

## Welcome Remarks

Paul Fisher  
LBMA Chairman

Good morning Ladies and Gentlemen and welcome to the 2017 Precious Metals Conference, co-hosted by the LBMA and LPPM. This is the 18th annual conference and is being held for the first time in this wonderful city of Barcelona. A great city of culture with over 2,000 years of history; home to the outstanding architecture of Antoni Gaudi; and birthplace of the great artist Joan Miro. And with Salvador Dali born just up the Catalan coast at Figueres, one might suspect there was something surreal in the water. Or more likely the wine.

Spain's place in the history of gold and silver is well documented, especially the influx of precious metals from the Spanish Main from the C16th onwards. We'll hear more on this shortly from Professor Schwartz. The search for 'El Oro', and specifically 'El Dorado' – the Golden One – is the stuff of legend, echoes of which still ripple down the centuries.

But time and technology march on ... and that is a good point at which to ask you all to make sure you have downloaded the conference app, or if not, that you do so right now. You will need to access the app this year to register your vote whenever a question is put to the audience : Ruth will be testing you out on that very aspect shortly. So if I see you staring at your screens during the rest of my speech, that's fine - I will take comfort knowing that you are just installing the app!

In keeping with a theme of 'in with the new', I want to stress the importance of the work programme that the LBMA is delivering on your – the market's – behalf.

Ruth will give you the details but that programme includes:

Improving and setting new standards: for the first time earlier this year, we published a separate Code of Conduct for trading in the Precious Metals Market to add to the standards that the LBMA already sets for Good Delivery and for responsible sourcing.

Improving openness: by exploring two new categories of LBMA membership. One is a new affiliate category for exchanges. The other is for our central bank colleagues, should they wish to take it up.

Improving transparency: by publishing monthly data on gold vault holdings. And we have started collection of trade data with the aim of regular reporting of that also.

And we are looking at ways to improve transparency at the LBMA Board itself, having already improved governance with myself and Andy Quinn as two non-executive members.

In respect of the Board, I should make a special mention of thanks to our departing director, Peter 'Stretch' Drabwell of HSBC, who served on the Board for just over 5 years and is now taking a well-earned retirement from the market.

I would like to also note the incredibly hard work of the LBMA Executive in delivering all of these initiatives over the past year. The very latest being the new Annual Review that is being launched alongside the conference and which you will also be able to access at the LBMA Booth or via our website.

There are always new challenges to look forward to of course. Market liquidity seems ever more challenging, not least because of regulatory pressures on the banks and the LBMA continues to work with the authorities to improve the application of the NSFR. And there are many macro challenges, including global political dislocations such as Brexit to keep us all focused. The macro economic outlook will be one of our main topics for this morning's sessions.

But I'd like briefly to mention one of my personal areas of interest, which is in the risks associated with climate change. It would be a mistake to think this is a subject so long-term that it won't affect your professional lives.

Apart from the potential for sudden environmental events, climate change is now high up the agenda for the public authorities, including a growing number of bank supervisors. I am personally serving on two official groups – one set up by the European Commission in Brussels at the start of the year and the other by the UK Government in London which started just a few weeks ago. Both bodies have ambitious remits to set out policy agendas for the financial sector in respect of sustainable finance and green finance respectively and both the EU and the UK separately have endorsed the recommendations of the recent FSB Task Force on Climate Related Financial Disclosures. The EC has already committed to implement most of the early recommendations from our group in Brussels.

Whether you believe in climate change being man-made or not, I should warn you that policy changes are coming – globally - thick and fast over the next few years. Whatever sector of the market you are in, those policy changes will create new

risks. And a transformation of the economy to mitigate the climate threat could happen much faster than most people appreciate, creating unexpected opportunities for profits as well as losses. If anyone wants to talk further about this topic, do feel free to speak to me over the next couple of days.

Returning to my duty as Chair of the Board of the LBMA I must thank a number of people for helping to deliver this conference for you.

That includes:

- our co-hosts, the LPPM;
- our guest speakers – Megan Greene, Professor Schwartz & Professor Chadha as well as all the other speakers on the programme;
- all our main sponsors, especially Tocom for the Welcome Reception; Metalor for the dinner tonight at the Spectacular Museu Nacional D'Art de Catalunya; and all the other sponsors and the exhibitors, who are most welcome;
- And for the organisation of the event, I would like to thank the Chairs of the LBMA's Public Affairs Committee: Edel Tully and Tom Kendall;
- And, of course, the wonderful LBMA team who ensure that everything works as it should.

And thanks to you, the delegates, for taking the time to join us here in Barcelona I hope you really enjoy the next few days.

Finally, as I hand over to the Chief Executive of the LBMA, Ruth Crowell, I would like to thank her personally and on behalf of the market. I have seen at first hand over the past year, the leadership and the immense amount of work that Ruth has put in to ensure delivery of all the aforementioned. Ruth, over to you.