To:	All members and other interested parties
Ref:	**26/228**
Classification:	Trading
Date:	16 September 2026
Subject:	**ELECTRONIC OPTIONS DELIVERY UPDATE**

Summary

1. The LME is pleased to confirm the implementation timetable for the launch of electronic options trading on LMEselect v10.

2. This Notice provides an update on the timelines for the LME's electronic options delivery, including market testing dates and the production go-live date.

3. Electronic options will be rolled out from 30 March 2027, with the market test environment available from 19 October 2026.

Background

4. In the LME Options Roadmap (LME Notice 25/182), the LME outlined its plans to modernise the options market. The Roadmap identified two immediate priorities: first, moving to an automated expiry process; and second, in parallel, working on the roll out of electronic options quoted in premium terms. The LME has progressed the move to auto expiry, including the move from American to European style options, which takes effect on 21 September 2026. The first automated expiry will be on 7 October 2026.

5. The LME would like to thank Members and the broader market for their engagement and focus in completing all required testing ahead of this change. This will remove a key operational risk, and a key barrier to entry to support broader participation in the LME options market.

6. The LME has also progressed the build for electronic options in premium terms, having completed key internal functional deliveries and testing and is now in a position to roll out functionality in the market test environment.

7. The LME has published updated documentation including FIX and Binary specifications for the order entry gateway and drop copy services, a revised functional definition and updated market data specifications. Market participants are encouraged to review the documentation to ensure technical readiness for go-live.

8. The timelines in this Notice take into consideration feedback received from the market, including the LME's Traded Options Committee. In particular, the desire for an extended period of market testing (relative to other LME deliveries) ahead of go-live and a roll out per metal starting with copper, both of which will support market readiness and maximise participation.

Electronic options delivery

Initial functionality

9. Options order entry will be available via the FIX convenience gateway and the Binary partition gateway.

10. The initial electronic options delivery will support outright options only, with no strategies available for auto listing or creation by users.

11. The LME intends to launch a liquidity provider programme subject to regulatory engagement, with further details to be published via Notice in due course.

12. To support liquidity providers the initial implementation will include mass quote functionality (available via the Binary gateway only). Market maker protections will also be available – initially this will be "volume over time" which allows liquidity providers to configure a maximum volume that can trade over a defined time period.

13. Full details on the functionality available can be found in the LMEselect and LMEsource technical specification and functional definition documents available on LME.com.

Configuration

14. The LME will go live initially with a fixed number of maturities, from month 1 out to month 4.

15. A limited number of strikes will be listed each day on LMEselect, which will include the at-the-money ("**ATM**") and a fixed number of strikes either side.

16. It will be possible for users to create instruments with different strikes to those auto-listed each day. Any such user-created strikes will initially persist for 7 days.

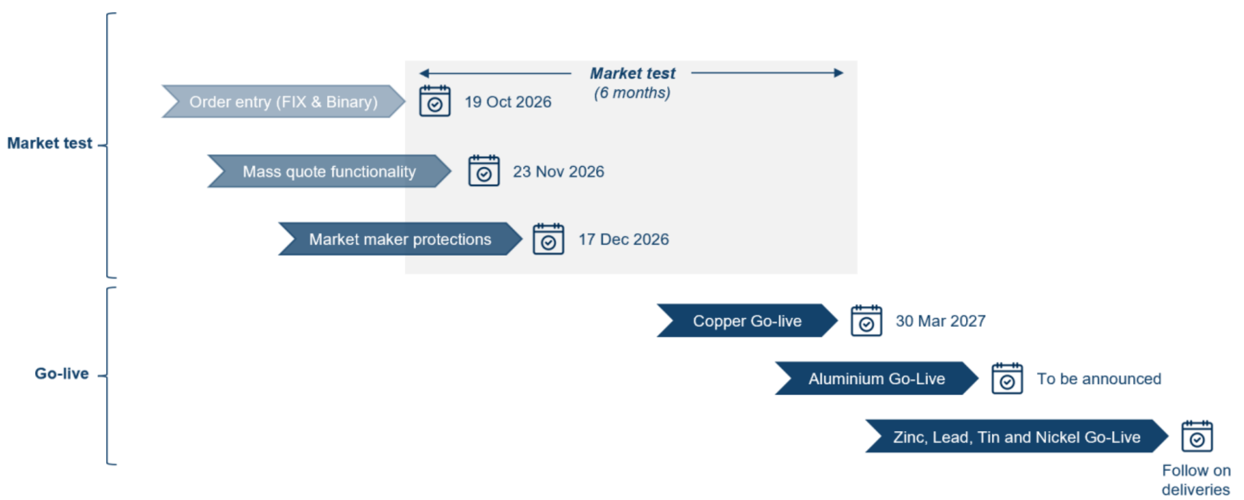
17. The tick size for electronic options on LMEselect will align to the respective futures outright tick size for the metal.

Implementation timelines

Overall timelines

18. For completeness, this Notice includes a consolidated summary timeline for ease of reference.

Electronic Options: timeline



Market test

19. The market test B environment ("**MTB**") will be made available from 19 October 2026 for testing the options order entry (FIX and Binary) and market data functionality. The LME will support participants in setting PTRM limits in the test environment ahead of functionality being available directly in the LMEptrm UI.

20. The LME will provide an extended period of market testing to support participants' technical and operational readiness, and reflecting the feedback from market participants including the LME's Traded Options Committee.

21. Additional functionality will be added throughout November including mass quote functionality (23 November 2026) and market maker protections (17 December 2026 – initially volume over time only).

22. All participants supporting electronic options will be required to complete mandatory conformance testing for both the LMEselect (electronic trading platform) and LMEsource (market data platform) and complete self-certification sign off.

Go-live

23. The LME will go live with copper initially in production, on 30 March 2027. The LME will then roll out additional metals in the coming months with aluminium to follow next. The LME intends to follow soon afterwards with the roll out of lead, zinc and nickel as well as additional maturities. Launch dates for these follow-on deliveries will be announced via Notice in due course.

Follow-on deliveries

24. Following the initial roll out of functionality outlined in this Notice, the LME intends to continue to enhance its electronic options offering, adding new features throughout 2027 and beyond. The implementation dates for additional functionality will be announced once market test and go-live dates are finalised. This includes the following:

    (a) Additional auto-listed options strikes (and changes to instrument persistence logic)

    (b) Enabling predefined and custom strategies for options

    (c) Additional market maker protections

    (d) Variable tick sizes

25. The LME is also keeping other important areas of potential market structure change under consideration including the potential for block trade thresholds, changes to the large-in-scale ("LIS") deferral logic and Request for Quote ("RFQ") functionality. While there are no plans to introduce these additional features at present, they will be kept under review as the options market evolves.

Identification of delta hedges

26. In order to support the identification of delta hedge trades booked in the inter-office market, the LME is allowing the use of an identifier where a future is entered alongside an options trade. This will (a) allow identification for the purpose of the minimum volume threshold ("**MVT**") that applies to futures trades and (b) allow the LME to differentiate fees for delta hedge trades in the future should it decide to.

27. For the avoidance of doubt, "delta hedges" here refer to the original delta exchanged at inception of the option and cannot be used for additional dynamic changes to associated futures hedges.

28. Options trades with delta hedges can be identified within LMEsmart using a unique identifier. Members can populate the private reference field in LMEsmart with "DeltaX" in order to systematically identify delta hedges. For the avoidance of doubt, the word "DeltaX" is case sensitive and will need be populated within the first 6 characters of the field.

Further information

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

30. Please direct any technical queries regarding this Notice to the LME Technical Account Management team at tam@lme.com. Please direct any testing-related queries regarding this Notice to the LME Customer Test Support team at customertest@lme.com.

Jamie Turner
Chief Operating Officer & Head of Trading

cc: Board directors
All committees