

To: All members and other interested parties

Ref: 26/152

Classification: Consultation Trading

Date: 12 June 2026

Subject: **CONSULTATION ON CHANGES TO THE CLOSING PRICE METHODOLOGY FOR TIN**

Summary

1. The London Metal Exchange (the “**LME**”) is seeking the views of its Members and all other interested parties, including users of LME-administered benchmarks, in respect of the proposal to replace the Last Price Methodology with the Additional VWAP Methodology for the establishment of the Tin Closing Prices (the “**Consultation**”).
2. The LME publishes various prices that fall within the definition of ‘benchmark’ pursuant to the UK Benchmarks Regulation (“**UK BMR**”). The Closing Prices is a Benchmark Family published pursuant to Annex II of the UK BMR.
3. This Consultation, which proposes changes to the *LME Closing Prices – Benchmark Methodology* (“**Benchmark Methodology**”) in relation to Tin, is published in accordance with the *LME Benchmark Changes and Cessation Procedure*.

Defined terms

4. Terms not otherwise defined in this Consultation shall have the meaning ascribed to them either in the current version of the LME Rulebook, the Benchmark Methodology, the *LME Benchmark Changes and Cessation Procedure*, the *Benchmark Administration – Definitions* (which are all available on the LME website) or any other Rule, and in each case as amended from time to time.

Background

5. In March 2023, the LME published its Action Plan to Strengthen the LME Group’s Markets (the “**Action Plan**”). As part of the Action Plan, the LME has sought to evolve the Closing Price methodology to a more transparent and deterministic industry standard methodology.
6. Following consultation in LME Notice 23/091¹ and LME Decision Notice 23/168² (collectively the “**2023 Changes**”), the LME adopted the Additional VWAP Methodology (set out in the Benchmark Methodology) for the establishment of the Closing Prices using additional volume-weighted average prices (“**VWAPs**”) for Aluminium, Copper, Lead, Nickel and Zinc. In addition, there were updates made to the Last Price Methodology for other base metals.
7. The LME considered rolling out the Additional VWAP Methodology to other metals and prompts, however, decided that the metals and prompts outlined in LME Notice 23/091 represented an appropriate path forward at that time, but noted it would consider additional enhancements.

¹ <https://www.lme.com/api/sitecore/MemberNoticesSearchApi/Download?id=9faa736b-dffd-4a45-9442-21911c1ee289>

² <https://www.lme.com/api/sitecore/MemberNoticesSearchApi/Download?id=e62964c7-2bc1-4645-85fd-a017108994a3>



8. The LME remain of the view that further evolution of the Closing Prices methodology, can provide more determinism, ensure the Closing Prices accurately reflect prevailing prices at the end of the trading day, and the Benchmark Methodology encourages trading practices that will improve liquidity for participants.
9. The LME believe the volumes are now sufficiently robust in Tin for its inclusion and therefore warrant a move into the Additional VWAP Methodology.

Market engagement

10. As part of the 2023 Changes, the LME also considered feedback from the Closing Price Working Group (“CPWG”) and the User Committee, as well as through its Action Plan.
11. The Proposal set out below has been discussed with both the Tin Committee and the User Committee and responses to this Consultation are encouraged.

The Proposal

12. The LME is consulting on adopting the Additional VWAP Methodology, as set out in the Benchmark Methodology, to determine Closing Prices for Cash, 3-months (3M) and the first four third-Wednesday monthly Contracts in Tin.
13. The pricing window for 3M Tin is proposed to remain unchanged (16:05:00.000 - 16:09:59.999) and will become the Anchor Pricing Window. The Anchor Pricing Window will establish the Anchor Contracts for Tin using a VWAP calculation according to the Additional VWAP Methodology.
14. The MVR Thresholds (Lots) and Rounding (\$/mt) for 3M Tin are proposed to remain unchanged. See Table 1.
15. The Tin Spread Pricing Window for the Non-Anchor Contracts (Spreads) will be the 5-minute period prior to the Anchor Pricing Window (i.e. 16:00:00.000 - 16:04:59.999) in line with the pricing windows for other metals. The Tin Spread Pricing Window will establish the Tin Non-Anchor Contracts. See Table 1.

Table 1:

Metal	Anchor Contracts (Outright)				Non-Anchor Contracts (Spreads)			
	Prompt Dates	Anchor Pricing Window	MVR Threshold (Lots)	Rounding (\$/mt)	Prompt Dates	Spread Pricing Window	MVR Threshold (Lots)	Rounding (\$/mt)*
SN	3 Month (3M)	16:05:00.000 - 16:09:59.999	5	1	Cash, M1, M2, M3, M4	16:00:00.000 - 16:04:59.999	5	0.01

16. The order in which the Non-Anchor Contracts for Tin will be determined, and the VWAP and TWAP instruments used in their calculation will be the same as is for the other metals as set out in Table 2 of the Benchmark Methodology. See Table 2 below.



Table 2:

Non-Anchor Contracts				
Ordering	Prompt Date	Contract	VWAP Instruments	TWAP Instruments
1	M3	3rd 3rd Wednesday	M3-3M	M3-3M
2	M2	2nd 3rd Wednesday	M2-3M M2-M3	M2-M3
3	M4	4th 3rd Wednesday	M2-M4 M3-M4 3M-M4	M3-M4
4	M1	1st 3rd Wednesday	M1-M2 M1-M3 M1-3M M1-M4	M1-M2
5	Cash	Cash	Cash-M1	Cash-M1

17. The LME anticipate the implementation of the Proposal (the “Go-Live”) before the end of Q3 2026.

Rationale for change

- 18. The LME considers that adopting a more deterministic approach to price discovery enhances transparency and predictability in the pricing process, thereby encouraging greater liquidity at the front of the curve. This increase in observable trading activity strengthens the representativeness and reliability of the Benchmark, directly supporting the fundamental objective of the UK BMR to ensure robust, accurate, and resilient pricing for use in financial instruments and contracts.
- 19. The introduction of the Additional VWAP Methodology for the Closing Prices for Aluminium, Copper, Lead, Nickel and Zinc has reflected the increased trading in spreads for these metals. Indeed, whilst volumes on the LME have continued to grow, the volumes for the spreads in these metals (which contribute to the Additional VWAP Methodology calculations) have been far stronger than the general growth seen. The number of participants trading the spreads across Cash-M4 in the pricing windows has increased since the 2023 Changes for Aluminium, Copper, Lead, Nickel and Zinc. By incorporating a wider set of transactions, the Additional VWAP Methodology has enabled more participants to contribute to the price discovery process and improve the representativeness and reliability of each of the Closing Prices for these Contracts as a Benchmark.
- 20. The Additional VWAP Methodology also encourages different trading behaviours compared to a Last Price Methodology by incentivising participation through the pricing window, rather than concentrating volume towards the end of the window. This gives greater opportunity for liquidity to be established and, in the LME’s opinion, leads to price discovery that is more reflective of the activity seen through the pricing window.
- 21. The LME believes that the trading volumes in Tin are sufficiently strong now that the determination of the Closing Price for Tin can be based on the Additional VWAP Methodology rather than on the Last Price Methodology. If this proposed change is not done, the Closing Price for Tin would not benefit from the same improved price discovery process as the Closing Prices for Aluminium, Copper, Lead, Nickel and Zinc have benefited from, and in the long term, the appropriateness of the Closing Prices for Tin (in terms of their representativeness and reliability) would be put at risk.
- 22. The LME has not yet identified any unintended consequences not set out in this Consultation as a result of any of the Proposal. However, the LME is interested in the views of respondents to this Consultation in this regard.



Consultation Questions

- Q1: Do you agree with the LME's approach to include Tin within the Additional VWAP Methodology, as set out within the Benchmark Methodology? If not, please explain why.
- Q2: Do you envisage any difficulties with the proposed Go-Live date (i.e. end of Q3 2026)?
- Q3: Do you have any other views in relation to either the Additional VWAP Methodology or Last Price Methodology, including the metals or prompt dates for which they apply, that you would like the LME to consider? Please give detail where applicable.

The Consultation process and timelines

23. The Consultation is open to all interested parties, including, without limitation, Members, Clients of Members and Affiliates of Members, and users of LME-administered benchmarks.
24. Formal responses should be submitted in writing. This Consultation will remain open for responses until close of business on 10 July 2026. The LME shall not be under any obligation to consider responses submitted after this time. The LME will consider all responses received by the closing date.
25. Any market participant wishing to ask questions or to seek clarification on any issue covered by the Consultation, is asked to contact market.engagement@lme.com. Any interested party wishing to submit a response to the Consultation is asked to send it to consultation@lme.com.
26. Although the LME will consider responses submitted in any format, it would be helpful if respondents could reply to the numbered Consultation questions set out below.
27. The LME may need to share responses received with regulatory authorities, members of its group, and its legal or other professional advisors, or as required by law. Anonymised responses (verbatim or paraphrased) may be included in the Decision Notice stating the outcome of this Consultation. Apart from this, all responses will be treated in confidence.
28. Prior to becoming effective, any regulatory approvals that are required in respect of the proposals will be sought, and the implementation of any changes is subject to any relevant regulatory approvals.
29. Following consideration of any responses and following the close of this Consultation, the LME may implement: (a) in respect of any or all the proposals, that proposal, a modified version of that proposal; (b) any alternative measures; or (c) no measures.
30. Following this Consultation and once any required regulatory approvals are obtained, the LME will advise the market via one or more Notices when, if any, relevant changes will take effect.
31. Subject to the outcome of this Consultation, should the LME decide to adopt the Additional VWAP Methodology for Tin it intends on publishing on its website a parallel run of data for the period between the Decision Notice and Go-Live. This data will include the six Prompt Dates for Tin using the Additional VWAP Methodology.

Tom Parkin
LME Head of Market Oversight

cc: Board directors
All committees