

To: All members and other interested parties

Ref: 25/226

Classification: Trading

Date: 9 December 2025

Subject: **MARKET STRUCTURE MODERNISATION DELIVERY UPDATE**

Summary

1. This Notice provides an update on the timelines for the LME's market structure modernisation initiatives relating to enhancing liquidity on LMEselect.
2. The timelines for the coming into effect of the prohibition on Pre-Trade Communications on LMEselect, the Crossing Rule and the Minimum Volume Threshold rule (the **MVT Rule**) remain unchanged (20 February 2026 for Pre-Trade Communications and Crossing, 30 March 2026 for the MVT Rule - please refer to the Decision Notice on Enhancing Liquidity (LME Notice 25/149) the (**Decision Notice**).
3. In response to Member feedback and to support participant readiness, the LME will be offering an extended period of market testing for the new automated crossing order type and is also applying a 12 week "grace period" (the **Grace Period**) after the introduction of the MVT Rule.

Background

4. In the Decision Notice, the LME confirmed its decision to proceed with the implementation of MVT Thresholds (also known as **Block Trade Thresholds**), the Crossing Rule and a prohibition on Pre-Trade Communications in LMEselect. These Rules form part of a broader package of measures designed to modernise the LME's market structure, boosting transparency and price competition, while protecting the unique features of its market that serve the physical metal communities.
5. In addition, the Update on Enhancing Liquidity published on 30 April 2025 (LME Notice 25/082) provided detail on the broader set of initiatives including the introduction of trade-at-settlement (**TAS**), changes to the Financial OTC Booking Fee (**FOTCBF**), tick size changes, a liquidity provider programme as well as a change to the short-dated carry definition.
6. For completeness, this Notice provides the latest timelines for the broader set of initiatives and a consolidated summary timeline for ease of reference.

Implementation timelines

Crossing

7. The Crossing Rule and Pre-Trade Communication prohibition will come into effect on 20 February 2026, with the manual cross immediately available for market participants to use should they wish to cross orders through LMEselect.
8. The LME recognises that Members need to have appropriate time to test the new automated crossing order type and is providing an extended 15 weeks of market testing from 2 February 2026. This is to ensure sufficient time for Members and ISVs to complete the development required. This also



accommodates the need, in some cases, for Members to wait for front end ISVs to undertake any required development before they are able to test the new order type themselves. The new automated crossing order type will therefore go live in production on 18 May 2026.

9. The LME notes that the Crossing Guidance, crossing examples document and the FIX specification documents for the automated crossing order type are all available on the LME website.

Block trade thresholds

10. The MVT rule will come into effect on 30 March 2026, as outlined in the Decision Notice. However, in response to feedback from Members, the LME will be operating a Grace Period from the implementation date until 22 June 2026 (12 weeks) during which no enforcement action will be taken against Members for not meeting the requirements of the MVT Rule. This should provide Members with time to prepare and deliver required changes to business processes and systems, and will allow Members to see the exact format and content of related monitoring requests to support their build.
11. During the Grace Period the LME will be monitoring the activity of sub MVT inter-office trades, and generating example audit requests for Members. To be clear, there will be no obligation for Members to respond to any example audit requests.
12. The LME has set out additional detail in the Blocks Guidance available on the LME website and provided Members with further information on the post-trade monitoring process, including the process and format of requests.

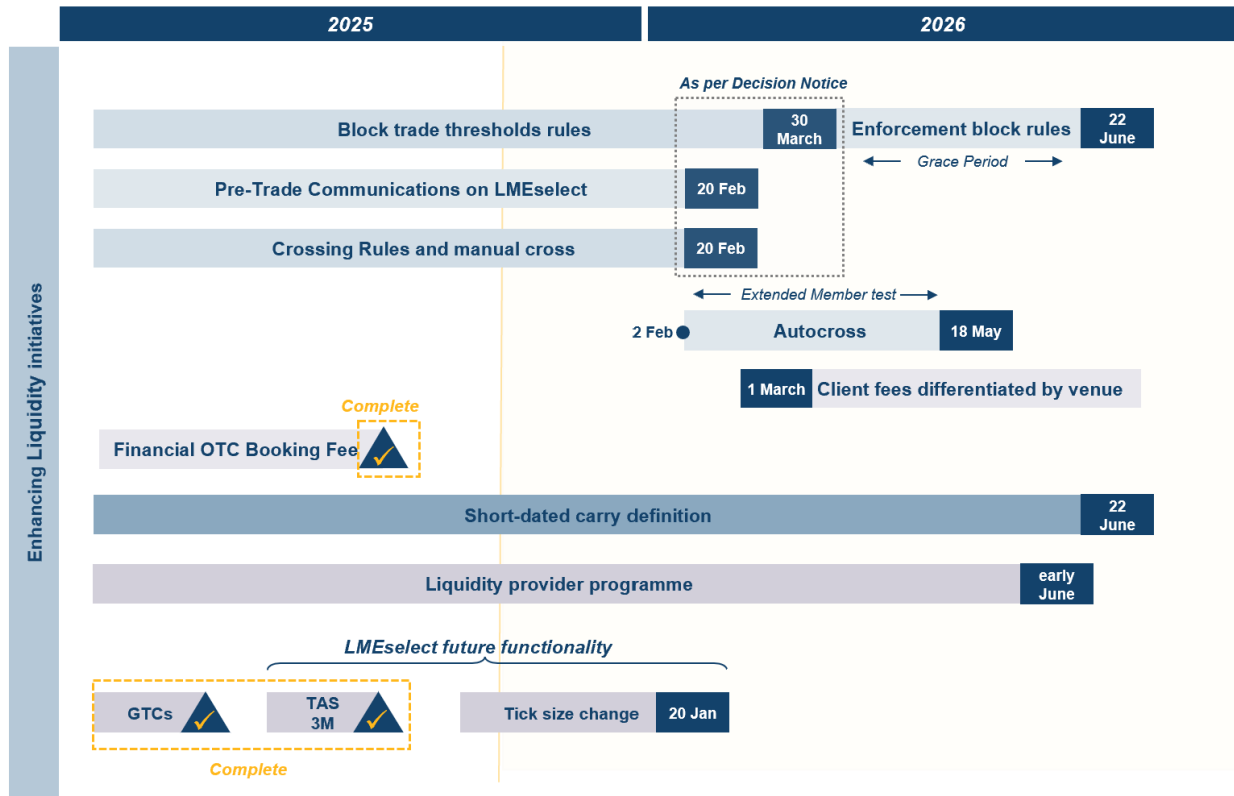
Other measures to enhance liquidity

13. The LME is revising the tick sizes for certain spread instruments designed to foster healthier market dynamics by incentivising positive behaviour, encouraging liquidity to pool and enhancing transparency of volume at depth for all market users. The tick size change is available in the Market Test B (**MTB**) environment now and is being actively tested by participants. The change will go live in production on 20 January 2026.
14. The LME is introducing changes to align the fee schedule with its strategy to enhance liquidity on LMEselect (see LME Notice 25/214, published on 28 November 2025). From 1 March 2026, Client fees will be differentiated by venue, with inter-office transaction fees increasing c.20% while Client electronic trading and clearing fees will drop by between 7.4% and 8.5% (such that the “all-in” transaction cost for a Client outright trade on LMEselect will reduce by 4.5%).
15. The LME will also be launching a liquidity provider programme to directly incentivise liquidity in key outright and spread instruments at the front of the curve. This is a crucial part of the overall package as it directly builds the consistent two-way liquidity provision onscreen to support those who want to directly execute in the central limit orderbook. This is particularly important when Block Trade Thresholds are introduced; therefore, the LME intends to launch the programme in early June, ahead of the end of the Grace Period for the MVT Rule. More details will be announced to the market via Notice in Q1 2026.
16. The LME is also expanding the definition of a short-dated carry, such that more trades will be subject to the lower transaction fee that applies. This helps support the physical market as such trades are used to perfectly align with physical contract dates. The expanded definition will take effect on 22 June 2026. More detail on the new definition, including detailed examples are available on the LME website.



Market structure modernisation consolidated timeline

Market structure modernisation timeline



Further information

17. Stakeholders can reach out to their existing contacts or contact market.engagement@lme.com.

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Chief Operating Officer & Head of Trading

cc: Board directors
All committees