



LBMA

ANNUAL REVIEW 2018



LBMA – The Global Authority for Precious Metals

LBMA is the pre-eminent standard-setting body for the global wholesale market for precious metals. We have some 150 members based in over 30 countries and they encompass every part of the journey in precious metals production.

Our mission is to ensure the highest levels of integrity, transparency and leadership for the global precious metals industry by setting standards and developing market services.

[Integrity](#) | [Transparency](#) | [Leadership](#)

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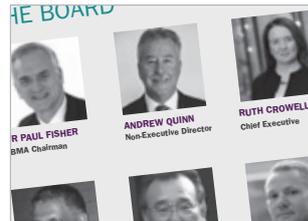
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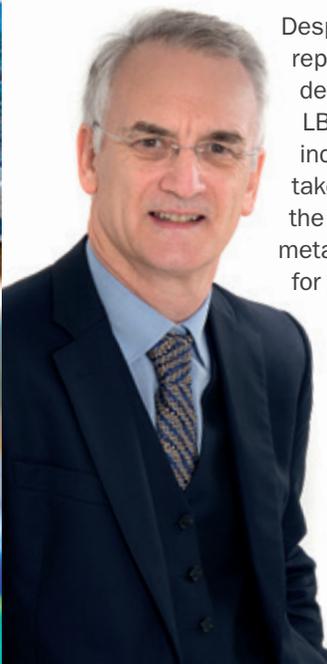
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Message from the Chairman

Welcome to the second Annual Review by LBMA. The eagle-eyed among you will have spotted that while the first edition covered news between our annual conferences in 2016 in Singapore and 2017 in Barcelona, the 2018 edition covers a somewhat shorter period. However, it was always our plan that future Reviews should be ready for the mid-year AGM at which Members have the opportunity to question the Executive on the performance of their Association.

Despite the slightly shorter reporting period, the Review demonstrates that the work of LBMA continues apace. We are increasingly being required to take the lead in issues affecting the global OTC market for precious metals. Whether that be the need for greater transparency (LBMA-i project), ensuring appropriate behaviour from market participants (Responsible Sourcing Guidance and the Global Precious Metals Code)



or coordinating the self-regulation for other elements of the industry. Indeed, these tasks informed the keywords that we have adopted for our values: **Leadership. Integrity. Trust.**

We realise that to act as the international champion of a globally important asset class means reaching far beyond our London offices. Hence, we have stepped up our Executive outreach, engaged a consultant in Asia and are looking at new categories of Membership. We are also working on translations of our key publications for the benefit of interested parties across the world. Obviously, all this is taking place while continuing our traditional role of maintaining the Good Delivery Lists. As always, LBMA optimises its resources to ensure that it carries out its mission in the most cost-effective and efficient manner.

LBMA is firmly focused on its goals, on behalf of all its members and the wider market, and we look forward to discussing this with many of you at the 2018 Conference in Boston.

Paul Fisher
LBMA Chairman

LBMA ON A MISSION

by Ruth Crowell
LBMA Chief Executive

Last year, I announced LBMA's mission to ensure the highest levels of integrity, transparency and quality. Building upon these foundations, we have published a public register listing those members who have attested to the Global Precious Metals Code (the Code). We will also shortly be publishing the traded daily volume for Loco London and Loco Zurich for the first time. Responsible Sourcing continues to evolve as a key tool and now covers more metals as well as environmental issues.

To increase understanding of LBMA's successes and initiatives, we are stepping up our communication with clients, industry and regulators around the world. This involves further outreach and engagement at industry events. A popular feature has been the series of films that were launched in 2018 to communicate the work of LBMA. These films allow all stakeholders to share LBMA's mission, but more importantly, publicise the quality and integrity of the global market we represent. To further engage market participants in the decision-making process, we are investigating new categories of membership most notably for central banks and the mining industry.



INTEGRITY

As the Global Authority for Precious Metals, LBMA devises policies that not only cover behaviour by participants (the Code), but also the standards for the underlying product (Good Delivery System).

In February 2018, the Bank of England announced that it was committed to supporting and promoting a fair and transparent market, and publically listed its Statement of Commitment to the Code. Its announcement sent a strong statement to market participants and other central banks. We are promoting the Code globally to encourage all market participants, even those who are not LBMA members, to comply by this international standard.

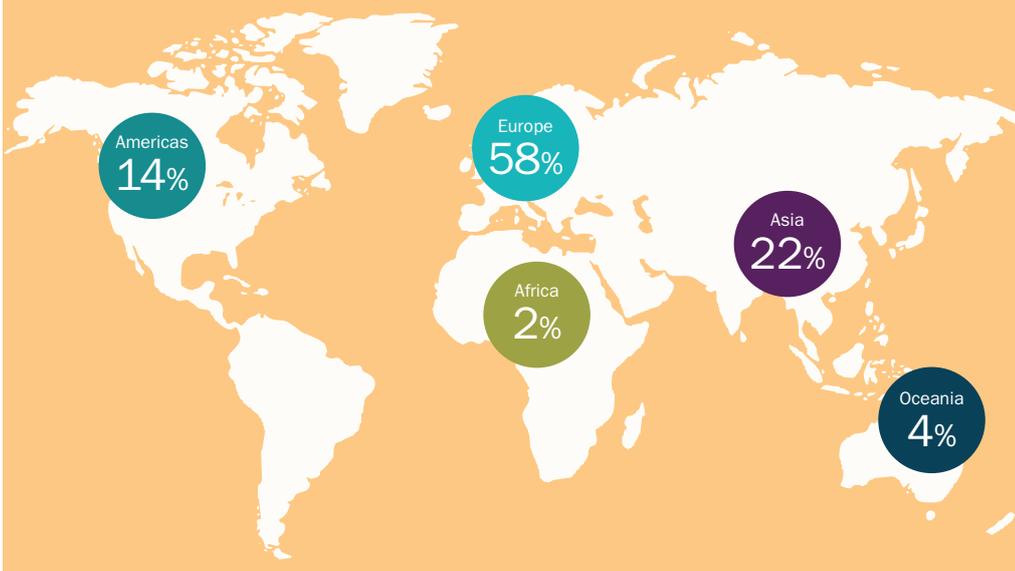
Turning to the underlying product, the integrity of the metal itself continues to be strengthened through the stringent requirements of the Good Delivery

**WE ARE LOOKING
AT BLOCKCHAIN TO
STRENGTHEN
SUPPLY CHAIN
PROVENANCE**

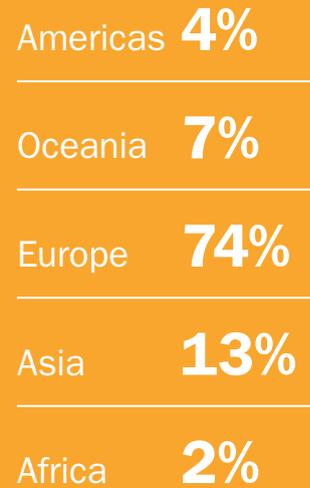
System. The Referees Panel for assay testing will be expanded for the first time to ensure the ongoing quality of the group and its confidential applicant testing process. Responsible Sourcing has expanded to cover silver, platinum and palladium. We have also widened the scope of Responsible Sourcing to cover

sustainability and environmental issues. Our gold bar integrity initiative will take Responsible Sourcing to

A Global Membership – All Members, Associates & Affiliates



Regional Split – Full Members



the next level, looking at blockchain, to strengthen supply chain provenance as well as adding enhanced security features.

TRANSPARENCY

In 2017, I was able to reveal for the first time the amount of gold and silver held in London that underpins the global over-the-counter (OTC) market. This was an astonishingly large amount to many people and one that has elicited much comment. It is more gold than is stored in Fort Knox and is only eclipsed by the entire reported gold holdings of the US government. LBMA will shortly be in a position to release

data of even greater significance, which will confirm how much gold, silver, platinum and palladium is traded on an OTC basis internationally and cleared through London and Zurich.

This is important in LBMA's drive for increased market transparency, as not only will it be the first time the true size of the market is known, but it will also establish datasets which will then be published daily on an ongoing basis. Trade reporting will enhance and add depth to LBMA's dialogue with market clients as well as regulators around the world.

OUTREACH – REGULATORS & ASIA

A key responsibility for LBMA is to ensure that it takes a proactive stance with regulators on behalf of its membership. This means the Association needs to keep abreast of issues that could impact the global OTC market for precious metals. This is achieved not only by listening to the concerns of our members, but also enjoying open dialogue with pertinent institutions internationally.

We recognise that global presence is vital in encouraging meaningful dialogue with the key regions; therefore, LBMA has stepped up its engagement in and travel to markets around the world. We have also engaged Jeremy East as a Senior Advisor based in Hong Kong.

So that market participants are aware of the work we are doing, we have launched a new range of publications, which are to be made available in multiple languages.

This ensures we reach the widest audience and helps protect the future and integrity of the international OTC precious metals market.

As ever, LBMA is far more than the sum of its executive staff and those individuals who volunteer for our committees. I would like to thank everyone involved in helping us with our work, including our Board, executive staff and, of course, committee members.

**TRADE REPORTING
WILL ENHANCE
AND ADD DEPTH TO
LBMA'S DIALOGUE
WITH MARKET
CLIENTS AS WELL AS
REGULATORS AROUND
THE WORLD**

MEMBERSHIP

144

member companies

88

members

56

associates

in **30** COUNTRIES

We currently have 144 member companies – 88 members (including 13 Market Making Members and three Exchange Affiliates) and 56 Associates located in more than 30 countries. LBMA Good Delivery accreditation is separate to membership. Good Delivery List Refiners benefit substantially by meeting the world's most respected standards for gold and silver refining.

Regulatory REPORT

GLOBAL PRECIOUS METALS CODE

The Global Precious Metals Code (The Code), launched on 25 May 2017 (with some minor amendments made in April, 2018), sets out the standards and best practice expected from participants in the global over-the-counter (OTC) wholesale precious metals market. As members will be aware, the Code replaced the bullion annex of the Non-Investment Products (NIPs) Code and is closely aligned with the FX Global Code, which was published by the Bank for International Settlements.

All LBMA members had until 1 June 2018 to attest their conformance and a list of those institutions that have met this requirement is on LBMA's website. However, market participants (in particular refiners and industrials) should adopt a proportional approach when implementing the requirements under the Code. Those institutions that choose not to publicly attest their commitment will, after a grace period, face a range of sanctions and, ultimately, revocation of their LBMA membership.

To assist members and market participants in adherence, LBMA has developed a training module in partnership with ACI Financial Markets Association (ACI). This will provide LBMA member institutions and individual practitioners with access to an E Learning, Attestation and Certification portal. By offering access to the portal, LBMA has ensured that its members participate in a standardised, high-quality training and education programme.

NET STABLE FUNDING RATIO

The European Parliament (EP) recently adopted the proposal to lower the 85% haircut under Net Stable Funding Ratio (NSFR) to 50%. The EP will use this to negotiate a common position with the Member States. Whilst clearly this is welcome news for the market, we continue with our lobbying efforts with Member States, in order for them to recognise the need to exclude both precious metals financing and the LPMCL clearing model from NSFR.

LBMA-i

It is anticipated that the true size of the global over-the-counter market in gold, silver, platinum and palladium will be known later this year. Not only will the actual volume be known for the first time, but the data collected will help form LBMA's dialogue with regulators on matters such as Net Stable Funding Ratio and other measures under Basel III.

LBMA-i is the vehicle by which trade reporting will be collated. It has been set up by Simplitium (formerly known as Boat Services Ltd) on behalf of LBMA. This was in response to the recommendations of the Fair and Effective Markets Review – which was led by the Bank of England and co-chaired by the FCA and HM Treasury – for greater clarity in financial markets. It is mandatory for all LBMA members to participate in LBMA-i by reporting their transactions, and there are sanctions for those that do not comply.

100%

OF MARKET MAKERS
HAVE SIGNED LEGAL
AGREEMENTS FOR
TRADE REPORTING

NSFR HAIRCUT
DOWN FROM

85%
TO
50%

The primary responsibility for trade reporting remains with Simplitium to make sure that the scope remains relevant, that all legal and regulatory requirements are met, and that information published does not impinge any confidentiality requirements.

LBMA BENCHMARK PRICES

ICE Benchmark Administration (IBA) continues to administer the LBMA Gold (from 20 March 2015) and LBMA Silver (from 2 October 2017) auctions. LME has administered the LBMA Platinum and LBMA Palladium auctions since 1 December 2014.

Since clearing was introduced, 70% of the LBMA Gold Price and 80% of LBMA Silver traded volumes have been cleared centrally. Clearing removes credit lines as a barrier to entry, but enhanced due diligence is carried out to ensure that new participants understand what it means to participate in a regulated benchmark.

LBMA Gold and Silver Prices, as of April this year, are now published with a delay until midnight. This brings them into line with the LBMA Platinum and Palladium Prices, which have been published with a delay since 2015.

REACH

In April 2018, the Health and Safety Executive (HSE), the UK's competent authority under REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), provided a response to the recent LBMA/LPPM position paper. This put forward the industry position for Good Delivery Platinum and Palladium plates and ingots to be out of REACH's scope, and therefore exempt from registration requirements and from inclusion in tonnage thresholds. The HSE's view was aligned with its earlier response to the position paper on LBMA Good Delivery Gold bars in 2010, commenting that the paper "makes a good case" for plates and ingots being articles. In line with guidance

published by the HSE, LBMA is ensuring the consistency of decisions which impact on our members across the precious metals market.

LBMA GOLD BAR INTEGRITY

LBMA is focusing on how technology or other processes can help to ensure the highest levels of integrity, transparency and quality for the global precious metals market. This is in line with the strategic intent of LBMA.

Due to gold's intrinsic high value and fungibility, the market could be subject

to unscrupulous operators and illegal activities. The life cycle of all gold products should always be known and the information should be available for scrutiny. Consequently, the LBMA launched a Request for Proposal (RfP) with a view to developing the market by introducing:

- i. new technology, which helps to mitigate the risk faced throughout the life cycle of the bar and helps to securely record bar-specific data (i.e. brand, origin, custody, location) on a trusted platform, and
- ii. a security feature or security process adopted for bars to help ensure that any bar can be registered and reliably identified with confidence.

Also, LBMA has been engaged in discussions with various service providers to better understand the benefits of blockchain and whether this can help the market, or whether there is other technology that can help.

The RfP closed at the end of May. It is expected that a shortlist will be produced and then in the second half of the year, part two of the RfP will be launched, which will focus on specific requirements for the market.

A Working Group, representing a cross-section of the supply chain, has been set up to help advise LBMA on the requirements.

25

SERVICE PROVIDERS
HAVE SUBMITTED
RESPONSES TO OUR RfP



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VITAL STATISTICS

THE CODE

75%

of members have already signed statements of attestation. The remainder have been authorised an extension on the basis that firms could demonstrate steps taken towards compliance and provide a future date for submitting a Statement.

TRADING REPORTING

OVER
55%

of the LBMA members who are in scope for trade reporting, have connected to LBMA-i. Of these, 100% of Market Makers have signed legal agreements for trade reporting. The remaining members are making progress to do so.

LBMA PRICE AUCTIONS

70%

of traded volumes in the gold auction now centrally cleared.

80%

of traded volumes in the silver auction now centrally cleared.

GOLD BAR INTEGRITY

25

service providers have submitted responses to our RfP. Most are from the technology sector with the majority incorporating blockchain functionality in their responses.

RESPONSIBLE Sourcing

OECD Alignment Assessment

LBMA's Responsible Sourcing Programme began back in 2011 and, from its origin, it has always followed the OECD five-step due diligence process as laid out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

LBMA's Responsible Gold Guidance (RGG) Version 6 was the document first reviewed by the OECD in 2016. Whilst this performed very well, LBMA took the opportunity to clarify some of the language used and expand sections on sourcing responsibly for artisanal and small-scale mines when developing Version 7. This was published in September 2017 and came into force on 1 January 2018.

LBMA is delighted that the OECD Pilot Assessment Findings report states:

"Many of the core principles of the OECD Guidance were incorporated into the requirements of the RGG (v6). These have been further improved by the revisions introduced by RGG (v7) and the LBMA's standards are now fully aligned with all the overarching due principles of the OECD Guidance."

RESPONSIBLE SOURCING PROGRAMME EXPANSION

LBMA continues to expand the range of activities falling within the scope of our Responsible Sourcing Programme. Responsible Silver Guidance was launched in September 2017 and came into force on 1 January 2018. The Responsible Platinum & Palladium Guidance, has also been developed and published recently.

LBMA has held a number of discussions with organisations along the precious metal supply chain from producers to downstream users, consulting on the expansion of the RGG (Version 8) to bring Environment and Sustainability into scope. At the same time, LBMA is streamlining and simplifying the accompanying Third Party Auditor guidance documents to ensure this expansion both in terms of metals covered and issues deemed within scope result in a logical and auditable structure.

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of Coeur Mining





REFINERY RISK CATEGORISATION

LBMA has developed an internal tool to determine the appropriate level of scrutiny:

	RISK LEVEL		
	Low	Medium	High
Throughput (t)	10-50	50-100	> 100
Material Type	Industrial by-product Conversion of LGDB	Scrap LSM*	ASM**
Source	Local	Regional	International
Market Intelligence	No Issues	Minor Issues	Known Issues
Location	As per country risk assessment		
Business Model	As per business model assessment***		

*LSM - Large Scale Mining

**ASM - Artisanal and Small Scale Mining

***The business model assessment considers how a refinery is funded, controlled, owned, etc.

COUNTRY RISK CATEGORISATION

LBMA has also developed an internal country risk categorisation based on publicly available sources combined with market intelligence:

	Description	Source
Category 1	Extreme Risk (UK, EU & UN sanctions)	Relevant List
Category 2	Dodd-Frank	Section 1502
Category 3	Conflict	Heidelberg Conflict Barometer
Category 4	Known Issues	Market Intelligence+Lexis Nexus/ World Check
Category 5	No issues	

It should be noted that the above categorisations are used as guidance and are not definitive or exhaustive.

COUNTRY OF ORIGIN DATA

This year, in a further step towards greater transparency, all LBMA accredited refiners were required to record the country of origin for all material received (both mined and recycled) as well as the quantity (kgs). This additional information will enable LBMA to track gold and silver flows and reconcile against published data.

	Mined	Recycled
Asia	34.3%	48.7%
North America	21.3%	7.1%
Africa	17.1%	1.6%
South America	16.6%	0.8%
Central America	5.7%	0.4%
Oceania	4.0%	<0.1%
Europe	1.1%	41.5%
Total	100%	100%

BREAKDOWN AND NUMBER OF AUDIT RISK FINDINGS

	NON-CONFORMANCES RAISED		
	Low Risk	Medium Risk	High Risk
2015	46	4	1
2016	33	5	0
2017	37	2	0

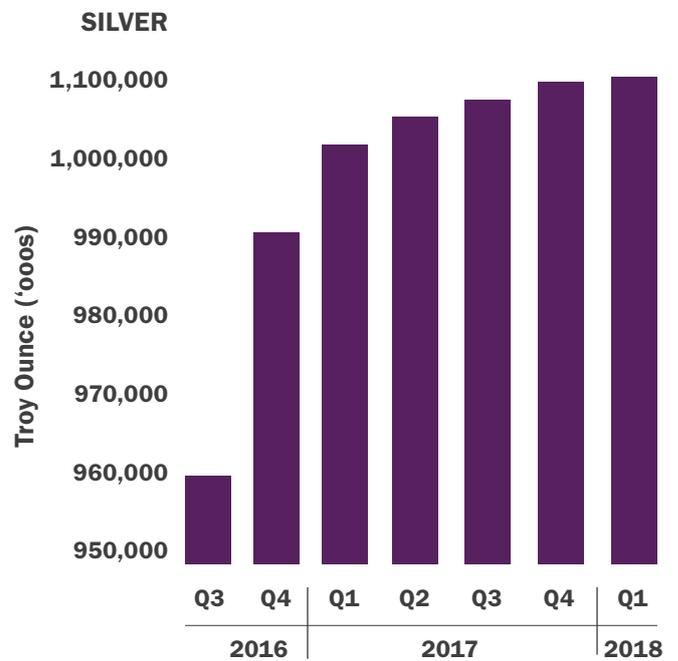
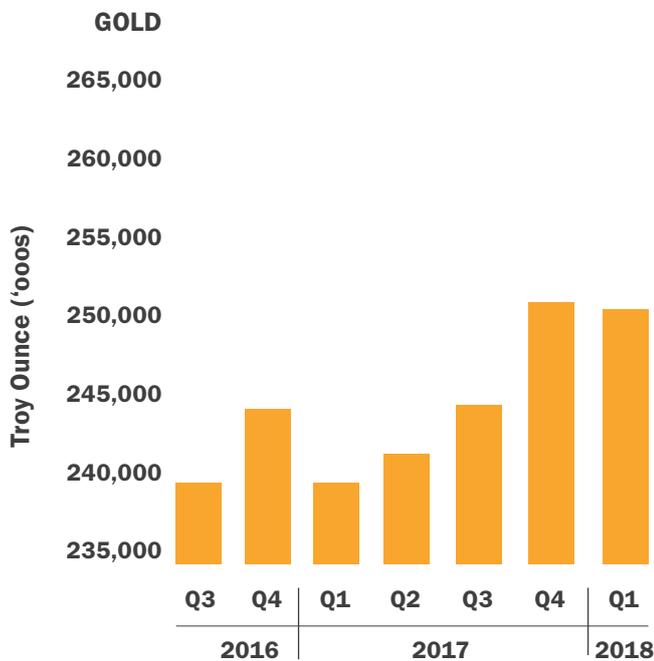
PHYSICAL Market Report

Vault Holdings

The graph below shows the average quarterly holdings of gold and silver held in the London vaults. Figures are reported monthly with a three-month lag.

Since the start of publication, the gold holdings in London have increased by 7.4%; however, the key message is stability. Silver holdings have shown steady growth of 16.1% over this period.

PHYSICAL VAULT HOLDINGS



**\$300
BILLION**

The gold in London is worth over \$300 billion. It is considerably more than the reported value of metal held in Fort Knox Kentucky and is second only to the entire holdings of the US government.



These images are by kind permission of ICBC Standard Bank



If all of the gold held in London was drawn into wire it would be 20 billion kilometres long! (Pluto is only 7.5 billion kilometres away!)



London Precious Metals Clearing Limited (LPMCL)

LPMCL is responsible for managing the clearing and settlement of the global OTC precious metals market through its central electronic hub, Aurum. LBMA provides the executive function on behalf of LPMCL, acting as company secretary and providing corporate governance and support.

HIGHLIGHTS

Updated Allocated and Unallocated Precious Metal Accounts Agreements have been published on LPMCL.com.

LPMCL Rules have been revised to clarify entry requirements.

Leading the development of shari'ah compliant documentation for the gold industry.

REFINER NUMBERS

We now have 98 refiners on the Good Delivery Lists. There are 68 listed for gold, 81 listed for silver and 51 refiners appear on both lists. Although only one refiner has been added to the silver list since the last Review, there are currently more than 10 Good Delivery applications pending.

One refiner was moved to the Former List for gold as production has ceased, whilst another refiner was suspended from the lists for both gold and silver as its bars were deemed undeliverable in London.

NEW SILVER LISTING

Hindustan Zinc Ltd

GEOGRAPHICAL BREAKDOWN

Number of Refiners on the Good Delivery Lists

Area	Gold and Silver	Gold Only	Silver Only	Total
Africa	1	0	0	1
Americas	8	2	2	12
Asia	29	11	22	62
Europe	12	3	6	21
Oceania	1	1	0	2
Refineries	51	17	30	98
TOTAL GOLD 68		TOTAL SILVER 81		

TOTAL REFINED PRODUCTION

Good Delivery List Refinery Throughput (tonnes)

	2012	2013	2014	2015	2016
Gold (t)	4,283	4,579	4,921	5,034	4,860
Silver (t)	28,373	28,013	31,131	32,355	31,874

- 1) Refined production includes only the output that has gone through a refining process.
- 2) The production for newly accredited refiners excludes production in the years prior to accreditation.
- 3) The production for refiners moved to the Former Lists is still included in the years prior to the removal of accreditation.

PROACTIVE MONITORING (PAM) UPDATE

The streamlined schedule that was introduced last year has moved through the Americas and Russia. It is a new requirement that if a refiner's bars have not been delivered to London during the 'interPAM' period, then the ability to cast bars must be demonstrated during the PAM process. This ensures that the quality of bars is maintained.



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98 REFINERS
ON THE GOOD
DELIVERY LISTS



PROFICIENCY TESTING

The results of the seventh annual Proficiency Testing Scheme were published in January, with 49 participating for gold and 44 for silver. The purities selected for this round represented the higher end of the range.

METALS PURITIES

	2012	2013	2014	2015	2016	2017	2018
Gold (‰)	995.32	998.25	996.59	999.65	996.30	994.88	999.72
Silver (‰)	–	–	–	–	–	999.21	999.65

VAULT OPERATORS' ACCREDITATION SCHEME

Once the Vault Operators' Accreditation Scheme has been fully developed and the beta-testing phase has been completed the scheme will be launched.

MEMBERS OF THE BOARD & COMMITTEES

Members of the Board bring a wealth of knowledge and experience to deliver independence, strong governance as well as strategic thinking and decision making capabilities. The Board underpins LBMA's core values of leadership, integrity and trust.

Transparency and accountability apply to LBMA as much as they do to the wider market. The minutes of Board meetings are now published on our website and an independent Board Effectiveness Review was recently commissioned, and we will be updating you on that later this year. In parallel with the Review the Board will be implementing a three year Strategic plan which is designed to deliver greater efficiencies to the future work of LBMA and its sub-committees. We are also looking to bring further independence to the Board with the appointment of a third Non-Executive Director in due course.

LBMA BOARD



DR PAUL FISHER
LBMA Chairman



ANDREW QUINN
Non-Executive Director



RUTH CROWELL
Chief Executive



SAKHILA MIRZA
General Counsel



GRANT ANGWIN
President, Asahi Refining
North America and LBMA
Vice Chairman



MEHDI BARKHORDAR
Vice Chairman, MKS
PAMP Group



HITOSHI KOSAI
Chief, International
Planning Office Tanaka
Kikinzoku Kogyo K.K.
& TANAKA HOLDINGS
Co., Ltd



SID TIPPLES
Managing Director, J.P.
Morgan's Global Base
and Precious Metals
Trading Business



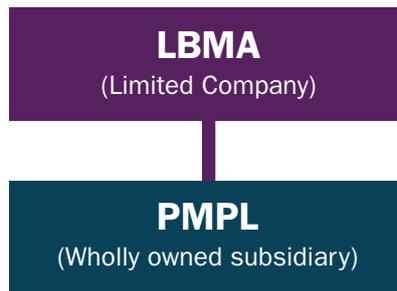
RAJ KUMAR
Managing Director,
ICBC Standard Bank Plc



STEVEN LOWE
Managing Director,
ScotiaBank –
ScotiaMocatta

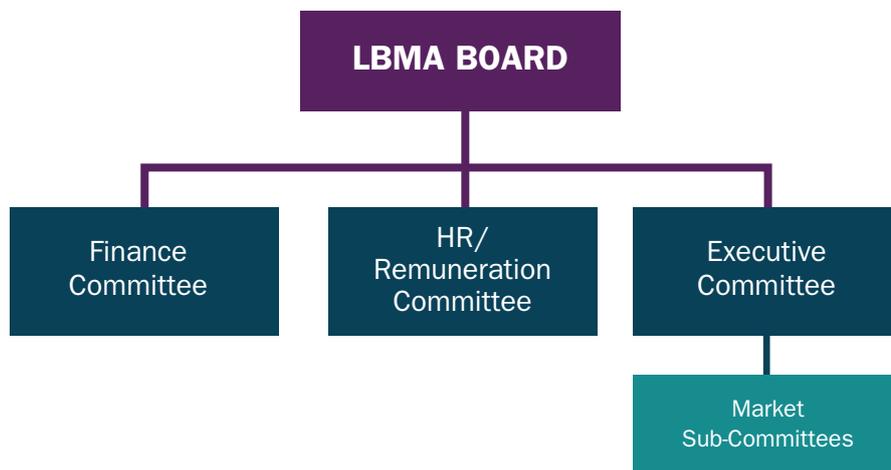
COMPANY STRUCTURE

TRADE ASSOCIATION & SUBSIDIARY



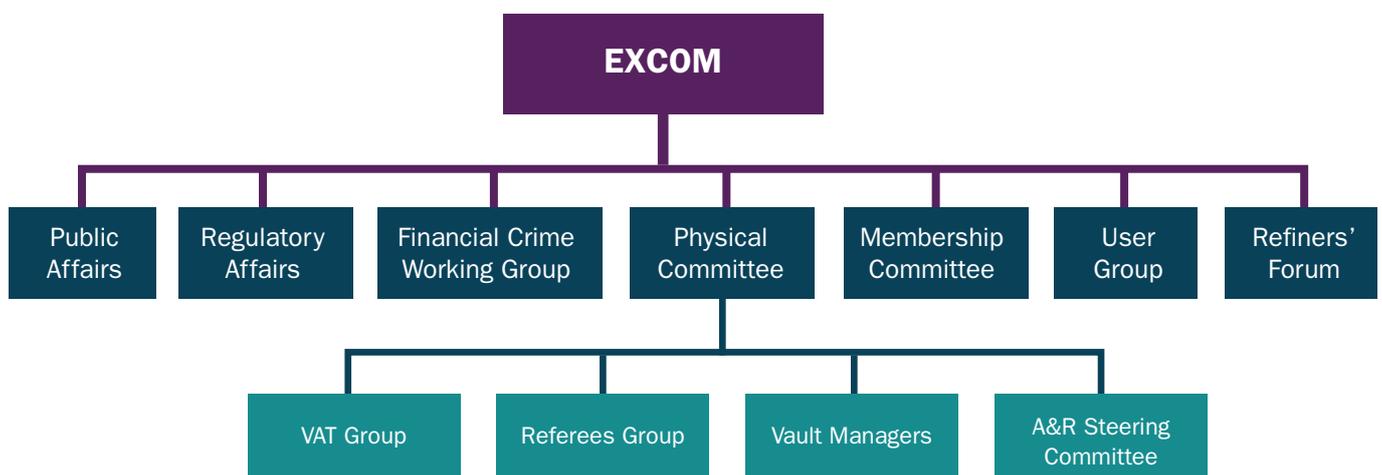
INDEPENDENT BOARD

BOARD SUB-COMMITTEES WITH DELEGATED POWER



MARKET SUB-COMMITTEES

& WORKING GROUPS

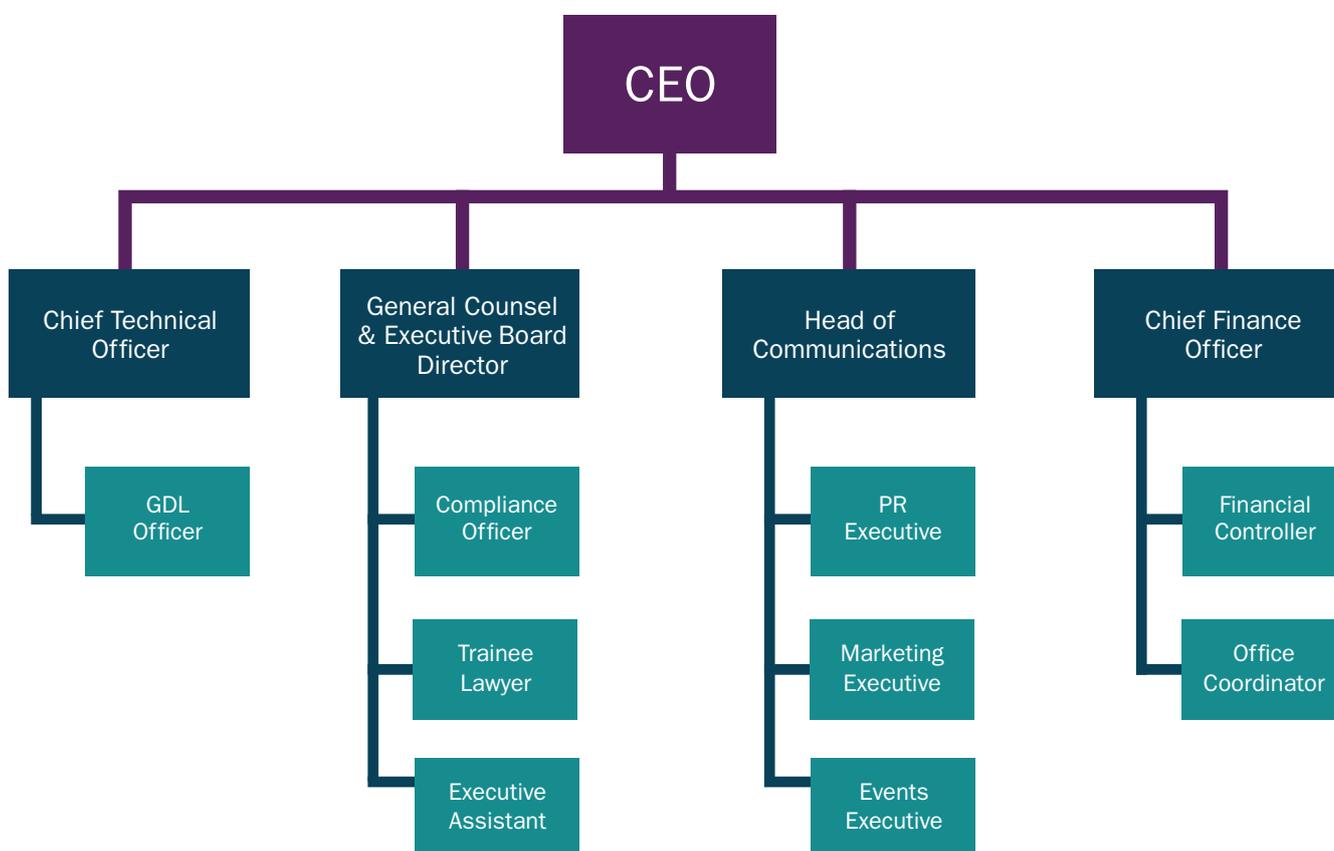




From left to right; Ed Blight Chief Finance Officer, Jonathan Spall Head of Communications, Simon Houghton-Dodd Compliance Officer, Aelred Connolly PR Executive, Emmy Richardson Office Coordinator, Sakhila Mirza General Counsel (& Executive Board Director), Ruth Crowell CEO, Stephanie Bennell Financial Controller, Jamilah Leigh Marketing Executive, Rachel Hart Trainee Lawyer, Neil Harby Chief Technical Officer and Jade Maisey Executive Assistant.

Varsha Peiris GDL Officer and Hollie Etheridge Events Executive are also part of the team, but do not appear in the above photograph.

LBMA ORGANISATIONAL STRUCTURE



FINANCIAL Overview

This year, the focus has been on developing the long-term financial strategy for LBMA and its subsidiary, Precious Metals Prices Limited (PMPL).

The accounts for 2017 have now been audited and we can report that LBMA returned a virtual break-even position with a post-tax profit of just £447, whilst PMPL returned a profit of £159,662.

It has taken much effort to get to these figures and to ensure the Not-for-Profit status of LBMA whilst managing the growing financial benefit being realised from PMPL. We have been able to do this by making significant enhancements to cash flow and in-year profit and loss management. The ability to think and act beyond an 18-month to two-year period will not only provide flexibility in strategic planning, but will also be pivotal in the drive toward delivering greater value for money for our members.

SIGNIFICANT ENHANCEMENTS TO CASH FLOW AND IN-YEAR PROFIT AND LOSS MANAGEMENT

LBMA and PMPL Income & Expenditure Summary

£4,287,087

INCOME

£4,126,978

EXPENDITURE

Delivering a post-taxation surplus of

£160,109

As is detailed elsewhere in this review, over the last year LBMA has embarked on a large number of initiatives, placed even greater emphasis on Executive Outreach and stepped up our communications policy with a brand refresh as well as making key publications available in various languages. These have been made possible by investment in 2017 as well as being able to draw on the financial benefits now being realised by PMPL. During the next 12 months, it is anticipated that further revenue will accrue through our trade reporting platform LBMA-i and preparations are already underway to determine how best to reinvest the returns for the good and benefit of the industry.

UPCOMING EVENTS



LBMA's 2018 Annual Conference will be held at Boston's Park Plaza Hotel on 28-30 October. Adam Posen (President of the Peterson Institute for International Economics) will be the keynote speaker.

LBMA's Biennial Dinner will be held at London's Guildhall on 5 December, where the speaker will be The Rt Hon the Lord Hague of Richmond.

Biennial Assayers and Refiners Conference will take place in London at the Royal Garden Hotel on 17-20 March 2019.

DUE DILIGENCE STATEMENT

LBMA considers its commitment to due diligence as a high priority and adheres to a robust due diligence process for both current and potential new Members and/or Good Delivery List (GDL) Refiners. LBMA has a Compliance Panel which reviews any issues that arise from the due diligence process.

Ultimately, the Compliance Panel escalates to the Executive Committee, which makes a final decision on all due diligence related issues, following a review at Membership Committee.

There is a thorough due diligence policy in place, which details the process, outlines responsibilities and accountabilities, as well as laying out a number of factors that should be considered when reviewing an application. These include, but are not limited to: money laundering, conflict financing, terrorism financing, serious human rights abuse, corruption and sanctions violations.

LBMA conducts third-party database searches on all organisations and all associated persons with significant control over the company as part

of the on-boarding process. It is important that when reviewing all current and new applicants, the precious metals knowledge and industry relevant reports are taken into consideration.

This, for example, includes information that market practitioners might have, or NGO reports and/or any other market-specific data source. Together, all such searches will help determine whether the applicant is of high or low risk, which will then help to determine firstly the approval and secondly the frequency of review.

INCIDENT MANAGEMENT

Any incidents or issues that may put the credibility of the Good Delivery List and the wholesale Bullion Market in doubt are treated very seriously. LBMA has a procedure that enables it to handle such incidents and issues in a systematic way to maintain the credibility of the GDL and particularly the Responsible Sourcing Programme. This procedure is invoked in response to a particular stimulus of a reputational nature, including any incident that affects the credibility of the GDL.

This is an iterative process, particularly in situations where new information is produced or the situation escalates or deteriorates. Any public disclosure by LBMA must be approved appropriately and disseminated through correct channels.

If at any point in the procedure it is established that the issue could relate to Anti-Money Laundering (AML), step 6 of the Refiner Contact may be omitted and the relevant specific action taken. In certain circumstances Refiner Contact could be made a lot sooner.

STEP 8 – ACTIONS/SANCTIONS

Sanctions could include suspension subject to resolution or being ‘Moved to the Former List’ with immediate effect.





**LBMA/LPPM CONFERENCE 2018
BOSTON, 28-30 OCTOBER**

REGISTER NOW

www.lbma.org.uk/events

