

To: All members and other interested parties

Ref: 26/184

Classification: Disciplinary

Date: 7 July 2026

Subject: **FIXED PENALTIES FOR FIXED PENALTY OFFENCES**

### Summary

1. This Notice amends and replaces Notice 26/182, and sets out conduct which constitutes a Fixed Penalty Offence (as defined below) and the Fixed Penalty (as defined below) that shall be imposed in respect of each Fixed Penalty Offence. This Notice also sets out the process that applies in respect of the LME imposing a Fixed Penalty on a Member and Person Subject to the Rules and the process for disputing a Fixed Penalty.
2. The LME may update or supplement this Notice from time to time, whether in the form of a Notice or in other communications from the LME.

### Defined Terms

3. Terms not otherwise defined herein shall have the meaning ascribed to them in the LME Rulebook (the “**Rulebook**”).

### Fixed Penalty Offences

4. The following breaches of the Rulebook and applicable Notices shall constitute a Fixed Penalty Offence:
  - (a) A failure to comply with the requirements relating to the entry of orders and trades into the trading and matching systems as set out in the Rules and Administrative Procedures, including but not limited to, the accuracy, completeness or timeliness of entered trades;
  - (b) A failure to comply with the requirement to provide Personally Identifiable Information files to the LME as set out in Notice 17/367 dated 2 November 2017;
  - (c) A failure to accurately report options volatilities in accordance with Regulation 5.7 of Part 3 of the Rulebook;
  - (d) A failure to report transactions to the LME in accordance with Regulation 23 of Part 3 of the Rulebook;
  - (e) Either a failure to provide a complete and accurate set of data as required pursuant to the Minimum Volume Threshold (“**MVT Rule**”) in the execution of trades in the inter-office market as defined in Regulation 2.5A of Part 3 of the Rulebook (as amended from time to time) or where one or more trades that have been executed in the inter-office market fail to adhere to the MVT Rule;
  - (f) A failure to comply with a Regulatory Position Limit, in accordance with the Policy Relating to Regulatory Position Limits and Exemptions, and the Rulebook;



- (g) A failure to comply with an Exemption Ceiling or a condition attached to an Exemption, in accordance with the Policy Relating to Regulatory Position Limits and Exemptions, and the Rulebook; and
  - (h) A failure to comply with any Rule pertaining to a position management arrangement (excluding daily reporting of positions which is covered under Notice 26/181 on Automatic Penalty Charges for Commodity Position Report and Warrant Management Failures), in accordance with the Policy Relating to Position Management Arrangements, and the Rulebook.
5. The LME shall commence an investigation and take appropriate disciplinary action in accordance with Regulations 13 and 14 of Part 2 of the Rulebook in respect of any occurrence of a Fixed Penalty Offence listed under paragraphs 4(f)-(h) above, which the LME may deem, in its absolute discretion, to be significant, egregious and/ or repeated.
6. The LME may commence an investigation and take appropriate disciplinary action, in accordance with Regulations 13 and 14 of Part 2 of the Rulebook, in respect of any occurrence of any Fixed Penalty Offence which the LME may deem, in its absolute discretion, to be significant, egregious and/ or repeated.

### **Fixed Penalty**

7. Any Member who commits a Fixed Penalty Offence listed within paragraphs 4(a)-(d) above on 5 days or more in a calendar month will be subject to a Fixed Penalty as set out below:
- (a) £5,000 for a first incidence;
  - (b) £10,000 for a second incidence; and
  - (c) £15,000 for each incidence thereafter within a 24-month rolling period (starting from the first incidence).
8. Any Member who commits the Fixed Penalty Offence listed at paragraph 4(e) above will be subject to a Fixed Penalty as set out below:
- (a) £5,000 for a first breach;
  - (b) £10,000 for a second breach; and
  - (c) £15,000 for each breach thereafter within a 24-month rolling period (starting from the first breach).
9. Any Member or Person Subject to the Rules who commits a Fixed Penalty Offence listed within paragraphs 4(f) - (h) will be subject to a Fixed Penalty as set out below:
- (a) £5,000 for a first breach;
  - (b) £10,000 for a second breach; and
  - (c) £15,000 for each breach thereafter within a 24-month rolling period (starting from the first breach).

### **Summary of the Enforcement Process**

10. In accordance with Regulation 14.7 of Part 2 of the Rulebook and following the occurrence of a Fixed Penalty Offence, the LME shall issue a Member with Fixed Penalty Notice. The Fixed Penalty Notice shall set out: (i) the Fixed Penalty Offence that occurred; and (ii) the date (and, where relevant, the time) on which the Fixed Penalty Offence occurred. The Fixed Penalty Notice



will also set out the Fixed Penalty that is payable by a Member, giving the Member thirty (30) calendar days to pay the Fixed Penalty. The Member shall pay the Fixed Penalty, unless the Fixed Penalty is disputed (in which case, the process for disputing a Fixed Penalty is set out at paragraph 11 below). Where a Fixed Penalty has been paid the LME shall issue a Notice to the market setting out the name of the Member, the Fixed Penalty Offence and the amount of the Fixed Penalty.

### **Appealing a Fixed Penalty**

11. In accordance with Regulation 14.8 of Part 2 of the Rulebook, any Member that wishes to dispute the imposition of a Fixed Penalty may do so by lodging a Fixed Penalty Appeal with the Head of Enforcement within five (5) Business Days of receiving the Fixed Penalty Notice. A Member may only dispute a Fixed Penalty where it has a valid reason to do so, for example that the Fixed Penalty was imposed in error (see also paragraph 14 below).

### **Process for Appealing a Fixed Penalty**

12. The Fixed Penalty Appeal from the Member should set out the reasons for disputing the Fixed Penalty and any evidence in support thereof. The appeal process set out below shall then apply:
  - (a) the Head of Enforcement shall refer the Fixed Penalty Appeal to the Chairman of the Disciplinary Panel who will constitute a Disciplinary Committee in accordance with the Rulebook in order to determine the Fixed Penalty Appeal. The Fixed Penalty Appeal shall be conducted in accordance with Regulations 14.60 to 14.68;
  - (b) the Disciplinary Committee shall consider whether the Fixed Penalty should be upheld and shall notify the LME and the Member of its decision in writing within twenty (20) Business Days of the conclusion of the Fixed Penalty Appeal hearing. If the Disciplinary Committee determines that the Fixed Penalty should be overturned, then the Member shall not be required to pay the Fixed Penalty. If the Disciplinary Committee determines that the Fixed Penalty should be upheld, then the Member shall pay the Fixed Penalty within thirty (30) calendar days of being informed of the Disciplinary Committee's determination. Once the Member pays the Fixed Penalty, the LME shall publish a notice to the market setting out the name of the Member, the Fixed Penalty Offence and the amount of the Fixed Penalty; and
  - (c) the decision of the Disciplinary Committee in respect of a Fixed Penalty Appeal shall be final and there shall be no right to further appeal.
13. Failure by a Member to pay either: (i) an undisputed Fixed Penalty within thirty (30) calendar days of receiving a Fixed Penalty Notice; or (ii) a disputed Fixed Penalty upheld by the Disciplinary Committee within thirty (30) calendar days of receiving the written decision of the Disciplinary Committee shall constitute an Act of Misconduct pursuant to Part 2 of the Rulebook.
14. For the avoidance of doubt, requests for leniency (citing, for example, unforeseen events, systems issues, staff shortages, etc.) shall not constitute a valid reason for disputing the imposition of a Fixed Penalty.
15. The LME may update or supplement this Notice from time to time, whether in the form of a Notice or in other communications from the LME.

**Susan Small**  
**General Counsel & Head of Enforcement, LME Group**

cc: Board directors  
Disciplinary Panel