



# LME Guidance on Use of Basis Ring



## Contents

- Document History ..... 2
- 1 Summary ..... 3
- 2 Scenarios ..... 3
  - 2.1 Where “Basis Ring” venue code should be used ..... 3
    - 2.1.1 Client places an order in the Ring ..... 3
    - 2.1.2 Client places a closing order in the Ring ..... 4
    - 2.1.3 Client places a closing order in the Ring and adjusts ..... 4
    - 2.1.4 Client places an order to be adjusted in the Ring ..... 5
  - 2.2 Where “Inter-office” venue code should be used ..... 5
    - 2.2.1 Member to Member trade outside the Ring ..... 5
    - 2.2.2 Category 1 Member to Category 1 Member trading a closing order outside the Ring ..... 6
    - 2.2.3 Client places a closing order in the Ring and adjusts ..... 6
    - 2.2.4 Client trade is partially filled in the Ring ..... 7

## Document History

Version	Date	Change Description
1.0	13/02/2026	Initial draft



# 1 Summary

This document provides additional clarity on when the venue code “Basis Ring” should and should not be used in the Trading Venue field on trades submitted to LMEsmart. This document should be read in conjunction with the LME Matching Rules<sup>1</sup>. Basis Ring trades are out of scope of the MVT Rule but where the venue code “Inter-office” is used then trades should adhere to any applicable MVT Rule. The correct population of the venue code field including the use of “Basis Ring” will be actively monitored.

## 2 Scenarios

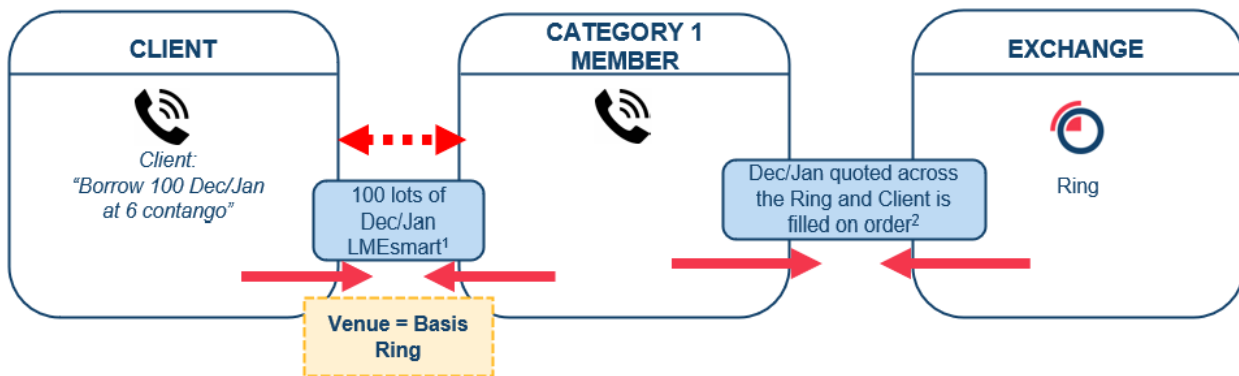
The LME Matching Rules describe populating the venue code value with “Basis Ring” *for any trade agreed between a Category 1 Member and their Client<sup>2</sup> pursuant to an order placed with that Category 1 Member, that is filled in the Ring during the relevant Ring or kerb session, basis a price(s) discovered in the Ring through trading or quoting<sup>3</sup>*. The following provides a non-exhaustive list of trading scenarios demonstrating where venue code “Basis Ring” should or should not be used.

### 2.1 Where “Basis Ring” venue code should be used

#### 2.1.1 Client places an order in the Ring

A Category 1 Member executing a Client order during the Ring and based off a price quoted across the Ring can book the resulting Client trade(s) in LMEsmart with venue code “Basis Ring”.

A market order given and executed in Ring should be booked in LMEsmart using venue code “Basis Ring”



1. Members may use the “Basis Ring” venue code and apply commissions, charges or fees to the Client trade
2. Tonnage could be traded in the Ring, crossed with another Client order during the Ring or internalised against the members house account

<sup>1</sup> See LME Matching Rules Version 2.2

<sup>2</sup> “Client” is defined in Part 1: Definitions and General Rules in the LME Rules and Regulations but for the avoidance of doubt, a Category 1 Member can be a Client of another Category 1 Member, and a Category 2 Member can be a Client of a Category 1 Member

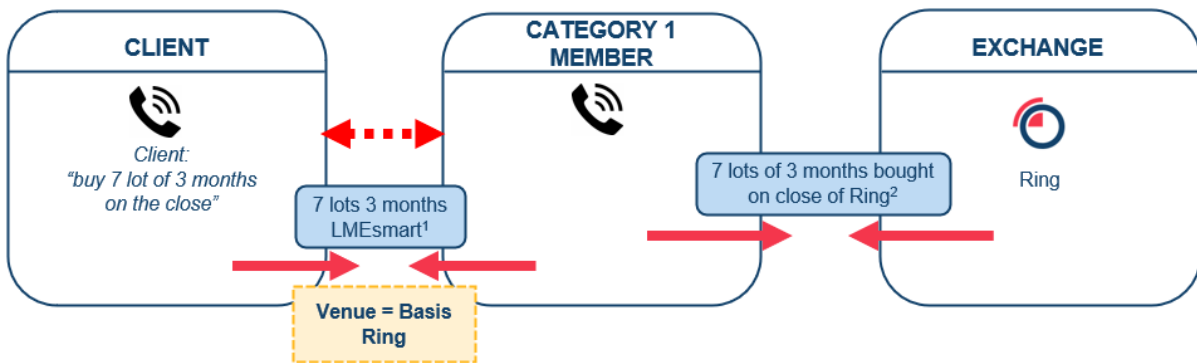
<sup>3</sup> Section para. 16 of the LME Matching Rules



### 2.1.2 Client places a closing order in the Ring

A Category 1 Member executing a Client order to specifically execute in the Ring should be booked in LMEsmart with venue code “Basis Ring”.

A closing order which is executed in the Ring should be booked in LMEsmart with venue code “Basis Ring”

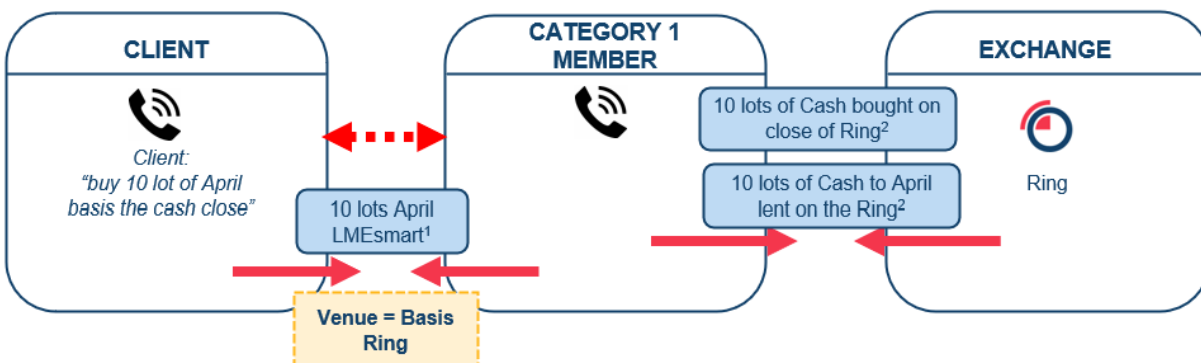


1. Members may use the “Basis Ring” venue code and apply commissions, charges or fees to the Client
2. Tonnage could be crossed with another Client order during the Ring or internalised against the members house account

### 2.1.3 Client places a closing order in the Ring and adjusts

A Category 1 Member executing all parts of a Client order in the Ring should be booked in LMEsmart with venue code “Basis Ring”.

An order with all parts executed in the Ring should be booked in LMEsmart with venue code “Basis Ring”



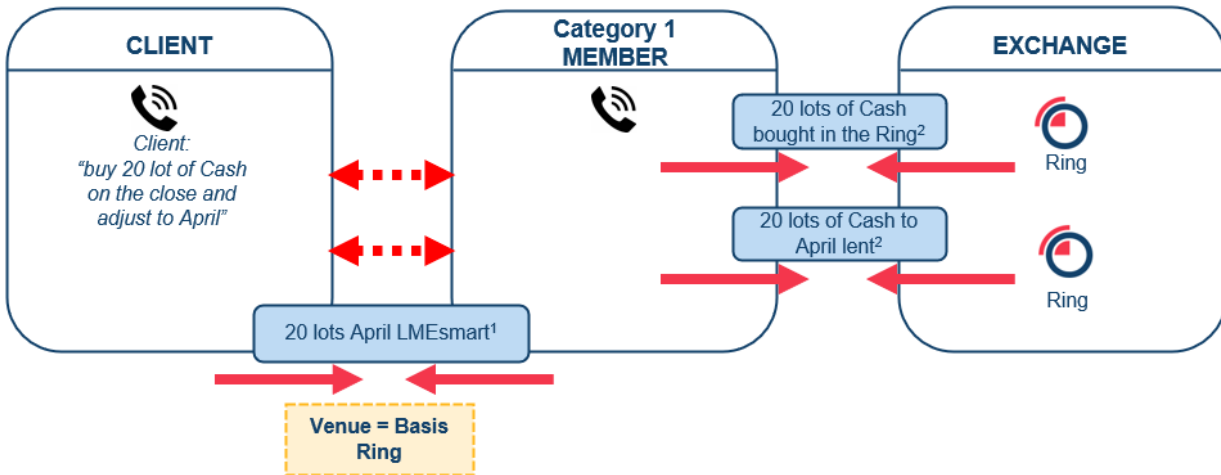
1. Members may use the “Basis Ring” venue code and apply commissions, charges or fees to the Client
2. Tonnage could be crossed with another Client order during the Ring or internalised against the members house account



### 2.1.4 Client places an order to be adjusted in the Ring

A Category 1 Member executing a Client order to adjust in the Ring can book the Client trade in LMEsmart with venue code “Basis Ring” only if all parts of the adjustment have been executed in the Ring

The trade can be booked as Basis Ring so long as all parts of the order are transacted in the Ring.

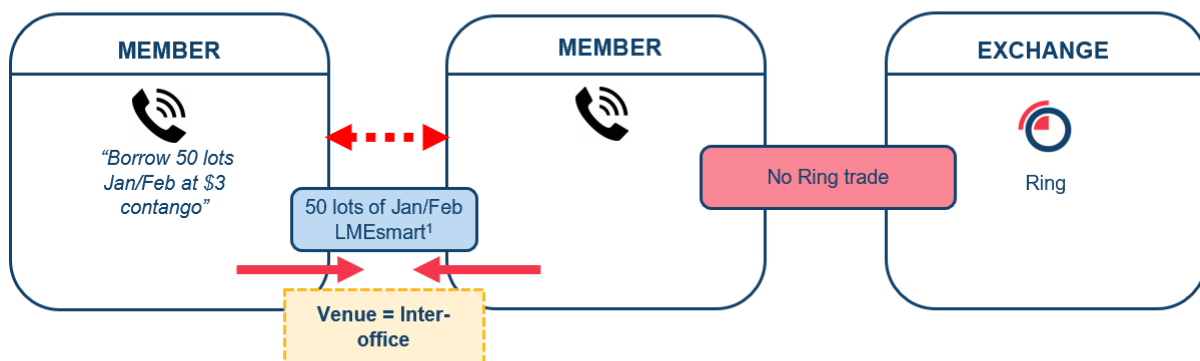


1. Members should use venue code “Basis Ring” as entire trade was executed in the Ring
2. Tonnage could be crossed with another Client order during the Ring or internalised against the members house account

## 2.2 Where “Inter-office” venue code should be used

### 2.2.1 Member to Member trade outside the Ring

Any business carried out between Members outside the Ring should be considered Inter-office even if the Ring is in session

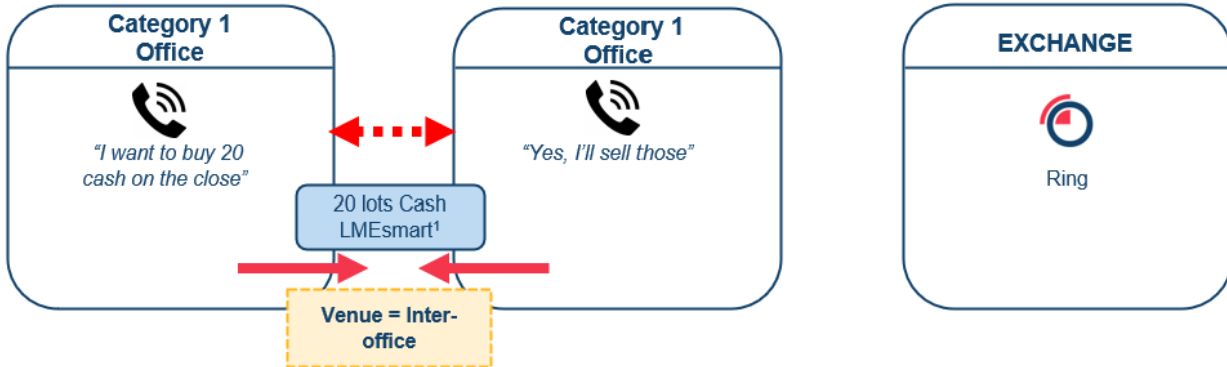


1. Trade should adhere to any applicable MVT rules



### 2.2.2 Category 1 Member to Category 1 Member trading a closing order outside the Ring

Any business carried out between Category 1 Members outside the Ring should be considered Inter-office even if based off a Ring price

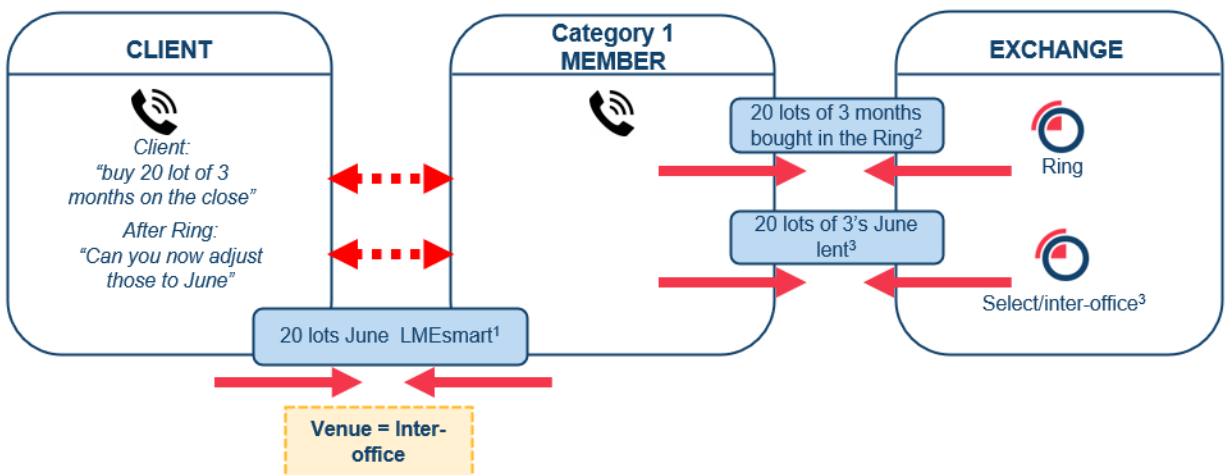


1. Trade should adhere to any applicable MVT rules

### 2.2.3 Client places a closing order in the Ring and adjusts

A Category 1 Member executing a Client order to specifically execute in the Ring and then adjusting after the Ring close should be booked in LMEsmart with venue code "Inter-office".

The Client trade is not fully executed in the Ring. If it is booked as one trade then the "Inter-office" venue code must be used, alternatively it can be booked as separate trades with the respective venue codes.



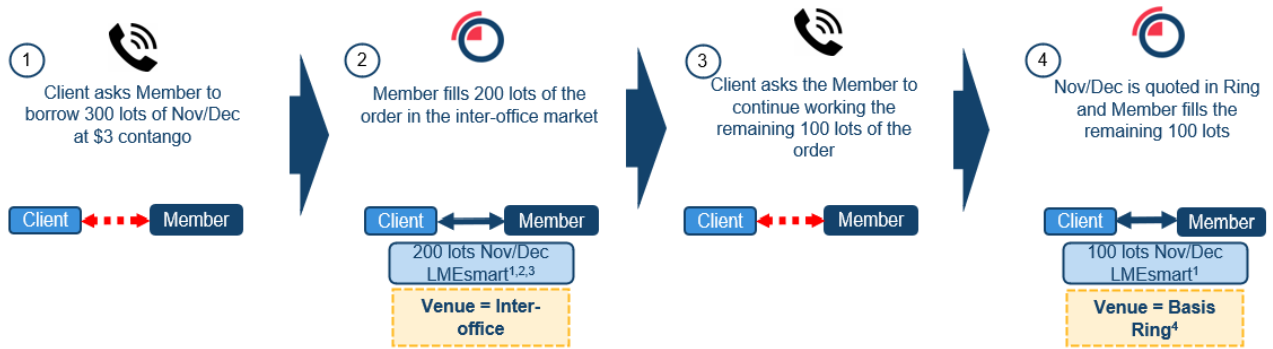
1. Members should use venue code "inter-office" as entire trade was not executed in the Ring
2. Tonnage could be crossed with another Client order during the Ring or internalised against the members house account
3. Adjustment should adhere to any applicable MVT rules



### 2.2.4 Client trade is partially filled in the Ring

A Client order is partially filled by the Category 1 Member inter-office and the remaining volume is executed in the Ring, the trades should be booked as per the trading venue of execution and, as per the example below, should be booked in LMEsmart with venue codes "Inter-office" and "Basis Ring" respectively.

**A market order given and executed in Ring should be booked in LMEsmart using venue code "Basis Ring"**



- 1. Client Trades should be booked with 2 different venue codes to represent how the order was executed
- 2. If this needs to be booked as one trade the venue code should be inter-office.
- 3. Trade should adhere to any applicable MVT rules
- 4. Members may use the "Basis Ring" venue code and apply commissions, charges or fees to the Client trade