LME Physical Markets Reform 2026: Feedback Analysis and Decision Notice

July 2026

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1 Executive summary

On 9 March 2026, the London Metal Exchange (the "LME" or the "Exchange") published the LME Physical Markets Consultation and Discussion Paper[1] (the "Consultation and Discussion Paper"), seeking the views of all market participants and other interested parties on a range of proposed changes to its physical market operations, and in particular its warehousing network. The Consultation and Discussion Paper was divided into three parts:

I) Consultation paper on proposed enhancements to the physical network (Section 4) (the "Consultation Paper")
II) Discussion paper on possible further reforms (Section 5) (the "Discussion Paper")
III) Market updates on minor amendments to be introduced by the LME (Section 6) (the "Market Updates")

The Consultation and Discussion Paper feedback period closed on 8 May 2026, and the LME received 29 responses. Following careful consideration of those responses, the LME has decided to implement all the proposals set out in the Consultation Paper, subject to the refinements set out in this Notice. In particular, in response to feedback, the LME is extending the implementation timeline for the copper indelible-marking requirements.

The Discussion Paper sought market views on a range of potential warehousing reforms. Having considered the responses received, the LME has determined that most proposals will not be progressed at this time. However, the Exchange intends to take forward two areas: the development of indelible Production Cast Reference (PCR) marking requirements for primary aluminium, lead and zinc, and a consultation on the potential introduction of outside storage for primary aluminium in Hong Kong. The LME therefore intends to publish a separate consultation pertaining to these matters.

This Notice provides the LME's summary of the feedback received in respect of the Consultation Paper, the LME's response to such feedback, and the resulting decisions. The Notice also sets out an overview of the feedback received in relation to the Discussion Paper, as well as outlining topics on which the LME will reflect further and, where appropriate, consult separately. As noted in the Market Updates section of the Consultation and Discussion Paper, the minor amendments in respect of the LME Policy on the Approval of Locations as Delivery Points, LME Policy on the Approval and Operation of Warehouses, the Warehouse Agreement and the LME's Enforcement and Disciplinary Procedures have already taken effect, as described in the Consultation and Discussion Paper, and therefore are not revisited here.

Save where stated otherwise, the Consultation Paper changes will be implemented and take effect on 31 July 2026, with the revised Warehouse Agreement, the LME Policy on the Approval and Operation of Warehouses (the "Warehouse Operations Policy") and the Rules and Regulations of the LME (the "Rulebook") amended accordingly. The copper certificates of analysis ("CoA") requirements will be implemented on 1 January 2028, and the indelible-marking provisions will follow the extended transition timetable set out in Section 3.5. The table below sets out the Consultation Paper proposals, according to the corresponding section number, and the LME's decision in relation to the proposal.

[1] Notice 26/063.

Section	Proposal / questions	Relevant policies	Effective date
3.1	Information barriers for Non-Related Warehouses (Q1 – Q2)	Warehouse Agreement	Non-Related Warehouses[2] will have to implement information barriers by 1 January 2027, and a Practitioner's[3] report regarding compliance with the information barriers will need to be provided to the LME by 30 April 2028
3.2	Extend the rent and FOT charge-cap freeze (2027 – 2032) (Q3)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the extended freeze on rent and FOT charge caps will not apply until 1 April 2027, when the current charge cap freeze finishes
3.3	List FOT charges in USD; conversion method (Q4 – Q5)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the FOT charges in USD will be issued to the market in October 2026 in accordance with the normal annual charge cap process
3.4	Re-warranting charge cap (USD $10/t) (Q6)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the re-warranting charge caps will be issued to the market in October in accordance with the normal annual charge cap process
3.4	Notice and limitations on ≥20% fee increases (Q7)	Policy on the Approval and Operation of Warehouses	The amendments to the policy will take effect immediately

[2] As defined in the Decision Notice.
[3] As defined in the Decision Notice.

3.5	Introduction of copper Certificates of Analysis (Q8)	Rulebook, Warehouse Agreement, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2028 (noting the ability for Basic eCoAs to be produced for metal produced prior to 1 January 2028)
3.5	Introduction of copper indelible markings (Q9)	Rulebook, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2030
3.6	Metal Report automation in LMEpassport (Q10)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the requirements will not come into force until 1 December 2026

2 Response overview

2.1 Consultation respondents

The LME received a total of 29 responses to the Consultation Paper, in addition to three responses submitted after the stipulated deadline. As noted in the Consultation and Discussion Paper, the LME only considered the responses received before the consultation deadline.

Not all respondents provided feedback on each proposal; in a number of cases, responses focused on those questions of most direct relevance to the respondent's business or area of expertise.

The LME would like to thank all respondents for taking the time to engage with this Consultation and Discussion Paper and for the detailed comments and feedback provided. The Exchange recognises that, in many instances, respondents devoted considerable time and resources to the preparation of their submissions.

2.2 Consultation responses

The Consultation Paper set out proposals across six key areas and included questions 1–10, while the Discussion Paper included questions 11 onwards. Feedback received in respect of questions 1–10 is addressed in Section 3 of this Notice, together with the LME's analysis, decisions and, where applicable, proposed next steps. Feedback received in respect of questions 11 onwards is addressed separately in Section 4.

The LME has carefully reviewed all responses which were received before the deadline in full. The absence of explicit reference to any particular point raised in an individual submission should not be taken to indicate that such point has not been considered.

2.3 Capitalised terms

Terms defined in the Rulebook shall have the same meaning in this Notice, unless otherwise specified.

2.4 The LME's financial interest

As the market is aware, pursuant to the LME stock levy, the Exchange receives 1.1% of the rent charged by LME-listed warehouses on LME-warranted metal (including metal awaiting load-out). This rate has remained unchanged since 2002.

The LME confirms that neither its decision-making process nor the conduct of the consultation has been influenced by the existence of the stock levy. The Exchange's primary focus remains ensuring that prices can be effectively discovered on the LME, in order to support the orderly functioning of the market in accordance with its regulatory obligations.

3 Analysis of Consultation Paper responses

3.1 Information barriers for Non-Related Warehouses [Question 1 – Question 2]

Q1: Do you agree with the proposal to require Non-Related Warehouses to implement information barriers and have them assessed by Practitioners?
Q2: Do you agree with the proposed amendment to clause 9.13 of the Warehouse Agreement?

The Consultation Paper proposed that warehouse companies which do not have a close connection with an entity trading on the LME (proposed to be defined as "Non-Related Warehouses") would be required to implement information barriers in respect of confidential information and to arrange for a professional accountant (a "Practitioner")[4] to undertake an annual audit of their procedures, mirroring the requirements currently applicable to Related Warehouses.[5] The proposal would be implemented through an amendment to clause 9.13 of the Warehouse Agreement which would expand the existing obligations on Related Warehouses to Non-Related Warehouses, in conjunction with issuing a Notice to the market which would set out the requirement for handling price sensitive information similar to the requirements currently imposed on Related Warehouse Companies in accordance with Notice 14/202.

3.1.1 Feedback received

The majority of respondents were supportive of the proposal to expand information barriers to Non-Related Warehouses as set out in the Consultation Paper. Of those that provided more detailed responses, the opinions in support of the proposal included those who were supportive of the proposal as they felt it would promote greater confidence in the integrity of handling stock data and contribute to a more consistent governance framework across all warehouse companies. One respondent was supportive of the proposal but emphasised the need for further clarity in respect of the scope and implementation of the information barrier auditing process.

A number of respondents raised points regarding implementation of the proposal, including the request that the LME provides sufficient lead time to allow for the establishment of information barriers and the engagement of Practitioners. One respondent, whilst supporting the purpose of introducing information barriers for Non-Related Warehouses commented that it did not address concerns that it would prevent the sharing of confidential information, and that there should be a stronger reporting mechanism implemented to identify potential sharing of confidential information. A similar sentiment was expressed by a minority of other respondents, who believed that the information barriers did not address the underlying economic incentives relating to the sharing of confidential information. There were also a small number of respondents who did not support the proposal as it would introduce additional costs for warehouses and may be disproportionate to any potential risk.

A number of responses to Question 2 agreed with the proposed amendment to clause 9.13 of the Warehouse Agreement. One respondent noted that the proposal would align the obligation of LME-listed warehouses and provide clarity as to the minimum confidentiality requirements of the LME, however several respondents sought further clarity from the LME regarding what the audit process for Non-Related Warehouses would be.

3.1.2 LME response and decision

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[4] As defined in Notice 11/334.
[5] As defined in the Warehouse Agreement.

Having considered the feedback received, the LME will proceed with the proposal as consulted on and will amend clause 9.13 of the Warehouse Agreement to state the following:

> *Each Related Warehouse shall maintain effective information barriers between it and the relevant Trading Company as specified by the Exchange from time to time. Non-Related Warehouses shall also maintain effective information barriers as specified by the Exchange from time to time. Each Related Warehouse and Non-Related Warehouse should engage a firm of professional accountants in public practice, the choice to be agreed with the Exchange, to assure that the information barriers that they have in place meet the criteria specified by the Exchange from time to time.*

The amendment to clause 9.13 of the Warehouse Agreement will be effective 90 days following the Decision Notice date, and as such the LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice. The LME will separately issue a Notice to the market which will set out the requirements for handling price sensitive information for a Non-Related Warehouse, similar to the requirements currently imposed on Related Warehouses pursuant to Notice 14/202. Therefore, the requirement on Non-Related Warehouses to have information barriers will come into force on 1 January 2027, and they will need to engage a Practitioner to audit these information barriers and the warehouse company's compliance with the information barriers for the period between 1 January and 31 December 2027, with the Practitioner's report to be provided to the LME by 30 April 2028.

As such, the Non-Related Warehouses will have over five months in which to introduce information barriers, and more than an eighteen-month period before the first Practitioner's report needs to be submitted in respect of their compliance with the information barriers. The LME believes this is a sufficient implementation period which will allow warehouses to draft the appropriate documentation and instruct a relevant Practitioner without it being particularly onerous on the warehouse company. The LME considers that this measure will enhance market confidence, transparency, and consistency, without imposing disproportionate burden.

In relation to the feedback received which sought further clarification of the auditing process, the LME notes that amendment to clause 9.13 of the Warehouse Agreement will be in conjunction with a related Notice that the LME will issue to the market, in which it will set out the requirements in more detail that Non-Related Warehouses need to abide by in respect of information barriers. As previously noted, this will be similar to the requirements currently imposed on Related Warehouses pursuant to Notice 14/202.

In respect of the feedback that the LME should consider introducing more reporting processes for suspected sharing of confidential information, the LME notes that the new requirements do not prevent market participants from contacting the LME directly where they have concerns or information relating to behaviours or practices within the market, noting that the more information that is provided, the more likely it is that the information can be considered – where no company names or details are provided, it is difficult for the LME to be able to take further action. Market participants may provide such information to the LME on a confidential basis, and the LME may, where appropriate, follow up with relevant parties or consider whether further clarification or action is required.

3.2 Rent and Free On Truck ("FOT") charge-cap freeze [Question 3]

Question 3: Do you support the LME's proposal of extending the current freeze on rent and FOT charge caps for a further five years from 2027 until 2032?

The Consultation Paper proposed to extend the existing freeze on rent and FOT charge caps for a further five years, as the current freeze period is scheduled to end following the 2027-2028 charge year (being 1 April 2027 to 31 March 2028). Therefore, it was proposed that the freeze on rent and FOT charge caps would be extended from 2027 until 2032 (with the annual charge caps being announced in December 2027 and coming into force from 1 April 2028). In the Consultation Paper the LME noted that a material delta remains between LME headline rates and both off-warrant and bilaterally negotiated storage costs, despite a period of relatively high inflation, and that extending the freeze would prevent that delta from widening further.

3.2.1 Feedback received

As with previous engagement on this topic, respondents expressed a broad range of views reflecting differing commercial models, cost exposures and perspectives on the role of LME headline charges within the wider physical market.

A number of respondents expressed clear support for extending the freeze on FOT and rent charge caps as they highlighted the benefits of cost predictability, including in respect of financing activities, physical arbitrage and warrant-holding strategies. In addition, there was a view that freezing the FOT and rent charge caps for a further five years would help prevent further divergence between on-warrant and off-warrant storage costs, and contribute to a gradual convergence between LME headline rates and prevailing market rates over time, thereby supporting greater use of the LME warehousing network and enhancing market transparency.

A second group of respondents expressed qualified support for the proposal, recognising the rationale for the proposal but highlighting increasing cost pressures which warehouse companies are having to absorb. Respondents pointed to rising operating costs, including labour, fuel and compliance costs, as well as currency volatility and broader geopolitical developments which may lead to misalignment between the FOT levels and the actual costs to warehouses, causing distortion of stock distribution across Delivery Points.[6] While these respondents generally accepted the continuation of the charge cap freeze in the near term, they emphasised the importance of considering mechanisms to address exceptional cost increases or other unforeseen circumstances in the future. Some respondents also suggested that a prolonged freeze of rent and FOT charge caps could, over time, reduce incentives for warehouse operators to act as part of the LME network, which could, in turn, adversely effect on-warrant stock levels and market liquidity.

Other respondents did not support the proposed extension of the rent and FOT charge caps. Several respondents argued that the freeze is becoming increasingly difficult to sustain in light of materially higher underlying costs. These respondents were of the view that allowing rent and FOT charges to be increased over time would better reflect economic conditions and support long-term operational viability, with a respondent also noting that the differential in off-warrant and on-warrant charges reflected the differential in services.

Several respondents, including those that were against the proposal as well as those that provided qualified support, highlighted concerns regarding price distortions. In particular, they were of the view that headline rates remain disconnected from prevailing commercial rates and this may encourage behaviour driven by incentive structures rather than physical supply and demand fundamentals. Some respondents therefore advocated broader structural reform, including lower headline rents, a review of charge caps more generally, or more transparent and cost-reflective methodologies which consider regional alignment, particularly in relation to FOT charges.

3.2.2 LME response and decision

Having considered the feedback received, the LME will proceed with the proposed five-year extension of the current freeze on rent and FOT charge caps. As such, the current rent and FOT charge caps will continue until

[6] Defined as “a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants” in the Warehouse Agreement.

the end of the 2031-32 charge year (being from 1 April 2031 to 31 March 2032). The LME will amend clause 5.3.3 of the Warehouse Agreement as proposed in the Consultation and Discussion Paper, and this amendment will be effective from 90 days following the Decision Notice date. The LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice.

The LME recognises concerns around increasing costs; however, the Exchange believes that the current charge caps are still set materially higher than the cost of providing the underlying services and that increasing headline rent or FOT charge caps at this time is likely to exacerbate the existing divergence between on- and off-warrant storage costs, without providing a commensurate benefit to the broader functioning of the market. The LME notes that additional services are provided for on-warrant services, and therefore a higher cost for those services is appropriate; however, the LME believes that this is amply covered by the existing delta between the headline charges and those for off-warrant metal. It is likely that increases in the FOT and rent charges would result in a differential in prices that would be disproportionate to the service provided in respect of that metal.

Equally, the LME does not consider that a material reduction in charge caps represents an appropriate course of action. Current headline rates underpin a significant proportion of the financial incentives available to attract metal onto warrant, and the magnitude of reduction required to align on-warrant costs with off-warrant or bilaterally negotiated rates would be substantial. The LME does not consider such a reduction to be realistic given the broader costs associated with on-warrant storage, including load-out processes, transparency requirements and regulatory obligations. In terms of any broader changes to the charge caps, the LME is not currently contemplating wider changes to charge caps, as suggested by a few respondents, as it believes the current approach remains appropriate.

The LME notes that the current process for challenging charge caps will continue to be available to warehouse companies on an annual basis, which allows for consideration of increases to the charge caps. In accordance with the process stipulated in the Warehouse Agreement, warehouse companies are able to challenge proposed charge caps within fourteen calendar days of their publication by the LME, and have the challenge considered by the LME's Special Committee. Following their review of the challenge, the Special Committee may reject the challenge or accept it and amend the relevant charge caps. As such, the LME considers that this process of challenge provides warehouses with an appropriate degree of flexibility within the framework and allows them an opportunity to provide evidence of increasing costs, where required.

3.3 Standardisation of FOT quoting [Question 4 – Question 5]

Question 4: Do you support FOT being charged in USD instead of the local currency at the specific Delivery Point?
Question 5: Do you support the proposed method for converting the existing FOT rates into USD?

The Consultation Paper proposed to list FOT charge caps per Delivery Point in US dollars ("USD") rather than in local currencies, while continuing to permit payment in the relevant local currency where both parties have agreed an exchange rate. In the event that the parties have not agreed to pay FOT charges in the local currency or they cannot agree an exchange rate, then they will be required to pay FOT charges in USD. The Consultation Paper also proposed a method for converting existing FOT rates into USD using the average of the daily rates published for February 2026. As noted in the Consultation Paper, the rates were sourced from the International Monetary Fund for all currencies, except for Hong Kong and Taiwan which were sourced from the Federal Reserve. As noted in the Consultation Paper, if the FOT rates were listed in USD there would be no subsequent adjustment for exchange-rate fluctuations.

3.3.1 Feedback received

Overall, respondents were broadly supportive of the proposal to list FOT charge caps in USD, although a number of important nuances and implementation considerations were raised.

The majority of respondents supported the proposal as they believed listing FOT charge caps in USD would provide consistency with rent charge caps which are already published in USD. Respondents were also supportive as it would simplify cross-border transactions and reduce the current operational friction associated with agreeing exchange rates in which to pay FOT charges. In particular, respondents highlighted the benefits in terms of transparency, comparability across Delivery Points, and ease of contract management, with several respondents noting that most market participants are already accustomed to transacting in USD. A number of warehouse operators also observed that the proposal would remove recurring administrative burden and discussions related to the sourcing and application of exchange rates.

Although there was significant support for the proposal, a small number of those in favour of the proposal noted that there may be implications for warehouse operators, particularly in relation to foreign exchange exposure. Several respondents emphasised that currency standardisation alone would not address existing structural issues that they believe exist in respect of FOT. In particular, respondents highlighted current regional disparities in FOT charge levels, noting that these may incentivise metal flows driven by relative commercial attractiveness rather than underlying physical demand. These respondents suggested that further consideration should be given to regional alignment or broader structural reform of FOT charge levels alongside any currency change.

In respect of the proposed conversion methodology, respondents were generally supportive of the use of a transparent and objective approach based on published exchange rates. However, views diverged as to the appropriateness of applying a single fixed conversion based on a defined historical period without subsequent adjustment.

By contrast, other respondents raised concerns that reliance on a single-month average (February 2026) may not be representative of longer-term currency movements, particularly in periods of heightened currency volatility. These respondents noted that the absence of any post-conversion adjustment mechanism could result in distortions over time, particularly where exchange rates or local cost structures move materially, and there may be structural mismatch between revenue and costs. Concerns were also expressed that fixing USD rates without addressing existing regional imbalances could embed or exacerbate current disparities between Delivery Points. As such, respondents suggested that if USD denomination is introduced the LME should consider introducing a mechanism for periodic reviews, and that this could be aligned with existing approaches, such as CPI-linked rent adjustments, to maintain cost reflectiveness.

3.3.2 LME response and decision

Following its review of the responses, the LME has decided to implement the proposal to list FOT charge caps per Delivery Point in USD and will amend clauses 5.2.3 and 5.2.4 of the Warehouse Agreement in accordance with Appendix 2. The existing FOT rates will be converted from local currencies to USD using the February 2026 average rates as set out in the Consultation Paper, attached to this Notice at Appendix 3. The amendment to clauses 5.2.3 and 5.2.4 of the Warehouse Agreement will be effective from 90 days following the Decision Notice date. The LME notes that pursuant to clause 5.3.1 of the Warehouse Agreement the LME needs to publish charge caps by 31 October each year, and as such the LME will be publishing the FOT charge caps in USD this year.

As noted in the Consultation Paper, parties will remain free to pay FOT in local currency where they agree both the currency and the applicable exchange rate; where agreement cannot be reached, FOT will be payable in USD. Challenges to the FOT caps can be submitted through the charge cap challenge process outlined in Section 3.2.2.

3.4 Re-warranting charge cap and other warehouse fees [Question 6 – Question 7]

Question 6: Do you agree with the proposal for the LME to impose a charge cap on the maximum amount warehouse companies can charge for re-warranting fees? If so, do you believe USD $10 per metric tonne of metal being re-warranted is an appropriate cap?
Question 7: Do you agree with the proposal to introduce a requirement on warehouse companies to provide three months' notice to the LME and the market if they increase their respective fees for free on rail, free alongside, free in container yard, and slot rescheduling services by 20% or more? Do you agree that once one of the aforementioned fees is increased by 20% or more, a warehouse company should be prevented from increasing the fee during the following 12-month period?

As the LME explained in the Consultation Paper, the proposal to cap re-warranting charges arose due to the publication of re-warranting charges that were significantly higher than those previously published. As a result, there was concern within the market that such charges may not accurately reflect the underlying service provided by warehouse companies. In addition, the proposal was intended to provide more certainty for market participants as to the potential cost of cancelling and re-issuing metal. As such, the LME proposed in the Consultation Paper to expand the scope of the charge cap framework, which currently applies to rent and FOT, to include re-warranting charges. The proposed cap which would apply to re-warranting charges in relation to all metals at all Delivery Points would be US$10 per metric tonne. In the Consultation Paper, the LME noted that if the proposal was introduced the LME would amend clauses 5.2 and 5.3 of the Warehouse Agreement to reflect that the definition of "Charge Caps" included re-warranting fees, and the LME would list the re-warranting charge cap in the Notice published by the LME with the FOT and rent charge caps.

In the Consultation Paper the LME also proposed the introduction of a requirement that warehouse companies provide three months' advance notice to the LME and the market where they intend to increase certain ancillary fees, namely free on rail, free alongside, free in container yard, and slot rescheduling services, by 20% or more. In accordance with the proposal, if a warehouse company increased one of the aforementioned fees by 20% or more they would be prevented from increasing that fee for a further 12 months. The Consultation Notice stated that if this proposal was implemented, the new requirement would be incorporated into the Warehouse Operations Policy.

3.4.1 Feedback received for re-warranting charge cap

A majority of respondents supported introducing a cap on re-warranting charges in principle, noting the benefits of greater certainty, transparency and predictability for market participants, and acknowledged the impact of re-warranting costs on metal fungibility and liquidity.

However, respondent views diverged on the fixed nature of the re-warranting charge cap and its application to all metals and Delivery Points. Many respondents considered USD $10 per tonne of re-warranted metal to be a reasonable level for a cap, which would be broadly aligned with current market practice. However, some respondents argued the proposed level may be too high relative to the administrative nature of the service, whilst others considered that the proposed fixed cap may not fully reflect location-specific operational costs. The minority of respondents who objected to a cap being imposed on re-warranting fees noted that the fee takes into account administrative, compliance costs and loss of related fees as a result of the warrant being cancelled, and such costs can vary significantly across locations and can be impacted by market conditions. Several respondents also noted that the effectiveness of any cap would depend on constraints around warehouse discretion to refuse re-warranting and suggested that the cap should be subject to periodic review to ensure continued alignment with market conditions.

3.4.2 Feedback received to limit other warehousing fees above 20% per annum

In respect of the proposal to require warehouses to provide three months' notice of ancillary fee[7] increases by 20% or more as well as restrict increases of 20% or more per annum, respondents were generally supportive of the proposals. Respondents believe these measures would enhance transparency and predictability, particularly the requirement to provide advance notice of material fee increases. Many agreed that a three-month notice period for increases of 20% or more would improve visibility of future costs and allow market participants to adjust operational and commercial arrangements.

However, views were more mixed regarding the proposed 12-month restriction on warehouses being able to increase such fees. While some respondents supported this as a means of limiting frequent or abrupt cost increases, others considered it overly restrictive, particularly in relation to changes in costs such as fuel and labour, and argued it could constrain warehouse operators' ability to respond to changing conditions. Some respondents also disagreed with the proposal in entirety, on this basis, arguing that warehouses would be at a competitive disadvantage if input costs outside of their control increased above 20%.

A number of respondents proposed alternative approaches, including aligning such fees with an annual rate-setting cycle, introducing caps or benchmarks, or linking increases to objective indices (such as CPI) to ensure cost reflectiveness. Some respondents also queried the calibration of the proposal, including the 20% threshold and treatment of smaller increases, while noting that certain services (excluding slot rescheduling) may be provided by third parties, potentially reducing the need for the LME to play a role in respect of such costs.

3.4.3 LME response and decision

The LME has considered the feedback received in relation to both the proposal to cap re-warranting charges and the proposal to require warehouse companies to provide the LME and the market with three months' notice if they intend to increase their ancillary service fees (being free on rail, free alongside, free in container yard, and slot rescheduling) by 20% or more, following which they would be unable to increase the fee for the related service for a further 12 months. Having considered such feedback, the LME has decided to proceed with both proposals as set out in the Consultation Paper on the basis that they will enhance transparency, predictability, and confidence in warehouse pricing practices, while preserving appropriate commercial flexibility for warehouse operators.

In respect of implementing the re-warranting charge caps, the LME will amend the definition of "Charge Caps" in clauses 5.2 and 5.3 of the Warehouse Agreement to include re-warranting fees. The cap will be set at US$10 per metric tonne, applicable across all metals and Delivery Points, and will be published annually alongside rent and FOT Warehouse Maximum Charge Levels.[8] The LME considers that this level represents an appropriate balance between providing the market with cost certainty and recognising that re-warranting remains an operational service provided by warehouse companies.

The LME notes the responses which recommended that the LME require warehouse companies to re-warrant metal. The LME continues to hold the view that the decision in respect of re-warranting remains at the discretion of the warehouse company. However, where a request to re-issue metal is declined, the LME would expect the warehouse company to provide a clear and reasonable explanation of why it refused to re-warrant the material. The LME has no intention at this time to consider requiring warehouses to re-warrant metal.

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[7] Being free on rail, free alongside, free in container yard, and slot rescheduling services.
[8] As defined in the Warehouse Agreement, clause 5.2.1.

The LME will amend clause 5.3.3 of the Warehouse Agreement, as proposed in the Consultation and Discussion Paper, and this amendment will be effective from 90 days following the Decision Notice date. The LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice. The LME notes that pursuant to clause 5.3.1 of the Warehouse Agreement the LME needs to publish charge caps by 31 October each year, and as such the LME will be publishing the re-warranting charge caps along with the FOT and rent charge caps this year.

In addition, the LME notes that the current process for challenging charge caps will also apply to re-warranting charges on an annual basis, which will provide a process through which warehouse companies can challenge the caps imposed for re-warranting fees. Such challenges can be in respect of the charge imposed in relation to a Delivery Point and/or in respect of the metal which is subject to the charge. In accordance with the process stipulated in the Warehouse Agreement, as amended to include re-warranting charge caps, warehouse companies will be able to challenge proposed charge caps within fourteen calendar days of their publication by the LME, and have the challenge considered by the LME's Special Committee. Following their review of the challenge, the Special Committee may reject the challenge or accept it and amend the charge caps. As such, the LME considers that this annual process available to warehouse companies to challenge the re-warranting charge cap provides warehouses with a mechanism to seek adjustments in relation to underlying costs or changes in market conditions.

Subsequent to any challenge/s which may be received in respect of re-warranting charge caps, the LME will request that every warehouse company provide the re-warranting fees which it will be charging from 1 April 2027 to 31 March 2028 before 15 December 2026. The LME will then publish each warehouse company's Warehouse Maximum Charge Levels, including the re-warranting charges, by 31 December 2026.

In respect of ancillary service fees, the LME will be amending the Warehouse Operations Policy to require warehouse companies to provide at least three months' notice to the LME and separately update the market (by publishing the proposed new charge on the warehouse company's website) of any increase of 20% or more for fees in respect of the following services: free on rail; free alongside; free in container yard; and slot rescheduling services. The Warehouse Operations Policy will also be amended to restrict warehouse companies from increasing a fee charged on free on rail, free alongside, free in container yard, and slot rescheduling services for a twelve-month period if the fee for that service has increased by 20% or more. This restriction will apply irrespective of whether the charge is increased by 20% or more at one time, or if the increase of 20% or more occurs incrementally within a twelve-month period. The Warehouse Operations Policy will be amended as set out in the Consultation Paper, and a clean version is at Appendix 5 of this Notice. The amendments to the Warehouse Operations Policy will come into force immediately.

3.5 Copper Certificates of Analysis and indelible markings [Question 8 – Question 9]

Question 8: Do you support the proposed requirement to introduce CoAs for copper? Do you agree with the proposal that copper should have the PCR indelibly marked on the metal instead of or in addition to using a label?
Question 9: Do you believe an 18-month implementation period, approximately, is sufficient for all LME-listed brands to introduce indelibly marked PCRs on metal instead of labels?

The Consultation Paper proposed to introduce a requirement for all LME-listed copper to be accompanied by a CoA as a condition for warranting, thereby aligning copper with other LME-listed metals which are required to have a CoA in order for the metal to be warranted. This would involve producers connecting to LMEpassport and generating electronic CoAs ("Enhanced eCoAs").[9]

As noted in the Consultation Paper, the LME stated that if it were to introduce a requirement for LME-listed copper to have a CoA for it to be warranted, then there would need to be clear traceability between the CoA and the underlying metal. As such, the Consultation Paper further proposed that producers indelibly mark the production cast reference ("PCR") on the surface of the top cathode of each bundle, replacing or supplementing the current use of labels, which may become detached or damaged during handling and storage.

The Consultation Paper proposed an implementation period of approximately 18 months before eCoAs and indelible markings were required for LME-listed copper, with an indicative effective date of 1 January 2028. In addition, the Consultation Paper outlined the LME's proposal to allow the ongoing creation of Basic eCoAs[10] for copper produced before 1 January 2028, and a further one year period (being 1 January 2028 to 1 January 2029) during which time the LME would allow copper with labels to be placed on warrant for metal produced before 1 January 2028 as the market transitioned to indelible markings. The proposal noted that if metal was already on warrant when the new requirements came into force, and if the copper did not have an eCoA or indelible markings, that the metal could remain on warrant. However, in the event that this copper was cancelled it would no longer be eligible for re-warranting including at the same warehouse company. The Consultation Paper also noted that if the proposal was introduced the LME would allow Basic eCoAs to be created by warehouse companies in respect of copper that was already on warrant, as well as off-warrant material, if the metal had a Paper CoA[11] and was produced prior to 1 January 2028. However, if the Paper CoA was not available for the underlying metal, then no Basic eCoA could be created and therefore the copper could not be warranted or re-warranted.

3.5.1 Feedback received

In response to the LME's proposal in the Consultation Paper to introduce a requirement for LME-listed copper to have CoAs and PCR indelibly marked on the metal, the LME received feedback in which views differed significantly between market participants. As discussed below, the majority of respondents supported the introduction of CoAs for copper, whilst feedback was more mixed in relation to introducing a requirement for indelible markings.

The respondents who supported the introduction of CoAs for copper noted that the proposal would improve transparency, standardisation and consistency across LME metals, as copper is currently the only LME listed metal which does not require a CoA for the metal to be warranted. In addition, a respondent noted that in respect of certain producers, the underlying data which is needed to produce a CoA is already part of standard production processes.

A number of respondents did not support the proposal to require LME-listed copper to have a CoA as it could introduce unnecessary complexity and cost. It was noted that the introduction of CoAs for copper, particularly

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[9] Defined in the Rulebook as "*an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the criteria for an Enhanced eCOA as specified by the Exchange from time to time*".

[10] Defined in the Rulebook as: "*an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the criteria for a Basic eCOA (and which must include a digital copy of the Paper COA) as specified by the Exchange from time to time*".

[11] Defined in the Rulebook as: "*a hard copy Certificate of Analysis, which may be a bulk analysis certificate, and which must be produced by either: (a) the producer of the underlying metal; or (b) a LME Listed Sampler and Assayer (a "LSA") who will sample and analyse material in accordance with Exchange-specified instructions to LSAs*".

the creation of Basic eCoAs from Paper CoAs, would result in additional administrative burdens and operational costs for warehouse companies, while the respondent was of the view that producers should be responsible for CoAs. There was also feedback received which noted that the proposal could potentially create barriers to inter-exchange arbitrage with markets such as SHFE and CME, as these markets do not require CoAs for copper, and that this may risk undermining the fungibility of the LME contract. A minority of respondents also raised concerns that requiring copper to have CoAs may create a price differential in the LME's copper contract, due to potential differing qualities of copper brands which would be identifiable through the CoA. In addition, there was also a query raised about whether producers who do not sell their LME-listed metal externally needed to produce eCoAs.

In relation to the proposal to have the PCR indelibly marked directly on copper, feedback was more divided. While some respondents supported the proposal as a means of improving traceability and reducing reliance on labels, others preferred a more flexible approach, allowing producers to retain existing labelling systems or to supplement them where appropriate. A respondent suggested that the LME introduce warehouse storage requirements on warehouses instead which would provide more protective labels or photographic evidence at the point of warranting the material.

In particular, certain respondents noted that the LME's labelling requirements are sufficient, and they would anticipate only incremental benefits if indelible markings were introduced, as they did not consider there were issues with the current approach. Respondents who were against the proposal noted that the requirement for indelible markings would be burdensome and impose additional costs on producers who may have to invest in marking equipment. There were some concerns raised about historic copper stock, as well as warrantability issues in the event that metal for which the top cathode with the PCR indelible marking was to be separated from the bundle.

In relation to the proposal for an implementation period of approximately 18 months before the requirement for eCoAs came into force and an additional year period before the indelible marking requirement commenced, respondents expressed divergent views. Some considered the proposed 18-month timeline to be sufficient, particularly where producers already have existing systems for performing analytical and reporting processes in place. However, a number of producers indicated that this period may be insufficient, citing that procurement, installation and integration of indelible marking equipment would require more time. They also suggested that a longer or phased implementation approach to indelible marking would better accommodate legacy stock and prevent operational constraints by allowing integration with existing production lines.

3.5.2 LME response and decision

The LME has considered the feedback to the Consultation Paper and has decided to proceed with the introduction of the requirement for LME-listed copper to be accompanied by a CoA and PCR indelibly marked on the metal. The LME believes that the introduction of copper CoAs and indelible markings will improve traceability of LME-listed copper, support the ongoing digitisation of physical markets to improve efficiency and transparency, and provide greater consistency with the other LME-listed metals which require a CoA in order to be warranted.

The LME recognises that certain respondents stated that the introduction of CoAs and indelible markings for copper may result in additional costs and administrative burdens for producers, and potentially also for warehouse companies in respect of warranting such metal. However, the LME considers that the additional administrative requirements and potential additional costs will be limited in time to the initial implementation of the requirements. Once producers have arrangements in place to produce eCoAs and indelible markings on LME-listed copper, the LME expects that any increase in costs and administrative requirements will subside. The LME also believes that the proposal will provide a significant benefit to the wider market of ensuring greater traceability in respect of LME-listed copper, facilitate more efficient processes, and create more consistency between LME-listed metals. However, in recognition of the feedback received, particularly as more concerns were raised regarding introduction and timings of indelible markings for copper, the LME will extend the deadline for this requirement, as discussed further below. The LME also notes that, if necessary, metal can be indelibly marked using markers or stencils (see further below).

The LME also notes the concerns raised by a few respondents that the introduction of CoAs for copper may create a price differential within the LME copper contract due to higher-assay material receiving market premiums. However, the LME notes that currently all metals in which there is a physically deliverable contract are required to have a CoA for warranting, and the LME believes that the use of CoAs for these other metals has not resulted in a price differential. As such, the LME does not consider that introducing a requirement for copper to have CoAs is likely to impact price uniformity. Furthermore, certain feedback received suggested there may be an impact on arbitrage in relation to copper, as other trading venues do not require a CoA for copper. The LME acknowledges that other exchanges do not require CoAs for copper, and that there may be some restriction of material moving between exchanges initially. However, it believes that the length of the implementation period will assist in reducing any potential impact to the market.

In relation to the query of whether CoAs would be needed for copper which is only produced for internal (intra-company) purposes, the LME notes the risk that should the metal subsequently be surplus to requirement and sold into the market, it could not be warranted without a CoA lodged in LMEpassport. More broadly, the LME rules for CoAs for all metals require that eCoAs are uploaded to LMEpassport for all metal produced after a date specified in the relevant notice for that metal.

As noted above, the LME has carefully considered the feedback received in relation to the proposed requirement for indelible markings of PCRs for LME-listed copper. The Exchange is of the view that a durable and reliable link between the CoA and the underlying metal is necessary, and that it will allow for greater traceability in respect of LME-listed copper. Some respondents believed that the current label system is sufficient, including a few respondents who also supported the introduction of CoAs, and that indelible markings were not necessary. The LME believes that the use of indelible markings can prevent current issues experienced in respect of labels being used on copper, in which the labels detach or are damaged, particularly as a result of multiple handling of metal which is common in the LME's warehousing network. If the LME were to introduce CoAs for copper but allow labels to be exclusively used on the physical metal, there is a material risk of damage to the labels which would prevent PCRs from being cross referenced to the CoA. A respondent suggested the introduction of requirements similar to nickel (where labels may be used); however the LME does not believe this would be appropriate as labels on nickel do not suffer the same consistent risk of damage as copper labels, likely because of the LME requirement for nickel bundles to be stored on skids, minimising damage to the top surface of the bundle where nickel labels are located. Feedback suggests that the introduction of the same requirement for skids for copper would not be feasible, and as such, the LME believes it is more appropriate to introduce both the proposals for copper, as it will allow for greater cross-checking of PCRs, and therefore greater traceability.

In relation to feedback regarding the warrantability of copper if the top cathode with the PCR indelible marking is separated from the bundle, the LME notes that in such an instance the metal could not be warranted. However, it should be noted this is a current issue for any other metal for which the PCR is missing, and that it does not frequently occur.

The LME acknowledges that some respondents highlighted a number of practical, operational and technical challenges associated with implementing permanent marking solutions within the originally proposed timeframe, and as such, the LME is extending the deadline by which PCR indelible markings need to be on LME-listed copper for the metal to be warranted. As noted above, the proposed implementation date of 1 January 2028 will remain for the introduction of copper CoAs (discussed further below). However, the LME will introduce a two-year transitional period (from 1 January 2028 to 31 December 2029) during which both production labels and indelible markings will be accepted as valid means of identifying the PCR. As such, the LME is extending the proposed deadline by a year, and from 1 January 2030 all LME-listed copper intended for warranting must have a compliant indelible PCR marking, and labels alone will no longer be sufficient.

From 1 January 2028, all newly produced copper intended for warranting must be supported by an Enhanced eCoA created through LMEpassport. Copper produced on or after 1 January 2028 which is not supported by an Enhanced eCoA will not be eligible for warranting. Copper produced before 1 January 2028 may be warranted from 1 January 2028 if it has a Paper CoA that can be converted to a Basic eCoA (or otherwise has an Enhanced eCoA). The LME will also be implementing the requirements proposed for copper Enhanced eCoAs, in accordance with the table[12] provided in the Consultation and Discussion Paper.

The LME confirms that copper produced from 1 January 2028 must be capable of being linked to a verifiable PCR. Accordingly, during the transitional period from 1 January 2028 to 31 December 2029, copper may be warranted where the PCR is identifiable through either a production label or an acceptable indelible marking. From 1 January 2030, copper produced after that date must carry a compliant indelible PCR marking in order to be warranted. For the avoidance of doubt, indelible markings can include permanent engraving techniques, as well as indelible stencils and marker-based solutions, as long as the writing is legible, durable and capable of reliably identifying the relevant PCR throughout normal warehousing and handling processes. Please note that the requirement for copper to be indelibly marked does not mean that producers have to remove labels, if that is part of their production process and would be disruptive to remove, as LME-listed copper from 1 January 2030 may have both labels and indelible markings.

Metal already on warrant as of 1 January 2030 will be permitted to remain on warrant if it does not have a PCR which is indelibly marked or a CoA. However, where such metal is subsequently cancelled, it will only be eligible for re-warranting if the metal has an Enhanced or Basic eCoA and the PCR is indelibly marked on the metal. Metal which does not have a CoA and indelibly marked PCR will no longer be eligible for warranting or re-warranting as of 1 January 2030. The LME notes concerns raised by respondents regarding the impact the requirements would have on historical stocks and acknowledges that the requirements will prevent certain copper being warranted from 1 January 2030. The introduction of these requirements may also impact the ability of metal owners to transfer historic LME-listed copper between warehouses. However, the LME believes the benefit of greater traceability, automation, and reduction in paper-based activities outweighs any potential restrictions on the warrantability of certain material and movement of such material. The LME also notes that the market has already been through this process in respect of all other physically deliverable metals when CoAs were introduced as a requirement for warranting. As noted above, historic stock without a CoA can be warranted before 1 January 2028, and copper stock without indelible markings may be warranted until 1 January 2030. The LME believes this represents a sufficient period of time for the market to prepare itself for the introduction of the new requirements, and in turn, expects minimal market impact due to the long implementation period.

In accordance with the LME's decision detailed above, the LME will be amending the LME Rulebook as proposed in the Consultation Paper, with a redline attached at Appendix 6 of this Notice. The Rulebook will be updated on the LME website immediately to reflect the insertion of the amendment in redline. The amendment will introduce the requirement for copper to have an eCoA to be placed on warrant, at a date to be announced by Notice. For the purposes of the amendment in the Rulebook (being Regulation 4 of Part 6), this paper is announcing the date for the requirement for LME-listed copper to have an eCoA to be warranted, which is 1 January 2028. As noted above, copper produced after 1 January 2028 must have an Enhanced eCoA and copper produced before 1 January 2028 must have a Basic or Enhanced eCoA in order for such metal to be warranted as of 1 January 2028. The amendment to the Rulebook (Regulation 4.4 of Part 6) allows copper to

[12] Page 15 in the Consultation and Discussion Paper.

be warranted with a Basic eCoA prior to 1 January 2028, and the LME notes that producers are also welcome to produce Enhanced eCoAs for copper prior to 1 January 2028.

The amendment to the Rulebook also introduces a requirement for LME-listed copper to have the PCR indelibly marked on the top cathode of each bundle, at a date to be announced by Notice. For the purposes of the amendment to the Rulebook (being Regulation 5 of Part 6), this paper is announcing the date of the requirement for LME-listed copper to have indelible markings, which is 1 January 2030. As noted above, the LME is imposing a two-year transitional period in which copper may be placed on warrant without indelible markings if it has an eCoA, rather than a one-year transitional period. As such, the LME has amended Regulation 5.1 of Part 6 of the LME Rulebook to refer to a two-year transitional period rather than one year, as reflected in the redline of the Rulebook at Appendix 4. This Notice is announcing the date of the transitional period, being from 1 January 2028 to 31 December 2029.

The LME will continue to engage with the Copper Committee, LME-listed producers, warehouse companies and other market participants on any questions relating to the implementation framework. The LME encourages producers and warehouses to begin preparing for the transition as early as practicable and to engage with the LME where implementation challenges or specific operational concerns are identified.

Revised copper transition timetable:

	Current requirement	Transition period (1-Jan-28 to 1-Jan-30)	From 1-Jan-30 onwards
CoAs	Not required	Enhanced eCoA for the metal produced from January 2028 Basic eCoA where a Paper CoA is available for the metal produced before January 2028	Enhanced eCoA for the metal produced from January 2028 Basic eCoA where a Paper CoA is available for the metal produced before January 2028
Marking	Labelling	Indelible marking/Labelling	Indelible marking only (although labelling permitted in addition)

This table updates the timetable at Section 4.5 of the Consultation Paper to reflect the extended transition; the deadlines represent final transition points, and producers are welcome to use indelible markings and create Enhanced eCoAs in advance of these dates.

3.6 Metal Report automation in LMEpassport [Question 10]

Question 10: Do you support the proposed requirement for warehouse companies to provide a Metal Report at the point of warranting, which would replace the current requirement?

The Consultation Paper proposed that warehouse companies provide data for the standardised Metal Report[13] at the point of warrant issuance, rather than only at cancellation or on request, and that this process be automated via an API connection to LMEpassport. Where automation is not yet feasible, warehouse companies would be able to submit data via an Excel-file upload, with the new process replacing the existing triggers to generate a Metal Report.

[13] As defined in the Warehouse Agreement at Appendix 1.

3.6.1 Feedback received

Feedback on the proposed requirement to provide a Metal Report at the point of warranting was generally supportive in principle, although a number of respondents raised important operational, cost and implementation considerations.

A broad group of respondents supported the proposal, noting that earlier and more consistent availability of data would improve transparency, reduce the need for subsequent information requests, and enhance the overall efficiency of processes linked to LMEpassport. Several respondents viewed the proposal as a practical operational improvement, particularly if it were to be supported by automation.

A number of respondents emphasised that automation between LMEsword and LMEpassport would be a key dependency, indicating their support primarily where the proposal was to be delivered through seamless system integration. These respondents also requested greater clarity on the implementation details, including cost allocation, data access following cancellation of a warrant, and the scope of information that would need to be provided.

However, some respondents were concerned about mandating the requirement in its current form, questioning whether there is sufficient demand to justify the additional burden and noting that existing processes already allow Metal Reports to be provided on request. These respondents highlighted potential increased administrative complexity and costs, particularly where implementation is not fully automated or where supporting infrastructure (including LMEpassport and eCoAs) remains immature.

A number of respondents also highlighted legal and operational considerations, including the role of warehouse companies as custodians rather than originators of data, potential liability implications, and the need to clearly define the status of the Metal Report relative to producer-issued documentation such as CoAs.

Overall, while there was broad support for the direction of travel, respondents indicated that successful implementation would depend on clear rules, system readiness, and a proportionate approach to rollout.

3.6.2 LME response and decision

Following its consideration of the feedback, the LME will implement the proposal as consulted on in the Consultation Paper and will amend the Warehouse Agreement accordingly. The Metal Report will need to be provided by the warehouse company at the point of warrant issuance, either via an API connection to LMEpassport or, where automation is not yet feasible, via Excel-file upload, replacing the existing triggers for a Metal Report at cancellation or on request, with the implementation date discussed further below.

The LME notes that respondents broadly supported the proposal, particularly if supported by automation. The Exchange believes that providing Metal Report data at the point of warranting will improve transparency, reduce the need for ad hoc information requests and support the continued development of online solutions as the primary source of metal-related information.

The LME also recognises the implementation considerations raised by respondents, including system readiness, cost allocation and operational processes. To address these concerns, warehouse companies will be able to provide data either through an automated API connection or, alternatively, via Excel-file upload. The LME believes that the availability of both submission methods provides a proportionate implementation approach while preserving flexibility for warehouse companies with differing technological capabilities.

The LME recognises that implementation will require a degree of work and cost; however, believes that the increased functionality and efficient flow of information on a regular basis will ultimately lower the work required, especially on an *ad hoc* basis.

The LME acknowledges the considerations raised by respondents and notes that the proposed Metal Report is intended to operate in a manner broadly analogous to the existing Basic eCoA framework. The Metal Report is not intended to replace, amend or supersede producer-issued documentation, including CoAs, nor does it alter the role of warehouse companies as custodians rather than originators of information. Rather, its purpose is to facilitate the structured capture and transmission of information already held in relation to the relevant metal. Consistent with existing processes, warehouse companies will be responsible for providing information available to them in accordance with the applicable requirements, while responsibility for producer-generated data and representations regarding the underlying metal will remain with the relevant producer. The LME therefore does not consider that the proposal materially changes the responsibilities or liabilities of warehouse companies.

The amendment to clause 2.2.2 of the Warehouse Agreement, together with the introduction of the definition of “Metal Report”, will become effective 90 days following the publication of this Decision Notice on 31 July 2026. However, the LME will not expect warehouse companies to comply with the requirements until 1 December 2026. A clean version of the Warehouse Agreement, taking effect from that date, is included at Appendix 2 of this Notice.

The LME will continue to work with warehouse companies and other stakeholders during the implementation period. Warehouse companies are encouraged to engage with the LME SPM Development team regarding any operational concerns, testing requirements or implementation questions.

4 Discussion topics: feedback and next steps

Section 5 of the Discussion Paper set out a number of topics on which the LME sought market views without proposing firm measures: reform of Queue-Based Rent Capping (“QBRC”) and a possible simplification of QBRC and the Linked Load-In and Load-Out (“LILO”) requirements towards a proportionate daily load-out; a further LILO anti-abuse provision; the possible prohibition of evergreen (post-sale economic incentive) rent deals; the possible approval of Delivery Points in areas of net production, with an associated price-adjustment mechanism; the possible introduction of outside storage of primary aluminium on a location-by-location basis; and the introduction of indelible markings on primary aluminium, lead and zinc.

The LME is grateful for the detailed and, in several areas, divergent feedback received on these topics. On the basis of this feedback, the LME is proposing to take forward two topics from the Discussion Paper, and to that end, is separately consulting on the proposed introduction of a requirement for indelible markings on primary aluminium, lead and zinc, which will consider a potential effective date, as well as the proposal to allow aluminium to be stored outside in one Delivery Point only.

Consistent with the exploratory nature of the discussion section, the LME is not taking final decisions on the remaining matters in this paper at this point, but will reflect on the feedback, together with its own analysis, and – where it considers further action appropriate – will consult separately on the specific rule changes required, including, where relevant, the precise parameters, implementation arrangements and any transition period.

4.1 Queue-Based Rent Capping and QBRC / LILO simplification [Question 11 – Question 13]

Question 11: Do you believe the QBRC requirements should remain as they currently are? If not, what changes do you believe should be made to the QBRC requirements?
Question 12: In particular, do you support a simplification of the LILO and QBRC requirements, which would only apply a 1.5% load-out rate? Do you believe 1.5% represents the right load-out rate?
Question 13: As an alternative to the approach in question 11, do you support QBRC being automatically applied to cancellations of 10,000mt but disapplied to cancellations of metal which is over 10,000mt?

The Discussion Paper considered whether the current QBRC and LILO framework remains the most appropriate mechanism for managing load-out obligations and queues within the LME warehouse network. QBRC, originally introduced in 2015 and amended in 2019, limits the amount of rent payable on cancelled metal once a prescribed queue period has been reached, while LILO imposes additional load-out obligations on warehouses experiencing queues of over 50 days. The LME notes that views within the market remain mixed as to whether these arrangements continue to strike the appropriate balance between maintaining efficient metal flows, supporting warehouse operations and ensuring the attractiveness of on-warrant storage.

The paper asked whether the QBRC requirements should remain as they are (Question 11), whether the LILO and QBRC requirements should be simplified – for example towards a single, proportionate daily load-out obligation (Question 12), and, as an alternative, whether QBRC should apply automatically where a qualifying queue develops (Question 13).

4.1.1 Feedback received

Feedback was mixed, and no clear consensus emerged on any single alternative. A number of respondents valued the certainty and predictability of the current framework and cautioned against change for its own sake, noting that – while complex – the rules are well understood and respected by the market. Others supported the principle of simplification, but views differed materially on what a simplified regime should look like and on how a proportionate daily load-out obligation would interact with the existing queue thresholds. Some respondents favoured an automatic application of QBRC, while others were concerned about unintended consequences and the operational burden of a further change to the load-out rules.

4.1.1.1 Question 11 – Retention of the current QBRC framework

Feedback on the current QBRC framework was mixed, although respondents tended to favour either maintaining the existing regime or simplifying it entirely, rather than making incremental changes.

A number of respondents supported retaining QBRC in its current form, noting that the mechanism is well understood by the market, continues to provide protection for metal owners seeking access to LME-warranted material, and supports the economics that underpin warehouse inflows and on-warrant stocks. Several respondents acknowledged that the current rules are not perfect but considered them preferable to introducing potentially disruptive changes.

Conversely, a number of respondents argued that QBRC is overly complex and should be simplified or replaced. Several respondents supported a move towards a percentage-based load-out framework, viewing it as more transparent and easier for market participants to understand. Others suggested more targeted modifications to QBRC, including limiting its application for large-scale cancellations or replacing rent-free periods with reduced, rather than zero, rent. Overall, respondents recognised the value of queue-management mechanisms but differed on whether the current framework remains the optimal approach.

4.1.1.2 Question 12 – Simplification through a 1.5% daily load-out requirement

Feedback on the proposal to replace QBRC and LILO with a simplified 1.5% daily load-out requirement was predominantly negative, although several respondents supported the broader objective of simplification.

Many respondents raised concerns regarding the operational practicality of a fixed percentage-based load-out requirement, particularly at locations holding large stock levels. These respondents noted that physical constraints, including trucking capacity, labour availability and local infrastructure, could make a 1.5% requirement difficult or impossible to achieve in practice. Several respondents also argued that such a regime could discourage warehouses from accepting additional metal, reducing the attractiveness of the LME warehouse network and potentially impacting liquidity and stock transparency.

A smaller group of respondents supported a percentage-based approach, viewing it as a simpler and more objective alternative to the current framework. Among those respondents, opinions differed on the appropriate rate, with some supporting the proposed 1.5% threshold, while others advocated lower or tiered percentages to reflect differing stock levels and operational realities. Several respondents were open to further analysis of a simplified model but considered that additional work would be required before any such framework could be adopted.

4.1.1.3 Question 13 – Applying QBRC only to cancellations of 10,000 tonnes or less

Feedback on the proposal to apply QBRC automatically to cancellations of 10,000 tonnes or less, while disapplying it to larger cancellations, was also mixed.

Supportive respondents considered the proposal a potentially balanced approach that could reduce incentives for large economically motivated cancellations while preserving protection for smaller cancellations associated with genuine physical demand. Some respondents viewed the proposal as a useful anti-abuse measure, although several respondents emphasised the importance of robust aggregation, monitoring and enforcement arrangements to prevent circumvention.

However, a significant number of respondents opposed the proposal, arguing that it would introduce additional complexity and create new opportunities for manipulation. Several respondents expressed concerns that market participants could structure cancellations around the threshold to achieve a more favourable outcome. Others questioned the rationale for the 10,000-tonne threshold itself or considered that large-scale commercial movements should not be treated differently from smaller cancellations. A number of respondents therefore preferred either retaining the current framework unchanged or pursuing broader simplification instead of introducing additional layers of differentiation.

4.1.2 LME response and next steps

Having considered the feedback received, the LME has decided not to proceed with any amendments to the current QBRC and LILO framework at this time.

In respect of Question 11, the LME notes that the current QBRC regime received the highest level of support amongst the options presented. While respondents acknowledged that the framework is not without complexity, many considered it a well-understood and established mechanism that continues to provide an appropriate balance between protecting metal owners, supporting warehouse operations and maintaining orderly market conditions. Although some respondents supported targeted amendments to the existing framework, there was no clear consensus as to the nature of those amendments.

The LME also notes that feedback on both alternative proposals was considerably more divided. In relation to the proposed 1.5% daily load-out requirement, respondents raised significant concerns regarding operational feasibility, the potential impact on warehouse incentives, and the risk that such a framework could discourage additional metal from entering the LME warehouse network. While there was some support for simplification in principle, respondents expressed a wide range of views regarding the appropriate load-out rate and how such a regime should operate in practice. Similarly, feedback on the proposal to apply QBRC differently depending on cancellation size highlighted concerns regarding complexity, potential opportunities for gaming, and the appropriateness of the proposed threshold.

Taken together, the responses did not demonstrate a sufficient consensus in favour of either alternative approach to justify replacing or materially amending the existing framework. The LME therefore considers that the benefits of stability and predictability currently outweigh the potential advantages of introducing further changes in this area.

The LME will therefore retain the current QBRC and LILO framework without amendment at this time.

The Exchange acknowledges that some respondents continue to favour broader simplification of queue-management and load-out rules, while others believe the current framework remains the most appropriate approach. The LME will continue to monitor the operation of QBRC and LILO, including queue formation, stock flows, and the effectiveness of the existing anti-abuse provisions.

Should market conditions evolve materially, or should evidence emerge that the current framework is no longer operating as intended, the LME may revisit this topic as part of a future review of the warehousing framework. For the present, however, the LME considers that maintaining the existing rules provides the greatest degree of certainty for market participants and avoids introducing potentially disruptive changes in an area where the market remains divided on the preferred direction of reform.

4.2 Additional LILO anti-abuse provision [Question 14]

Question 14: As an alternative to the approach in question 12, do you believe that an additional anti-abuse provision should be added to LILO to prevent a party that creates a 50-day queue being the beneficiary of any additional tonnage required to be loaded-out under LILO?

In connection with the possible simplification of the load-out rules, the Discussion Paper raised the alternative proposal of introducing an additional anti-abuse provision for the LILO requirements, to guard against behaviour designed to circumvent the intended effect of those requirements.

4.2.1 Feedback received

Feedback on the proposed additional anti-abuse provision was mixed, although support was generally stronger among respondents who favoured retaining the existing QBRC and LILO framework.

A number of respondents supported the proposal, arguing that it would help ensure that parties responsible for creating significant queues do not subsequently benefit from the additional load-out capacity generated under LILO. These respondents considered the measure a reasonable safeguard against potentially strategic behaviour and viewed it as a means of preserving the integrity and fairness of the load-out process. Several respondents noted that, if LILO is retained, additional anti-abuse protections are appropriate and should be objective, transparent and rules-based.

Conversely, a number of respondents did not support the proposal, arguing that the current framework already contains sufficient safeguards and that further anti-abuse provisions would add complexity to a regime that many market participants already consider difficult to understand. Several respondents noted that LILO has limited practical relevance in the current low-stock environment and questioned whether the proposal addresses a material issue. Others expressed concerns that additional rules could increase administrative burdens, reduce operational flexibility, or make the warehousing system less attractive to market participants. A further group of respondents adopted a conditional position, indicating support only if the LME decides to retain the current LILO framework. These respondents generally favoured broader simplification of warehouse rules and viewed the proposed anti-abuse provision as a secondary issue that would become unnecessary if LILO were amended or removed.

Overall, respondents recognised the importance of preventing abusive behaviour within the warehousing system, but views differed on whether the proposed measure was necessary, proportionate, or the most effective means of achieving that objective.

4.2.2 LME response and next steps

Having considered the feedback received, the LME acknowledges that there was a reasonable degree of support for the proposed additional anti-abuse provision, particularly among respondents who support the retention of the current QBRC and LILO framework. The LME recognises the rationale behind the proposal; namely, to prevent a party responsible for creating a substantial queue from also benefiting from the additional load-out tonnage generated under LILO.

However, the LME notes that respondents also raised concerns regarding the additional complexity such a provision would introduce to an already intricate ruleset. The LME considers that the practical benefits of the proposal are currently limited when weighed against the operational and administrative burden associated with its implementation and ongoing monitoring. In particular, since the introduction of LILO in 2015, the circumstances in which this proposed anti-abuse provision would have been applicable have arisen only once (and even then, it was a potential occurrence, and ultimately did not materialise), suggesting that the risk it seeks to address has been infrequent in practice.

The LME will retain the current QBRC and LILO framework without amendment in respect of this proposal. Nevertheless, the Exchange continues to recognise the underlying principle that parties should not be able to benefit from behaviours that contribute to the creation of structural queues.

The LME will therefore continue to monitor queue dynamics, cancellation activity and the operation of the existing anti-abuse measures. Should market conditions change, queue levels increase materially, or evidence emerge that the current framework is insufficient to address potentially abusive behaviour, the LME reserves the right to revisit this proposal as part of a future review of the warehousing regime. In such circumstances, the LME may re-consult the market on the introduction of additional anti-abuse protections if it considers them necessary to support the orderly functioning of the warehouse network.

4.3 Evergreen (post-sale economic incentive) rent deals [Question 15]

Question 15: Should post-sale economic incentive arrangements be prohibited? If so, should such a ban apply to metal which is already on warrant or only metal which may be warranted going forward?

Section 5.3 sought views on whether post-sale economic incentive arrangements – commonly referred to as "evergreen" rent deals – should be prohibited and, if so, whether any prohibition should apply to metal already on warrant or only to metal warranted in future. The Discussion Paper noted that a prohibition could disproportionately affect smaller warehouse companies, which may be less able to offer up-front incentives than larger operators.

4.3.1 Feedback received

Feedback on post-sale economic incentive arrangements was mixed, with respondents expressing strongly differing views on whether such arrangements continue to serve a legitimate market function or whether they now create distortions within the LME warehouse network.

A number of respondents supported prohibiting post-sale economic incentive arrangements. These respondents argued that such arrangements distort stock movements, incentivise warranting and storage decisions for financial rather than physical reasons, and contribute to unnecessary warehouse-to-warehouse transfers that do not reflect underlying supply and demand. Several respondents considered that these arrangements can reduce warrant accessibility, inflate physical premiums, create conflicts of interest and undermine confidence in stock data. A common view among supporters of a prohibition was that any ban should apply only to newly warranted metal, allowing existing arrangements to be unwound in an orderly manner and avoiding disruption to existing contractual relationships.

Conversely, a significant number of respondents opposed a prohibition, arguing that post-sale economic incentive arrangements remain an important commercial tool that supports liquidity, financing activity and the attractiveness of placing metal on warrant. Several respondents noted that such arrangements can enable independent warehouse operators to compete more effectively with larger warehouse companies and can provide an alternative to large upfront incentive payments. Some respondents also cautioned against LME intervention in commercial arrangements between willing counterparties and warned that a prohibition could have unintended consequences for competition within the warehouse network.

A number of respondents adopted a more nuanced position, supporting restrictions in specific circumstances rather than a blanket ban. These respondents suggested, for example, that post-sale economic incentives should be permitted for the warranting of fresh metal but prohibited in relation to warehouse-to-warehouse movements within the same LME location, where such arrangements may encourage stock movements that do not reflect genuine physical demand. Others argued that the issue should be considered alongside broader warehousing reforms, particularly rent levels and information-barrier requirements, to address the underlying incentives that give rise to such arrangements.

Overall, respondents were divided on the appropriate approach, reflecting differing views on the extent to which post-sale economic incentive arrangements support market liquidity and competition, or alternatively contribute to distortions in stock movements, price signals and warehouse behaviour.

4.3.2 LME response and next steps

Given the feedback received, the LME will maintain the current framework without amendment. However, the Exchange will continue to monitor the use of post-sale economic incentive arrangements and their potential impact on stock movements, warranting behaviour and market transparency.

The LME encourages market participants to continue engaging with the Exchange on this topic and to provide information where they believe particular practices may be giving rise to unintended consequences or concerns regarding the orderly functioning of the market. In particular, and related to comments received in respect of information barriers above, the LME would encourage market participants to provide the LME with details should they believe that confidentiality requirements are not being observed in respect of post-sale economic incentive arrangements. Should future evidence demonstrate that such arrangements are having a materially adverse impact on the market, the LME may revisit the issue as part of a future review of the warehousing framework.

4.4 Delivery Points in areas of net production [Question 16]

Question 16: Do you believe that the LME should allow warehousing Delivery Points in areas of net production? If so, what are your views on the proposed price adjustment mechanism? If not, what are the risks you would highlight?

Section 5.4 of the Discussion Paper sought views on whether the LME should permit Delivery Points in areas of net production – a departure from the long-standing requirement that locations be situated in areas of net consumption, which was designed to ensure that the metal was stored in locations where it may be needed for manufacturing, reflecting the network's role as a market of last resort. In addition, it also sought feedback on the associated price-adjustment mechanism that would be required to address the resulting price implications. Under the mechanism described, metal delivered in areas of net production would be valued at a discount to reflect the additional cost of transporting it to a consumption location, with a corresponding premium awarded on delivery.

4.4.1 Feedback received

Feedback on the proposal to permit Delivery Points in areas of net production was predominantly negative, with the majority of respondents expressing concerns about the potential impact on the role and functioning of the LME warehouse network.

Many respondents argued that LME Delivery Points should remain focused on areas of net consumption and major trading hubs, noting that this helps ensure the accessibility of metal to consumers and supports the integrity of the LME as a market of last resort. Respondents expressed concerns that allowing Delivery Points in producing regions could encourage the accumulation of stocks close to their point of origin, reduce the availability of metal in consuming regions, and weaken the link between the LME price and physically accessible metal. Several respondents also cautioned that such a change could result in higher logistical complexity, fragmented metal flows, reduced warehouse viability in consuming regions, and the emergence of a two-tier market with differing values attached to warrants in different locations.

A significant number of respondents also opposed the proposed price adjustment mechanism, arguing that freight, financing and logistics costs are already reflected in physical market premiums and that any attempt by the LME to adjust prices to reflect regional differences would introduce unnecessary complexity and potential market distortions. Several respondents questioned whether there is a clearly identified market failure or demand that would justify such a fundamental change to the current Delivery Point framework.

Notwithstanding the predominantly negative feedback, a small number of respondents were either supportive or open to further consideration of the proposal. These respondents noted that permitting Delivery Points in producing regions could increase delivery optionality, encourage additional metal to be placed on warrant, and strengthen the LME's role during periods of market stress. However, even amongst this group there was broad recognition that any price adjustment mechanism would need to be transparent, predictable and carefully designed to avoid creating arbitrage opportunities or undermining confidence in the LME price.

Overall, respondents were generally of the view that the existing Delivery Point framework is functioning effectively and that any expansion into net producing regions would require a compelling justification, a clearly defined objective and careful consideration of the potential impacts on market structure, liquidity and price formation.

4.4.2 LME response and next steps

The LME recognises the potential benefits of a broader network but shares the concerns raised regarding the price implications and the complexity of the price-adjustment mechanism that would be required to address them. The LME does not consider that there is currently sufficient support, or a sufficiently developed rationale, to justify taking this proposal forward, and is therefore not progressing it at this time. Should the LME return to this topic in future, it would consult separately on the specific approach, including the design and calibration of any price-adjustment mechanism.

4.5 Outside storage of primary aluminium [Question 17]

Question 17: Do you believe the LME should permit outside storage for primary aluminium on a location-by-location basis? What do you believe are the advantages and risks of such a proposal?

Section 5.5 of the Discussion Paper sought views on whether the LME should permit outside storage for primary aluminium on a location-by-location basis. Outside storage for primary aluminium was permitted in the LME network for a brief period in the mid-1990s but was subsequently rescinded following concerns that weather conditions degraded the quality of material and labelling over time and that outside storage was less secure. The topic has been revisited in light of recent conversations regarding space availability at certain locations, given the possibility that outside storage could relieve space constraints and offer additional storage footprint, optionality and price differentiation.

4.5.1 Feedback received

Feedback on the proposal to permit outside storage for primary aluminium was mixed, with the majority of respondents expressing reservations about the proposal and questioning whether there is a clear market need to justify the associated risks.

A number of respondents did not support permitting outside storage, citing concerns around security, metal quality, operational integrity and competitive neutrality. Respondents noted that exposure to weather conditions could increase the risk of oxidation, corrosion, deterioration of labels and strapping, and other quality-related issues. Others expressed concerns that outside storage could weaken existing warehouse standards, introduce additional regulatory and compliance complexity, and create competitive distortions between warehouse companies operating under different cost structures. Several respondents also questioned whether additional capacity is currently required, noting that existing indoor capacity remains sufficient and that temporary storage solutions could be considered in the event of future stock builds.

Other respondents adopted a more conditional position, suggesting that outside storage could be considered on a location-by-location basis where capacity constraints exist or where appropriate safeguards can be demonstrated. These respondents emphasised the importance of maintaining robust security, quality-control and reporting standards, and suggested that enhanced digital traceability tools, including barcodes, QR codes and LMEpassport integration, could help mitigate some of the operational risks associated with outdoor storage.

A group of respondents were supportive of the proposal, highlighting the potential for increased flexibility, lower storage costs and the ability to accommodate higher stock levels during periods of oversupply. One respondent specifically highlighted the warehousing constraints in Hong Kong and suggested that additional storage flexibility may be beneficial in that location.

4.5.2 LME response and next steps

Having considered the feedback received, the LME acknowledges the concerns raised by respondents regarding metal quality, security, competitive neutrality and operational complexity associated with outside storage. At the same time, the LME recognises that certain locations face unique warehousing constraints and that greater flexibility in the use of storage infrastructure may provide benefits in appropriate circumstances.

Accordingly, the LME has decided not to introduce a general framework permitting outside storage for primary aluminium across its warehouse network at this time. However, given the specific land constraints in Hong Kong which impact aluminium in particular (given it is often stored in high quantities), and the associated high costs of operating warehousing in that Delivery Point, the LME considers that there may be merit in exploring whether a carefully controlled outside storage framework could operate in Hong Kong.

This could provide the opportunity for Hong Kong to better support the aluminium market – in particular arbitrage trading between China and the rest of the world – through the provision of adequate space for storage, and equalise the costs of storage with other locations without compromising market integrity, security standards or the warrantability of metal. While the LME recognises that this arbitrage market is often closed due to tax regimes within China, recent aluminium market moves demonstrate the importance of flexibility within the network, such that it can offer additional functionality when useful. The LME further notes that there is currently no aluminium on warrant in sheds in Hong Kong at present, so no market participant would be disadvantaged by the introduction of this functionality.

The LME therefore intends to publish a separate, location-specific consultation on the potential use of outside storage for primary aluminium in Hong Kong. The consultation will seek views on the operational and commercial implications of the proposal, as well as feedback on the proposed requirements.

For the avoidance of doubt, no changes are being made to the current warehousing requirements as a result of this paper. Any proposal to permit outside storage will be subject to a separate market consultation and would only be implemented following consideration of the feedback received.

4.6 Indelible markings on primary aluminium, lead and zinc [Question 18]

Question 18: Do you support the proposal that producers of new and existing listed primary aluminium, lead and zinc brands must indelibly mark PCR numbers on the metal instead of, or in addition to labels? Do you believe an 18-month implementation period, approximately, is sufficient for all LME-listed primary aluminium, lead and zinc brands to introduce indelibly marked PCRs on metal instead of labels?

Section 5.6 of the Discussion Paper sought views, in line with the concerns regarding the robustness of labels on copper, on introducing a requirement for indelible markings on primary aluminium, lead and zinc, under which producers would, following a suitable future date, be required to indelibly mark PCRs on the metal instead of, or in addition to, using labels. The Discussion Paper outlined that any such requirement would be the subject of a separate consultation with a proposed effective date, and that the LME would endeavour to provide producers with up to approximately 18 months to implement the change.

4.6.1 Feedback received

Feedback on the proposal was generally supportive, with many respondents recognising the benefits of improved traceability, standardisation and consistency across LME-listed metals. Several respondents agreed that indelible PCR markings would reduce reliance on labels, which may become damaged or detached during handling and storage, and considered the proposal a logical extension of the traceability measures proposed for copper. A number of respondents also supported the proposed 18-month implementation period, viewing it as a reasonable timeframe for producers to introduce the necessary processes.

A number of respondents expressed qualified support, emphasising that implementation should be producer-led and coordinated closely with the Warehousing Committee and wider industry. Several respondents suggested that the proposal should be accompanied by more modern identification solutions, such as barcodes or QR codes linked to LMEpassport, to improve operational efficiency and facilitate verification by warehouses. Others noted that existing labelling systems remain effective where appropriate storage and handling practices are observed and questioned whether indelible markings would always offer a significant improvement. Some respondents also highlighted practical considerations such as the continued risk of identification issues where bundles are re-strapped or labels and markings become obscured.

A smaller number of respondents either did not express a view or raised concerns regarding the potential impact on the attractiveness of placing metal on warrant. In particular, one respondent cautioned against any measure that could discourage warranting activity, while another highlighted the need to avoid applying the requirement retrospectively to existing stocks. Overall, however, respondents were broadly supportive of the direction of travel, provided sufficient implementation time is allowed and practical operational considerations are taken into account.

4.6.2 LME response and next steps

The LME intends to take this topic forward and will develop a specific proposal to require indelible PCR markings on LME-listed primary aluminium, lead and zinc brands, to be consulted on in a subsequent consultation paper. Consistent with the approach taken for copper, that consultation will set out a proposed effective date and implementation period.

The LME's current view is that any new requirement should apply prospectively to newly listed brands and shapes, rather than retrospectively to metal already produced or brands already listed. Respondents generally supported the introduction of indelible PCR markings to improve traceability and the robustness of metal identification, but a number of respondents expressed concerns that retrospective application could result in market disruption and potentially affect the warrantability of existing stocks. Further, the issue of label degradation was not considered as such a risk for these metals compared to copper; labels have been the primary identification method for many years without causing any material disruption to warranting practices. As such, the LME considers that a more gradual increasing of requirements for these three metals would still provide continuous improvement over time.

The LME also notes the suggestions made by respondents regarding complementary digital identification solutions, including barcodes and QR codes linked to LMEpassport, and will consider these as part of its ongoing work in this area.

For the avoidance of doubt, this paper does not make any change to the marking requirements for primary aluminium, lead or zinc; any such change would follow a subsequent consultation.

5 Conclusion

Having had due regard to the responses received to the Consultation and Discussion Paper, and in light of the observations made in this report, the LME has decided to implement the proposals outlined in section 4 of the Consultation and Discussion Paper as written, subject to the extended transition timetable for indelible PCR markings on copper. The LME is committed to supporting a physical network which represents best practice in operational efficiency and transparency, including its continued evolution to meet the needs of a dynamic and globally interconnected metals market. The Exchange would like to thank all its stakeholders and other market participants who contributed to this Consultation and Discussion Paper, in particular its Physical Market Committee and Warehousing Committee.

6 Appendices

Appendix 1 – LME Warehouse Agreement – redline
Appendix 2 – LME Warehouse Agreement – clean
Appendix 3 – Current and proposed FOT rates following USD dollar conversion
Appendix 4 – LME Policy on the Approval and Operation of Warehouses – redline
Appendix 5 – LME Policy on the Approval and Operation of Warehouses – clean
Appendix 6 – LME Rulebook, Part 6 – redline
Appendix 7 – Guidance Notes for Copper – redline