

To: All Members and other interested parties

Ref: 26/067

Classification: Trading Fees

16 March 2026

Subject: **INTRODUCTION OF LIQUIDITY ON ORDERBOOK PROGRAMME**

Summary

1. This notice (the “**Notice**”) announces the introduction of the Liquidity On Orderbook Programme (“**LOOP**”), commencing on 1 June 2026 for an initial 12-month period

Defined terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the Rules and Regulations of the LME or if not defined in the Rules and Regulations, the meanings ascribed to them in the General Terms.

Background

3. The LME continuously seeks to broaden participation and improve the quality of the markets on LMEselect.
4. LME notice 24/240 announced the publication of the White Paper on Enhancing Liquidity, which included proposals for a liquidity provider programme as one of the measures to enhance liquidity.

Governance and Applications

5. The LME welcomes applications to the LOOP. The total number of Participants is limited to a maximum of 10 at any one time; this number may be reviewed should the Exchange deem it necessary and beneficial in achieving the aims of the LOOP.



6. Participants must meet the requirements of the LOOP, which include quoting obligations, the details of which will be disclosed during the application process.
7. The terms and conditions governing the programme (the “**General Terms**”) govern the LOOP.
8. The LME has created a specification document (the “**Specification**”), which is annexed to this Notice, to outline the terms and conditions applicable to the LOOP.
9. Upon the LME’s acceptance of a participant onto the LOOP, the following documents shall together form the agreement between the LME and the relevant Member in respect of the participant’s registration in the LOOP.
 - (a) The Member’s application form in respect of such participant, consisting of both a PDF and accompanying Excel document. The Member must assign a unique application reference identifier which must match between the PDF and Excel document;
 - (b) The programme Specification; and
 - (c) The General Terms.
10. The Specification document details the process by which Members can enrol participants on the LOOP. Members are reminded of the importance of ensuring that all participant details are correct and in accordance with programme requirements, including whether the participant meets the eligibility criteria. Failure to follow the requirements of the programme will lead to non-payment of the relevant rebate.

Questions

11. Members and other interested parties with any questions about the incentive programme are invited to contact the LME at GCD@lme.com.

Barry Corbett
Head of Global Client Development & Head of Buy Side

cc: Board directors
User Committee



INCENTIVE PROGRAMME SPECIFICATIONS

Liquidity On Orderbook Programme (“LOOP”)

1. This LOOP is governed by the General Terms of the LME incentive programmes (the “**General Terms**”). The General Terms can be obtained from the LME website or from the Global Client Development team at GCD@LME.com.
2. Capitalised terms not otherwise defined in this Specification shall have the meaning ascribed to them in the General Terms or in the Rules and Regulations of the LME.
3. Members are required to submit applications for the LOOP on behalf of the Member or a Client intending to participate, by emailing completed applications to incentive.programmes@lme.com. Applications can be submitted to the LME at any time from 16 March 2026 until the termination of the LOOP. Applications will not be considered if received directly from a Client or Indirect Client.

Eligibility Criteria

4. The LME welcomes applications to the LOOP from prospective Market Participants, comprised of Members and Clients. The total number of Participants is limited to a maximum of 10 at any one time; this number may be reviewed should the Exchange deem it necessary and beneficial in achieving the aims of the LOOP.

Eligible Contracts

5. 3-month to Month (“M”) ³¹, 3-month to M4, M2-M3 and M3-M4 (spread/carry), M3 and M4 (outright) contracts² traded on LMEselect in Aluminium, Copper, Zinc, Nickel and Lead (“**Eligible Contracts**”). Without prejudice to any eligibility conditions set out in the LME Rulebook, the General Terms or this Specification, in order for volume in Eligible Contracts to benefit from the LOOP, the relevant trades must:
 - a. comprise a Cleared Contract and a corresponding Client Contract (with both terms as defined in the LME Rulebook) where the Participant is a Client. A Client Contract will not be required if the Participant is an LME Member;
 - b. have been executed on LMEselect;
 - c. have the venue of execution correctly marked as LMEselect in the LMEsmart trade record(s).

Quoting Obligations

6. Participants will be required to meet/exceed a set of parameters for quoting defined two sided markets in a defined minimum size, at a defined maximum spread for a defined minimum percentage of the trading day.

¹ Includes M3-3month, ie the period following 3rd Wed expiry

² As defined in the LME fee schedule



7. Quoting Obligations and any related incentives are disclosed on the 'Quoting Obligations' document, provided to applicants to the LOOP.
8. In the event of a 'Fast Market' declaration, quoting requirements may be relaxed in accordance with the LME Fast Market Policy. Bid-offer quoting requirements for spreads would be doubled, with both size and required presence maintained.
9. The trade identifier for the calculation of rebates under the LOOP will be the specific registered Tag 81/relevant Tag and party role 3 (client short code) where applicable. In LMEsmart, the client code must match the Tag 81 and client short code from LMEselect. For Category 4 Members, the private reference field in LMEsmart must match the Tag 81/relevant Tag and client short code from LMEselect.
10. Without prejudice to the application of the General Terms, in the event that the requirements of the Eligibility Criteria, Eligible Contracts, LOOP obligations and related criteria are not fully met, then any incentives will not be made to the Member and it will be the Member's responsibility to settle any erroneous amounts due with the relevant Participant directly.
11. All Client trades must satisfy all the following criteria:
 - a. in LMEsmart, registration of the Member/Client contract should have the same account code as the registered Tag 81/relevant Tag and client short code of the Participant on LMEselect and the venue code of the registered client cross in LMEsmart should be "LMEselect" if the Participant is a Client;
 - b. all Client cross trades need to be booked on the same day as the cleared LMEselect contracts; and
 - c. all trades must be matched and cleared.
12. Without prejudice to the application of the General Terms, the Exchange reserves the right to alter the parameters of the LOOP, including withdrawal of the programme, at any time ahead of a new calendar month and as published by Member Notice.

Duration of the programme

13. The LOOP shall remain open for a period of 12 months commencing on 1 June 2026.
14. The LME may extend the LOOP or re-open the programme if it is suspended/terminated (subject to regulatory approval). In such circumstances, Participants shall remain on the LOOP.