

To: All members and other interested parties

Ref: 24/256 (LME Notice)
24-025 (LME Clear Circular)

Classification: Rulebook

Date: 30 September 2024

Subject: **UPDATE TO LME JURISDICTIONS DOCUMENT AND MEMBER JURISDICTIONS POLICY OF THE LME AND LME CLEAR**

Executive summary

1. This Notice informs Members of updates to the LME Jurisdictions Document (the “**Jurisdictions Document**”) and the Member Jurisdictions Policy of the LME and LME Clear (the “**Jurisdictions Policy**”).
2. Terms not otherwise defined in this Notice shall have the meaning given to them in the LME Rulebook.

Background

3. The Jurisdictions Document sets out the requirements for Members intending to access the LME’s systems from overseas jurisdictions and, if relevant, the requirements relating to the admission of Members established in overseas jurisdictions, and where applicable, for Members facilitating client access from overseas jurisdictions.
4. Members and/or their staff or agents must not access the LME’s systems from a jurisdiction that is not listed on the Jurisdictions Document without prior approval from the LME.
5. The Jurisdictions Policy sets out the approach of the LME and LME Clear (together the “**LME Group**”) to addressing the costs involved in permitting access to the facilities of the LME Group by Members of the LME and/or LME Clear from given jurisdictions.

Summary of key changes to the Jurisdictions Document

6. Following a review by the LME, a number of changes have been made to the sections of the Jurisdictions Document relating to Cyprus, Dubai (Dubai International Financial Centre only), Hong Kong, India, the People’s Republic of China, Singapore, South Africa, Switzerland and the United States of America. The majority of these changes are clarificatory in nature.
7. In the case of Singapore, changes have been made to reflect updates to the definitions of “professional investor” and “accredited” investor and the inclusion of the definition of “expert” investor. This reflects the fact that, in respect of investors in Singapore, the LME



can only allow professional investors, accredited investors and expert investors (as defined under Singapore law) to trade on its organised markets.

8. In the case of the United States of America, changes have been made to address some recent amendments to the Part 48 regulations of the U.S. Commodity Futures Trading Commission (“**CFTC**”). These amendments permit a registered Foreign Board of Trade (“**FBOT**”) to provide introducing brokers located in the United States and registered with the CFTC with direct access to the FBOT’s electronic trading and order matching system for the submission of customer orders. As the LME is a registered FBOT, any such introducing broker will be eligible for direct access to the LME’s systems.
9. A new section has been added to the Jurisdictions Document to address the position in Canada (Quebec). This reflects the fact that the Autorité des marchés financiers recently granted an order exempting the LME from (among other things) the requirement to be recognised as an exchange under article 12 of the Derivatives Act. This section confirms that the LME will only offer access to Quebec participants who are duly registered as dealers under the Derivatives Act or who qualify as accredited counterparties in Quebec on the conditions stated therein.

Summary of key changes to the Jurisdictions Policy

10. Canada (Quebec) and Hong Kong have been added to the jurisdictions listed in Section 3.1 of the Jurisdictions Policy, being those jurisdictions from which the LME permits access to its facilities of some sort.
11. Canada (Quebec) has been added to the jurisdictions listed in Section 3.3 of the Jurisdictions Policy, being those jurisdictions from which LME Clear is able to admit certain types of entity for clearing access.
12. Canada (Quebec) has been added to the list of Tier 2 Jurisdictions included in the Appendix to the Jurisdictions Policy.

Revised documents

13. A clean copy of the revised Jurisdictions Document is attached to this Notice at Appendix 1. A redline version showing the changes made to the previous version of the Jurisdictions Document is attached at Appendix 2.
14. A clean copy of the revised Jurisdictions Policy is attached to this Notice at Appendix 3. A redline version showing the changes made to the previous version of the Jurisdictions Policy is attached at Appendix 4.
15. The revised Jurisdictions Document and the revised Jurisdictions Policy will be available on the LME website. Each will be subject to further updates from time to time.

Susan Small

General Counsel and Head of Enforcement, LME Group

cc: Board directors



Attachments

- Appendix 1 - Jurisdictions Document (clean)
- Appendix 2 – Jurisdictions Document (redline)
- Appendix 3 – Jurisdictions Policy (clean)
- Appendix 4 – Jurisdictions Policy (redline)



Appendix 1 - Jurisdictions Document (clean)

Version 1.2

London Metal Exchange

Jurisdictions

30 September 2024

United Kingdom

The London Metal Exchange (the “Exchange” or the “LME”) is a recognised investment exchange under the Financial Services and Markets Act 2000 and is permitted to make electronic access to LMEselect and LMEsmart available to members and/or their agents in the United Kingdom.

European Economic Area

The trade and cooperation agreement entered into by the UK and the European Union does not include terms governing the cross-border provision of financial services. As a result, following the end of the Brexit transition period on 31 December 2020, the Exchange no longer has an automatic right to provide access to its systems to entities in EEA jurisdictions. Whether access can be provided will therefore depend on the domestic rules applicable in individual Member States. Further detail regarding the position in respect of the EEA jurisdictions that are relevant to the Exchange’s current membership, and those which members have indicated may be potentially relevant, is set out below.

France

The Exchange has been advised that it is able to continue to facilitate access to its systems by participants located in France without the need for a licence or specific permission. The Exchange is therefore able to continue to admit members located in France and to provide remote access to its systems to members and participants located in France without disruption.

This position may change should any member provide services to clients located in France who may be classified as “retail” clients pursuant to MiFID II.

Germany

The German Federal Financial Supervisory Authority (“BaFin”) has granted permission to the Exchange in accordance with section 102 German Securities Trading Act. This permission covers the provision of direct market access to participants located in Germany through the LME’s electronic trading systems. The Exchange may therefore continue to admit members located in Germany and to provide remote access to its systems to members and participants located in Germany without disruption.



Netherlands

The Dutch Ministry of Finance granted the Exchange dispensation under Article 5:26(3). The Exchange is therefore able to continue to admit members located in the Netherlands and to provide remote access to its systems to members and participants located in the Netherlands, without disruption.

Norway

The Exchange has been advised that it is able to continue providing access to its systems by participants located in Norway without the need for a licence or specific permission. The Exchange is therefore able to continue admitting members located in Norway and providing remote access to its systems to members and participants located in Norway, without disruption.

Cyprus

The Exchange has been advised that it is able to continue to facilitate access to its systems by participants located in Cyprus without the need for a licence or specific permission. The Exchange is therefore able to continue to admit members located in Cyprus and to provide remote access to its systems to members and participants located in Cyprus, without disruption.

Australia

On 10 April 2007 the Parliamentary Secretary to the Treasurer granted to the Exchange an Australian Market Licence under subsection 795B(2) of the Australian Corporations Act 2001 to operate a financial market in derivatives, including LMEselect and LMEsmart (the "Licence"). As a result, members and/or their agents may access LMEselect or LMEsmart from Australia, subject to the conditions set out in this Notice.

The Licence specifically requires the Exchange to impose conditions on members based in Australia who trade directly (not through an agent based in Australia) on LMEselect ("Australian participants").

The Licence obligates the Exchange to require Australian participants to hold an Australian financial services licence that permits trade in products of the same kind as those that can be dealt with on the Exchange, unless the participant is exempt under Australian law from the requirement to hold such a licence in relation to participation on the Exchange. Australian participants must notify the Exchange as soon as practicable if their permission to trade in products offered on the Exchange or the licence under which that permission exists is suspended or revoked.



In addition, the Licence obligates the Exchange to require Australian participants to disclose to their clients in Australia, before accepting the first order from the client to deal on the market, the differences between trading derivatives on the Exchange and an Australian-based market, including, but not limited to, the following:

- (a) that the Exchange's principal place of business is located in the United Kingdom, and the Exchange is regulated primarily under the regulatory regime of the United Kingdom;
- (b) that the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the Exchange may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on an Australian-based market; and
- (c) that Australian investors who acquire products offered on the Exchange may be subject to the effects of changes in currency exchange rates.

Members trading on LMEselect in Australia through agents based in Australia must ensure that their agents have secured all the necessary authorisations and approvals needed by them to be able to trade as agents in Australia.

Canada (Ontario)

On December 21, 2018 the Ontario Securities Commission (the "OSC") granted an order (the "LME Order") to the LME exempting it from the requirement to be recognised as an exchange under section 21(1) of the Ontario Securities Act, and as a commodity futures exchange under the Ontario Commodity Futures Act (the "CFA"). The LME Order also exempts trades in contracts on the LME by (i) a "hedger" as defined in subsection 1(1) of the CFA (a "Hedger"); and (ii) a bank listed in Schedule I to the Bank Act (Canada) (a "Bank") entering orders as principal for its own account, from the registration requirements under the CFA. Finally, the LME Order also exempts trades in LME contracts by a participant in Ontario from the trading restrictions under section 33 of the CFA. As a result of the LME Order, the LME is permitted to offer prospective participants in Ontario access to the LMEselect system, the inter-office market, Ring-dealing on the LME and to clearing support services provided it complies with the conditions of the LME Order.

The LME can only provide direct access to Ontario participants that are either (a) appropriately registered to trade in LME contracts; (b) a Hedger (in reliance on the "Hedger Relief"), or (c) a Bank (in reliance on the "Bank Relief"), or (d) have otherwise received an exemption from registration under the CFA. To confirm an Ontario participant's status, the LME can rely on a written representation from the participant and Ontario participants must notify the LME if their registration or exemption from registration is revoked, suspended, or amended by the OSC, or if they are no longer a Bank or a Hedger.



A participant seeking access to the LME under the Hedger Relief or the Bank Relief must also meet a specific set of conditions. A participant seeking to rely on the Hedger Relief will be required, as part of its application or continued access to trading in LME contracts, to:

- Acknowledge that the LME deems the Hedger representation to be repeated each time it enters an order for a LME contract and the Ontario participant must be a Hedger for the purposes of each trade resulting from such an order;
- Represent that (insofar as it relies on the Hedger Relief) it will only enter orders for its own account;
- Acknowledge that it is a market participant under the CFA and is subject to applicable requirements; and
- Acknowledge that its ability to continue to rely on the Hedger Relief in accessing trading on the LME will be dependent on the OSC continuing to grant the relief and may be affected by changes to the terms and conditions imposed in connection with the Hedger Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities.

Similarly, a participant seeking to rely on the Bank Relief will be required, as part of its application or continued access to trading in LME contracts, to:

- Acknowledge that the LME deems the Canadian Bank representation to be repeated each time the Ontario Participant enters an order for a LME contract and that the Ontario Participant must be a Bank for the purposes of each trade resulting from such an order;
- Represent that (insofar as it relies on the Bank Relief) it will only enter orders as principal and for its account only;
- Acknowledge that the Bank Relief may be affected by changes to the terms and conditions imposed in connection with the Bank Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities; and
- Represent that it is not engaging in activities prohibited by its governing legislation.

Direct electronic access is permitted only in circumstances where both the member *and* client are appropriately registered to transact in LME contracts under the CFA, or permitted to do so pursuant to an exemption. Members who transact on the LME in reliance upon either the Bank Relief or the Hedger Relief are therefore not permitted to offer order routing services (also known as direct electronic access) to clients in Ontario.

Registered Intermediating Brokers or “RIBs” who are based in Ontario or acting for a client who is in Ontario must be appropriately registered under Ontario securities laws or be permitted to rely on a registration exemption available under such laws.



Canada (Quebec)

On 16 April 2024, the Autorité des marchés financiers (“AMF”) granted an order (the “LME Order”) exempting the LME from the requirement to be recognised as an exchange under article 12 of the Derivatives Act and the obligations in Regulation 21-101 respecting Marketplace Operation, Regulation 23-101 respecting Trading Rules and Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces.

The LME will only offer access to the following Quebec participants:

- dealers duly registered under the Derivatives Act who only enter orders for their own account or someone else; and
- accredited counterparties in Quebec (other than dealers) who only enter orders for their own account or someone else and, in the latter case, that are duly registered to do so.

To confirm a Quebec participant’s status, the LME can rely on a written representation from the participant that it is either a duly registered dealer or an accredited counterparty. A Quebec participant must notify the LME immediately if their registration is revoked, suspended, or amended by the AMF.

A Quebec participant who is duly registered as a dealer or is an accredited counterparty will be required, as part of its application or continued access to trading in LME contracts, to:

- acknowledge that the LME deems the representation that it is duly registered as a dealer or is an accredited counterparty to be repeated each time it enters an order for an LME contract;
- only enter orders for its own account, unless it is a broker or a counsellor duly registered as per the Derivatives Act; and
- provide to the LME a confirmation from the self-regulatory organization that oversees all investment dealers in Canada (Canadian Investment Regulatory Organization (CIRO)) that this person is a dealer member of CIRO which duly conforms to its rules.

Dubai - Dubai International Financial Centre (DIFC) only

On 12 February 2019 the LME was granted the status of a Recognised Body by the Dubai Financial Services Authority (“DFSA”), the regulatory authority for the Dubai International Financial Centre (“DIFC”).



The LME's Recognised Body status permits the LME to grant membership to entities that are domiciled in the DIFC. The LME notes, however, that it currently does not accept Category 1, 2 or 3 members in the DIFC.

Upon becoming a member of the LME, DIFC-domiciled entities may access LMEselect and LMEsmart directly from the DIFC. Additionally, non-member participants of the LME who are located in the DIFC may also access LMEselect and LMEsmart from the DIFC via an LME member.

DIFC-domiciled entities may not have direct access to LME Clear (i.e. membership) but may access it indirectly via a clearing member.

Hong Kong

With effect from 11 July 2006, the Hong Kong Securities and Futures Commission ("SFC") granted the Exchange authorisation for providing automated trading services under Part III of the Securities and Futures Ordinance ("SFO"), subject to annual renewal and other authorisation conditions imposed by the SFC.

Among other things, the authorisation provides that access to LMEselect from Hong Kong may be provided to or used by corporations licensed by the SFC under Part V of the SFO or authorised under Part III of the SFO only unless the SFC agrees otherwise. Members or their agents who wish to have direct access to LMEselect from Hong Kong must confirm to the LME in writing that they are appropriately licensed or authorised.

India

The LME is not required to obtain any local regulatory licence, registration, authorisation or dispensation in India for the purpose of providing access to its trading systems to persons located in India (including GIFT City IFSC).

However, persons in India (excluding GIFT City IFSC) will require approval of the Indian government or the Securities and Exchange Board of India ("SEBI") for direct trading on the LME through terminals from India (excluding GIFT City IFSC), while persons in GIFT City IFSC are permitted to trade directly on the LME through terminals from GIFT City IFSC subject to specified conditions.

Persons in India (other than GIFT IFSC)

SEBI regulates onshore commodity derivatives transactions in India under the Securities Contracts (Regulation) Act, 1956. Prior to SEBI, commodity derivative transactions in India were regulated by the Forward Markets Commission (the "FMC") under the Forward Contracts (Regulation) Act, 1952.



In 2006, the FMC released a press note (the “Press Note”) which stated that “*real time trading in a commodity by opening the terminals of foreign commodity exchanges in India without prior approval of the central government or FMC, as the case may be, would be deemed as illegal*”. Since SEBI took over the regulation of commodity derivatives from the FMC, it has not issued any specific statement or clarification with regard to access to foreign commodity exchanges from India. However, it appears that the guidance set out in the Press Note is followed in India. Accordingly, the LME understands that persons located in India are prohibited from engaging in real time trading in commodities using LMEselect, unless such members have obtained the prior approval of SEBI or the government of India.

As LMEsmart does not allow a person having access to the system to undertake any real-time commodity trading activity from India, the approval requirement highlighted above will not apply.

Persons in GIFT City IFSC

The International Financial Services Centres Authority has, by its circular dated 25 November 2021 and titled ‘*Global Access to Broker Dealers*’ (the “Global Access Circular”) permitted broker dealers incorporated in GIFT City IFSC (and not operating in the form of a branch in GIFT City IFSC) and registered under the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 to access the LME subject to compliance with the Global Access Circular.

As regards other types of entities set up in GIFT City IFSC, their ability to trade commodity derivatives on the LME and to access the systems of the LME will depend on their regulatory licence to operate in GIFT City IFSC and the applicable regulatory framework.

Japan

The Ministry of Economy, Trade and Industry in Japan has confirmed that the Exchange may make LMEselect available in Japan to those of its members and their agents who have any regulatory approvals in Japan needed by them in order to trade on LMEselect via LMEselect from Japan.

The Ministry of Economy, Trade and Industry has requested that we inform all members and their agents who wish to trade on LMEselect from Japan that they will be required to abide by the Commodity Derivatives Act (*shouhin sakimono torihiki hou*) of Japan.

The LME understands that there are no additional regulatory obligations or restrictions on the LME or its members who wish to access LMEsmart from Japan.



People's Republic of China

The Exchange has been advised that no approval is needed by it in the PRC in order to make LMEselect and LMEsmart available in the PRC. This is on the basis that the Exchange accepts trading orders from PRC based market participants ("PRC Persons") indirectly through non-PRC based members and does not provide PRC Persons with direct access to LMEselect or LMEsmart.

PRC Persons wishing to access LMEselect or LMEsmart are required to satisfy themselves that they have complied with the relevant regulatory requirements in the PRC (including any licensing, approval or filing requirements) before they engage in futures trading and access LMEselect or LMEsmart from the PRC.

Singapore

Following the transfer of regulatory oversight for commodity futures from International Enterprise Singapore to the Monetary Authority of Singapore ("MAS"), MAS recognised the LME as a Recognised Market Operator with effect from 8 April 2008. As a result, members and/or their agents may continue to access LMEselect or LMEsmart from Singapore, subject to the conditions set out in the recognition conditions applicable to the LME.

In respect of investors in Singapore, the LME shall only allow professional investors, accredited investors and expert investors to trade on its organised markets, whether directly or through an intermediary (being another professional investor, accredited investor or expert investor) operating in Singapore.

In respect of its members operating in Singapore, the LME shall:

- (a) notify such members that only professional investors, accredited investors and expert investors in Singapore shall have trading access through the members onto the LME's organised markets; and
- (b) take due care that such members have in place measures to ensure that only professional investors, accredited investors and expert investors in Singapore have trading access through the members onto the LME's organised markets.

A "professional investor" means each of the following:

- (a) a bank licensed under the Banking Act (Cap. 19);
- (b) a merchant bank that is licensed, or treated as having been granted a merchant bank licence, under the Banking Act;
- (c) a finance company that is licensed under the Finance Companies Act (Cap. 108);



- (d) a company or society registered under the Insurance Act (Cap. 142) as an insurer;
- (e) the Singapore Government;
- (f) a statutory body established under any Act in Singapore;
- (g) the Government of Singapore Investment Corporation Pte Ltd;
- (h) a pension fund;
- (i) a collective investment scheme, as defined under section 2(1) of the Securities and Futures Act (Cap. 289) (“SFA”);
- (j) a holder of a capital markets services licence under the SFA;
- (k) a person who is exempted from the requirement to hold a capital markets services licence to carry on business in trading in futures contracts under paragraph 3(a) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) (“SFR”);
- (l) a headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management, but only to the extent that the business in fund management has been approved as a qualifying service in relation to that headquarters company or Finance and Treasury Centre under section 43E(2)(a) or 43G(2)(a) of the Income Tax Act (Cap. 134), as the case may be;
- (m) a company in the Global Trader Programme established by International Enterprise Singapore;
- (n) a financial adviser licensed under the Financial Advisers Act (Cap. 110) who uses the LME’s services solely for the purpose of trading for its own account; and
- (o) a hedge fund that has assets under management of not less than S\$15 million.

An “accredited” investor has the meaning prescribed to it under section 4A(1) of the SFA, being:

- (a) an individual
 - (i) whose net personal assets exceed in value S\$2 million¹ (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or

¹ In determining the value of an individual’s net personal assets for this purpose, the value of the individual’s primary residence:



- (ii) whose financial assets² net of any related liabilities exceed in value S\$1 million (or its equivalent in any foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or
 - (iii) whose income in the preceding 12 months is not less than S\$300,000 (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or
- (b) a corporation with net assets exceeding S\$10 million in value (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe, in place of the aforementioned amount, as determined by:
 - (i) the most recent audited balance-sheet of the corporation; or
 - (ii) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which must be dated within the preceding 12 months;
- (c) a trustee of the following trusts:
 - (i) any trust all the beneficiaries of which are accredited investors within the meaning of section 4A(1)(a)(i), (ii) or (iv) of the SFA;
 - (ii) any trust all the settlors of which are accredited investors within the meaning of section 4A(1)(i), (ii) or (iv) of the SFA, have reserved to themselves all powers of investment and asset management functions under the trust, and have reserved to themselves the power to revoke the trust; and
 - (iii) any trust the subject matter of which exceeds S\$10 million in value (or its equivalent in foreign currency);
- (d) an entity (other than a corporation) with net assets exceeding S\$10 million in value (or its equivalent in a foreign currency);

(a) is to be calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and

(b) is taken to be the lower of the following:

- (i) the value calculated under paragraph (a);
- (ii) S\$1 million.

² "Financial asset" means, for this purpose:

- (a) a deposit as defined in section 4B of the Banking Act 1970 of Singapore;
- (b) an investment product as defined in section 2(1) of the Financial Advisers Act 2001 of Singapore; or
- (c) any other asset as may be prescribed by regulations made under section 341 of the SFA.



- (e) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 of Singapore) in which each partner is an accredited investor;
- (f) a corporation the entire share capital of which is owned by one or more persons, all of whom are accredited investors; and
- (g) a person who holds a joint account with an accredited investor, in respect of dealings through that joint account.

Any reference to “trust” in sub-paragraph (c) above includes a bare trust.

An “expert” investor has the meaning prescribed to it under section 4A(1) of the SFA, being:

- (a) a person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent;
- (b) the trustee of such trust as MAS may prescribe, when acting in that capacity;
or
- (c) such other person as MAS may prescribe.

South Africa

The Exchange has received legal advice that it does not require a licence, authorisation or registration from the Financial Sector Conduct Authority under either the Financial Advisory and Intermediary Services Act, 2002 or the Financial Markets Act, 2012 to allow its members or their agents to access LMEselect or LMEsmart from South Africa. However, members are advised to seek their own legal advice before canvassing for, marketing or advertising their services in South Africa.

Members located in South Africa in Categories 1, 2, 3 and 4 should comply with the South African Exchange Control Regulations in relation to their holding of B shares in LME Holdings Limited.

Switzerland

Pursuant to a decision dated 15 May 2017, the Exchange is recognised by the Swiss Financial Market Supervisory Authority (“FINMA”) as a foreign trading venue in accordance with Article 41 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. The Exchange is authorised to grant FINMA-supervised Swiss participants direct access to its facilities (including LMEselect and LMEsmart). Admission of non-regulated Swiss participants is subject to local law.



The Exchange understands that it does not require authorisation for non-Swiss members to access LMEselect and LMEsmart from Switzerland through Swiss based agents.

United States of America

On 31 October 2016, the U.S. Commodity Futures Trading Commission (“CFTC”) issued an Order of Registration to the LME as a Foreign Board of Trade (“FBOT”).

Under the Order, the LME is permitted to provide identified members or other participants located in the U.S. with direct access to its electronic order entry and trade matching systems. Under the Order, the LME must comply with applicable sections of the U.S. Commodity Exchange Act and regulations of the CFTC including the CFTC’s Part 48 regulations generally and the conditions of registration specified in CFTC Regulation 48.8, as applicable.

As provided in CFTC Regulations 48.4(b) and 48.8(b), to be eligible for direct access to the LME’s systems, such member or other participant must:

- (a) enter all orders solely for its own accounts; or
- (b) be registered with the CFTC as a futures commission merchant and submit orders to LMEselect and/or LMEsmart for execution in that capacity; or
- (c) be registered with the CFTC as a commodity pool operator or operate as a commodity pool operator pursuant to an exemption from such registration under CFTC Regulation 4.13, and submit orders to LMEselect and/or LMEsmart in that capacity, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions; or
- (d) be registered with the CFTC as a commodity trading advisor, or operate as a commodity trading advisor pursuant to an exemption from registration under CFTC Regulation 4.14, and submit orders to LMEselect and/or LMEsmart in that capacity, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions; or
- (e) be registered with the CFTC as an introducing broker and submit orders to LMEselect and/or LMEsmart in that capacity on behalf of customers, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions.

Additionally, in order to fulfil the FBOT registration requirements, each current and prospective member or other participant that is given direct access to LMEselect and/or LMEsmart, and who is not registered with the CFTC as a futures commission merchant



or introducing broker, or who is not registered (or exempt from registration as described above) as a commodity trading advisor or a commodity pool operator, must:

- (a) file with the LME a written representation, executed by a person with the authority to bind the member or other participant, stating that as long as the member or other participant is authorised to enter orders directly into the trade matching system of the LME, the member or other participant agrees to and submits to the jurisdiction of the Commission with respect to its LME trading activities; and
- (b) maintain with the LME a written representation, executed by a person with the authority to bind the member or other participant, stating that as long as the member or other participant is authorised to enter orders directly into the trade matching system of the LME, the member or other participant will provide, upon the request of the Commission, the United States Department of Justice and, if appropriate, the National Futures Association, prompt access to the entity's, member's, or other participant's original books and records or, at the election of the requesting agency, a copy of specified information containing such books and records, as well as access to the premises where the trading system is available in the United States.

These representations must be provided to the LME in the format prescribed by the LME. This standard wording is available on request from the LME Market Access team. The LME must maintain the above representations as part of its books and records for at least five years and must make them available to the CFTC upon request.

Members that have direct access from the United States must also submit to the LME their National Futures Association identification numbers (if applicable), and main business addresses in the United States from which such members access LMEselect or LMEsmart.

Members' Requirements

Pursuant to the LME Rules & Regulations, only Category 1, 2, 3 and 4 members may have direct access to LMEselect and LMEsmart. Members are reminded that any agent of a member accessing LMEselect or LMEsmart directly does so in the name of the relevant member, and members are responsible for any agent acting in their name. The Exchange shall have no business relationship with any agent of a member.

Members are reminded that they are at all times responsible for ensuring that they and any agents have secured any regulatory approvals needed by them in any jurisdiction in order to access LMEselect or LMEsmart from that jurisdiction and for complying with applicable laws and regulations.

In addition, members who wish to access the LMEselect API from any jurisdiction need to meet all LME FIX Conformance requirements and need to ensure that they have gained any necessary regulatory approval prior to IT deployment.



Following exchange notification, members' compliance departments may request user logins for users in the approved location, via email to TradingOperations@lme.com. Users from overseas locations will be given a username that includes a code for that jurisdiction. This will allow the LME to track volumes from the different overseas locations. Trader accreditation will then take place via the telephone on a LME Select test system.

Any questions should be directed to the LME Helpdesk on + 44 (0)20 7113 8200 or email TradingOperations@lme.com.



Appendix 2 - Jurisdictions Document (redline)

Version 1.24

London Metal Exchange

Jurisdictions

30 September~~13 July~~ 2024

United Kingdom

The London Metal Exchange (the “Exchange” or the “LME”) is a recognised investment exchange under the Financial Services and Markets Act 2000 and is permitted to make electronic access to LMEselect and LMEsmart available to members and/or their agents in the United Kingdom.

European Economic Area

~~The trade and cooperation agreement entered into by the UK and the European Union does not include have now entered into a trade and cooperation agreement, terms governing the cross-border provision of financial services have not been included in the agreement and will be reviewed during the first part of 2021. As a result, following the end of the Brexit transition period on 31 December 2020~~ As such, the Exchange ~~will not have no longer has~~ an automatic right to provide access to its systems to entities in EEA jurisdictions. Whether access can be provided will therefore depend on the domestic rules applicable in individual Member States. Further detail regarding the position in respect of the EEA jurisdictions that are relevant to the Exchange’s current membership, and those which members have indicated may be potentially relevant, is set out below.

France

The Exchange has been advised that it is able to continue to facilitate access to its systems by participants located in France without the need for a licence or specific permission. The Exchange is therefore able to continue to admit members located in France and to provide remote access to its systems to members and participants located in France without disruption.

This position may change should any member provide services to clients located in France who may be classified as “retail” clients pursuant to MiFID II.

Germany

The German Federal Financial Supervisory Authority (“BaFin”) has granted permission to the Exchange in accordance with section 102 German Securities Trading Act. This permission covers the provision of direct market access to participants located in Germany through the LME’s electronic trading systems. The Exchange may therefore



continue to admit members located in Germany and to provide remote access to its systems to members and participants located in Germany without disruption.

Netherlands

The Dutch Ministry of Finance granted the Exchange dispensation under Article 5:26(3). The Exchange is therefore able to continue to admit members located in the Netherlands and to provide remote access to its systems to members and participants located in the Netherlands, without disruption.

Norway

The Exchange has been advised that it is able to continue providing access to its systems by participants located in Norway without the need for a licence or specific permission. The Exchange is therefore able to continue admitting members located in Norway and providing remote access to its systems to members and participants located in Norway, without disruption.

Cyprus

The Exchange has been advised that it is able to continue to facilitate access to its systems by participants located in Cyprus without the need for a licence or specific permission. The Exchange is therefore able to continue to admit members located in Cyprus and to provide remote access to its systems to members and participants located in Cyprus, without disruption.~~The Cyprus Securities and Exchange Commission has indicated that the Exchange may admit members located in Cyprus, and provide access to its systems to such members located in Cyprus.~~

Australia

On 10 April 2007 the Parliamentary Secretary to the Treasurer granted to the Exchange an Australian Market Licence under subsection 795B(2) of the Australian Corporations Act 2001 to operate a financial market in derivatives, including LMEselect and LMEsmart (the "Licence"). As a result, members and/or their agents may access LMEselect or LMEsmart from Australia, subject to the conditions set out in this Notice.

The Licence specifically requires the Exchange to impose conditions on members based in Australia who trade directly (not through an agent based in Australia) on LMEselect ("Australian participants").

The Licence obligates the Exchange to require Australian participants to hold an Australian financial services licence that permits trade in products of the same kind as those that can be dealt with on the Exchange, unless the participant is exempt under Australian law from the requirement to hold such a licence in relation to participation on the Exchange. Australian participants must notify the Exchange as soon as practicable if



their permission to trade in products offered on the Exchange or the licence under which that permission exists is suspended or revoked.

In addition, the Licence obligates the Exchange to require Australian participants to disclose to their clients in Australia, before accepting the first order from the client to deal on the market, the differences between trading derivatives on the Exchange and an Australian-based market, including, but not limited to, the following:

- (a) that the Exchange's principal place of business is located in the United Kingdom, and the Exchange is regulated primarily under the regulatory regime of the United Kingdom;
- (b) that the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the Exchange may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on an Australian-based market; and
- (c) that Australian investors who acquire products offered on the Exchange may be subject to the effects of changes in currency exchange rates.

Members trading on LMEselect in Australia through agents based in Australia must ensure that their agents have secured all the necessary authorisations and approvals needed by them to be able to trade as agents in Australia.

Canada (Ontario)

On December 21, 2018 the Ontario Securities Commission (the "OSC") granted an order (the "LME Order") to the LME exempting it from the requirement to be recognized as an exchange under section 21(1) of the Ontario Securities Act, and as a commodity futures exchange under the Ontario Commodity Futures Act (the "CFA"). The LME Order also exempts trades in contracts on the LME by (i) a "hedger" as defined in subsection 1(1) of the CFA (a "Hedger"); and (ii) a bank listed in Schedule I to the Bank Act (Canada) (a "Bank") entering orders as principal for its own account, from the registration requirements under the CFA. Finally, the LME Order also exempts trades in LME contracts by a participant in Ontario from the trading restrictions under section 33 of the CFA. As a result of the LME Order, the LME is permitted to offer prospective participants in Ontario access to the LMEselect system, the inter-office market, Ring-dealing on the LME and to clearing support services provided it complies with the conditions of the LME Order.

The LME can only provide direct access to Ontario participants that are either (a) appropriately registered to trade in LME contracts; (b) a Hedger (in reliance on the "Hedger Relief"), or (c) a Bank (in reliance on the "Bank Relief"), or (d) have otherwise received an exemption from registration under the CFA. To confirm an Ontario participant's status, the LME can rely on a written representation from the participant and Ontario participants must notify the LME if their registration or exemption from registration



is revoked, suspended, or amended by the OSC, or if they are no longer a Bank or a Hedger.

A participant seeking access to the LME under the Hedger Relief or the Bank Relief must also meet a specific set of conditions. A participant seeking to rely on the Hedger Relief will be required, as part of its application or continued access to trading in LME contracts, to:

- Acknowledge that the LME deems the Hedger representation to be repeated each time it enters an order for a LME contract and the Ontario participant must be a Hedger for the purposes of each trade resulting from such an order;
- Represent that (insofar as it relies on the Hedger Relief) it will only enter orders for its own account;
- Acknowledge that it is a market participant under the CFA and is subject to applicable requirements; and
- Acknowledge that its ability to continue to rely on the Hedger Relief in accessing trading on the LME will be dependent on the OSC continuing to grant the relief and may be affected by changes to the terms and conditions imposed in connection with the Hedger Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities.

Similarly, a participant seeking to rely on the Bank Relief will be required, as part of its application or continued access to trading in LME contracts, to:

- Acknowledge that the LME deems the Canadian Bank Representation to be repeated each time the Ontario Participant enters an order for a LME contract and that the Ontario Participant must be a Bank for the purposes of each trade resulting from such an order;
- Represent that (insofar as it relies on the Bank Relief) it will only enter orders as principal and for its account only;
- Acknowledge that the Bank Relief may be affected by changes to the terms and conditions imposed in connection with the Bank Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities; and
- Represent that it is not engaging in activities prohibited by its governing legislation.

Direct electronic access is permitted only in circumstances where both the member and client are appropriately registered to transact in LME contracts under the CFA, or permitted to do so pursuant to an exemption. Members who transact on the LME in reliance upon either the Bank Relief or the Hedger Relief are therefore not permitted to offer order routing services (also known as direct electronic access) to clients in Ontario.



Registered Intermediating Brokers or “RIBs” who are based in Ontario or acting for a client who is in Ontario must be appropriately registered under Ontario securities laws or be permitted to rely on a registration exemption available under such laws.

Canada (Quebec)

On 16 April 2024, the Autorité des marchés financiers (“AMF”) granted an order (the “LME Order”) exempting the LME from the requirement to be recognised as an exchange under article 12 of the Derivatives Act and the obligations in Regulation 21-101 respecting Marketplace Operation, Regulation 23-101 respecting Trading Rules and Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces.

The LME will only offer access to the following Quebec participants:

- dealers duly registered under the Derivatives Act who only enter orders for their own account or someone else; and
- accredited counterparties in Quebec (other than dealers) who only enter orders for their own account or someone else and, in the latter case, that are duly registered to do so.

To confirm a Quebec participant’s status, the LME can rely on a written representation from the participant that it is either a duly registered dealer or an accredited counterparty. A Quebec participant must notify the LME immediately if their registration is revoked, suspended, or amended by the AMF.

A Quebec participant who is duly registered as a dealer or is an accredited counterparty will be required, as part of its application or continued access to trading in LME contracts, to:

- acknowledge that the LME deems the representation that it is duly registered as a dealer or is an accredited counterparty to be repeated each time it enters an order for an LME contract;
- only enter orders for its own account, unless it is a broker or a counsellor duly registered as per the Derivatives Act; and
- provide to the LME a confirmation from the self-regulatory organization that oversees all investment dealers in Canada (Canadian Investment Regulatory Organization (CIRO)) that this person is a dealer member of CIRO which duly conforms to its rules.



Dubai - Dubai International Financial Centre (DIFC) only

On 12 February 2019 the LME was granted the status of a Recognised Body by the Dubai Financial Services Authority (“DFSA”), the regulatory authority for the Dubai International Financial Centre (“DIFC”).

The LME’s Recognised Body status permits the LME to grant membership to entities that are domiciled in the DIFC. The LME notes, however, that it currently does not accept Category 1, 2 or 3 members in the DIFC.

Upon becoming a member of the LME, DIFC-domiciled entities may access LMEselect and LMEsmart directly from the DIFC. Additionally, non-member participants of the LME who are located in the DIFC may also directly access LMEselect and LMEsmart from the DIFC via an LME member.

DIFC-domiciled entities may not have direct access to LME Clear (i.e. membership) but may access it indirectly via a clearing member.

Hong Kong

With effect from ~~On~~ 11 July 2006, the Hong Kong Securities and Futures Commission (“SFC”) granted the Exchange authorisation for providing automated trading services under Part III of the Securities and Futures Ordinance (“SFO”), subject to annual renewal and other authorisation conditions imposed by the SFC.

Among other things, ~~t~~he authorisation provides that access to LMEselect from Hong Kong may be provided to or used by ~~category 1, 2, 3 or 4 members or their agents who are corporations~~ licensed by the SFC under Part V of the SFO or authorised under Part III of the SFO only unless the SFC agrees otherwise. Members or their agents who wish to have direct access to LMEselect from Hong Kong must confirm to the LME in writing that they are appropriately licensed or authorised.

India

The LME is not required to obtain any local regulatory licence, registration, authorisation or dispensation in India for the purpose of providing access to its trading systems to persons located in India (including GIFT City IFSC).

However, persons in India (excluding GIFT City IFSC) will require approval of the Indian government or the Securities and Exchange Board of India (“SEBI”) for direct trading on the LME through terminals from India (excluding GIFT City IFSC), while persons in GIFT City IFSC are permitted to trade directly on the LME through terminals from GIFT City IFSC subject to specified conditions.

Persons in India (other than GIFT IFSC)



~~The Securities and Exchange Board of India (“SEBI”) regulates onshore commodity derivatives transactions in India under the Securities Contracts (Regulation) Act, 1956 (the “SCRA”). Prior to SEBI, commodity derivative transactions in India were regulated by the Forward Markets Commission (the “FMC”) under the Forward Contracts (Regulation) Act, 1952. Under Section 13 of the SCRA, contracts for securities, which includes commodity derivatives in specified goods (other than spot delivery contracts) entered into in India are prohibited.~~

~~In 2006, the FMC released a press note (the “Press Note”) which stated~~ Furthermore, ~~prior to the Forward Markets Commission (“FMC”) being merged with SEBI, it issued guidance stating that “real time trading in a commodity by opening the terminals of foreign commodity exchanges in India without prior approval of the central government or FMC, as the case may be, would be deemed as illegal”.~~ ~~Since SEBI took over the regulation of commodity derivatives from the FMC, it has not issued any specific statement or clarification with regard to access to foreign commodity exchanges from India.~~ ~~However, it appears that the guidance set out in the Press Note is followed in India.~~ Accordingly, the LME understands that persons located in India are prohibited from engaging in real time trading in commodities using LMEselect, unless such members have obtained the prior approval of SEBI or the government of India.

As LMEsmart does not allow a person having access to the system to undertake any real-time commodity trading activity from India, the approval requirement highlighted above will not apply ~~LME understands that: (a) the input of trades onto LMEsmart solely for matching purposes; and (b) the amendment, cancellation and replacement of a trade if it has been entered erroneously, is unlikely to be prohibited by SEBI. The LME believes this to be the case on the basis that: (i) members that enter into LME Contracts are not incorporated or established in India; (ii) there is no inflow or outflow of foreign currency into or from India in relation to the exchange contracts; and (iii) decision making in respect of entry into and execution of the orders is undertaken outside of India.~~

Persons in GIFT City IFSC

The International Financial Services Centres Authority has, by its circular dated 25 November 2021 and titled ‘Global Access to Broker Dealers’ (the “Global Access Circular”) permitted broker dealers incorporated in GIFT City IFSC (and not operating in the form of a branch in GIFT City IFSC) and registered under the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 to access the LME subject to compliance with the Global Access Circular.

As regards other types of entities set up in GIFT City IFSC, their ability to trade commodity derivatives on the LME and to access the systems of the LME will depend on their regulatory licence to operate in GIFT City IFSC and the applicable regulatory framework.



Japan

The Ministry of Economy, Trade and Industry in Japan has confirmed that the Exchange may make LMEselect available in Japan to those of its members and their agents who have any regulatory approvals in Japan needed by them in order to trade on LMEselect via LMEselect from Japan.

The Ministry of Economy, Trade and Industry has requested that we inform all members and their agents who wish to trade on LMEselect from Japan that they will be required to abide by the Commodity Derivatives Act (*shouhin sakimono torihiki hou*) of Japan.

The LME understands that there are no additional regulatory obligations or restrictions on the LME or its members who wish to access LMEsmart from Japan.

People's Republic of China

The Exchange has been advised that no approval is needed by it in the PRC in order to make LMEselect and LMEsmart available in the PRC. This is on the basis that the Exchange accepts trading orders from PRC based market participants ("PRC Persons") indirectly through non-PRC based members and does not provide PRC Persons with direct access to LMEselect or LMEsmart.

PRC Persons ~~Members and their agents~~ wishing to access LMEselect or LMEsmart ~~from the PRC~~ are required to satisfy themselves that they have complied with the relevant regulatory requirements ~~any regulatory approvals~~ in the PRC (including any licensing, approval or filing requirements) ~~needed by them in order to~~ before they engage in futures trading and access LMEselect or LMEsmart from the PRC.

Singapore

Following the transfer of regulatory oversight for commodity futures from International Enterprise Singapore to the Monetary Authority of Singapore ("MAS"), MAS recognised the LME as a Recognised Market Operator with effect from 8 April 2008. As a result, members and/or their agents may continue to access LMEselect or LMEsmart from Singapore, subject to the conditions set out in the recognition conditions applicable to the LME ~~this Notice~~.

In respect of investors in Singapore, the LME shall only allow professional investors, ~~and~~ accredited investors and expert investors to trade on its organised markets, whether directly or through an intermediary (being another professional investor, accredited investor or expert investor) operating in Singapore.

In respect of its members operating in Singapore, the LME shall:



- (a) notify such members that only professional investors, accredited investors and expert investors in Singapore shall have trading access through the members onto the LME's organised markets; and
- (b) take due care that such members have in place measures to ensure that only professional investors, accredited investors and expert investors in Singapore have trading access through the members onto the LME's organised markets.

A "professional investor" means each of the following:

- (a) a bank licensed under the Banking Act (Cap. 19);
- (b) a merchant bank that is licensed, or treated as having been granted a merchant bank licence, under the Banking Act;
- (c) a finance company that is licensed under the Finance Companies Act (Cap. 108);
- (d) a company or society registered under the Insurance Act (Cap. 142) as an insurer;
- (e) the Singapore Government;
- (f) a statutory body established under any Act in Singapore;
- (g) the Government of Singapore Investment Corporation Pte Ltd;
- (h) a pension fund;
- (i) a collective investment scheme, as defined under section 2(1) of the Securities and Futures Act (Cap. 289) ("SFA");
- (j) a holder of a capital markets services licence under the SFA;
- (k) ~~a member of the LME, being~~ a person who is exempted from the requirement to hold a capital markets services licence to carry on business in trading in futures contracts under paragraph 3(a) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) ("SFR");
- (l) a ~~company~~ headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management, but only to the extent that the business ~~involving~~ fund management has been approved as a qualifying service in relation to ~~that the~~ headquarters company ~~headquarters~~ or Finance and Treasury Centre under section 43E(2)(a) or 43G(2)(a) of the Income Tax Act (Cap. 134), as the case may be;



- (m) a company in the Global Trader Programme established by International Enterprise Singapore;
- (n) a financial adviser licensed under the Financial Advisers Act (Cap. 110) who uses the LME's services solely for the purpose of trading for its own account; and
- ~~(o) a person exempted under paragraph 5(1)(d) of the Second Schedule to the SFR who has assets under management of not less than S\$15 million; and~~
- ~~(p)~~(o) a hedge fund that has assets under management of not less than S\$15 million.

An "accredited" investor has the meaning prescribed to it under section 4A(1) of the SFA, being:

- (a) an individual
 - (i) whose net personal assets exceed in value S\$2 million¹ (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or
 - (ii) whose financial assets² net of any related liabilities exceed in value S\$1 million (or its equivalent in any foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or
 - ~~(ii)~~(iii) whose income in the preceding 12 months is not less than S\$300,000 (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe in place of the aforementioned amount; or
- (b) a corporation with net assets exceeding S\$10 million in value (or its equivalent value in a foreign currency) or such other amounts as MAS may prescribe, in place of the aforementioned amount, as determined by:
 - (i) the most recent audited balance-sheet of the corporation; or
 - (ii) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true

¹ In determining the value of an individual's net personal assets for this purpose, the value of the individual's primary residence:
(a) is to be calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and
(b) is taken to be the lower of the following:
(i) the value calculated under paragraph (a);
(ii) S\$1 million.

² "Financial asset" means, for this purpose:
(a) a deposit as defined in section 4B of the Banking Act 1970 of Singapore;
(b) an investment product as defined in section 2(1) of the Financial Advisers Act 2001 of Singapore; or
(c) any other asset as may be prescribed by regulations made under section 341 of the SFA.



and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which must be dated within the preceding 12 months;

- (c) ~~the trustee of any such trust that MAS may prescribe, when acting in their capacity as trustee; or~~ a trustee of the following trusts:
- (i) any trust all the beneficiaries of which are accredited investors within the meaning of section 4A(1)(a)(i), (ii) or (iv) of the SFA;
 - (ii) any trust all the settlors of which are accredited investors within the meaning of section 4A(1)(i), (ii) or (iv) of the SFA, have reserved to themselves all powers of investment and asset management functions under the trust, and have reserved to themselves the power to revoke the trust; and
 - (iii) any trust the subject matter of which exceeds S\$10 million in value (or its equivalent in foreign currency);
- (d) an entity (other than a corporation) with net assets exceeding S\$10 million in value (or its equivalent in a foreign currency);
- (e) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 of Singapore) in which each partner is an accredited investor;
- (f) a corporation the entire share capital of which is owned by one or more persons, all of whom are accredited investors; and
- ~~(d)~~(g) a person who holds a joint account with an accredited investor, in respect of dealings through that joint account ~~such other persons as MAS may prescribe.~~

Any reference to “trust” in sub-paragraph (c) above includes a bare trust.

An “expert” investor has the meaning prescribed to it under section 4A(1) of the SFA, being:

- (a) a person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent;
- (b) the trustee of such trust as MAS may prescribe, when acting in that capacity;
or
- (c) such other person as MAS may prescribe.



South Africa

The Exchange has received legal advice that it does not require [a licence, authorisation or registration](#) from the Financial [Services Board of South Africa Sector Conduct Authority](#) under either the Financial Advisory and Intermediary Services Act, 2002 or the Financial Markets Act, 2012 to allow its members or their agents to access LMEselect or LMEsmart from South Africa. However, members are advised to seek their own legal advice before canvassing for, marketing or advertising their services in South Africa.

[Members located in South Africa in Categories 1, 2, 3 and 4 should comply with the South African Exchange Control Regulations in relation to their holding of B shares in LME Holdings Limited.](#)

Switzerland

Pursuant to a decision dated 15 May 2017, the Exchange is recognised by the Swiss Financial Market Supervisory Authority (“FINMA”) as a foreign trading venue in accordance with Article 41 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. The Exchange is authorised to grant FINMA-supervised Swiss participants direct access to its facilities (including LMEselect and LMEsmart). Admission of non-regulated Swiss participants is subject to local law.

The Exchange understands that it does not require authorisation for non-Swiss members to access LMEselect and LMEsmart from Switzerland through Swiss based agents.

United States of America

On 31 October 2016, the U.S. Commodity Futures Trading Commission (“CFTC”) issued an Order of Registration to the LME as a Foreign Board of Trade (“FBOT”).

Under the Order, the LME is permitted to provide identified members or other participants located in the U.S. with direct access to its electronic order entry and trade matching systems. [Under the Order, the LME must comply with applicable sections of the U.S. Commodity Exchange Act and regulations of the CFTC including the CFTC’s Part 48 regulations generally and the conditions of registration specified in CFTC Regulation 48.8, as applicable.](#)

[As provided in CFTC Regulations 48.4\(b\) and 48.8\(b\), t](#)To be eligible for direct access to the LME’s systems, such member or other participant must:

- (a) enter all orders solely for its own- accounts; or
- (b) be registered with the CFTC as a futures commission merchant and submit orders to LMEselect and/or LMEsmart for execution in that capacity; or



- (c) be registered with the CFTC as a commodity pool operator or operate as a commodity pool operator pursuant to an exemption from such registration under CFTC Regulation 4.13, and submit orders to LMEselect and/or LMEsmart in that capacity, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions; or
- (d) be registered with the CFTC as a commodity trading advisor, or operate as a commodity trading advisor pursuant to an exemption from registration under CFTC Regulation 4.14, and submit orders to LME-select and/or LMEsmart in that capacity, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions; or
- ~~(d)~~(e) be registered with the CFTC as an introducing broker and submit orders to LMEselect and/or LMEsmart in that capacity on behalf of customers, provided that a registered futures commission merchant (or a firm exempt from such registration pursuant to CFTC Regulation 30.10) clears the transactions.

Additionally, in order to fulfil the FBOT registration requirements, each current and prospective member or other participant that is given direct access to LMEselect and/or LMEsmart, and who is not registered with the CFTC as a futures commission merchant or introducing broker, or who is not registered (or exempt from registration as described above) as a commodity trading advisor or a commodity pool operator, must:

- (a) file with the LME a written representation, executed by a person with the authority to bind the member or other participant, stating that as long as the member or other participant is authoriszed to enter orders directly into the trade matching system of the LME, the member or other participant agrees to and submits to the jurisdiction of the Commission with respect to its LME trading activities; and
- (b) maintain with the LME a written representation, executed by a person with the authority to bind the member or other participant, stating that as long as the member or other participant is authoriszed to enter orders directly into the trade matching system of the LME, the member or other participant will provide, upon the request of the Commission, the United States Department of Justice and, if appropriate, the National Futures Association, prompt access to the entity's, member's, or other participant's original books and records or, at the election of the requesting agency, a copy of specified information containing such books and records, as well as access to the premises where the trading system is available in the United States.

These representations must be provided to the LME in the format prescribed by the LME. This standard wording is available on request from the LME Market Access team. The LME must maintain the above representations as part of its books and records for at least five years and must make them available to the CFTC upon request.



Members that have direct access from the United States must also submit to the LME their National Futures Association identification numbers (if applicable), and main business addresses in the United States from which such members access LMEselect or LMEsmart.

Members' Requirements

Pursuant to the LME Rules & Regulations, only Category 1, 2, 3 and 4 members may have direct access to LMEselect and LMEsmart. Members are reminded that any agent of a member accessing LMEselect or LMEsmart directly does so in the name of the relevant member, and members are responsible for any agent acting in their name. The Exchange shall have no business relationship with any agent of a member.

Members are reminded that they are at all times responsible for ensuring that they and any agents have secured any regulatory approvals needed by them in any jurisdiction in order to access LMEselect or LMEsmart from that jurisdiction and for complying with applicable laws and regulations.

In addition, members who wish to access the LMEselect API from any jurisdiction need to meet all LME FIX Conformance requirements and need to ensure that they have gained any necessary regulatory approval prior to IT deployment.

Following exchange notification, members' compliance departments may request user logins for users in the approved location, via email to TradingOperations@lme.com. Users from overseas locations will be given a username that includes a code for that jurisdiction. This will allow the LME to track volumes from the different overseas locations. Trader accreditation will then take place via the telephone on a LME Select test system.

Any questions should be directed to the LME Helpdesk on + 44 (0)20 7113 8200 or email TradingOperations@lme.com.



Appendix 3 – Jurisdictions Policy (clean)



Member Jurisdictions Policy

September 2024

THE LONDON METAL EXCHANGE AND LME CLEAR LIMITED

10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888

The London Metal Exchange is registered in England no 2128666.

LME Clear Limited is a private limited company and is registered in England no 07611628.

Registered offices as above.

[LME.COM](https://www.lme.com)

1 Policy Statement

- 1.1 This Policy sets out the approach of The London Metal Exchange (the “LME”) and LME Clear Limited (“LME Clear”) (the LME and LME Clear together the “LME Group”) to addressing the costs involved in permitting access to the facilities of the LME Group by Members of LME and/or LME Clear (“Members”) from given jurisdictions.

2 Background

- 2.1 Many jurisdictions around the world place restrictions on access to derivatives trading and/or clearing services from that jurisdiction, whether by legal entities incorporated / domiciled in that jurisdiction, or by persons physically located in that jurisdiction. This means that, before allowing access to its facilities from a jurisdiction, the LME Group must take expert legal advice from external counsel based in that jurisdiction, in order to work out whether, amongst other things, (a) there are any restrictions on the way in which the LME Group may offer its services in that jurisdiction, (b) any form of licence or exemption is required in order to offer its services in that jurisdiction, and (c) there are any ongoing notification or reporting obligations to the regulator in that jurisdiction. Obtaining external legal advice comes with a cost; equally, if a licence / exemption is required, and/or if there are ongoing notification or reporting obligations, then there will be costs attaching to this. Notably, regulatory reporting regimes vary from jurisdiction to jurisdiction and the MiFID II reporting obligation for third country firms, for example, is an additional burden that the LME Group would need to resource and satisfy as part of facilitating Member access.
- 2.2 This work also consumes internal resource within the LME Group (which also comes with a cost). As a rule of thumb, the work is most time-consuming, and expensive, when the LME Group receives a request from a Member incorporated / domiciled in a jurisdiction (as opposed to merely facilitating access to systems from staff physically located in a jurisdiction): this is because this often gives rise to a licence / exemption (with initial costs, both in terms of the application itself and the external legal advice), and ongoing notifications / reporting obligations (with ongoing costs attached).
- 2.3 When it has received requests from Members to facilitate access from a new jurisdiction, the LME Group has historically borne the relevant costs itself, and is now able to facilitate access from a range of jurisdictions (see further section 3 below). Generally it has facilitated access from a new jurisdiction where it is satisfied that it (a) will enhance the orderly operation of its market, and (b) there is a reasonable business case for doing so. Factors (a) and (b) align most effectively where the LME is satisfied that access from a new jurisdiction will materially enhance the pool of liquidity available to participants on its market.
- 2.4 More recently, however, the LME Group has received a number of requests from a single existing Member, or from a single existing client of a Member who wishes to become a Member, to facilitate access from a new jurisdiction. These requests are often as a result of, for example, intra-group reorganisations or cost saving measures at the entity. In these cases, it seems



unlikely that facilitating such an application will materially enhance the pool of liquidity available to market participants, or otherwise enhance the orderly functioning of the LME's market.

- 2.5 As a result, the LME Group believes it is appropriate to implement a policy allowing it the flexibility to recover costs associated with access to its facilities from a new jurisdiction in certain circumstances.

3 Accessible Jurisdictions

LME

The LME offers trading access to Members located in a number of jurisdictions. In respect of certain jurisdictions, conditions apply to such access, and these are set out in the LME Jurisdictions Document. The Jurisdictions Document sets out the jurisdictions from which Members may access the LME's facilities and any conditions for Members wishing to access the LME from these jurisdictions. The Jurisdictions Document is updated from time to time and is available on the LME website at <https://www.lme.com/en/about/Regulation>

- 3.1 As of the date of this Policy, the LME permits access to its facilities of some sort¹, subject to the relevant conditions in the Jurisdictions Document, from the following jurisdictions:

- United Kingdom (England and Wales, Northern Ireland and Scotland)
- France
- Germany
- The Netherlands
- Norway
- Cyprus
- Australia
- Canada (Ontario)
- Canada (Quebec)
- Dubai (Dubai International Financial Centre (DIFC) only)
- Hong Kong
- India
- Japan
- PRC
- Singapore
- South Africa
- Switzerland
- USA

LME Clear

- 3.2 LME Clear also offers clearing access to Members from only certain jurisdictions. LME Clear must undertake detailed legal and regulatory analysis before it is able to provide access to its clearing facilities from a particular jurisdiction. This is because LME Clear is exposed to the

¹ This list includes jurisdictions from where access is permitted by (a) Members incorporated / domiciled in that jurisdiction, and (b) persons physically located in that jurisdiction – please refer to the Jurisdictions Document for further details, including any conditions and requirements attaching to such access.



credit risk of Members and certain aspects of that relationship may fall to be determined by the law of the jurisdiction in which the Member is incorporated.

3.3 LME Clear is currently able to admit (certain types of entity) from the following jurisdictions:

- England and Wales
- France
- Germany
- The Netherlands
- Norway
- USA
- Canada (Ontario)
- Canada (Quebec)
- Switzerland
- Australia²

3.4 In relation to the USA, LME Clear can admit the following entities without requiring additional jurisdictional analysis: (i) any entity incorporated and headquartered in New York or Illinois and (ii) any national bank or FCM subject to federal insolvency proceedings and headquartered in New York or Illinois but incorporated elsewhere. Any other type of entity may require additional analysis.

4 LME Group Jurisdiction Tiers

4.1 Through this Policy, the LME Group establishes three “Tiers” of overseas jurisdictions. These are listed in the Appendix and will be published on the LME website from time to time.

Classification

4.2 The Tier 1 Jurisdictions are in effect the LME Group’s “core jurisdictions”, from where it always expects the need to facilitate access. The LME and LME Clear are able to permit access to its facilities from the UK and a small sub-set of the EEA states (see the full Tier 1 list in the Appendix below). Please note the difference between the Tier 1 list in respect of exchange access and clearing access. In respect of access to the LME Group’s facilities, the LME will consider additional jurisdictions in accordance with paragraph 5 below.

4.3 The Tier 2 Jurisdictions are jurisdictions outside the UK and other “core” jurisdictions where there are Members incorporated / domiciled or those from where LME Group is able to provide access without undertaking further legal or regulatory work.

4.4 The Tier 3 Jurisdictions are jurisdictions not listed in Tier 1 or Tier 2.

4.5 Please note: a jurisdiction may be in different tiers for trading and clearing as specified in the Annex.

Reclassification

² LME Clear does not currently need a regulatory licence to offer its services in Australia, but may do in the future and therefore each prospective application for Membership is considered on a case-by-case basis.



- 4.6 The LME may update or amend the Tiers themselves, or which jurisdictions fall into which Tiers, at any time at its sole discretion, acting reasonably and taking into account relevant legal or regulatory requirements.
- 4.7 Should the LME Group not have any Members from a Tier 2 jurisdiction, it may reclassify such jurisdiction as a Tier 3 jurisdiction at its discretion.

5 Facilitating Access to New Jurisdictions

- 5.1 The LME Group may from time to time be approached by a potential Member which is incorporated / domiciled in a jurisdiction that is not, and is not determined to be, a Tier 1 or Tier 2 jurisdiction, or that is a Tier 1 or Tier 2 jurisdiction in respect of trading activities only. In these circumstances, the LME Group may request that the entity underwrite any costs associated with facilitating this, so that, if it has not become a Member within a timescale to be determined (and communicated to the applicant) by the LME Group, they shall be obliged to pay an amount to the LME equal to the costs which it incurred. The LME has a standard, non-negotiable form of undertaking in respect of costs which can be given and agreed by email and is available from the Market Access team.
- 5.2 Notwithstanding the above, the LME Group shall be under no obligation to proceed with a request to facilitate access from a particular jurisdiction. When deciding whether to proceed with any request, the LME shall consider, amongst other things, the following factors:
- Whether there is an existing legal or regulatory requirement to allow access from that jurisdiction;
 - Whether there is a commercial rationale for allowing access from the jurisdiction;
 - Whether providing access from the jurisdiction is in the overall interests of the market;
 - Whether the legal and regulatory risks can be managed satisfactorily without incurring significant additional costs; and
 - Whether there are sufficient internal resources (including, without limitation, in relation to staff and IT) to proceed with the request.

6 Access Facilitation Fee

- 6.1 An “access facilitation fee” (“AFF”) is payable by overseas Members meeting certain criteria. This is intended to cover the ongoing costs of maintaining relevant licences / exemptions and complying with the relevant notification / reporting requirements. Details of the AFF are set out in the Fee Schedule.



7 Governance

- 7.1 This Policy is owned by the Head of Market Access and will be reviewed on a periodic basis.
- 7.2 This Policy will be published on the LME website. This Policy, and the relevant Tiers and jurisdictions within each Tier, may be amended from time to time by the LME with or without notice by updating this Policy and publishing it on the LME website.

8 Document Control

Date	Version
June 2020	0.1
April 2021	1.1
September 2024	1.2



Appendix - Tiers

Tier 1 Jurisdictions

United Kingdom (England and Wales, Northern Ireland and Scotland)
France
Germany
The Netherlands
Norway

Additional Tier 1 Jurisdictions for trading only

Cyprus

Tier 2 Jurisdictions

USA
Switzerland
Australia
Canada (Ontario)
Canada (Quebec)

Additional Tier 2 Jurisdictions for trading only

DIFC
Singapore

Tier 3 Jurisdictions

Any jurisdiction not listed in Tier 1 or Tier 2, including those jurisdictions that are listed in Tier 2 for trading only.





Appendix 4 – Jurisdictions Policy (redline)



Member Jurisdictions Policy

September ~~July~~ 2024

THE LONDON METAL EXCHANGE AND LME CLEAR LIMITED

10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888

The London Metal Exchange is registered in England no 2128666.

LME Clear Limited is a private limited company and is registered in England no 07611628.

Registered offices as above.

LME.COM

1 Policy Statement

- 1.1 This Policy sets out the approach of The London Metal Exchange (the “LME”) and LME Clear Limited (“LME Clear”) (the LME and LME Clear together the “LME Group”) to addressing the costs involved in permitting access to the facilities of the LME Group by Members of LME and/or LME Clear (“Members”) from given jurisdictions.

2 Background

- 2.1 Many jurisdictions around the world place restrictions on access to derivatives trading and/or clearing services from that jurisdiction, whether by legal entities incorporated / domiciled in that jurisdiction, or by persons physically located in that jurisdiction. This means that, before allowing access to its facilities from a jurisdiction, the LME Group must take expert legal advice from external counsel based in that jurisdiction, in order to work out whether, amongst other things, (a) there are any restrictions on the way in which the LME Group may offer its services in that jurisdiction, (b) any form of licence or exemption is required in order to offer its services in that jurisdiction, and (c) there are any ongoing notification or reporting obligations to the regulator in that jurisdiction. Obtaining external legal advice comes with a cost; equally, if a licence / exemption is required, and/or if there are ongoing notification or reporting obligations, then there will be costs attaching to this. Notably, regulatory reporting regimes vary from jurisdiction to jurisdiction and the MiFID II reporting obligation for third country firms, for example, is an additional burden that the LME Group would need to resource and satisfy as part of facilitating Member access.
- 2.2 This work also consumes internal resource within the LME Group (which also comes with a cost). As a rule of thumb, the work is most time-consuming, and expensive, when the LME Group receives a request from a Member incorporated / domiciled in a jurisdiction (as opposed to merely facilitating access to systems from staff physically located in a jurisdiction): this is because this often gives rise to a licence / exemption (with initial costs, both in terms of the application itself and the external legal advice), and ongoing notifications / reporting obligations (with ongoing costs attached).
- 2.3 When it has received requests from Members to facilitate access from a new jurisdiction, the LME Group has historically borne the relevant costs itself, and is now able to facilitate access from a range of jurisdictions (see further section 3 below). Generally it has facilitated access from a new jurisdiction where it is satisfied that it (a) will enhance the orderly operation of its market, and (b) there is a reasonable business case for doing so. Factors (a) and (b) align most effectively where the LME is satisfied that access from a new jurisdiction will materially enhance the pool of liquidity available to participants on its market.
- 2.4 More recently, however, the LME Group has received a number of requests from a single existing Member, or from a single existing client of a Member who wishes to become a Member, to facilitate access from a new jurisdiction. These requests are often as a result of, for example, intra-group reorganisations or cost saving measures at the entity. In these cases, it seems



unlikely that facilitating such an application will materially enhance the pool of liquidity available to market participants, or otherwise enhance the orderly functioning of the LME's market.

- 2.5 As a result, the LME Group believes it is appropriate to implement a policy allowing it the flexibility to recover costs associated with access to its facilities from a new jurisdiction in certain circumstances.

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- India
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- Singapore
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- Switzerland
- USA

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- 3.2 LME Clear also offers clearing access to Members from only certain jurisdictions. LME Clear must undertake detailed legal and regulatory analysis before it is able to provide access to its clearing facilities from a particular jurisdiction. This is because LME Clear is exposed to the

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² ~~Although LME and LME Clear have each obtained exemptions in Ontario, LME Clear must still undertake some legal analysis before it is able to admit Members from this jurisdiction.~~

³ LME Clear does not currently need a regulatory licence to offer its services in Australia, but may do in the future and therefore each prospective application for Membership is considered on a case-by-case basis.



clearing access. In respect of access to the LME Group's facilities, the LME will consider additional jurisdictions in accordance with paragraph 5 below.

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- 4.4 The Tier 3 Jurisdictions are jurisdictions not listed in Tier 1 or Tier 2.
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Reclassification

- 4.6 The LME may update or amend the Tiers themselves, or which jurisdictions fall into which Tiers, at any time at its sole discretion, acting reasonably and taking into account relevant legal or regulatory requirements.
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undertaking in respect of costs which can be given and agreed by email and is available from the Market Access team.

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