

# LBMA Silver Price Oversight Committee Meeting

## Meeting Minutes

**Meeting Date:** 21 December, 2016

**Meeting Location:** Thomson Reuters Building, 30 South Colonnade, Canary Wharf London E14 5EP

**Attendees (phone or in person):**

Neil Stocks (Independent Non-Executive and Chair), Gavin Lee (CME), Bernhard Fuchs (Umicore), Martyn Smith (The Royal Mint), David Clark (Independent Non-Executive), Julian Day (Thomson Reuters)

**Guests:**

Bruce Alway, Stephan Flagel, Carl Chambers and Brandon Meneguzzi (Thomson Reuters)

**Introduction/Appointment of New INED David Clark (Neil Stocks)**

The Chair introduced the addition of David Clark to the LBMA Silver Price Oversight Committee as a Non-Executive Independent Director.

**Auction Activity & Market Surveillance in 2016 (Gavin Lee)**

It was reported that the Financial Conduct Authority (FCA) is pleased with the level of analysis the CME monitoring and surveillance team provides on a weekly basis. This is the same content provided to the Members of the Oversight Committee (OC). OC members requested that the weekly updates highlight any information that is outside of the normal process. CME stated that any items outside of the normal process would be raised immediately.

**Review of Price Deviation Tolerance and Automation of Processes (Gavin Lee)**

By January, tolerance will be in place to ensure the auction does not deviate from the spot market. The current tolerance is \$ 00.15. At any point during the auction where the benchmark price moves more than 15 cents away from the spot price, the auction will automatically close. Auction will then restart in 15 minutes, with the intent that it's more reflective of the market. CME agreed to update and circulate information regarding where the spot was in relation to the auction close.

**Feedback from FCA/Chair meeting (Neil Stocks)**

FCA and LBMA have raised concerns around multiple rounds for the auction. It was highlighted that this is not an issue as the purpose of the auction is to find its natural balance.

CME will notify Thomson Reuters, FCA, LBMA and the OC if there are ever more than 10 rounds in an auction.

Chair reported that the evolution of the OC has meant an improved perception of the Committee with the FCA. INED David Clark updated OC that he had received positive feedback from FCA on progress. There was discussion regarding the unique circumstances of Thomson Reuters and CME both acting as Administrators, but that all parties were continuing to maintain a positive working model.

**Indicative GBP/EUR Silver prices consultation: conclusion and discussion (Julian Day)**

The indicative silver price consultation for EUR and GBP is completed. Feedback supported maintaining indicative benchmarks. It was noted ICE has increased indicative currencies for LBMA Gold Price. Decision was made to continue EUR and GBP publications. At this time there are no plans to publish additional indicative currencies.

## **Thomson Reuters Organizational Changes (Julian Day)**

Thomson Reuters has combined its Index and Benchmarks business and is now led by Stephan Flagel.

## **AOB**

Carl Chambers indicated that the Participant Code of Conduct had been updated and sent to the TRBSL Board for approval.

Meeting was adjourned.