LME
An HKEX Company

`To: All members and other interested parties

Ref: 26/204

Classification: Trading

Date: 13 August 2026

Subject: **MINIMUM VOLUME THRESHOLDS IMPLEMENTATION**

Summary

1. This Notice confirms the grace period associated with the Minimum Volume Threshold Rule (the **Grace Period**) will end on 24 August 2026. In addition, as set out in LME Notice 26/109, the expanded definition of a short-dated carry will also come into effect on 24 August 2026.

Defined terms

2. Terms not otherwise defined in this Notice shall have the meanings ascribed to them in the Rules and Regulations of the LME (the **Rules**).

Timelines

Block trade thresholds

3. As outlined in LME Notice 25/226, the MVT Rule (also known as **Block Trade Thresholds**) came into effect on 30 March 2026 with a Grace Period until 24 August 2026 (see LME Notice 26/109). During the Grace Period, the LME monitored the activity of sub-MVT inter-office trades and generated examples of audit requests for Members. No enforcement action was taken against Members for not meeting the requirements of the MVT Rule.

4. With this Notice, the LME reminds Members and all market participants that the Grace Period ends on 24 August 2026. After this date, enforcement action may be taken against Members for breaching the MVT Rule.

5. To support Members in complying with the MVT Rule, the LME has set out additional detail in the Block Trade Thresholds section of LME.com. Members will also find further information on the post-trade monitoring process, including the process and format of the audit and enforcement on LME.com.

MVT audit

6. The LME distributed the first example file on 14 April 2026 via a secure transfer (eg SFTP)[1], this continued throughout the Grace Period, to support Member readiness. This was intended to demonstrate the production service and offer a clear, formal structure for Member engagement.

7. The first official audit file will be sent out on Wednesday 2 September 2026, containing a standardised CSV template listing a sample of trades from the prior month. For each trade in the sample, Members

[1] This can include secure e-mail where other secure transfer mechanisms such as sftp are unavailable.

must provide a complete and accurate explanation of what they consider is the applicable MVT exception or exemption, supported by appropriate evidence where requested. The relevant Compliance Officer of each Member who has received an audit request will be notified that the reports are available, including confirmation of the deadline for submitting their response. The submission via SFTP will be required no later than 17:00 on Friday 2 October 2026.

8. Where possible, the LME will exclude Client transactions that were clearly linked by Members to LMEselect trades compliant with the MVT Rule[2].

9. Upon request from the LME, Members should submit any supplementary evidence needed to demonstrate compliance via a supporting encrypted e-mail using the trade reference in column A of the CSV as a reference. To ensure proportionality and fairness, the LME will calibrate sample sizes and response timeframes in line with audit requirements. The LME reserves the right to request more data and additional samples as and when required, as well as revisit the requirements of both the number of trades sampled and the frequency of requests.

MVT enforcement

10. As per Decision Notice 26/121, the LME has amended its Fixed Penalties for Fixed Penalty Offences to include failures to provide a complete and accurate set of data as per the MVT audit requirements for trades in the inter-office market; or where one of more trades fail to adhere to the MVT Rule.

11. As per paragraph 8 of LME Notice 26/184, any Member who commits the Fixed Penalty Offence will be subject to a Fixed Penalty as set out below:

    i. £5,000 for a first breach;

    ii. £10,000 for a second breach; and

    iii. £15,000 for each breach thereafter within a 24-month rolling period (starting from the first breach).

12. Multiple individual errors or instances of non-compliance within the same audit submission shall be treated, in the aggregate, as one single Fixed Penalty Offence under paragraphs 4(e) and 8 of LME Notice 26/184. For the avoidance of doubt, the LME may request from Members additional audit submissions where errors or instances of non-compliance are found, and any additional instances of non-compliance would, for the purposes of paragraph 10, constitute an additional breach.

13. Significant, egregious and/ or repeated failures to comply with the MVT Rule and/or failures to provide complete and accurate data may result in the LME commencing an investigation and taking appropriate disciplinary action against the Member in accordance with Regulations 13 and 14 of Part 2 of the Rulebook and paragraph 6 of LME Notice 26/184. Following an investigation, Members may be subject to a penalty, which start at £100,000 for a minor breach, and start at £400,000 for a serious or systemic failure. Please refer to paragraph 23 of Notice 26/180 for further information.

14. The LME will take enforcement action in respect of breaches of the MVT Rule from 25 August 2026 (i.e., after the Grace Period has ended).

Short-dated carry definition change

15. The LME confirms that the expansion of the definition of a short-dated carry (as detailed in LME Notice 25/082) will take effect on 24 August 2026 in line with the end of the Grace Period. This will help support the physical market as such trades are often used to align hedges with physical contracts. More detail on the new definition, including detailed examples, can be found on LME.com.

---

[2] It is recommended to use the Select Order ID, referred to in OTP as Order ID (Fix Tag 37) and in LMEsmart as Select Order Number (Fix Tag 5939)

Liquidity On Orderbook Programme (LOOP)

16. The LME notes that, as per Decision Notice 26/067, the Liquidity on Orderbook Programme was introduced from the 3 August 2026. The LOOP programme focuses on the spreads from 3-month to the nearby monthly dates and some monthly-to-monthly spreads, directly supporting liquidity in these instruments and indirectly supporting liquidity in the monthly outright contracts via implied pricing.

Further information

17. Stakeholders can reach out to their existing contacts or contact market.engagement@lme.com.

Jamie Turner
Chief Operating Officer & Head of Trading

cc: Board directors
All committees