



# Client Guide to Executing Under the MVT Rule

June 2026

SETTING THE GLOBAL STANDARD



# 1 Purpose of document

The purpose of this document is to provide a practical guide for Clients to explain how orders can be executed following the introduction of the Minimum Volume Threshold Rule (“MVT Rule”) on the LME market.<sup>1</sup>

# 2 Background

The LME’s package of measures to enhance liquidity – originally outlined in the LME White Paper on Enhancing Liquidity – is designed to modernise the LME’s market structure and boost transparency and price competition, at the same time to protect the LME’s unique features that serve the physical metal communities.

The package of measures includes the introduction of the MVT Rule, alongside other measures such as a new liquidity provider programme, new LMEselect functionality and a fee reduction for more short-dated spread instruments.

Ultimately the objective is to centralise liquidity onto the electronic venue, pooling liquidity on the most accessible venue to provide better execution for end Clients.

# 3 Minimum volume thresholds

The LME’s Minimum Volume Thresholds (also known as “block thresholds” or “MVT”) require trades below a certain size to be executed on LMEselect to benefit from central market liquidity, price competition and transparency. The Thresholds apply to LME Liquid Instruments for the core base metals Contracts<sup>2</sup>.

<i>Metal</i>	<i>Threshold</i>	<i>Scope</i>
<b>Aluminium</b>	15 lots	<p><b>In scope:</b></p> <ul style="list-style-type: none"> <li>• M1,M2,M3,M4,M5,M6 and 3M outrights</li> <li>• Spreads where both legs are in scope</li> </ul> <p><b>Out of scope:</b></p> <ul style="list-style-type: none"> <li>• Cash outright and cash spreads</li> <li>• Non-USD trades</li> <li>• Market-on-close orders (where there is no TAS)</li> <li>• Strips</li> <li>• Any trading where LMEselect is closed</li> <li>• Ring trades and basis Ring trades</li> <li>• Options delta hedges</li> </ul>
<b>Copper</b>	10 lots	
<b>Lead</b>	10 lots	
<b>Zinc</b>	10 lots	
<b>Nickel</b>	5 lots	

<sup>1</sup> This guide should be read in conjunction with the Crossing Guidance, the Blocks Guidance, the Consultation Notice 25/083 (the “Consultation”) and the Decision Notice 25/149 (the “Decision Notice”). Terms not otherwise defined in this guide shall have the meaning ascribed to them in the LME Rulebook and/or other Rules.

<sup>2</sup> Monthly outright (or 3-month) Contracts out to month 6 and any spreads where both legs involve a monthly Contract out to month 6 or the 3-month Contract. The full list of LME Liquid Instruments (i.e. liquid instruments in scope of the MVT Rule) can be found on LME.com



## 4 Client execution options below MVT

Clients looking to execute orders below the relevant block threshold, can either (A) execute the order on LMEselect or (B) ask their Member for an indicative price and their Member will “cross” the order through LMEselect. In both cases, the Client will benefit from knowing their order has had the opportunity to interact with all liquidity available in the central electronic market.

This guide is designed to support Clients in understanding how they can execute orders under the MVT Rule. It provides an overview of the key choices available and outlines some considerations for each. Clients should engage with their Member(s) to confirm the specific order execution options available to them and discuss the most suitable way to manage their orders below the MVT.



It should be noted that where (A) Clients are executing on LMEselect, or (B) Members are crossing Client orders, Members may add commission, charges or fees provided that these have been previously agreed with the Client. These may be embedded by Members within the final Client price or charged separately. In either (A) or (B) above, Clients should therefore have greater transparency of the executed price and the “all in” price including commission, charges or fees.

### 1 Execute directly on LMEselect

Clients can receive an LMEselect screen from their Member<sup>3</sup>. This could be LMEtrader, or any front-end Independent Software Vendor (“ISV”) screen (see LME.com for a complete list of front-end ISVs). This allows Clients to view the full available liquidity in the central electronic market and place orders and execute trades directly. This includes the ability to execute directly in the monthly Contracts, should Clients ultimately want to hold their position there.

#### Key considerations

- The LME is launching a liquidity provider programme (“LOOP”), which will provide additional consistent two-way liquidity on LMEselect to support Clients who choose to execute directly.

<sup>3</sup> Clients can also place orders direct using an Application Programming Interface (API), however this guide is not focused on clients who have the capability to connect in this way.



- Implied pricing generates additional liquidity in the monthly Contracts. While only one level is visible on the market data feed, if an order is placed, it could match against additional implied depth (see *Appendix 2 for further detail*).
- Clients executing directly take on the execution risk, including slippage risk which should be considered particularly during volatile periods.
- Entering limit orders ensures that Clients will not execute at a worse price than they define as the limit price. However, limit prices may need to be amended to achieve execution.
- Many front-end ISVs offer execution tools such as Volume Weighted Average Price (“**VWAP**”), Time Weighted Average Price (“**TWAP**”) and more complex execution algorithms to support Clients who execute directly.

## 2 Ask a Member to fill you “at market” on LMEselect

Clients can ask a Member to fill them “at market” on LMEselect on their behalf. This instruction could come via web chat, telephone or otherwise. This supports Clients who do not want to directly manage orders on LMEselect and allows their orders to adhere to the block thresholds and benefit from central market liquidity. An “at market” order will trade against the available liquidity immediately, prioritising certainty of execution over price.

### Considerations

- Members executing “at market” on LMEselect for a Client will trade against the available liquidity and pass on the achieved price to the Client, alongside any commission or charges previously communicated to the Client.
- Orders executed “at market” will benefit from the liquidity provided by the LOOP programme and generated by the implied pricing functionality (see *Appendix 2 for further detail*).
- While the Member executes on the Client’s behalf, the execution risk remains with the Client, including slippage risk which should be considered particularly during volatile periods.

## 3 Ask a Member to work a limit order

Clients can ask a Member to work a limit order on their behalf. This allows an order to be worked at a better price than is immediately available in the orderbook, giving the opportunity for other market participants to trade against the Client order. Executing in this way could lead to a better fill than option 2 if the order is subsequently filled.

### Considerations

- Members executing a limit order on LMEselect for a Client will pass on the achieved price to the Client, alongside any commission or charges previously communicated to the Client.
- Orders executed in this way will also benefit from the liquidity provided by the LOOP programme and generated by the implied pricing functionality (see *Appendix 2 for further detail*).
- Entering a limit order potentially allows a Client to obtain an improved fill price by entering the limit price at a better price than the prevailing market price. However, there is no guarantee that the order will be filled and the market may move. The Client can choose to amend the limit price to increase the chance of filling the order.
- Consideration of this risk of execution uncertainty is of particular importance during periods of price volatility.



## 4 Ask a Member for an indicative price using the guaranteed cross

Clients may prefer to continue to ask their Member for a price, if so, they can get an indicative price from their Member. In this instance, Members can continue to quote a price for the specific size. The Member will then utilise the LME crossing functionality which ensures that the Client's order gets the benefit of potential price improvement from LMEselect. Where the Member chooses to guarantee that price to the Client, the Client will receive at least that quoted price or better after five seconds (*see Appendix 1 for more details*).

### Considerations

- If the price the Member offers the Client is the best available price in the market, the Client will be filled at that price after five seconds, having given the market the opportunity to improve the price.
- If a better price exists in the market after five seconds, the Client order will trade against this improved price providing a better execution<sup>4</sup> for the Client (*see Appendix 1 for more details*).
- If after five seconds the market has moved against the Client<sup>5</sup>, the order will still be filled at the original price.
- Orders executed using the guaranteed cross will benefit from the liquidity provided by the LOOP programme and generated by the implied pricing functionality (*see Appendix 2 for further detail*).
- Members using the guaranteed cross for a Client on LMEselect can add commission or charges that have previously been communicated.
- Clients should engage with their Member(s) to ascertain whether they are willing to offer this service.

## 5 Ask a Member for an indicative price using the non-guaranteed cross

Members can also offer an indicative price without guaranteeing the price to the Client. In this instance, the Client has the opportunity to receive a price improvement after five seconds where there is better pricing available on LMEselect. However, the Client is not guaranteed to have their order filled where the market moves against them (*see Appendix 1 for more details*).

### Considerations

- If the price the Member offers the Client is the best available price in the market, the Client will be filled at that price after five seconds, having given the market the opportunity to improve the price.
- If a better price exists in the market after five seconds, the Client order will trade against this improved price offering a better execution<sup>4</sup> for the Client (*see Appendix 1 for more details*).
- If after five seconds the market has moved against the Client<sup>5</sup>, the order will not be filled. The Client can ask the Member for a new indicative price or use an alternate execution methodology (execution methods 2 or 3).
- Members using the non-guaranteed cross for a Client on LMEselect can add commission or charges that have previously been communicated.
- Consideration of this risk of execution uncertainty is of particular importance during periods of price volatility.

---

<sup>4</sup> This includes a partial execution, which is expected to be passed on to the Client. For more details, see the Crossing Guidance on LME.com.

<sup>5</sup> For the guaranteed cross, if the market moves against the Client (when the best bid in book is higher than client bid), they will still be filled. For the non-guaranteed cross, if the market moves against the Client or there is a price equal to the Client's bid price, then the cross will not be filled.



## 5 Further Information

For further information on the functionality, or any question arising from the document, please contact [marketengagement@lme.com](mailto:marketengagement@lme.com).

### Appendix 1 – Crossing order type

In execution methods 4 and 5, the Client is asking the Member for an indicative price for a specific size. The Member will then use the LME crossing functionality ensuring the Client's order gets the benefit of potential price improvement from LMEselect.

#### Example – Client wants to buy 4 lots.

In this example, a Client wants to buy 4 lots of Aluminium and asks a Member for an indicative price. The Member offers an indicative price of \$2865. Whether the Member uses the guaranteed cross or the non-guaranteed cross, if the cross price remains within the bid-ask spread, the Client will be filled at that price after five seconds, having given the market the opportunity to improve the price. Here, the Client is filled 4 lots at \$2865.

				After 5 seconds				
Quantity	Bid	Ask	Quantity	Quantity	Bid	Ask	Quantity	
2	2860.00	2872.00	8	2	2860.00	2872.00	8	✓ Client filled at 2865

However, if a better price exists in the market after five seconds, the Client order will trade against this improved price offering a better execution<sup>6</sup> for the Client. In the example below, the Client order will trade with the 2 lots at \$2864 and the remaining 2 lots will be filled at the indicative price of \$2865. The Client will be filled at an average price of \$2864.50.

				After 5 seconds										
Quantity	Bid	Ask	Quantity	Quantity	Bid	Ask	Quantity	Quantity	Bid	Ask	Quantity			
2	2860.00	2872.00	8	2	2860.00	2864.00	2	2	2860.00	2872.00	8	Off-book		
											2	2865.00	2	✓ Client filled at average price of 2864.50

If the Member has chosen to use:

- (i) the guaranteed cross (in execution method 4) and if after five seconds the market has moved against the Client, the Client order will be filled at the original (indicative) Member price of \$2865.
- (ii) the non-guaranteed cross (in execution method 5) and if after five seconds the market has moved against the Client, the Client order will not be filled.

				After 5 seconds									
Quantity	Bid	Ask	Quantity	Quantity	Bid	Ask	Quantity						
2	2860.00	2872.00	8	2	2866.00	2872.00	8	Guaranteed cross	✓ Client filled at 2865				
										2	2860.00	Non-guaranteed cross	x Client not filled

<sup>6</sup> This includes a partial execution, which is expected to be passed on to the Client. For more details, see the Crossing Guidance on LME.com.



In the case of the non-guaranteed cross, the Client can ask the Member for a new indicative price or use an alternate execution methodology (execution methods 2 or 3).

## Appendix 2 - Implied pricing

Clients can benefit from the additional liquidity generated via implied pricing. This functionality works by generating more liquidity by combining orders to “create” new tradable orders. This is particularly useful for Clients looking to trade monthly Contracts because it generates monthly liquidity in LMEselect.

Implied pricing generates monthly outright liquidity in each monthly Contract prior to the 3-month Prompt Date and the next monthly after.

### Example – Jun26 orderbook

If a Client is looking to buy 5 lots of Jun26 Contract, the Jun26 orderbook on LMEselect only had only 2 bids and 2 offers (with a 3-lot offer at \$12,421.50, with seemingly nothing until \$12,500). However, the “effective” Jun26 offers much more depth due to the implied pricing, which would allow the Client to get a better fill.

Current Jun26 orderbook				➔	Effective Jun26 orderbook			
Quantity	Bid	Ask	Quantity		Quantity	Bid	Ask	Quantity
		12500.00	8			12424.50	3	
		12421.50	3			12424.00	2	
2	12418.50					12423.00	2	
1	12400.00					12422.50	2	
						12421.50	3	
				2	12418.50			
				2	12418.00			
				2	12417.50			
				2	12417.00			

The Client can enter a 5-lot limit order with a limit price of \$12,422.50 or higher. This will cause LMEselect to recalculate the effective Jun26 orderbook by combining the current 3M orderbook with the 3M-Jun26 spread.

3M orderbook				+	Jun26-3M orderbook			
Quantity	Bid	Ask	Quantity		Quantity	Bid	Ask	Quantity
		12427.50	3			0.00	4	
		12427.00	2			-0.25	12	
		12426.00	2			-0.50	10	
		12425.50	2			-0.75	20	
		12424.50	3			-3.00	100	
2	12422.00			8	-3.50			
2	12421.50			1	-5.00			
2	12421.00			1	-7.00			
2	12420.50							

The 100-lot offer for Jun26-3M at -\$3.00 means there is more depth in the market (this Fcreates effective Jun26 orders at \$12,422.50, \$12,423.00, \$12,424.00 and \$12,424.50 as it sweeps through the book). Therefore, in execution method 2 (*Ask a Member to fill you at market on LMEselect*), the Client would be filled at a VWAP of \$12,421.90 (3 lots @\$12421.50 and 2 lots @\$12422.50) for a 5-lot buy order.