

7. WHISTLEBLOWING and Incident Review Process

It is vital that Good Delivery List (GDL) refiners develop and publicise a mechanism allowing any employee or external stakeholder to anonymously voice concerns about the precious metals supply chain. LBMA encourages stakeholders, including GDL refiners and their employees, third-party service providers, members of civil society, affected communities and other interested parties (GDL stakeholders), to anonymously report information against an organisation in the GDL supply chain.

WHISTLEBLOWING PROCEDURE

LBMA’s Whistleblowing Policy enables GDL stakeholders to report illegal activities, wrongdoing or malpractice occurring throughout the GDL supply chain.

However, where GDL stakeholders are directly affected by the matter in question, or where GDL stakeholders feel victimised for escalating the concern, the matter may be raised to LBMA confidentially under the whistleblowing process, anonymously. [Please visit LBMA website for more details.](#)

INCIDENT REVIEW PROCESS

The Incident Review Process (IRP) comprises 11 steps for LBMA to take in response to any incidents.

All GDL refiners are monitored continuously; therefore, the IRP is an effective tool to address issues that arise between the annual audits. This escalation may come from a variety of sources, such as industry press and civil society. LBMA will seek corroboration wherever possible; however, due to the sensitivities involved, LBMA may keep the information received under the process confidential.

Led by the General Counsel, the process is designed to ensure a thorough and fair review of refiners’ activities and involves follow-up communications with the auditor, refiner and any other relevant stakeholder related to the incident.



Each step within the IRP is a high priority for LBMA. Upon receipt of information indicating any incident that may impact the credibility of the [Good Delivery List](#) and the wider precious metals market, the Compliance Panel reviews whether to instigate the IRP. The refiner, as well as LBMA's Physical Committee and London Precious Metal Clearing Limited (LPMCL), will then be notified of the identified issue before LBMA publicly notifies the market via its website. LBMA may also contact pre-identified stakeholders, NGOs, press contacts and downstream market participants to help with the review.

LBMA will urge the refiner to demonstrate transparency on the allegations reported, publicly. LBMA requests the refiner to disclose the challenges and identified risks, and how those risks have been mitigated, as well as what further action the refiner is taking.

Following these initial communications, LBMA will undertake another thorough review of the refiner's audit report, contextualised by the alleged incident. LBMA will then communicate closely with the refiner and the auditor as part of an extensive information-gathering exercise to determine whether there is any evidence of the issues raised. Should it be required, LBMA will engage external counsel to advise on any legal implications raised by the incident.

Given that the process involves numerous stakeholders to verify the information, it is difficult to conclude an average lifespan of each incident reviewed under the IRP. However, it must be viewed as an iterative process, particularly in situations where new information is produced or a situation escalates. In this scenario, LBMA may revisit an IRP to ensure that the issues identified are reviewed prudently.

The outcome of an IRP can involve a refiner being removed from the Good Delivery List. Other outcomes include an independent auditor developing a Corrective Action Plan for the refiner's future activities, or a re-audit of the refiner's activities that were originally reviewed.

Once an outcome has been agreed, LBMA will mirror its earlier communications strategy to ensure all relevant parties are informed of the decision made.

IRP SUPPORTS the review of issues in between Audit Reports

ENFORCEMENT

The ultimate sanction that LBMA can impose is to move the refiner to the Former List.

The Former List includes GDL refiners whose bars are no longer accepted as Good Delivery by the London bullion market. For more information on the Former List, please visit the [LBMA website](#).

It is important to note that any bars produced by these refiners prior to their transfer to the Former List on the date given continue to be acceptable as London Good Delivery.

“The Incident Review Process supports LBMA's Responsible Sourcing Programme, adding credibility by ensuring that our GDL refiners strictly adhere to our stringent guidelines and requirements.”

Sakhila Mirza, LBMA Executive Board Director and General Counsel

LBMA welcomes stakeholders to bring concerns to its attention in order to enhance the work.