

To: All members, warehouse companies and their London agents

Ref: 26/255

Classification: Warehousing

Date: 15 October 2026

Subject: **CHARGE CAPS FOR THE PERIOD 2027/28**

Summary

1. This Notice publishes the London Metal Exchange (“LME”) Charge Caps for LME-listed warehouses for the period 2027/28.

Defined terms

2. Unless otherwise defined in this Notice, capitalised terms in this Notice have the same meaning as those given to them in the terms and conditions of the Warehouse Agreement.

Background

3. Notice 16/320 : A314 : W098, published on 28 September 2016, announced to the market that the LME would implement charge capping – i.e. a cap on headline rates for both the rent and free-on-truck (“FOT”) charges levied by LME-listed warehouse companies, effective as of 28 December 2016 for the period 1 April 2017 – 31 March 2018.
4. For the charge year 1 April 2017 – 31 March 2018, the LME calculated and published rent and FOT Charge Caps based on the arithmetic mean average of (i) the highest Warehouse Maximum Charge Levels published by the LME in December 2014 for the period 1 April 2015 – 31 March 2016 and (ii) the highest Warehouse Maximum Charge Levels published by the LME in February 2016 for the period 1 April 2016 – 31 March 2017, in each case in respect of that Delivery Point Country and that metal (and rounded up to the nearest smallest unit of the local currency, in the case of FOT, or the nearest US cent, in the case of rent). In accordance with Clause 5.3.3 of the Warehouse Agreement, it was explained that these charges would then be frozen up until the end of the charge year 1 April 2021 – 31 March 2022. This was subsequently updated by Notice 19/347 which announced that the charges would be frozen for an additional five years, being up until the end of the charge year 1 April 2026 – 31 March 2027.
5. On 31 July 2026, Notice 26/194 was published, following consultation, whereby it was announced that the rent and FOT Charge Caps would be frozen for an additional five years – up until the end of the charge year 1 April 2031 – 31 March 2032.
6. It should be noted that whilst the underlying rent and FOT charges remain unchanged, Notice 26/194 announced that following consultation, the FOT charges would be listed in USD following the conversion set out below. Previously, FOT Charge Caps had been listed in local currency. It should be noted, however, that parties can still agree to pay the FOT charge in local currency as long as the metal owner and warehouse company agree the rate of conversion. The 2026-27 FOT Charge Cap rates have been converted to USD using the average of the rate published¹ for each business day in February 2026 to form the 2027-28 FOT rates, as detailed in Notice 26/194.

¹ This rate has been sourced from the International Monetary Fund for all currencies, with the exception of Hong Kong and Taiwan rates which have been sourced from the Federal Reserve as detailed in Appendix A of the Warehouse Agreement.



7. In addition to this, Notice 26/194 also introduced a Charge Cap for re-warranting fees of US\$10 per tonne which is applied to all metals and Delivery Points. Therefore, the Charge Caps referred to within this Notice reflect those of rent, FOT, and re-warranting rates. The relevant documents can be found on the LME website at the link below:

[Physical markets reform 2026 | London Metal Exchange](#)

8. The relevant requirements relating to charge capping are contained in the Warehouse Agreement.

Publication of the 2027/28 Charge Caps

9. Clause 5.3.1 of the Warehouse Agreement states that:

[...] the LME shall, by 31 October each year, in respect of the period from 1 April of the following year to 31 March of the next following year, publish a list of maximum permissible Warehouse Maximum Charge Levels ("Charge Caps"). In respect of the re-warranting Charge Cap, it will apply to all Delivery Points and in relation to all metals which are the subject of a physically settled Contract, and in respect of FOT and rent it will be a combination of (i) each Delivery Point Country/Region, and (ii) each metal which is the subject of a physically settled Contract (with the exception of aluminium premium Contracts) and licensed for storage by at least one Warehouse in that Delivery Point Country/Region.

10. Attached to this Notice are the Charge Caps for the period 1 April 2027 to 31 March 2028 (the "2027/2028 Charge Caps"). The rent and FOT Charge Caps remain unchanged from 2026/2027², with the exception of the FOT charge, which has now been converted into USD. The additional Charge Cap for re-warranting is now also incorporated into these Charge Caps

Challenge to the 2027/28 Charge Caps

11. Pursuant to Clause 5.3.6 of the Warehouse Agreement, a Warehouse may challenge any Charge Cap on the basis that it does not adequately take into consideration any relevant increase in the Warehouse's costs, or on the basis of any other reason, by submitting such a challenge in writing. Clause 5.3.6 of the Warehouse Agreement is set out in full below.

In respect of Charge Caps published from 2017 onwards, a Warehouse may challenge any Charge Cap on the basis that it does not adequately take into consideration any relevant increase in the Warehouse's costs, or on the basis of any other reason. Any Warehouse wishing to challenge any Charge Cap may submit such a challenge in writing to the LME, including full reasons for such challenge together with any relevant supporting documentation, within fourteen calendar days of the publication of the relevant Charge Cap. The challenge will be considered by the Special Committee of the LME. The LME shall have the opportunity to make written representations or provide supporting evidence to the Special Committee where the LME considers it appropriate to do so. The Special Committee may request such additional documentation or explanation from the Warehouse, or any other Warehouse, or the LME, as it considers appropriate, in considering the challenge. Having considered the challenge, the Special Committee may either (i) reject the challenge, or (ii) accept the challenge and require the LME to increase the relevant Charge Cap by such amount as it considers appropriate. Where the Special Committee accepts the challenge, it shall publish a notice to the market explaining the nature of the challenge and the reasons for accepting it. The amended Charge Cap(s) shall take effect on the following 1 April and shall be taken into account when calculating any increases to Charge Caps in future years in accordance with Clause 5.3.4 and Appendix A. Where the Special Committee rejects the challenge, it may, where it considers it appropriate, publish a notice to the market explaining the nature of the challenge and the reasons for rejecting it (and, in the event that it does not publish such a notice, it shall still provide the Warehouse which brought the challenge with the reasons for rejecting it). The Special Committee shall endeavour to publish any notice to the market within fourteen calendar days of the challenge being brought, or such other date as it shall in its sole discretion consider appropriate.

12. In accordance with Clause 5.3.6 of the Warehouse Agreement, any Warehouse wishing to challenge any of the 2027/2028 Charge Caps may submit their written challenge to the LME within fourteen calendar

² As set out in LME Notice 25/210 dated 27 November 2025, one challenge was submitted for the 2026 / 2027 charge year which was rejected by the Special Committee.



days of the publication of this Notice, i.e. by close of business 29 October 2026. Such challenge should be sent by email to Robert Hall at robert.hall@lme.com.

Robert Hall
Head of Sustainability and Physical Market Operations

cc: Board directors
Warehousing Committee

2027-28 charge caps

Rents per tonne per day in US cents									
Country/Region	Aluminium Alloy	Copper	Lead	NASAAC	Nickel	Primary Aluminium	Tin	Zinc	Cobalt
Belgium	54	51	51	-	58	55	55	53	59
Germany	52	47	47	-	56	52	53	48	-
Hong Kong SAR	65	61	61	-	70	66	66	64	-
Italy	56	53	53	-	59	56	56	54	-
Japan	-	-	-	-	-	45	-	-	-
Korea (South)	56	51	51	-	59	55	56	-	-
Malaysia	56	53	53	-	59	56	55	54	-
Netherlands	54	51	51	-	58	55	55	53	60
Saudi Arabia	-	47	-	-	-	-	-	49	-
Singapore	54	51	51	-	58	55	55	53	59
Spain	53	47	47	-	56	52	53	48	-
Sweden	-	47	47	-	56	52	-	48	-
Taiwan	53	47	47	-	56	53	54	49	-
U.A.E	-	47	47	-	56	-	-	49	-
U.K.	51	47	47	-	55	52	52	48	-
USA	-	54	53	57	59	57	56	55	60

**FOT rates per tonne
in US\$**

Country/Region	Currency	FOT rate	Cobalt
Belgium	\$	39.00	47.05
Germany	\$	39.00	-
Hong Kong SAR	\$	60.15	-
Italy	\$	40.50	-
Japan	\$	21.80	-
Korea (South)	\$	34.20	-
Malaysia	\$	41.50	-
Netherlands	\$	39.00	47.00
Saudi Arabia	\$	36.80	-
Singapore	\$	54.00	58.15
Spain	\$	39.00	-
Sweden	\$	33.85	-
Taiwan	\$	46.25	-
U.A.E	\$	37.05	-
U.K.	\$	33.15	-
USA	\$	45.00	48.37