To:	All members
Ref:	26/101
Classification:	Disciplinary
Date:	10 April 2026
Subject:	**DISCIPLINARY ACTION: BNP Paribas**

Summary

1. This Notice records a settlement between the London Metal Exchange (the **"LME"**) and Category 2 Member BNP Paribas (**"PFU"**), which includes a financial penalty of £120,000.

Background

2. Following an investigation (the "**Investigation**") by the LME, the LME and PFU have reached a settlement pursuant to Regulation 14.69 of Part 2 "Membership, Enforcement and Discipline" of the LME Rulebook (the "**Rulebook**"). The settlement has been reached on the terms outlined below. The Enforcement Committee of the LME has approved the settlement.

3. The alleged misconduct against PFU relates to a breach of paragraphs 26 of Notice 24/113 dated 29 February 2024[1] (the "**Position Management Notice**"), Regulation 5.7.4 of Part 3 of the Rulebook[2] and Regulation 12.6(c) of Part 2 of the Rulebook which requires that a Member shall organise and control its affairs in a responsible and effective manner, with appropriate and adequate risk management systems.

4. PFU failed to submit their commodity position report ("**CPR**") on time on 27th September 2024 (for business date 26th September 2024) as required under paragraph 26 of the Position Management Notice (the "**CPR Issue**"). As a result of the CPR Issue, the LME's lending notification to the market on 27th September 2024 was incorrect and had to be reissued. PFU also failed to submit their CPR on time on 9th, 26th and 30th September 2024 (for business dates 6th, 25th and 27th September 2024) (the "**September 2024 CPR Errors**").

5. In addition, PFU failed to submit options volatilities data on each business day between 9th and 30th September 2024 (inclusive), being 16 business days in total (the "**Options Volatility Errors**").

6. The LME considers that the CPR Issue, the September 2024 CPR Errors and the Options Volatility Errors occurred as a result of PFU's failure to have adequate IT processes in place to submit CPR and options volatilities data in a timely manner on the dates referred to at paragraphs 4 and 5 of this Notice. The LME considers that the CPR Issue, the September 2024 CPR Errors and the Options Volatility Errors constitute a breach of the Position Management Notice, Regulation 5.7.4 of Part 3 of the Rulebook and Regulation 12.6(c) of Part 2 of the Rulebook respectively.

7. The LME notes that PFU was open and cooperative with the LME during the Investigation. The LME also understands that PFU has since taken measures to enhance its IT processes to prevent failures similar to the CPR Issue, the September 2024 CPR Errors and the Options Volatility Errors from occurring in future.

[1] Notice 24/113 was in force when the LME commenced the Investigation. Notice 24/113 has since been superseded by Notice 24/261 dated 14 October 2024

[2] Regulation 5.7.4 of Part 3 of the Rulebook requires Members to submit closing volatilities date to the LME if they are active in a particular Metal Option, Traded Average Price Option, Index Option and/or LME precious Option at any particular time as determined by the Exchange.

Settlement

8. The LME and PFU agreed a settlement in which PFU will pay a financial penalty of £120,000 in respect of the CPR Issue, the September 2024 CPR Errors and the Options Volatility Errors.

Adherence to the Rulebook

9. The LME reminds Members that they must have adequate systems and controls to report CPR and options volatility data in an accurate and timely manner. Position reports are a vital component of the LME's market surveillance operations, which includes (but is not limited to) the accurate issuance of the Lending Rules to market participants. The LME also reminds Members that their options volatilities submissions must be reported accurately and on time. Options volatilities data assists the LME in the valuation process and contributes to the quality of the volatility surface, established by the LME's Trading Operations department. The LME takes failures by Members to report CPR and options volatility data in an accurate and timely manner very seriously.

Joe Morrison
Head of Market Surveillance

cc: Board directors
Enforcement Committee