



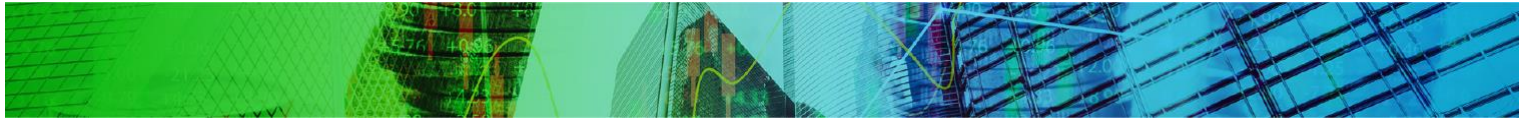
LBMA Gold and Silver Prices - Usage Survey Feedback Statement

January 20, 2020



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Executive Summary

The LBMA Gold Price and LBMA Silver Price are the global benchmark prices for unallocated gold and silver delivered in London. Producers, the investment community, banks and central banks, fabricators, jewelers and other consumers as well as market participants from around the globe use the benchmarks as reference prices.

ICE Benchmark Administration Limited (IBA) conducts auctions, the final prices of which are published by IBA in US Dollars (USD) and converted into 16 other currencies. The benchmarks in the non-USD currencies are not prices at which trades can necessarily be executed. Also, in some cases prices can be difficult to source, particularly when the currency markets in the local jurisdictions are closed.

In considering a reduction in the number of non-USD currencies, IBA launched a survey in September 2019 to seek feedback on the usage of the non-USD LBMA Gold and Silver Prices produced by IBA.

A questionnaire requested specific feedback from market participants and more general feedback by email or letter was also welcomed. Respondents were requested to provide feedback to IBA by November 15, 2019.

Based on the feedback from the usage survey, IBA intends to **cease publication** of the following Non-USD prices:

- Australian Dollars;
- Canadian Dollars;
- South African Rand;
- Indian Rupees;
- Malaysian Ringgit;
- Russian Rubles;
- Singapore Dollars;
- Swiss Francs;
- New Taiwan Dollars;
- Thai Baht;
- Turkish Lira;
- Japanese Yen;
- Offshore Yuan; and
- Onshore Yuan.

IBA will announce in the coming months when the above Non-USD prices will be ceased.

However, given that IBA received a limited response to the survey, users are invited to inform IBA **on or before Wednesday February 19, 2020** if they have any issues with the **proposed cessations**.

Subject to any further comments, IBA would propose to announce thereafter a final cessation date, with a three month notice period. Users are asked to advise IBA **on or before Wednesday February 19, 2020** if they have any issues with the **proposed notice period**.



About the LBMA Gold and Silver Prices

Introduction

The LBMA Gold Price and LBMA Silver Price are the global benchmark prices for unallocated gold and silver delivered in London. Producers, the investment community, banks and central banks, fabricators, jewelers and other consumers as well as market participants from around the globe, transact through IBA's gold and silver auctions and use the benchmarks as reference prices.

The LBMA Gold Price and LBMA Silver Price facilitate spot, monthly averaging, cash-settlement, location swaps, fixed for floating swaps, options and other derivative transactions important to price risk management. The ability to transact and reference a single transparent price produced by a regulated benchmark administrator provides significant benefits to the market.

Benchmark methodology

IBA operates electronic auctions for spot, unallocated loco London gold and silver, providing a market-based platform for buyers and sellers to trade. The auctions are run each week day at 10:30 and 15:00 London time for gold and at 12:00 London time for silver.

The final auction prices are published to the market as the LBMA Gold Price AM, the LBMA Gold Price PM and the LBMA Silver Price benchmarks respectively.

Further information

The Benchmark Statement for the LBMA Gold and Silver Prices is published by IBA at:

https://www.theice.com/publicdocs/Precious_Metals_Benchmark_statement.pdf

Further information about the LBMA Gold and Silver Prices, including how to access the benchmark rates, can be found at:

<https://www.theice.com/iba/lbma-gold-silver-price>



Summary of feedback

Introduction

As stated earlier, the price formation for each IBA gold and silver auction is in US Dollars. At the end of each auction, the price in USD is converted by IBA into the following other currencies:

- Australian Dollars;
- British Pounds;
- Canadian Dollars;
- Euros;
- South African Rand;
- Indian Rupees;
- Malaysian Ringgit;
- Russian Rubles;
- Singapore Dollars;
- New Taiwan Dollars;
- Swiss Francs;
- Thai Baht;
- Turkish Lira;
- Japanese Yen;
- Offshore Yuan; and
- Onshore Yuan.

IBA has been considering a reduction in the number of non-USD currencies since they are indicative prices and not prices at which trades can necessarily be executed. Also, in some cases prices can be difficult to source, particularly when the currency markets in the local jurisdictions are closed.

IBA launched a usage survey on September 26, 2019 and requested feedback by November 15, 2019. In the survey, IBA asked respondents to state whether their use of each of the non-USD benchmark prices is:

- Often;
- Occasional; or
- Little or none.

Seven responses were received to the usage request. The number of respondents is shown in the table below:

| Non-USD currency | Usage (number of respondents) | | |
|--------------------|-------------------------------|------------|----------------|
| | Often | Occasional | Little or none |
| Australian Dollars | 1 | | 1 |
| British Pounds | 2 | | 1 |
| Canadian Dollars | | | 1 |
| Euros | 3 | | 1 |
| South African Rand | | | 1 |
| Indian Rupees | | | 1 |



| | | | |
|--------------------|---|--|---|
| Malaysian Ringgit | | | 1 |
| Russian Rubles | | | 1 |
| Singapore Dollars | | | 1 |
| New Taiwan Dollars | | | 1 |
| Swiss Francs | 1 | | 1 |
| Thai Baht | | | 1 |
| Turkish Lira | 1 | | 1 |
| Japanese Yen | | | 1 |
| Offshore Yuan | | | 1 |
| Onshore Yuan | | | 1 |

IBA has been in contact with the respondents with “Often” use of the non-USD currencies and it is IBA’s understanding that the cessations would not create issues for them.

Conclusion and next steps

Based on the feedback from the usage survey, IBA intends to cease publication of the following Non-USD prices:

- Australian Dollars;
- Canadian Dollars;
- South African Rand;
- Indian Rupees;
- Malaysian Ringgit;
- Russian Rubles;
- Singapore Dollars;
- New Taiwan Dollars;
- Swiss Francs;
- Thai Baht;
- Turkish Lira;
- Japanese Yen;
- Offshore Yuan; and
- Onshore Yuan.

IBA will announce in the coming months when the above Non-USD prices will be ceased, after which IBA will produce the LBMA Gold Price and the LBMA Silver Price in US Dollars and convert them into British Pounds and Euros.

However, given that IBA received a limited response to the survey, users are invited to inform IBA **on or before Wednesday February 19, 2020** if they have any issues with the **proposed cessations**.

Subject to any further comments, IBA would propose to announce thereafter a final cessation date, with a three month notice period. Users are asked to advise IBA **on or before Wednesday February 19, 2020** if they have any issues with the **proposed notice period**.



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The approach set out in this document is subject to change in response to feedback from market participants and other stakeholders and IBA's further development work.

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