Control Objective 5			
Succession and business continuity across the price reporting functions are monitored, documented, tested and accurately reported.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
5.1	A business continuity plan is documented for each in scope Benchmark Family and is tested at least annually to ensure that the plan remains relevant and can be invoked in the event of a major issue.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the business continuity plan is documented for each in scope Benchmark Family and is tested at least annually.</p> <p>Inspection For a sample of in scope Benchmarks, inspected the business continuity plan to confirm that it was tested within the Period Under Review.</p>	No exceptions noted.
5.2	On a weekly basis, a Trading Operations staff rota is reviewed and circulated to ensure there are sufficient staff available to support the pricing of the Benchmarks.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that each week Trading Operations review the staff rota and circulate to members of Trading Operations.</p> <p>Inspection For a sample of weeks, inspected email communications and confirmed that the staff rota</p>	No exceptions noted.



Control Objective 5			
Succession and business continuity across the price reporting functions are monitored, documented, tested and accurately reported.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		was reviewed and circulated to members of Trading Operations.	
5.3	<p>The LME Assessors Selection & Competence Procedures sets out the necessary training, experience and skills required to undertake certain tasks.</p> <p>The Assessor Training Tracker reflects the level of knowledge and experience of each of the assessors. The LME Assessors Selection & Competence Procedures and The Assessor Training Tracker are reviewed annually by Trading Operations and noted to the PVC, as evidenced through meeting minutes.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME Assessors Selection & Competence Procedures and the Assessor Training Tracker are reviewed annually by Trading Operations and noted to the PVC.</p> <p>Inspection Inspected the LME Assessors Selection & Competence procedures and confirmed that it sets out the necessary training, experience and skills required to undertake certain tasks.</p> <p>Inspected the Assessor Training Tracker and confirmed that it reflects the level of knowledge and experience of each of the assessors.</p> <p>Inspected PVC meeting minutes and confirmed that the review by Trading Operations of the LME Assessors Selection & Competence procedures and Assessor Training Tracker were noted.</p>	No exceptions noted.



Control Objective 6			
Policies and procedures ensure that information used in the calculation of benchmarks (including input data, calculations and expert judgement) is retained for at least five years.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
6.1	<p>The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME Benchmarks Policy follows the record retention standards set at the group level and sets out the record keeping schedule that addresses BMR-specific requirements.</p> <p>Confirmed that the LME Benchmarks Policy is reviewed annually by Regulatory Coordination and approved by the PVC.</p> <p>Confirmed that as per Annex II (10), appropriate records are retained for at least five years.</p> <p>Inspection Inspected the LME Benchmarks Policy and confirmed that it was reviewed within the Period Under Review by Regulatory Coordination and approved by the PVC.</p> <p>For a sample of records, obtained evidence to confirm that they had been retained for at least five years.</p>	No exceptions noted.
6.2	<p>Employees involved in the LME's benchmark activities are reminded of their obligations under the BMR, including for record keeping requirements, and must attest on an annual basis that they have read and understood obligations applicable to them.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that employees involved in the LME's benchmark activities are reminded of the record keeping requirement and attest their understanding of their obligations on an annual basis.</p> <p>Inspection For a sample of employees involved in the LME's</p>	No exceptions noted.



Control Objective 6			
Policies and procedures ensure that information used in the calculation of benchmarks (including input data, calculations and expert judgement) is retained for at least five years.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		benchmark activities, inspected attestations and confirmed that they had attested to understanding their obligations within the Period Under Review.	

Control Objective 7			
Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
7.1	<p>Backups are performed on a daily, weekly and monthly basis, and retained according to the level of service (i.e. for 2 months, 1 year or 10 years).</p> <p>For instances of backup failure, an automated alert is generated, and the IT team investigate and resolve any issues as required.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that backups performed on a daily, weekly and monthly basis are retained according to the level of service (i.e. for 2 months, 1 year or 10 years).</p> <p>Confirmed that for instances of backup failure, an automated alert is generated, and the IT team investigate and resolve any issues relating to failed backups.</p> <p>Inspection Inspected back up configurations and confirmed they are performed daily, weekly, and monthly, and retained in accordance with the level of service.</p> <p>For a sample of backup failures, inspected the service management system and confirmed an alert was generated from the system, and that the</p>	No exceptions noted.



Control Objective 7			
Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		IT team investigated and resolved any relating issues.	
7.2	A service provider is contracted to collect LME's backup tapes every working day, and monthly backups are retained for 10 years.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that a service provider is contracted to collect LME's backup tapes every working day and those containing a monthly full backup are retained for 10 years.</p> <p>Inspection Inspected the service provider's contract to confirm backup tapes are collected every working day. Inspected configuration and confirmed monthly full backups are retained for 10 years.</p>	No exceptions noted.
7.3	The LME monitor the collection of backup tapes and hold service reviews with the service provider periodically (at least annually) to discuss performance.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that service review meetings are conducted with the service provider at least annually.</p> <p>Inspection For a sample of review meetings, inspected meetings minutes and confirmed that performance was monitored.</p>	No exceptions noted.
7.4	A business continuity plan is documented for each Benchmark Family and is tested at least annually to ensure that the plan remains relevant and can be invoked in the event of a major issue.	<p>Inquiry Inquired of the Regulatory Coordination Manager and confirmed that for each Benchmark Family, a business continuity plan is documented, and is tested at least annually.</p>	No exceptions noted.



Control Objective 7			
Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		Inspection For a sample of in scope Benchmark Families, inspected the business continuity plan and the test report and confirmed that the test was carried out within the Period Under Review.	

Control Objective 8			
Logical access to in-scope systems and data is restricted to authorised individuals in accordance with job roles and/or business requirements.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
8.1	For Joiners, a JML form is completed by the line manager, detailing the exact access requirements for the new joiner. LME IT grant access to the new joiner in line with the requirements set out by the line manager in the JML Form.	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that New Joiner forms are completed by line managers and IT access is granted in line with the requirements set out in the form. Inspection For a sample of new joiners, inspected New Joiner forms and confirmed that IT access was granted in line with the requirements set out in the form.	No exceptions noted.
8.2	For Movers and Leavers, a JML form is completed by the line manager and submitted to LME IT. For Leavers, LME IT revoke system access within 5 working days of the leaving date.	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for Movers and Leavers, a JML form is completed by the line manager and submitted to IT. Confirmed that for Leavers, access is revoked by IT within 5 working days.	No exceptions noted.



Control Objective 8			
Logical access to in-scope systems and data is restricted to authorised individuals in accordance with job roles and/or business requirements.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>Inspection For a sample of Movers, inspected the JML form and confirmed it was submitted to IT.</p> <p>For a sample of Leavers, inspected the JML form and confirmed it was submitted to IT. Inspected and confirmed LME IT revoked system access within 5 working days of the leaving date.</p>	
8.3	For Leavers, upon confirmation of their end date, LME HR confirm the leaving date in the HR system, which automatically disables the AD access of the user on their end date.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for Leavers, once their end date is confirmed and complete in the system, AD access is automatically disabled on their end date.</p> <p>Inspection For a sample of Leavers, inspected the HR system and confirmed that AD access had been disabled on their end date.</p>	No exceptions noted.
8.4	Recertification of user access is performed on in-scope applications on an annual basis. This recertification supports the access management processes in place for both internal and external users.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that recertification of user access is performed on in-scope applications annually.</p> <p>Inspection Inspected evidence of the recertification performed for the in-scope systems and confirmed that this had been performed within the Period Under Review.</p>	No exceptions noted.
8.5	For in-scope applications, administrator / superuser access is restricted to appropriate personnel. For in-scope applications with administrators / superusers, access is recertified	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that administrator / superuser access is restricted to appropriate personnel, and that for in-</p>	No exceptions noted.



Control Objective 8			
Logical access to in-scope systems and data is restricted to authorised individuals in accordance with job roles and/or business requirements.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	on an annual basis to ensure that user lists are up to date.	<p>scope applications with administrators / superusers, access is recertified on an annual basis.</p> <p>Inspection For a sample of users with administrator / superuser access, obtained evidence of their job titles to confirm that access is restricted to appropriate personnel.</p> <p>For the in-scope systems with administrators / superusers, obtained evidence of the recertification and confirmed that this had been performed within the Period Under Review.</p>	
8.6	Access to the pricing models is restricted to appropriate personnel. An annual user access review is performed by Trading Operations and changes made where necessary.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that access to the Trading Operations pricing models is restricted to appropriate personnel.</p> <p>Confirmed that annual user access reviews are conducted by Trading Operations.</p> <p>Inspection For a sample of personnel with access to the pricing models, obtained evidence of their job titles to confirm that access is restricted to appropriate personnel.</p> <p>Inspected email communications and confirmed that a user access review was conducted within the Period Under Review.</p>	No exceptions noted.



Control Objective 9

Changes to in-scope systems, or trading operations models, including hardware upgrades, software patches and direct configuration changes, are authorised, tested and approved in line with policy.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
9.1	Planned IT changes are made through IT Service Management ("ITSM") and in line with the Change Management Policy. Prior to implementation, Planned changes are reviewed and approved by Change Management via the Technical Review Board ("TRB") and Change Advisory Board ("CAB").	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that planned IT changes are reviewed and approved by the Change Management team via the TRB and CAB.</p> <p>Inspection For a sample of planned changes, inspected TRB and CAB meeting minutes and confirmed that planned changes were reviewed.</p> <p>Confirmed that the change was approved by the Change Management Team and the change was then implemented.</p>	No exceptions noted.
9.2	Emergency IT changes are made through ITSM and in line with the Change Management Policy. Prior to implementation, Emergency Changes are reviewed and approved by two senior management representatives, which includes an IT senior manager, prior to final review and approval by Change Management.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that emergency IT changes require Senior Management approval from the appropriate IT functional head (or delegate) prior to final approval by the Change Management team.</p> <p>Confirmed that the changes must be fully approved by two Senior Management representatives, which includes an IT senior manager, prior to final review and approval by Change Management.</p> <p>The Regulatory Co-ordination team confirmed there were no emergency changes to in-scope applications during the Period Under Review and therefore BDO performed no further validation</p>	Control did not operate during the Period Under Review.



Control Objective 9			
Changes to in-scope systems, or trading operations models, including hardware upgrades, software patches and direct configuration changes, are authorised, tested and approved in line with policy.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		procedures over the change management process surrounding emergency changes.	
9.3	Urgent IT changes are made through ITSM and in line with the Change Management Policy. Prior to implementation, Urgent changes are reviewed and approved by an IT senior manager prior to final approval by Change Management via the CAB. Technical review and approval can be conducted via CAB or TRB, or via email if a meeting is not feasible.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that urgent IT changes require review and approval of an IT senior manager prior to final approval by Change Management.</p> <p>Confirmed Technical review and approval can be conducted via CAB or TRB and via email if a meeting is not feasible.</p> <p>Inspection For a sample of urgent changes, inspected meeting minutes and email communications and confirmed that technical review and approval was provided.</p> <p>Confirmed that approval from an IT senior manager and Change Management was obtained.</p>	No exceptions noted.
9.4	Standard IT changes are made through ITSM and in line with the Change Management Policy. Standard Changes require only approval from Change Management.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that standard changes require approval by the Change Management team in line with the Change Management Policy.</p> <p>Inspection For a sample of standard changes, inspected email communications and confirmed that the Standard change had received approval from Change Management.</p>	No exceptions noted.



Control Objective 9

Changes to in-scope systems, or trading operations models, including hardware upgrades, software patches and direct configuration changes, are authorised, tested and approved in line with policy.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
9.5	For all IT change types, where post-implementation checks are required as part of the testing approach and implementation, this is performed by the implementation team/change implementor to ensure that there are no issues noted with the changes. Once the checks have been performed, post-implementation details are recorded in the ITSM tool.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for all IT change types where post-deployment checks are required are performed by the implementation team/change implementor.</p> <p>Confirmed that post-implementation details are recorded once checks have been performed.</p> <p>Inspection For a sample of all IT change types, inspected the ITSM tool and confirmed that checks had been completed prior to the request being marked as closed.</p>	No exceptions noted.
9.6	Access to the Trading Operations pricing models is restricted to appropriate personnel. An annual user access review is performed by the Trading Operations team. Any inappropriate access is followed up and appropriately amended.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that access to the Trading Operations pricing models is restricted to appropriate personnel.</p> <p>Confirmed that annual user access reviews are conducted by the Trading Operations Team whereby any inappropriate access is followed up and amended.</p> <p>Inspection For a sample of personnel with access to the Trading Operations models, inspected job roles and confirmed it was appropriate.</p> <p>Also inspected the annual user access review performed by Trading Operations and confirmed</p>	No exceptions noted.



Control Objective 9

Changes to in-scope systems, or trading operations models, including hardware upgrades, software patches and direct configuration changes, are authorised, tested and approved in line with policy.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		that inappropriate access was followed up and amended where required.	
9.7	For major changes or minor significant changes to the pricing models, or the implementation of new models, an approval form and UAT form is required to be submitted to the Trading Operations Working Group (“ TOWG ”). The form must set out the appropriate level of testing based on the type of change. The forms must be reviewed and approved by the TOWG. Where changes are not approved, the developer is provided with remediation steps and must be resubmitted to the TOWG for approval.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that for major or minor significant updates to the trading operations pricing models, or the implementation of new pricing models, an approval form and UAT form is completed by the Model Owner and provided to the TOWG chair prior to each month’s meeting.</p> <p>Confirmed that the form must set out the appropriate level of the testing based on the type of change and the forms must be reviewed and approved by the TOWG. If the change is not approved the developer is provided with remediation steps and presents at the next TOWG for approval.</p> <p>Inspection For a sample of major or minor significant updates to the Trading Operations pricing models or implementation of new pricing models, inspected meeting minutes and confirmed that the approval and UAT forms were presented by the developer at the TOWG.</p> <p>Confirmed that if the change was approved, the launch date was noted in the minutes however if the change was not approved, the change was presented at the following TOWG.</p>	No exceptions noted.



Control Objective 9

Changes to in-scope systems, or trading operations models, including hardware upgrades, software patches and direct configuration changes, are authorised, tested and approved in line with policy.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
9.8	<p>Minor insignificant changes are small changes such as data validation or patches to existing pricing models.</p> <p>For Minor insignificant changes to the trading operations pricing models, all changes will be noted at the TOWG.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that minor insignificant changes to the trading operations pricing models are noted at the TOWG.</p> <p>Inspection For a sample of minor insignificant changes to the Trading Operations pricing models, inspected meeting minutes and confirmed that these were noted at the TOWG.</p>	No exceptions noted.

Control Objective 10

Conflicts of interest are appropriately identified, disclosed, managed or mitigated

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
10.1	<p>The LME and LMEC Conflicts of Interest Policy ("Conflicts of Interest Policy") describes the arrangements for the identification, management, disclosure and mitigation of conflicts of interests. The policy also considers the ownership of the LME within the LME Group.</p> <p>On an annual basis, the policy is reviewed by executive and risk committees before being approved by the LME and LMEC Boards, which is evidenced through meeting minutes. Any</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the Conflicts of Interest Policy is reviewed annually by the LME Executive Committee and Executive Risk Committee prior to approval by the LME and LMEC Boards.</p> <p>Confirmed that any conflicts identified as a result of the ownership of the administrator are disclosed to all users.</p> <p>Inspection Inspected the Conflicts of Interest Policy and</p>	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	conflicts identified as a result of the ownership of the administrator are disclosed to all users.	<p>confirmed that it describes the arrangements for the identification, management, disclosure and mitigation of conflicts of interests.</p> <p>Inspected meeting minutes and confirmed that the Conflicts of Interest Policy was reviewed and approved by the executive and risk committees before being approved by the LME and LMEC Boards. There were no conflicts identified as a result of the ownership of the administrator identified during the review.</p>	
10.2	<p>Upon joining, employees involved in the provision of benchmarks are required to make a conflict of interest declaration and then annually thereafter in line with LME's conflicts framework. All declarations are reviewed by Compliance in line with the Conflicts of Interest Policy and internal procedures to determine whether there is a genuine conflict that requires safeguards to be implemented. The conflict and safeguards are then reviewed and approved by an authorised individual and line manager before being accepted and recorded in the central conflicts of interest register.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that new joiners are required to make a conflict of interest declaration and annually thereafter. Any declared conflicts are reviewed by Compliance.</p> <p>Confirmed that the conflict and safeguards are reviewed and approved by an authorised individual and line manager prior to acceptance and addition on the central conflicts of interest register.</p> <p>Inspection For a sample of new joiners, inspected the conflicts of interest declarations and confirmed they were completed when joining.</p> <p>Confirmed that for any declared conflicts, they were reviewed by Compliance and the conflict and safeguards reviewed and approved by an authorised individual and line manager prior to</p>	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>acceptance and addition on the conflicts of interest register.</p> <p>For a sample of existing employees, inspected the annual conflicts of interest declarations and confirmed they were completed within the Period Under Review.</p> <p>Confirmed that for any declared conflicts, they were reviewed by Compliance and the conflict and safeguards reviewed and approved by an authorised individual and line manager prior to acceptance and addition on the conflicts of interest register.</p> <p>Inspected the conflicts of interest register and confirmed that any declarations were included on the register.</p>	
10.3	<p>The Conflicts of Interest Policy outlines the different registers maintained by the LME Group. The employee COI register, and associated BMR extract for staff involved in the LME's benchmark activities, is maintained and reviewed at least annually by Compliance following the required annual attestations.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the Conflicts of Interest Policy is maintained and reviewed at least annually by Compliance following the required annual attestations.</p> <p>Inspection Inspected the Conflicts of Interest Policy and confirmed it outlined the different registers maintained by the LME Group.</p> <p>Inspected the employee conflicts of interest register, and associated BMR extract for staff involved in the LME's benchmark activities and confirmed it was maintained and reviewed within</p>	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		the Period Under Review by Compliance following the required annual attestations.	
10.4	To assist the PVC and LPPOC (as applicable) in discharging their responsibility to oversee BMR related conflicts of interest, Compliance provides an extract (at least annually, or when conflicts are added or removed) from the conflicts of interest register detailing all declarations made by benchmark related staff. The committee confirms it is satisfied that the mitigation in place for the conflicts detailed in the extract continues to be appropriate.	<p>Inquiry Inquired of the Regulatory Coordination Manager and confirmed that Compliance provides an extract, at least annually (or when conflicts are added or removed) from the central conflicts of interest register, detailing all declarations made by benchmark related staff.</p> <p>Confirmed that the committee confirms it is satisfied that the mitigation in place for the conflicts in the extract remains to be appropriate.</p> <p>Inspection Inspected PVC and LPPOC meeting minutes and papers and confirmed that within the Period Under Review an extract of the conflicts of interest register, including details of conflicts that have been added or removed, was provided to the PVC and LPPOC who confirmed that the register is up to date and that the committee was satisfied the mitigation in place for the conflicts continued to be appropriate.</p>	No exceptions noted.
10.5	All requests by staff for Personal Account Dealing ("PAD") on LME covered products are required to be made through ECOS. The request raises an automated email to Compliance, who review and accept or reject the request. In line with the Conflicts of Interest Policy, requests which Compliance consider to be a conflict of interest are escalated and require approval from	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that all requests by staff for Personal Account Dealing on LME covered products are required to be made through ECOS and that the request raises an automated email to Compliance, who review and accept or reject the request.</p>	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	the authorised individual and line manager before being accepted.	Also confirmed requests which Compliance consider to be a conflict of interest are escalated and require approval from the authorised individual and line manager before being accepted. Inspection For a sample of conflicts added or removed, inspected correspondence and confirmed that Compliance provided an extract to the PVC/LPPOC and confirmed they were satisfied that the register was up to date and appropriate mitigations in place.	
10.6	At least annually, Compliance carry-out periodic monitoring of PAD activities through reviewing a sample of PAD trades on ECOS to confirm these had been disclosed and documented in the central conflicts of interest register.	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that at least annually, Compliance carry-out periodic monitoring of PAD activities by reviewing a sample of Personal Account Dealing trades on ECOS to confirm these had been disclosed and documented in the central conflicts of interest register. Inspection Inspected Compliance monitoring programme reports and confirmed that a review was conducted by Compliance in the Period Under Review to review a sample of Personal Account Dealing trades on ECOS to confirm these had been disclosed and documented in the central conflicts of interest register.	No exceptions noted.
10.7	The LME has a clear organisational structure setting out reporting lines amongst management and all other LME employees who report directly or indirectly to the CEO of the LME. This	Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME has a clear organisational structure setting out reporting lines amongst	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
	<p>includes allocation of responsibility to senior management for the implementation of the BMR and the provision of management information on a quarterly basis. The reporting lines are separate from LME Clear and the rest of the LME Group. The organisational chart is updated on an ad-hoc basis as starters, movers and leavers are processed. Job descriptions for all persons involved in the provision of the Benchmarks set out clear roles and responsibilities to protect against conflict or perception of conflict across the LME Group.</p>	<p>management and all other LME employees who report directly or indirectly to the CEO of the LME, including allocation of responsibility to senior management for the implementation of the BMR and the provision of management information on a quarterly basis. Confirmed the reporting lines are separate from LME Clear and the rest of the LME Group.</p> <p>Confirmed that job descriptions for all persons involved in the provision of the Benchmarks set out clear roles and responsibilities.</p> <p>Inspection For a sample of new joiners, inspected job descriptions and confirmed that roles and responsibilities are defined.</p> <p>Inspected the organisational chart and confirmed reporting lines were set out amongst management and all other LME employees who report directly or indirectly to the CEO of the LME and that reporting lines were separate from LME Clear and the rest of the LME Group.</p>	
10.8	<p>The LME maintains a BMR-specific register designed to identify actual and potential conflicts of interest and to document the measures in place to mitigate the risk of those conflicts arising. The register is reviewed annually and approved by the PVC, and review noted to the LPPOC in respect of the LPP Prices. Evidence of the review is captured through the meeting pack or minutes, and approval is logged in the BMR Policy Framework.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the LME maintains a BMR-specific register designed to identify actual and potential conflicts of interest and how it seeks to reduce the risk of those conflicts arising.</p>	No exceptions noted.



Control Objective 10			
Conflicts of interest are appropriately identified, disclosed, managed or mitigated			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>Confirmed that the register is reviewed annually and approved by the PVC, and review noted to the LPPOC in respect of the LPP Prices.</p> <p>Inspection Inspected PVC meeting minutes and the BMR Policy Framework and confirmed the BMR-specific register for managing actual and potential conflicts of interest was reviewed and approved during the Period Under Review.</p>	

Control Objective 11			
Integrity of trade activity is ensured through active monitoring, review and escalation of potential instances of anomalous activity.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
11.1	<p>The LME maintains a Market Surveillance Framework, which amongst other things, details the functions responsible and internal procedures used, for handling potential instances of market abuse, breaches of the LME Rules and the handling of analysis and escalation of observations or referrals. The LME Market Surveillance Framework, is reviewed annually by Market Surveillance.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the Market Surveillance Framework is reviewed annually by Market Surveillance.</p> <p>Inspection Inspected the Market Surveillance Framework and confirmed that it sets out the internal policy for handling potential instances of market abuse, breaches of the LME Rules and the handling of observations or referrals.</p> <p>Also inspected meeting minutes from the Market Surveillance Oversight Committee and confirmed the Market Surveillance Framework was reviewed</p>	<p>No exceptions noted.</p>



Control Objective 11			
Integrity of trade activity is ensured through active monitoring, review and escalation of potential instances of anomalous activity.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		by Market Surveillance within the Period Under Review.	
11.2	The LME utilise an automated surveillance system which monitors all order and trade activity across all LME venues. Alerts are generated based on predefined scenarios and thresholds and are analysed by Market Surveillance to determine whether there is a genuine indication of market abuse. Where behaviour identified is indicative of market abuse or attempted market abuse, this is referred to the weekly Referral Committee to review and determine the action required.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that an automated surveillance system is utilised to monitor order and trade activity, and alerts raised by the platform as potential instances of market abuse are investigated by Market Surveillance.</p> <p>Confirmed that where market abuse is potentially suspected, this is referred to the weekly Referral Committee to review and determine the action required.</p> <p>Inspection For a sample of alerts raised by the automated surveillance platform, inspected audit logs from the platform and confirmed that Market Surveillance investigated the alert to determine whether there is a genuine indication for market abuse and for this sample of alerts no further escalation was required.</p>	No exceptions noted.
11.3	To verify the alerts are managed appropriately, on a monthly basis a senior member of the Trade Surveillance team will perform a second review of a sample of alerts raised by the automated surveillance system to ensure that the conclusions reached by Market Surveillance were appropriate.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that monthly a senior member of the Trade Surveillance team will perform a second review of a sample of alerts raised by the automated surveillance system to ensure that the conclusions reached by Market Surveillance were appropriate.</p>	No exceptions noted.



Control Objective 11			
Integrity of trade activity is ensured through active monitoring, review and escalation of potential instances of anomalous activity.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<p>Inspection For a sample of months, inspected Trade Surveillance working papers and confirmed that a senior member of the Trade Surveillance team had performed a second review of a sample of alerts raised by the automated surveillance system to ensure that the conclusions reached by Market Surveillance were appropriate.</p>	
11.4	<p>On a monthly basis, the Market Surveillance Oversight Committee (“MSOC”), which includes senior stakeholders meet to discuss and review, amongst other things, monthly management information in relation to Trade Surveillance and any potential emerging trends.</p> <p>MSOC meetings follow a template agenda and minutes are recorded.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the MSOC includes senior stakeholders, and the committee meets monthly to discuss monthly management information in relation to Trade Surveillance and emerging trends.</p> <p>Inspection For a sample of months, inspected MSOC meeting minutes and confirmed the committee met and discussed monthly management information in relation to Trade Surveillance and emerging trends.</p>	No exceptions noted.



Control Objective 12

Price disputes and formal complaints received are recorded and appropriately investigated within agreed timescale with adequate records retained for a minimum of five years.

Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
12.1	<p>The LME maintains a procedure which sets out how disputes that are not formal complaints are handled. The procedure covers both objections to provisional prices and price disputes raised in relation to the determination of an LME Benchmark that has been published.</p> <p>The procedure is reviewed at least annually by Trading Operations and is approved by the PVC. A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the price dispute procedure is reviewed at least annually by Trading Operations and is approved by the PVC.</p> <p>Inspection Inspected the price dispute procedure and confirmed it sets out how disputes that are not formal complaints are handled and covers both objections to provisional prices and price disputes raised in relation to the determination of an LME Benchmark that has been published.</p> <p>Inspected the version history and confirmed it was reviewed by Trading Operations during the Period Under Review.</p> <p>Inspected meeting minutes and confirmed the price dispute procedure was approved by the PVC within the Period Under Review.</p>	No exceptions noted.
12.2	<p>The LME Complaints Procedure sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints. The Complaints Procedure is reviewed at least annually by LME Legal.</p>	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that the:</p> <ul style="list-style-type: none"> ○ LME Complaints Procedure sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints. 	No exceptions noted.



Control Objective 12			
Price disputes and formal complaints received are recorded and appropriately investigated within agreed timescale with adequate records retained for a minimum of five years.			
Control Ref	Control Description	Procedures performed by BDO	Results of BDO testing
		<ul style="list-style-type: none"> LME Complaints Procedure is reviewed at least annually by LME Legal. <p>Inspection Inspected the LME Complaints Procedure and confirmed that sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints.</p> <p>Also inspected email correspondence and confirmed that LME Legal reviewed the Complaints Procedure during the Period Under Review.</p>	
12.3	All formal complaints received by the LME are recorded in a complaints register maintained by LME Legal. All complaints are reviewed by LME Legal with the aim of being resolved within the timelines set out in the LME Complaints Procedure.	<p>Inquiry Inquired of the Regulatory Co-ordination team and confirmed that all complaints received by the LME are recorded in a centralised complaints register maintained by the LME Legal Department. Confirmed that all complaints are reviewed by the Legal Department with the aim of being resolved within three months.</p> <p>The Regulatory Co-ordination team confirmed that there were no formal benchmark related complaints received during the Period Under Review and therefore BDO performed no further procedures over the handling of complaints.</p>	Control did not operate during the Period Under Review.



Section V: Mapping of BMR Requirements to Controls



Mapping of BMR Requirements to Controls

The table below sets out the requirements of the BMR, with the associated controls from the control objectives above.

ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Annex II (1)	<p>The administrator of a commodity benchmark shall formalise, document, and make public any methodology that the administrator uses for a benchmark calculation. At a minimum, such methodology shall contain and describe the following:</p> <p>(a) all criteria and procedures that are used to develop the benchmark, including how the administrator uses input data including the specific volume, concluded and reported transactions, bids, offers and any other market information in its assessment or assessment time periods or windows, why a specific reference unit is used, how the administrator collects such input data, the guidelines that control the exercise of judgement by assessors and any other information, such as assumptions, models or extrapolation from collected data that are considered in making an assessment</p> <p>(b) procedures and practices that are designed to ensure consistency between its assessors in exercising their judgement;</p> <p>(c) the relative importance that shall be assigned to each criterion used in benchmark calculation, in particular the type of input data used, and the type of criterion used to guide judgement so as to ensure the quality and integrity of the benchmark calculation;</p> <p>(d) criteria that identify the minimum amount of transaction data required for a particular benchmark calculation. If no such threshold is provided for, the reasons why a minimum threshold is not established shall be explained, including setting out the procedures to be used where no transaction data exist;</p> <p>(e) criteria that address the assessment periods where the submitted data fall below the methodology's recommended transaction data threshold or the requisite administrator's quality standards, including any alternative methods of assessment including theoretical estimation models. Those criteria shall explain the procedures to be used where no transaction data exist;</p> <p>(f) criteria for timeliness of contributions of input data and the means for such contributions of input data whether electronically, by telephone or otherwise;</p> <p>(g) criteria and procedures that address assessment periods where one or more contributors submit input data that constitute a significant proportion of</p>	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	the total input data for that benchmark. The administrator shall also define in those criteria and procedures what constitutes a significant proportion for each benchmark calculation; (h) criteria according to which transaction data may be excluded from a benchmark calculation.	
Annex II (2)	The administrator of a commodity benchmark shall publish or make available the key elements of the methodology that the administrator uses for each commodity benchmark provided and published or, when applicable, for each family of benchmarks provided and published.	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Annex II (3)	Along with the methodology referred to in paragraph 2, the administrator of a commodity benchmark shall also describe and publish all of the following: (a) the rationale for adopting a particular methodology, including any price adjustment techniques and a justification of why the time period or window within which input data is accepted is a reliable indicator of physical market values; (b) the procedure for internal review and approval of a given methodology, as well as the frequency of such review, (c) the procedure for external review of a given methodology, including the procedures to gain market acceptance of the methodology through consultation with users on important changes to their benchmark calculation processes.	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		<p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.4 The LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations (“LPP Prices Regulations”) in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark. This procedure and LPP Prices Regulations are published on the LME's website.</p> <p>The LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC.</p> <p>A record of each review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Annex II (4)	<p>The administrator of a commodity benchmark shall adopt and make public to users explicit procedures and the rationale of any proposed material change in its methodology. Those procedures shall be consistent with the overriding objective that an administrator must ensure the continued integrity of its benchmark calculations and implement changes for good order of the particular market to which such changes relate. Such procedures shall provide:</p> <p>(a) advance notice in a clear time frame that gives users sufficient opportunity to analyse and comment on the impact of such proposed changes, having regard to the administrator's calculation of the overall circumstances;</p> <p>(b) for users' comments, and the administrator's response to those comments, to be made accessible to all market users after a given consultation period, except where the commenter has requested confidentiality.</p>	<p>1.4 The LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations (“LPP Prices Regulations”) in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark. This procedure and LPP Prices Regulations are published on the LME's website.</p> <p>The LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC.</p> <p>A record of each review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		<p>1.5 Changes to Benchmark Methodologies are overseen by the PVC (or LPPOC in respect of the LPP Prices). The nature of the change is assessed and a determination made as to whether the change is material and whether consultation should be considered. Where a change is deemed to be material and where to follow a consultation process would not be inconsistent with the LME's regulatory obligations as the operator of a trading venue, the LME typically adopts a consultation period of four weeks, where practicable for all the Benchmarks except the LPP Prices where the LPP Prices Regulations set out how long participants have to object to any proposed changes to those regulations.</p> <p>The LME, subsequent to the consultation, will make users comments and the response to those comments accessible to all market users, except where a commenter has requested confidentiality. The material change is approved by the LME Chief Operating Officer before being implemented.</p>
Annex II (5)	The administrator of a commodity benchmark shall regularly examine its methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment and shall include a process for taking into account the views of relevant users.	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Annex II (6)	The administrator of a commodity benchmark shall: (a) specify the criteria that define the physical commodity that is the subject of a particular methodology; (b) give priority to input data in the following order, where consistent with its methodologies: (i) concluded and reported transactions;	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	<p>(ii) bids and offers;</p> <p>(iii) other information. If concluded and reported transactions are not given priority, the reasons should be explained, as required in point 7(b).</p> <p>(c) employ sufficient measures designed to use input data submitted and considered in a benchmark calculation which are bona fide, meaning that the parties submitting the input data have executed, or are prepared to execute, transactions generating such input data and the concluded transactions were executed at arms-length from each other and particular attention shall be paid to inter-affiliate transactions;</p> <p>(d) establish and employ procedures to identify anomalous or suspicious transaction data and keep records of decisions to exclude transaction data from the administrator's benchmark calculation process;</p> <p>(e) encourage contributors to submit all of their input data that falls within the administrator's criteria for that calculation. Administrators shall seek, so far as they are able and is reasonable, to ensure that input data submitted is representative of the contributors' actual concluded transactions; and</p> <p>(f) employ a system of appropriate measures to ensure that contributors comply with the administrator's applicable quality and integrity standards for input data.</p>	<p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Annex II (7)	<p>The administrator of a commodity benchmark shall describe and publish for each calculation, to the extent reasonable without prejudicing due publication of the benchmark:</p> <p>(a) a concise explanation, sufficient to facilitate a benchmark subscriber's or competent authority's ability to understand how the calculation was developed including, at a minimum, the size and liquidity of the physical market being assessed (such as the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of input data that have been considered in a calculation; terms referring to the pricing methodology shall be included such as transaction-based, spread-based or interpolated or extrapolated; and</p> <p>(b) a concise explanation of the extent to which, and the basis upon which, any judgement including the exclusions of data which otherwise conformed to the requirements of the relevant methodology for that calculation, basing prices on spreads or interpolation, extrapolation, or weighting bids or offers higher than concluded transactions, if any, was used in any calculation.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		<p>website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Annex II (8)	<p>The administrator of a commodity benchmark shall:</p> <p>(a) specify the criteria that define who may submit input data to the administrator;</p> <p>(b) have in place quality control procedures to evaluate the identity of a contributor and any submitter who reports input data and the authorisation of such submitter to report input data on behalf of a contributor,</p> <p>(c) specify the criteria applied to employees of a contributor who are permitted to submit input data to an administrator on behalf of a contributor, encourage contributors to submit transaction data from back office functions and seek corroborating data from other sources where transaction data is received directly from a trader; and</p> <p>(d) implement internal controls and written procedures to identify communications between contributors and assessors that attempt to influence a calculation for the benefit of any trading position (whether of the contributor, its employees or any third party), attempt to cause an assessor to violate the administrator's rules or guidelines or identify contributors that engage in a pattern of submitting anomalous or suspicious transaction data. Those procedures shall include, to the extent possible, provision for escalation of the inquiry by the administrator within the contributor's company. Controls shall include cross-checking market indicators to validate submitted information.</p>	<p>1.6</p> <p>At least annually, the LME Benchmark Inventory is reviewed to determine whether the categorisation of the Benchmarks remains appropriate. The review is overseen by the PVC.</p>
Annex II (9)	<p>In relation to the role of an assessor, the administrator of a commodity benchmark shall:</p> <p>(a) adopt and have in place explicit internal rules and guidelines for selecting assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence;</p> <p>(b) have in place arrangements to ensure that calculations can be made on a consistent and regular basis;</p> <p>(c) maintain continuity and succession planning in respect of its assessors in order to ensure that calculations are made consistently and by employees who possess the relevant levels of expertise; and</p>	<p>Please also refer to all Controls under Control Objectives 3, 4 & 5.</p> <p>6.1</p> <p>The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	(d) establish internal control procedures to ensure the integrity and reliability of calculations. At a minimum, such internal controls and procedures shall require the ongoing supervision of assessors to ensure that the methodology was properly applied and procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.	The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.
Annex II (10)	The administrator of a commodity benchmark shall have rules and procedures in place to document contemporaneously relevant information, including: (a) all input data; (b) the judgements that are made by assessors in reaching each benchmark calculation; (c) whether a calculation excluded a particular transaction which otherwise conformed to the requirements of the relevant methodology for that calculation, and the rationale for doing so; (d) the identity of each assessor and of any other person who submitted or otherwise generated any of the information in points (a), (b) or (c).	<p>3.1 Trading Operations maintains a register that tracks and records the assessment of operational and systematic documentation to ensure accurate and up to date information is maintained. The register is updated following a review and the review noted to the PVC and LPPOC where deemed appropriate.</p> <p>3.2 The LME Quotations Committee Procedure is reviewed annually by members of the Quotations Committee. The review is recorded in the version control.</p> <p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
Annex II (11)	The administrator of a commodity benchmark shall have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five years in order to document the construction of its calculations.	<p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		<p>Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p> <p>6.2 Employees involved in the LME's benchmark activities are reminded of their obligations under the BMR, including for record keeping requirements, and must attest on an annual basis that they have read and understood obligations applicable to them.</p> <p>7.1 Backups are performed on a daily, weekly and monthly basis, and retained according to the level of service (i.e. for 2 months, 1 year or 10 years).</p> <p>For instances of backup failure, an automated alert is generated, and the IT team investigate and resolve any issues as required.</p>
Annex II (12)	<p>The administrator of a commodity benchmark shall establish adequate policies and procedures for the identification, disclosure, management or mitigation and avoidance of any conflict of interest and the protection of integrity and independence of calculations. Those policies and procedures shall be reviewed and updated regularly and shall:</p> <p>(a) ensure that benchmark calculations are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the administrator or its affiliates, its personnel, clients, any market participant or persons connected with them;</p> <p>(b) ensure that personal interests and business connections of the administrator's personnel are not permitted to compromise the administrator's functions, including outside employment, travel, and acceptance of entertainment, gifts and hospitality provided by the administrator's clients or other commodity market participants;</p> <p>(c) ensure, in respect of identified conflicts, appropriate segregation of functions within the administrator by way of supervision, compensation, systems access and information flows;</p> <p>(d) protect the confidentiality of information submitted to or produced by the administrator, subject to the disclosure obligations of the administrator,</p> <p>(e) prohibit managers, assessors and other employees of the administrator</p>	<p>Please refer to all Controls under Control Objective 10.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	<p>from contributing to a benchmark calculation by way of engaging in bids, offers and trades on either a personal basis or on behalf of market participants; and</p> <p>(f) effectively address any identified conflict of interest which may exist between the administrator's provision of a benchmark including all employees who perform or otherwise participate in benchmark calculation responsibilities), and any other business of the administrator.</p>	
Annex II (13)	The administrator of a commodity benchmark shall ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood that a conflict of interest will affect the integrity of benchmark calculations.	Please refer to all Controls under Control Objective 10.
Annex II (14)	<p>The administrator of a commodity benchmark shall ensure that it has in place segregated reporting lines amongst its managers, assessors and other employees and from the managers to the administrator's most senior level management and its board to ensure:</p> <p>(a) that the administrator satisfactorily implements the requirements of this Regulation; and</p> <p>(b) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.</p>	<p>10.7</p> <p>The LME has a clear organisational structure setting out reporting lines amongst management and all other LME employees who report directly or indirectly to the CEO of the LME. This includes allocation of responsibility to senior management for the implementation of the BMR and the provision of management information on a quarterly basis. The reporting lines are separate from LME Clear and the rest of the LME Group. The organisational chart is updated on an ad-hoc basis as starters, movers and leavers are processed. Job descriptions for all persons involved in the provision of the Benchmarks set out clear roles and responsibilities to protect against conflict or perception of conflict across the LME Group.</p>
Annex II (15)	The administrator of a commodity benchmark shall disclose to its users as soon as it becomes aware of a conflict of interest arising from the ownership of the administrator.	<p>10.1</p> <p>The LME and LMEC Conflicts of Interest Policy (“Conflicts of Interest Policy”) describes the arrangements for the identification, management, disclosure and mitigation of conflicts of interests. The policy also considers the ownership of the LME within the LME Group.</p> <p>On an annual basis, the policy is reviewed by executive and risk committees before being approved by the LME and LMEC Boards, which is evidenced through meeting minutes. Any conflicts identified as a result of the ownership of the administrator are disclosed to all users.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Annex II (16)	<p>The administrator of a commodity benchmark shall have in place and publish a complaints handling policy setting out procedures for receiving, investigating and retaining records concerning complaints made about an administrator's calculation process. Such complaint mechanisms shall ensure that:</p> <ul style="list-style-type: none"> (a) subscribers of the benchmark may submit complaints on whether a specific benchmark calculation is representative of market value, proposed benchmark calculation changes, applications of methodology in relation to a specific benchmark calculation and other editorial decisions in relation to the benchmark calculation processes; (b) there is in place a target timetable for the handling of complaints; (c) formal complaints made against the administrator and its personnel are investigated by that administrator in a timely and fair manner, (d) the inquiry is conducted independently of any personnel who may be involved in the subject of the complaint; (e) the administrator aims to complete its investigation promptly; (f) the administrator advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period; (g) there is recourse to an independent third party appointed by the administrator if a complainant is dissatisfied with the way a complaint has been handled by the relevant administrator or the administrator's decision in the situation no later than six months from the time of the original complaint; and (h) all documents relating to a complaint, including those submitted by the complainant as well as an administrator's own record, are retained for a minimum of five years. 	<p>12.2 The LME Complaints Procedure sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints. The Complaints Procedure is reviewed at least annually by LME Legal.</p> <p>12.3 All formal complaints received by the LME are recorded in a complaints register maintained by LME Legal. All complaints are reviewed by LME Legal with the aim of being resolved within the timelines set out in the LME Complaints Procedure.</p>
Annex II (17)	<p>Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the administrator of a commodity benchmark with reference to its appropriate standard procedures. If a complaint results in a change in price, the details of that change in price shall be communicated to the market as soon as possible.</p>	<p>12.1 The LME maintains a procedure which sets out how disputes that are not formal complaints are handled. The procedure covers both objections to provisional prices and price disputes raised in relation to the determination of an LME Benchmark that has been published.</p> <p>The procedure is reviewed at least annually by Trading Operations and is approved by the PVC. A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



ANNEX II – COMMODITY BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Annex II (18)	The administrator of a commodity benchmark shall appoint an independent external auditor with appropriate experience and capability to review and report on the administrator's adherence to its stated methodology criteria and with the requirements of this Regulation. Audits shall take place annually and be published three months after each audit is completed with further interim audits carried out as appropriate.	<p>2.3 The LME follows a formal supplier onboarding process to assess the supplier's experience and capability before appointment. This includes independent external auditors engaged to review the administrator's adherence to its stated methodology and the requirements of the BMR. A Contract Coversheet is reviewed and signed off before a formal appointment is made.</p> <p>2.4 The LME undergoes an annual external audit, and the audit report is published within three months after the audit has been completed.</p>

TITLE II – BENCHMARK INTEGRITY AND RELIABILITY		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Title II 10 (1)	An administrator shall not outsource functions in the provision of a benchmark in such a way as to impair materially the administrator's control over the provision of the benchmark or the ability of the FCA to supervise the benchmark.	<p>2.1 The LME maintains the BMR Outsourcing Arrangements which sets out the LME's approach to outsourcing arrangements under the BMR Article 10. At least annually, the BMR Outsourcing and the register contained within, is reviewed to determine whether there are any relevant services and activities in the provision of a benchmark outsourced to a third-party. The review is overseen by LME's Third-Party Risk Management (TPRM) team and the PVC.</p>
Title II 10 (2)	Where an administrator outsources to a service provider functions or any relevant services and activities in the provision of a benchmark, the administrator shall remain fully responsible for discharging all of the administrator's obligations under this Regulation.	<p>2.2 For those services or activities in the provision of the Benchmarks that are outsourced by the LME, the TPRM framework shall be considered to identify, assess, monitor, and manage risks arising from the reliance on these outsourced service providers. SLA reviews with outsourced service providers are held, per the frequency set out in the TPRM framework, to ensure compliance with Article 10 (3) and that they remain fully responsible for discharging all the administration's obligations related to the activities in the provision of a benchmark under the BMR.</p>



TITLE II – BENCHMARK INTEGRITY AND RELIABILITY		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		Performance of outsourced service providers is also reviewed during monthly service review meetings.
Title II 10 (3)	<p>a) the service provider has the ability, capacity, and any authorisation required by law, to perform the outsourced functions, services or activities reliably and professionally;</p> <p>b) the administrator makes available to the FCA the identity and the tasks of the service provider that participates in the benchmark determination process;</p> <p>c) the administrator takes appropriate action if it appears that the service provider may not be carrying out the outsourced functions effectively and in compliance with applicable law and regulatory requirements;</p> <p>d) the administrator retains the necessary expertise to supervise the outsourced functions effectively and to manage the risks associated with the outsourcing;</p> <p>e) the service provider discloses to the administrator any development that may have a material impact on its ability to carry out the outsourced functions effectively and in compliance with applicable law and regulatory requirements;</p> <p>f) the service provider cooperates with the FCA regarding the outsourced activities, and the administrator and the FCA have effective access to data related to the outsourced activities, as well as to the business premises of the service provider, and the FCA is able to exercise those rights of access;</p> <p>g) the administrator is able to terminate the outsourcing arrangements where necessary;</p> <p>h) the administrator takes reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of the service provider in the benchmark determination process.</p>	<p>2.2</p> <p>For those services or activities in the provision of the Benchmarks that are outsourced by the LME, the TPRM framework shall be considered to identify, assess, monitor, and manage risks arising from the reliance on these outsourced service providers. SLA reviews with outsourced service providers are held, per the frequency set out in the TPRM framework, to ensure compliance with Article 10 (3) and that they remain fully responsible for discharging all the administration's obligations related to the activities in the provision of a benchmark under the BMR. Performance of outsourced service providers is also reviewed during monthly service review meetings.</p>

TITLE III – REQUIREMENTS FOR DIFFERENT TYPES OF BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Title III 19 (1)	The specific requirements laid down in Annex II shall apply instead of the requirements of Title II, with the exception of Article 10, to the provision of, and contribution to, commodity benchmarks, unless the benchmark in question is a regulated-data benchmark or is based on submissions by contributors the majority of which are supervised entities. Articles 24, 25 and	<p>1.6</p> <p>At least annually, the LME Benchmark Inventory is reviewed to determine whether the categorisation of the Benchmarks remains appropriate. The review is overseen by the PVC.</p>



TITLE III – REQUIREMENTS FOR DIFFERENT TYPES OF BENCHMARKS		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	26 shall not apply to the provision of, and contribution to, commodity benchmarks.	
Title III 19 (2)	Where a commodity benchmark is a critical benchmark and the underlying asset is gold, silver or platinum, the requirements of Title II shall apply instead of Annex II.	1.6 At least annually, the LME Benchmark Inventory is reviewed to determine whether the categorisation of the Benchmarks remains appropriate. The review is overseen by the PVC.

TITLE IV – TRANSPARENCY AND CONSUMER PROTECTION		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Title IV 27 (1)	<p>Within two weeks of the inclusion of an administrator in the FCA register, the administrator shall publish, by means that ensure fair and easy access, a benchmark statement for each benchmark or, where applicable, for each family of benchmarks, that may be used in the United Kingdom in accordance with Article 29. Where that administrator begins providing a new benchmark or family of benchmarks that may be used in the United Kingdom in accordance with Article 29, the administrator shall publish, within weeks and by means that ensure a fair and easy access, a benchmark statement for each new benchmark or, where applicable, family of benchmarks. The administrator shall review and, where necessary, update the benchmark statement for each benchmark or family of benchmarks in the event of any changes to the information to be provided under this Article and at least every two years.</p> <p>The benchmark statement shall:</p> <ul style="list-style-type: none"> a) clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable; b) lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated; c) provide notice of the possibility that factors, including external factors 	<p>1.1 For any new Benchmarks or Benchmark Family that may be used in the United Kingdom in accordance with Article 29, the LME publishes a Benchmark Statement within two weeks for each of the new Benchmarks or Benchmark Family on their website.</p> <p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee (“PVC”), (or the Oversight Committee in respect of the LPP Prices (“LPPOC”)) to confirm, prior to them being published on the LME’s website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



TITLE IV – TRANSPARENCY AND CONSUMER PROTECTION		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	beyond the control of the administrator, may necessitate changes to, or the cessation of the benchmark; and d) advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.	
Title IV 27 (2)	A benchmark statement shall contain at least: a) the definitions for all key terms relating to the benchmark; b) the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology; c) the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index; d) the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion; e) the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods; f) the procedures for dealing with errors in input data or in the determination of the benchmark, including when a re- determination of the benchmark is required; and g) the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.	1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1). A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.
Title IV 27 (2a)	By 30 April 2020, for each of the requirements referred to in paragraph 2, the benchmark statement shall contain an explanation of how ESG factors are reflected in each benchmark or family of benchmarks provided and published. For those benchmarks or families of benchmarks that do not pursue ESG objectives, it shall be sufficient for benchmark administrators to clearly state in the benchmark statement that they do not pursue such objectives. Where no UK Climate Transition Benchmark or UK Paris-aligned Benchmark is available in the portfolio of that individual benchmark administrator, or the individual benchmark administrator has no benchmarks that pursue ESG objectives or take into account ESG factors, this shall be	1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).



TITLE IV – TRANSPARENCY AND CONSUMER PROTECTION		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	<p>stated in the benchmark statements of all benchmarks provided by that administrator. For significant equity and bond benchmarks, as well as for UK Climate Transition Benchmarks or UK Paris-aligned Benchmarks, benchmark administrators shall disclose in their benchmark statements details on whether or not and to what extent a degree of overall alignment with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement is ensured. By 31 December 2021, benchmark administrators shall, for each benchmark or, where applicable, each family of benchmarks, with the exception of interest rate and foreign exchange benchmarks, include in their benchmark statement an explanation of how their methodology aligns with the target of carbon emission reductions or attains the objectives of the Paris Agreement.</p>	<p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Title IV 27(2b)	<p>The Treasury may make regulations to supplement this Regulation by further specifying the information to be provided in the benchmark statement pursuant to paragraph 2a of this Article, as well as the standard format to be used for references to ESG factors to enable market participants to make well-informed choices and to ensure the technical feasibility of compliance with that paragraph.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee (“PVC”), (or the Oversight Committee in respect of the LPP Prices (“LPPOC”)) to confirm, prior to them being published on the LME’s website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
Title IV 27(3)	<p>The FCA may make technical standards to specify further the contents of a benchmark statement and the cases in which an update of such statement is required. The FCA shall distinguish between the different types of benchmarks and sectors as set out in this Regulation and shall take into account the principle of proportionality.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee (“PVC”), (or the Oversight Committee in respect of the LPP Prices (“LPPOC”)) to confirm, prior to them being published on the LME’s website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



TITLE IV – TRANSPARENCY AND CONSUMER PROTECTION		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
Title II 28(1)	<p>An administrator shall publish a robust procedure Concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the United Kingdom in accordance with Article 29(1). The procedure may be drafted, where applicable, for families of benchmarks.</p> <p>The procedure described in paragraph I -</p> <p>(a) must be published with the benchmark statement for the benchmark when that statement is published in accordance with the first or second subparagraph of Article 27(1), and</p> <p>(b) must be updated and published whenever a material change occurs.</p>	<p>1.4</p> <p>The LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations (“LPP Prices Regulations”) in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark. This procedure and LPP Prices Regulations are published on the LME's website.</p> <p>The LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC.</p> <p>A record of each review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.5</p> <p>Changes to Benchmark Methodologies are overseen by the PVC (or LPPOC in respect of the LPP Prices). The nature of the change is assessed and a determination made as to whether the change is material and whether consultation should be considered. Where a change is deemed to be material and where to follow a consultation process would not be inconsistent with the LME's regulatory obligations as the operator of a trading venue, the LME typically adopts a consultation period of four weeks, where practicable for all the Benchmarks except the LPP Prices where the LPP Prices Regulations set out how long participants have to object to any proposed changes to those regulations.</p> <p>The LME, subsequent to the consultation, will make users comments and the response to those comments accessible to all market users, except where a commenter has requested confidentiality. The material change is approved by the LME Chief Operating Officer before being implemented.</p>



COMMISSION DELEGATED REGULATION (EU) 2018/1643 - FCA TECHNICAL STANDARDS ("TS")		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
TS 1(1)	<p>The benchmark statement shall state:</p> <p>(a) the date of publication of the statement and, where applicable, the date of its last update;</p> <p>(b) where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge;</p> <p>(c) whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data;</p> <p>(d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EJ) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.</p>	<p>1.2</p> <p>Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(2)	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(a) a general description of the market or economic reality;</p> <p>(b) the geographical boundaries, if any, of the market or economic reality;</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of the market or economic reality, including at least the following elements insofar as reliable data on these elements is available:</p> <p>i. information on actual or potential participants in the market;</p> <p>ii. an indication of the size of the market or economic reality</p>	<p>1.2</p> <p>Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(3)	<p>In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least:</p> <p>(a) a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark in accordance with the methodology;</p> <p>(b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient;</p> <p>(c) any other information that the administrator reasonably considers to be</p>	<p>1.2</p> <p>Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p>



COMMISSION DELEGATED REGULATION (EU) 2018/1643 - FCA TECHNICAL STANDARDS ("TS")		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.	A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.
TS 1(4)	In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex post evaluation of the use of discretion, together with a clear indication of the position of any person(s) responsible for carrying out the evaluations.	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(5)	In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(6)	Point (c) of paragraph 3, and paragraph 5, shall not apply to the benchmark statement: (a) for a significant benchmark; or (b) for a family of benchmarks that does not include any critical benchmarks and does not consist solely of non-significant benchmarks.	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out</p>



COMMISSION DELEGATED REGULATION (EU) 2018/1643 - FCA TECHNICAL STANDARDS ("TS")		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
		<p>in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(7)	<p>In the case of a benchmark statement for a non- significant benchmark or for a family of benchmarks that consists solely of non-significant benchmarks: (a) the following provisions of this Article shall not apply:</p> <ul style="list-style-type: none"> i. point (c) of paragraph 2; ii. points (b) and (c) of paragraph 3, iii. paragraphs 4 and 5; and <p>(b) the requirements of points (a) and (b) of paragraph 2 may be satisfied alternatively by including a clear reference in the benchmark statement to a published document that includes the same information and is accessible free of charge.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 1(8)	<p>Administrators may include additional information at the end of their benchmark statements provided that, if this is done by referring to a published document containing the information, the document shall be one that is accessible free of charge.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 4(1)	<p>In addition to the information to be included pursuant to Article 1 , for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <ul style="list-style-type: none"> (a) indicate whether the requirements of Title II of, or Annex II to, Regulation (EJ) 2016/1011 apply to the benchmark, or family of benchmarks as 	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's</p>



COMMISSION DELEGATED REGULATION (EU) 2018/1643 - FCA TECHNICAL STANDARDS ("TS")		
BMR Reference	BMR Requirement	LME Control(s) that addresses the BMR Requirement
	<p>prescribed by Article 19 of that Regulation;</p> <p>(b) include an explanation as to why Title II of or, as the case may be, Annex II to that Regulation applies;</p> <p>(c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity,</p> <p>(d) where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that Regulation.</p>	<p>website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 6(1)	<p>In addition to the cases referred to in the third subparagraph of Article 27(1) of Regulation (EU) 2016/1011, an update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise, and including in any event in the following cases:</p> <p>(a) whenever there is a change in the type of the benchmark;</p> <p>(b) whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the methodology used for determining any benchmark within the family of benchmarks.</p>	<p>1.2</p> <p>Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
TS 7(1)	<p>This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 25 January 2019.</p>	<p>1.2</p> <p>Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



Section VI: Mapping of IOSCO Principles to Controls



Mapping of IOSCO Principles to Controls

The table below sets out the IOSCO Principles, with the associated controls from the control objectives above.

IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
1.1	A PRA should formalise, document, and make public any methodology that it uses for a price assessment.	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
1.2	A methodology should aim to achieve price assessments which are reliable indicators of oil market values, free from distortion and representative of the particular market to which they relate.	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
1.3	At a minimum, a methodology should contain and describe: a) All criteria and procedures that are used to develop an assessment including how the PRA uses the specific volume, concluded and reported transactions, bids, offers and any other market information (collectively 'market data') in its assessment and/or assessment time periods (e.g., windows), why a specific reference unit is used (e.g., barrels of oil), how the PRA collects such market data, the guidelines that control the exercise of judgment by assessors and any other information, such as assumptions, models and/or extrapolation from collected data that are considered in making an assessment; b) Its procedures and practices that are designed to ensure consistency	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
	<p>between its assessors in exercising their judgment;</p> <p>c) The relative importance that generally will be assigned to each criterion used in forming the price assessment (i.e., type of market data used, type of criterion used to guide judgment). [This is not intended to restrict the specific application of the relevant methodology but is to ensure the quality and integrity of the price assessment.]</p> <p>d) Criteria that identify the minimum amount of transaction data (i.e., completed transactions) required for a particular price assessment (the “transaction data threshold”). If no such threshold exists, the reasons why a minimum threshold is not established should be explained, including procedures where there is no transaction data.</p> <p>e) Criteria that address the assessment periods where the submitted data fall below the methodology’s recommended transaction data threshold or the requisite PRA’s quality standards, including any alternative methods of assessment (e.g., theoretical estimation models). Those criteria should explain the procedures used where no transaction data exists;</p> <p>f) Criteria for timeliness of market data submissions and the means for such submissions (e.g., electronically, via telephone, etc.);</p> <p>g) Criteria and procedures that address assessment periods where one or more reporting entity submits market data that constitute a significant proportion of the total data upon which the assessment is based (i.e., key submitter dependency). The PRA should also define in its criteria and procedures for what constitutes a “significant proportion” for each price assessment;</p> <p>h) Criteria according to which transaction data may be excluded from a price assessment.</p>	
1.4	<p>A PRA should describe and publish the:</p> <p>a) Rationale for adopting a particular methodology, including any price adjustment techniques and a justification of why the time period or window within which market data is accepted is a reliable indicator of physical market values;</p> <p>b) Procedure for internal review and approval of a given methodology, as well as the frequency of this review;</p> <p>c) Procedure for external review of a given methodology, including the procedures to gain market acceptance of the methodology through consultation with stakeholders on important changes to their price assessment processes.</p>	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME’s website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
1.5	<p>A PRA should adopt and make public to stakeholders explicit procedures and rationale of any proposed material change in its methodology. Those procedures should be consistent with the overriding objective that a PRA must ensure the continued integrity of its price assessments and implement changes for good order of the particular market to which such changes relate. Such procedures should:</p> <p>a) Provide advance notice in a clear timeframe that gives stakeholders sufficient opportunity to analyse and comment on the impact of such proposed changes;</p> <p>b) having regard to the PRA's assessment of the overall circumstances;</p> <p>c) Provide for stakeholders' comments, and the PRA's response to those comments, to be made accessible to all market stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p>1.4</p> <p>The LME Benchmark Changes and Cessation Procedure, and Regulation 19 of the LBMA Platinum and LBMA Palladium Prices Regulations ("LPP Prices Regulations") in respect of the LPP Prices, defines the process where consultation will be considered with Benchmark users in relation to a proposed change to a Benchmark or a proposed cessation of a Benchmark. This procedure and LPP Prices Regulations are published on the LME's website.</p> <p>The LME's Benchmark Changes and Cessation Procedure is reviewed and approved annually by the PVC and the LPP Prices Regulations is reviewed and approved annually by the LPPOC.</p> <p>A record of each review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.5</p> <p>Changes to Benchmark Methodologies are overseen by the PVC (or LPPOC in respect of the LPP Prices). The nature of the change is assessed and a determination made as to whether the change is material and whether consultation should be considered. Where a change is deemed to be material and where to follow a consultation process would not be inconsistent with the LME's regulatory obligations as the operator of a trading venue, the LME typically adopts a consultation period of four weeks, where practicable for all the Benchmarks except the LPP Prices where the LPP Prices Regulations set out how long participants have to object to any proposed changes to those regulations.</p> <p>The LME, subsequent to the consultation, will make users comments and the response to those comments accessible to all market users, except where a commenter has requested confidentiality. The material change is approved by the LME Chief Operating Officer before being implemented.</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
1.6	A PRA should engage in the routine examination of its methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment. This should include a process for taking into account the views of relevant stakeholders.	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
2.1	A PRA should take measures that are intended to ensure the quality and integrity of the price assessment process	<p>Please also refer to all Controls under Control Objectives 3, 4 & 5.</p> <p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
2.2	<p>A PRA should:</p> <p>a) Specify with particularity the criteria that define the physical commodity that is the subject of a particular methodology;</p> <p>b) Utilise its market data, giving priority in the following order, where consistent with the PRA's approach to ensuring the quality and integrity of a price assessment:</p> <ol style="list-style-type: none"> 1. Concluded and reported transactions; 2. Bids and offers; 3. Other market information. <p>Nothing in this provision is intended to restrict a PRA's flexibility in using market data consistent with its methodologies. However, if concluded transactions are not given priority, the reasons should be explained as</p>	<p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
	<p>called for in 2.3(b)</p> <p>c) Employ sufficient measures designed to use market data submitted and considered in a price assessment, which are bona fide, meaning that the parties submitting the market data have executed, or are prepared to execute, transactions generating such market data and the concluded transactions were executed at arms-length from each other. Particular attention should be made in this regard to inter- affiliate transactions;</p> <p>d) Establish and employ procedures to identify anomalous (i.e., in the context of a PRA's methodology) or suspicious transaction data and keep records of decisions to exclude transaction data from the PRA's price assessment process.</p> <p>e) Encourage parties that submit any market data ("submitters") to submit all of their market data that falls within the PRA's criteria for that assessment. PRAs should seek, so far as they are able and is reasonable, that data submitted are representative of the submitters' actual concluded transactions.</p> <p>f) Employ a system of appropriate measures so that, to the extent possible, submitters comply with the PRA's applicable quality and integrity standards for market data</p>	
2.3	<p>A PRA should describe and publish with each assessment, to the extent reasonable without delaying a price reporting deadline:</p> <p>a) A concise explanation, sufficient to facilitate a PRA subscriber's or market authority's ability to understand how the assessment was developed, including, at a minimum, the size and liquidity of the physical market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in an assessment; terms referring to the pricing methodology should be included (e.g., "transaction- based", "spread- based" or "interpolated/ extrapolated");</p> <p>b) A concise explanation of the extent to which and the basis upon which judgment (e.g., exclusions of data which otherwise conformed to the requirements of the relevant methodology for that assessment, basing prices on spreads or interpolation/extrapolation, or weighting bids or offers higher than concluded transactions etc.), if any, was used in establishing an assessment.</p>	<p>1.2 Benchmark Statements for each Benchmark Family are reviewed annually and updates approved by the Pricing and Valuation Committee ("PVC"), (or the Oversight Committee in respect of the LPP Prices ("LPPOC")) to confirm, prior to them being published on the LME's website, that the Benchmark Statement meets the requirements set out in Article 27 of the BMR, including those required by FCA Technical Standard TS1(1) - TS1(8), TS4(1), TS6(1) and TS7(1).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p> <p>1.3 Benchmark Methodologies for each Benchmark Family are reviewed annually, and updates approved by the PVC (or the LPPOC in respect of the LPP Prices) to confirm, prior to them being published on the LME's</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
		<p>website, that the Benchmark Methodology includes the requirements set out in Annex II (1) - (3).</p> <p>A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
2.4	<p>A PRA should:</p> <p>a) Specify the criteria that define who may submit market data to the PRA;</p> <p>b) Have quality control procedures to evaluate the identity of a submitter and any employee(s) of a submitter who report market data and the authorisation of such person(s) to report market data on behalf of a submitter;</p> <p>c) Specify the criteria applied to employees of a submitter who are permitted to submit market data to a PRA on behalf of a submitter; encourage submitters to submit transaction data from back office functions and seek corroborating data from other sources where transaction data is received directly from a trader;</p> <p>d) Implement internal controls and written procedures to identify communications between submitters and assessors that attempt to influence an assessment for the benefit of any trading position (whether of the submitter, its employees or any third party), attempt to cause an assessor to violate the PRA's rules or guidelines or identify submitters that engage in a pattern of submitting anomalous or suspicious transaction data. Procedures should include provision for escalation by the PRA of inquiry within the submitter's company. Controls should include cross-checking market indicators to validate submitted information</p>	<p>1.6</p> <p>At least annually, the LME Benchmark Inventory is reviewed to determine whether the categorisation of the Benchmarks remains appropriate. The review is overseen by the PVC.</p>
2.5	<p>A PRA should adopt and have explicit internal rules and guidelines for selecting assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence</p>	<p>Please also refer to all Controls under Control Objectives 4 & 5.</p> <p>6.1</p> <p>The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory</p>



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Principle No	Principle	LME Control(s) that addresses the Principle
		Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.
2.6	A PRA should have arrangements to ensure its assessments can be produced on a consistent and regular basis.	<p>Please also refer to all Controls under Control Objectives 4 & 5.</p> <p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
2.7	A PRA should maintain continuity and succession planning in respect of its assessors in order to ensure that assessments are made consistently and by employees who possess the relevant levels of expertise.	<p>Please also refer to all Controls under Control Objectives 4 & 5.</p> <p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
2.8	A PRA should institute internal control procedures to ensure the integrity and reliability of assessments. At a minimum, such internal controls and procedures should require: a) The ongoing supervision of individual assessors to ensure that the methodology was properly applied;	<p>Please also refer to all Controls under Control Objectives 4 & 5.</p> <p>6.1 The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert</p>



IOSCO PRINCIPLES		
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	b) Procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.	<p>Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
2.9	<p>A PRA should have rules and procedures in place to document contemporaneously relevant information, including:</p> <p>a) All market data [that was used in the assessment];</p> <p>b) The judgments that are made by assessors in reaching each price assessment;</p> <p>c) Whether an assessment excluded a particular transaction, which otherwise conformed to the requirements of the relevant methodology for that assessment and the rationale for doing so;</p> <p>d) The identity of each assessor and of any other person who submitted or otherwise generated any of the above information.</p>	<p>6.1</p> <p>The LME Benchmarks Policy sets out the record keeping schedule that addresses BMR-specific requirements, such as input data, Expert Judgement, exclusions of data, and the identity of each assessor involved in the pricing process. The LME Benchmarks Policy follows the record retention standards set at the group level.</p> <p>The LME Benchmarks Policy is reviewed annually by Regulatory Coordination, approved by the PVC, as evidenced through meeting minutes. As per Annex II (10), appropriate records are retained for at least five years.</p>
2.10	A PRA should have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five (5) years in order to document the construction of its assessments.	<p>Please also refer to all Controls under Control Objective 6.</p> <p>7.1</p> <p>Backups are performed on a daily, weekly and monthly basis, and retained according to the level of service (i.e. for 2 months, 1 year or 10 years).</p> <p>For instances of backup failure, an automated alert is generated, and the IT team investigate and resolve any issues as required.</p>
2.11	A PRA should document, implement and enforce comprehensive policies and procedures for the identification, disclosure, management and avoidance of conflicts of interest and the protection of integrity and independence of assessments. The policies and procedures should be kept up to date.	Please also refer to all Controls under Control Objective 10.



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2.12	<p>2.12 At a minimum, those policies and procedures should [be designed to]:</p> <p>a) Ensure that price assessments are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the PRA (or its affiliates), its personnel, clients, any market participant or persons connected with them;</p> <p>b) Ensure that PRA personnel's personal interests and business connections are not permitted to compromise the PRA's functions, including outside employment, travel, and acceptance of entertainment, gifts and hospitality provided by PRA clients or other oil market participants;</p> <p>c) Ensure, in respect of identified conflicts, appropriate segregation of functions within the PRA by way of supervision, compensation, systems access and information flows.</p> <p>d) Protect the confidentiality of information submitted to or produced by the PRA, subject to the disclosure obligations of the PRA;</p> <p>e) Prohibit PRA managers, assessors and other employees from contributing to a price assessment by way of engaging in bids, offers and trades on either a personal basis or on behalf of market participants.</p> <p>f) Effectively address identified conflicts of interest which may exist between its price assessment business (including all staff who perform or otherwise participate in price assessment responsibilities), and any other business of the PRA.</p>	<p>Please also refer to all Controls under Control Objective 10.</p>
2.13	There is no principle	N/A – No principle.
2.14	A PRA should ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessments.	Please also refer to all Controls under Control Objective 10.
2.15	A PRA should ensure it has appropriate segregated reporting lines amongst its managers, assessors and other employees (as appropriate) and from the appropriate managers to the PRA's most senior level management and its Board (if any), designed to ensure (i) the PRA satisfactorily implements the requirements listed in these principles; and (ii) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.	<p>10.7</p> <p>The LME has a clear organisational structure setting out reporting lines amongst management and all other LME employees who report directly or indirectly to the CEO of the LME. This includes allocation of responsibility to senior management for the implementation of the BMR and the provision of management information on a quarterly basis. The reporting lines are separate from LME Clear and the rest of the LME Group. The organisational chart is updated on an ad-hoc basis as starters, movers and leavers are processed. Job descriptions for all persons involved in the provision of the Benchmarks set out clear roles and responsibilities to protect against conflict or perception of conflict across the LME Group.</p>



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2.16	A PRA should disclose to its stakeholders as soon as it becomes aware of a conflict of interest arising from the ownership of the PRA.	<p>10.1 The LME and LMEC Conflicts of Interest Policy (“Conflicts of Interest Policy”) describes the arrangements for the identification, management, disclosure and mitigation of conflicts of interests. The policy also considers the ownership of the LME within the LME Group.</p> <p>On an annual basis, the policy is reviewed by executive and risk committees before being approved by the LME and LMEC Boards, which is evidenced through meeting minutes. Any conflicts identified as a result of the ownership of the administrator are disclosed to all users.</p>
2.17	A PRA should have in place and publish written procedures for receiving, investigating and retaining records concerning complaints made about a PRA’s assessment process	<p>12.2 The LME Complaints Procedure sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints. The Complaints Procedure is reviewed at least annually by LME Legal.</p> <p>12.3 All formal complaints received by the LME are recorded in a complaints register maintained by LME Legal. All complaints are reviewed by LME Legal with the aim of being resolved within the timelines set out in the LME Complaints Procedure.</p>
2.18	<p>Among other things, such complaint mechanisms should [be designed to] ensure that:</p> <p>a) A PRA should have in place a mechanism detailed in a written complaints handling policy, by which its subscribers may submit complaints on whether a specific price assessment is representative of market value, proposed price assessment changes, applications of methodology in relation to a specific price assessment and other editorial decisions in relation to price assessment processes;</p> <p>b) A PRA should ensure that its written complaints handling policy includes, among other things, the process and target timetable for handling of complaints;</p> <p>c) Formal complaints made against a PRA and its personnel are investigated by that PRA in a timely and fair manner;</p> <p>d) The inquiry is conducted independently of any personnel who may be</p>	<p>12.2 The LME Complaints Procedure sets out the scope of complaints that will be investigated under the procedure and the process for their investigation, including timelines for resolution and the five-year retention period of all documents and materials relating to complaints. The Complaints Procedure is reviewed at least annually by LME Legal.</p> <p>12.3 All formal complaints received by the LME are recorded in a complaints register maintained by LME Legal. All complaints are reviewed by LME Legal with the aim of being resolved within the timelines set out in the LME Complaints Procedure.</p>



IOSCO PRINCIPLES		
Principle No	Principle	LME Control(s) that addresses the Principle
	<p>involved in the subject of the complaint;</p> <p>e) A PRA aims to complete its investigation promptly;</p> <p>f) A PRA advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period;</p> <p>g) There is recourse to an independent third party appointed by the PRA should a complainant be dissatisfied with the way a complaint has been handled by the relevant PRA or the PRA's decision in the situation no later than six (6) months from the time of the original complaint;</p> <p>h) All documents relating to a complaint, including those submitted by the complainant as well as a PRA's own record, are retained for a minimum of five (5) years.</p>	
2.19	<p>Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the PRA with reference to its standard appropriate procedures. If a complaint results in a change in price, that should be communicated to the market as soon as possible.</p>	<p>12.1 The LME maintains a procedure which sets out how disputes that are not formal complaints are handled. The procedure covers both objections to provisional prices and price disputes raised in relation to the determination of an LME Benchmark that has been published.</p> <p>The procedure is reviewed at least annually by Trading Operations and is approved by the PVC. A record of the review, along with redlines and version control, is maintained by the LME and recorded in the minutes of the relevant governance meetings.</p>
2.20	<p>Audit trails, other documentation required by these principles and all other relevant information shall be readily available to market authorities in carrying out their regulatory duties and handed over without delay in accordance with applicable law.</p>	<p>Out of scope for purpose of assurance engagement.</p>
2.21	<p>A PRA should appoint an independent, external auditor with appropriate experience and capability to review and report on the PRA's adherence to its stated methodology criteria and with the requirements of the principles. The first resulting audit should be completed within one year of the publication of the principles by IOSCO and its results published within fifteen months of the publication of the principles. Subsequent audits should take place annually and be published three months after each audit is completed with further interim audits carried out as appropriate.</p>	<p>2.3 The LME follows a formal supplier onboarding process to assess the supplier's experience and capability before appointment. This includes independent external auditors engaged to review the administrator's adherence to its stated methodology and the requirements of the BMR. A Contract Coversheet is reviewed and signed off before a formal appointment is made.</p> <p>2.4 The LME undergoes an annual external audit, and the audit report is published within three months after the audit has been completed.</p>



Appendix A: The Benchmarks

Benchmark Family	Metals	Prompt Dates	Currency
Official Prices	Aluminium Official Price Aluminium Alloy Official Price Aluminium US Premium Official Price Aluminium West-Europe Premium Official Price Aluminium East-Asia Premium Official Price Aluminium South-East Asia Premium Official Price Cobalt Official Price Copper Official Price NASAAC Official Price Nickel Official Price Lead Official Price Tin Official Price Zinc Official Price Official Settlement Price for all metals (except Aluminium Premiums) Official Settlement Price for Aluminium Premiums	Cash, 3M, 3WD1, 3WD2, 3WD3 Cash, 3M, 3WD1 3WM1, 3WM4 and 3WM15 3WM1, 3WM4 and 3WM15 3WM1, 3WM4 and 3WM15 3WM1, 3WM4 and 3WM15 Cash, 3M, 15M Cash, 3M, 3WD1, 3WD2, 3WD3 Cash, 3M, 3WD1 Cash, 3M, 3WD1, 3WD2, 3WD3 Cash, 3M, 3WD1, 3WD2, 3WD3 Cash, 3M, 15M Cash, 3M, 3WD1, 3WD2, 3WD3 Cash 3WM1	USD
LPP Prices	LBMA Platinum – AM/PM LBMA Palladium – AM/PM	Daily Daily	USD



Benchmark Family	Metals	Prompt Dates	Currency
Closing Prices	Aluminium Aluminium Alloy Aluminium US Premium Aluminium West-Europe Premium Aluminium East-Asia Premium Aluminium South-East Asia Premium Cobalt Copper NASAAC Nickel Lead Tin Zinc	Cash, 3M, 3WM1 – 3WM24 inclusive Cash, 3M, 3WM1 – 3WM24 inclusive 3WM1-3WM15 inclusive 3WM1-3WM15 inclusive 3WM1-3WM15 inclusive 3WM1-3WM15 inclusive Cash, 3M, 3WM1-3WM15 Cash, 3M, 3WM1-3WM24 Cash, 3M, 3WM1-3WM24 Cash, 3M, 3WM1-3WM24 Cash, 3M, 3WM1-3WM24 Cash, 3M, 3WM1-3WM15 Cash, 3M, 3WM1-3WM24	USD
Monthly Average Settlement Prices (MASP)	Aluminium Aluminium Alloy Cobalt Copper NASAAC Nickel Lead Tin Zinc	Cash Cash Cash Cash Cash Cash Cash Cash Cash	USD