

Annual General Meeting

The LBMA's Annual General Meeting will take place at Glaziers Hall, 9 Montague Close, London Bridge, London SE1 9DD, on Thursday 6 July at 16:00. The AGM presents an ideal opportunity for any interested member of staff in Member and Associate companies to hear about what the LBMA has been doing over the last 12 months as well as meet representatives of the other member companies. This year, it will be the turn of the Market Maker member representatives to be elected. In line with the usual procedures, the documentation, including nomination forms for the Board election, will be circulated to the official LBMA contact in each Member firm in advance of the meeting. The AGM will be followed by refreshments in the River Room, Glaziers Hall.

LPMCL News

The LBMA is delighted to announce that its closer working relationship with the London Precious Metals Clearing Limited (LPMCL) has recently been formalised with the signing of a Service Level Agreement (SLA). The LBMA is now the registered head office for the LPMCL and will assume responsibility for the administrative and secretarial duties on behalf of the LPMCL. The Executive has been working closely with the LPMCL on upgrading and rebranding its website. It is expected that this will be launched soon. The LBMA has also been collecting clearing statistics for platinum and palladium from the LPMCL members and, following a period of quality

checking, these will be published monthly at the same time as the gold and silver clearing statistics.

The LBMA and the LPMCL are also delighted to announce that from summer 2017 the LBMA will be publishing the gold and silver physical precious metals holdings of the London vaults, with the platinum and palladium holdings to be published at a later date. It is expected that the first set of numbers will be accompanied by a detailed commentary, with the data published monthly thereafter.

Regulation Update

By Sakhila Mirza, LBMA General Counsel

Responsible Gold Guidance

It has been four years since the LBMA launched its Responsible Gold Guidance (RGG). The RGG extends the OECD Gold Supplement for Refiners and builds on existing Anti-Money Laundering and Know Your Customer management systems and auditing practices. It also makes the voluntary OECD Guidance system mandatory for all LBMA Good Delivery gold refiners wishing to be accredited for the London bullion market.

Both refiners and auditors have been working diligently with the LBMA to ensure that the implementation of the RGG guidelines continues to be successful. Refiners have made excellent progress to further improve their internal processes and procedures, and to be proactive in complying with the updated RGG provisions. Failure to comply with the RGG has led to refiners being transferred to the Former List.

In February 2017, the LBMA attended the OECD Regional Workshop on Best Practices for the Sustainable Development of Artisanal Mining. Discussions on stakeholder engagement and governmental responsibility are critical for meaningful, measurable progress, and this forum enabled the LBMA to represent downstream companies' increasing expectations and demands for responsible and sustainable sourcing practices.

Responsible Silver Guidance

In May 2016, with strong support from industry stakeholders across the supply chain, the LBMA launched the initial consultation period for its Responsible Silver Guidance (RSG). Earlier this year it launched a consultation on the draft Guidance in order to ensure an implementable, beneficial set of standards that will assist refiners in demonstrating their compliance with industry best practices in responsible sourcing.

The LBMA would like to thank everyone who has submitted feedback so far. Public consultation for the proposed RSG will begin on 1 July 2017, with the final Guidance to be published in Q4 2017. Refiners will be able to submit audit documentation on a voluntary basis from 1 January 2018.

OECD Alignment Assessment

The EU Conflict Minerals legislation, due to take effect from 1 January 2021, will require EU companies to take demonstrable steps to ensure importation of "3 TGs" (tungsten, tantalum, tin and gold) from responsible sources only. The LBMA believes that industry schemes, such as the RGG, could help companies in demonstrating compliance with the requirements under the Regulation. In order to help determine which industry schemes meet the standards of the EU legislation, the OECD has undertaken a pilot Alignment Assessment of a few select industry programmes. The LBMA voluntarily took part in the pilot, which focused on: i) the alignment of industry programmes' standards and systems with the OECD Due Diligence Guidance; and ii) alignment of the industry programmes' implementation efforts with the OECD Guidance. The OECD will be sharing feedback on the Methodology Tool used during the assessment at its Responsible Minerals Forum in May 2017 and the results from the pilot in summer 2017. The LBMA continues to stay focused on further developing its programme and is working on issuing the next draft of the RGG later in 2017.

Net Stable Funding Ratio (NSFR)

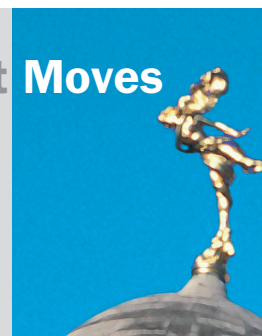
The LBMA and law firm Norton Rose Fulbright have recently completed a position paper summarising the potential adverse market impact of the NSFR, as well as suggested amendments that would help the precious metals market. The next steps will be to

present the paper to the European legislators and then meet with key stakeholders to explain the likely effect that the NSFR provisions would have on the end user. The potential for a fall in liquidity and higher costs continues to be a critical concern for the precious metals market.

Precious Metals Code

The LBMA will be launching the global Precious Metals Code on 25 May 2017. The new Code will apply to all precious metals market participants and will provide guidance on industry best practices. The Code will be supported by an explanatory note to help organisations understand the compliance requirements, and firms will be expected to sign a 'statement of commitment' to confirm compliance.

Market Moves



Giles Maber joins Sharps Pixley

On 13 February 2017 Giles Maber joined Sharps Pixley Ltd in London as Business Manager. Giles brings with him an excellent understanding of the metals markets coupled with extensive experience in building new client relationships, especially in the wealth management sector.