

PRECIOUS METALS

BENCHMARK STATEMENT

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1 INTRODUCTION

This Benchmark Statement is published by IBA in compliance with Article 27 of the UK Benchmarks Regulation (BMR) and the associated binding Technical Standards (TS).

The LBMA Gold and Silver Prices are the global benchmark prices for unallocated gold and silver delivered in London.

IBA became the administrator of the LBMA Gold Price in March 2015 with the express intention of evolving the methodology to be a physically settled, electronic, tradeable Auction process to replace the former Gold Fixing Price which had been in existence since September 1919.

IBA became the administrator of the LBMA Silver Price in October 2017 to implement essentially the same processes and principles as for the LBMA Gold Price, including the changes that IBA had made for the LBMA Gold Price, including removal of the previous Seller's Premium and the introduction of central clearing.

2 RESPONSES TO BMR/TS REQUIREMENTS

BMR / TS #	BMR / TS requirement	IBA's Response
BMR Article 27 - Benchmark statement		
BMR Art 27(1)(a)	<p>The benchmark statement shall:</p> <p>(a) clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable;</p>	<p><i>Economic reality:</i></p> <p>The LBMA Gold and Silver Prices are the global benchmark prices for unallocated gold and silver delivered in London.</p> <p><i>Circumstances in which such measurement may become unreliable:</i></p> <p>IBA's public Consultation in April 2015 established that users require a daily benchmark price for contractual certainty - even if the minimum number of Direct Participants for an Auction are not present. Therefore, it was agreed that if for whatever reason fewer than three Participants, of which two must be Direct Participants, are logged on at the commencement of an Auction, IBA will either:</p> <ul style="list-style-type: none"> • Not conduct that Auction but declare it closed at the Opening Price, or • Attempt to delay the Auction up to 60 minutes after the usual Auction start time. <p>If a delayed Auction cannot begin, that specific Auction will not be run for that day. IBA will nevertheless publish the LBMA Gold and/or Silver Price Benchmarks, as the case may be.</p> <p>If IBA has sufficient reason to believe that the delayed Auction will not be able to begin, it will not attempt a delayed Auction and will publish the LBMA Gold and Silver Prices as soon as is practicable.</p> <p>If an Auction is not progressing as expected, IBA's Auction rule book provides measures that can be deployed to protect the integrity of the Auction and the LBMA Gold and Silver Prices benchmarks as follows:</p> <ul style="list-style-type: none"> • Pause the Auction and restart - to give participants an opportunity to contact clients or re-evaluate their positions • Increase the imbalance threshold - if it appears that the Auction will otherwise not finish • Cancel an order - if it is compromising the integrity of the process and the relevant participant cannot be reached.
BMR Art 27(1)(b)	<p>The benchmark statement shall:</p> <p>(b) lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise</p>	<p>IBA does not exercise discretion or expert judgement in operating the Auctions.</p>

BMR / TS #	BMR / TS requirement	IBA's Response
	<p>of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated;</p>	
<p>BMR Art 27(1)(c) Art 27(1)(d)</p>	<p>The benchmark statement shall:</p> <p>(c) provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark; and</p> <p>(d) advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.</p>	<p>Changes to, or the cessation of, the benchmarks may have an impact upon the financial contracts and financial instruments that reference the benchmarks or the measurement of the performance of investment funds.</p> <p>Any change or cessation would be made in accordance with the LBMA Precious Metals Prices Changes and Cessation Procedure.</p> <p>A cessation of the benchmark(s) might occur because IBA was not able to continue to produce the benchmark on a representative basis or there was a fundamental change in the underlying interest that the benchmark seeks to represent.</p> <p>The factors that would be considered in the context of the cessation of a benchmark are as follows:</p> <ul style="list-style-type: none"> • The timing of cessation; • How much notice should be given; • Whether any transitional measures should or could be implemented; • Stakeholder engagement; and • Identification of possible alternative benchmarks and migration thereto. <p>If cessation were under consideration, IBA would engage closely with the relevant stakeholders, including:</p> <ul style="list-style-type: none"> • The FCA and any other relevant regulatory body; • Users of the benchmark – directly (for example, by email to registered licensees and by conference calls where appropriate), through any relevant association(s) and/or through paid advertisements; • Redistributors of the benchmark; and • The media. <p>IBA would also include relevant information and relevant contact details on its website.</p>

BMR / TS #	BMR / TS requirement	IBA's Response
BMR Art 27(2)(a)	A benchmark statement shall contain at least: (a) the definitions for all key terms relating to the benchmark	See Appendix 1 for definitions of key terms.
BMR Art 27(2)(b)	A benchmark statement shall contain at least: (b) the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology;	<p>The ability to transact and reference a single transparent price, produced by a regulated benchmark administrator provides significant benefits to the market. The LBMA Gold and Silver Prices are homogeneous products governed by LBMA definitions. The benchmarks facilitate spot, monthly averaging, cash-settlement, location swaps, fixed for floating swaps, options and other derivative transactions important to price risk management.</p> <p>IBA keeps benchmark methodologies under continuous review and has appointed the Precious Metals Oversight Committee with responsibilities which include reviewing at least annually the definition and methodology of the LBMA Gold and Silver Prices.</p> <p>The Committee's Composition and full Terms of Reference are available on IBA's website.</p> <p>The process for the selection, renewal and replacement of Committee members is available on IBA's website.</p> <p>The benchmark methodology is approved by the Board of IBA.</p>
BMR Art 27(2)(c)	A benchmark statement shall contain at least: (c) the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index;	<p>IBA operates electronic Auctions for spot, unallocated loco London gold and silver, providing a market-based platform for buyers and sellers to trade. IBA operates the Auctions at 10:30 and 15:00 London time for gold and at 12:00 London time for silver.</p> <p>The input data to calculate the LBMA Gold and Silver Prices is the Final Price of the relevant Auction. The price discovery is in US Dollars, which IBA then converts into British Pounds and Euros using exchange rates existing at the time that the final Round ended.</p> <p>IBA has procedures in place to document contemporaneously all input data which is relevant for the calculation of the LBMA Gold and Silver Prices. Such records will be retained for at least five years.</p> <p>A minimum of three Participants, of which two must be Direct Participants, are needed to determine the gold and silver benchmarks. IBA stipulates a Maximum Single Order Size, which is 100,000 Troy oz for gold and 1,000,000 Troy oz for silver.</p> <p>Please also see the Auction Methodology on IBA's website and the Auction Specification parameters for Gold and Silver.</p> <p>No models or methods of extrapolation are used in the determination of the gold and silver benchmarks.</p> <p>No procedures for rebalancing any constituents of the gold and silver benchmarks' indices are used.</p>

BMR / TS #	BMR / TS requirement	IBA's Response
BMR Art 27(2)(d)	<p>A benchmark statement shall contain at least:</p> <p>(d) the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion;</p>	<p>No judgement or discretion is exercised by IBA in the determination of the LBMA Gold and Silver Prices. The Auctions are operated in accordance with defined rules and operational procedures.</p>
BMR Art 27(2)(e)	<p>A benchmark statement shall contain at least:</p> <p>(e) the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods;</p>	<p>See the response to BMR Art 27(1)(a) and 27(2)(c) above.</p>
BMR Art 27(2)(f)	<p>A benchmark statement shall contain at least:</p> <p>(f) the procedures for dealing with errors in input data or in the determination of the benchmark, including when a redetermination of the benchmark is required; and</p>	<p>The underlying principles that IBA uses for dealing with errors in the determination of the benchmark are that:</p> <ul style="list-style-type: none"> • An individual Auction cannot be rerun; • In extremis, IBA could replace a published Auction price with a No Publication; • If an error were discovered during an Auction, the Auction Round could be stopped and restarted; • If fewer than three Participants are present for the Auction, IBA publishes a price without conducting an Auction – an incorrect price published in such circumstances could be altered if an error were discovered within a short timescale; and • The non-USD prices are derived indirectly from the Auction and so could be altered if an error were discovered within a short timescale. <p>An intraday cut-off time for discovering an error has been set at 30 minutes after the conclusion of the relevant Auction. This deadline will be under regular review by the Precious Metals Oversight Committee.</p> <p>If errors are identified after the cut-off time, IBA would include them in a quarterly notification on IBA's website of the incidence of errors.</p> <p>IBA will not invoke the above procedure if an input error is made by a Participant.</p>

BMR / TS #	BMR / TS requirement	IBA's Response
BMR Art 27(2)(g)	A benchmark statement shall contain at least: (g) the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.	See the response to BMR Art 27(1)(a) above.
TS Article 1 - General disclosure requirements		
TS Art (1)(1)(a)	The benchmark statement shall state: (a) the date of publication of the statement and, where applicable, the date of its last update;	This is on the title page of this document.
TS Art (1)(1)(b)	The benchmark statement shall state: (b) where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge;	The benchmarks do not have ISINs.
TS Art (1)(1)(c)	The benchmark statement shall state: (c) whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data;	The gold and silver benchmarks are not determined using contributions of input data, and nor is any benchmark in the family of benchmarks.
TS Art (1)(1)(d)	The benchmark statement shall state: (d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EU) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.	This Benchmark Statement is for the LBMA Gold and Silver Prices which are Commodity benchmarks under the BMR. Accordingly the specific Commodity benchmarks requirements in Annex II apply instead of the general BMR requirements of Title II (with the exception of Article 10 concerning outsourcing).

BMR / TS #	BMR / TS requirement	IBA's Response
TS Art (1)(2)(a)	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(a) a general description of the market or economic reality;</p>	See the response to BMR Art 27(1)(a) above.
TS Art (1)(2)(b)	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(b) the geographical boundaries, if any, of the market or economic reality;</p>	The LBMA Gold and Silver Prices are the global benchmark prices for unallocated gold and silver delivered in London.
TS Art (1)(2)(c)	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of the market or economic reality, including at least the following elements insofar as reliable data on these elements is available:</p> <p>(i) information on actual or potential participants in the market;</p> <p>(ii) an indication of the size of the market or economic reality.</p>	<p>See the response to BMR Art 27(1)(a) and TS Art (1)(2)(b) above.</p> <p>Producers, the investment community, banks and central banks, fabricators, jewellers and other consumers as well as market participants from around the globe use the benchmarks as reference prices.</p>
TS Art (1)(3)(a) Art (1)(3)(b) Art (1)(3)(c)	<p>In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least:</p> <p>(a) a description of the circumstances in which the administrator would lack sufficient input data to determine the</p>	See the response to BMR Art 27(1)(a) above.

BMR / TS #	BMR / TS requirement	IBA's Response
	<p>benchmark in accordance with the methodology;</p> <p>(b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient;</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.</p>	
<p>TS Art (1)(4)</p>	<p>In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex post evaluation of the use of discretion, together with a clear indication of the position of any person(s) responsible for carrying out the evaluations.</p>	<p>Not applicable</p>
<p>TS Art (1)(5)</p>	<p>In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.</p>	<p>IBA typically designs evolutionary enhancements to benchmarks, and it is important for IBA to gain feedback on proposed changes where they are material to the benchmark.</p> <p>IBA therefore consults publicly from time to time on proposed material changes in relation to IBA benchmarks.</p> <p>IBA's Consultation Policy outlines the considerations that inform public consultations and the steps that IBA takes when seeking feedback on material proposals.</p>

BMR / TS #	BMR / TS requirement	IBA's Response
TS Article 2 - Specific disclosure requirements for regulated-data benchmarks		
TS Art (2)(a) Art (2)(b)	<p>In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data:</p> <p>(a) the sources of the input data used;</p> <p>(b) for each source, the relevant type, as listed in Article 3(1)(24) of Regulation (EU) 2016/1011.</p>	Not applicable
TS Article 3 - Specific disclosure requirements for interest rate benchmarks		
TS Art (3)	<p>In addition to the information to be included pursuant to Article 1, for an interest rate benchmark or, where applicable, family of interest rate benchmarks, the benchmark statement shall include at least the following information:</p> <p>(a) a reference alerting users to the additional regulatory regime applicable to interest rate benchmarks under Annex I to Regulation (EU) 2016/1011;</p> <p>(b) a description of the arrangements that have been put in place to comply with that Annex.</p>	Not applicable
TS Article 4 - Specific disclosure requirements for commodity benchmarks		
TS Art (4)(a) Art (4)(b)	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p>	See the response to TS Art (1)(1)(d) above.

BMR / TS #	BMR / TS requirement	IBA's Response
	<p>(a) indicate whether the requirements of Title II of, or Annex II to, Regulation (EU) 2016/1011 apply to the benchmark, or family of benchmarks as prescribed by Article 19 of that Regulation;</p> <p>(b) include an explanation as to why Title II of or, as the case may be, Annex II to that Regulation applies;</p>	
<p>TS Art (4)(c)</p>	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity.</p>	<p><i>See Appendix 1 for definitions of key terms.</i></p>
<p>TS Art (4)(d)</p>	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(d) where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that Regulation.</p>	<p>IBA keeps benchmark methodologies under continuous review and has appointed the Precious Metals Oversight Committee with responsibilities which include reviewing at least annually the definition and methodology of the LBMA Gold and Silver Prices.</p> <p>The BMR refers to an administrator's procedures and practices to ensure consistency between its assessors in exercising their judgement. This is not applicable to the LBMA Gold and Silver Prices since IBA does not employ assessors.</p> <p>See the response to BMR Art 27(1)(b) and Art 27(2)(c) above.</p>
<p>TS Article 5 - Specific disclosure requirements for critical benchmarks</p>		
<p>TS Art (5)(a) Art (5)(b)</p>	<p>In addition to the information to be included pursuant to Article 1, for a critical benchmark, or, where applicable, a family of benchmarks that contains at least one critical benchmark, the benchmark statement shall</p>	<p>Not applicable</p>

BMR / TS #	BMR / TS requirement	IBA's Response
	<p>include at least the following information:</p> <p>(a) a reference alerting users to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011;</p> <p>(b) a statement indicating how users will be informed of any delay in the publication of the benchmark or of any re-determination of the benchmark, and indicating the (expected) duration of measures.</p>	
TS Article 6 - Updates		
<p>TS Art (6)(a) Art (6)(b)</p>	<p>In addition to the cases referred to in the third subparagraph of Article 27(1) of Regulation (EU) 2016/1011, an update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise, and including in any event in the following cases:</p> <p>(a) whenever there is a change in the type of the benchmark;</p> <p>(b) whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the methodology used for determining any benchmark within the family of benchmarks.</p>	<p>This Benchmark Statement is subject to review by the Precious Metals Oversight Committee at least annually.</p> <p>It will additionally be reviewed and updated if the information it provides is no longer correct or sufficiently precise, including if there is a material change in the methodology for determining the benchmark.</p> <p>IBA consults with users on important changes to the benchmark calculation processes to gain market acceptance of such changes. The Procedures for Consultation are available on IBA's website.</p> <p>IBA's consultation procedures provide advance notice in a clear timeframe that gives users sufficient opportunity to analyse and comment on the impact of such proposed changes. Users' comments and IBA's response to those comments are made accessible to all market users after a consultation period, except where the commenter has requested confidentiality.</p>

Appendix 1: Key Terms

Term	Definition
Auction	A process operated by IBA by which buyers and sellers of loco London spot gold or silver (as the case may be) express an interest for the purpose of entering into transactions on UK bullion business days
Auction Start Time	The scheduled start time of each Auction, as specified in the relevant IBA Auction Specification document from time to time
Final Price	USD per Ounce of loco London Gold or loco London Silver, as the case may be. The Final Price is the Price during the final Round of the Auction
Imbalance	The difference, expressed in Ounces, between the buying and selling interest at the completion of a Round
LBMA	The London Bullion Market Association
Spot unallocated Loco London Silver	The internationally accepted standard for silver trading and settlement. Settlement and delivery is 2 business days after the trade
Spot unallocated Loco London Gold	The internationally accepted standard for gold trading and settlement. Settlement and delivery is 2 business days after the trade
Opening Price	The value in USD/oz at the first Round of the relevant IBA Auction
Order	Buying or selling interest expressed in Ounces in the IBA Gold Auction and in hundreds of thousands of Ounces (00,000s oz) in the IBA Silver Auction
Ounce	One Troy ounce (oz), the traditional unit of weight for precious metals
Participant	<p>A Participant in IBA's gold and/or silver Auction(s), either as a Direct Participant or an Indirect Participant:</p> <ul style="list-style-type: none"> • Direct Participants manage their orders in the Auction via the ICE Trading Platform and their trades at the end of the Auction are against the clearing house or other Direct Participants • Indirect Participants are clients of a Direct Participant. They manage their own orders in the Auction via the ICE Trading Platform and at the end of the Auction they have a bilateral trade with their Direct Participant <p>Criteria for becoming and remaining a Direct or Indirect Participant are available on IBA's website.</p>
Price	The value of one Troy Ounce of gold or silver in the relevant Auction, expressed in USD
Round	The defined time interval during which Participants can enter or change Orders (at a given Price)
Unallocated	Gold or silver from a general pool rather than a specific bar of gold or silver

ANNEX I

CLIMATE-RELATED DISCLOSURES	
SECTION 1 – CONSIDERATION OF ESG FACTORS	
Item 1. Name of the benchmark administrator.	ICE Benchmark Administration Ltd
Item 2. Type of benchmark. <i>Choose from the list provided in Annex II.</i>	Commodities Benchmark
Item 3. Name of the benchmark.	LBMA Gold Price LBMA Silver Price
Item 4. Does the benchmark pursue ESG objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Item 5. Where the response to Item 4 is negative, is any EU Climate Transition Benchmark or EU Paris-aligned Benchmark available in the portfolio of the benchmark administrator or does the benchmark administrator have benchmarks that pursue ESG objectives or take into account ESG factors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Item 6. Where the response to Item 4 is positive, provide details on ESG factors, in accordance with Article 27(2a) of Regulation (EU) 2016/1011, including on the ESG factors listed in Annex II to this Regulation, depending on the type of benchmark concerned.</p> <p>The ESG factors shall not be disclosed for each constituent of the benchmarks but shall be disclosed at an aggregated weighted average value of the benchmark.</p>	
a) List of combined ESG factors:	Details on each ESG factor: Not applicable
b) List of environmental factors:	Details on each ESG factor: Not applicable
c) List of social factors:	Details on each ESG factor: Not applicable
d) List of governance factors:	Details on each ESG factor: Not applicable
Item 7. Data and standards used.	

<p>a) Description of data sources used to provide information on the ESG factors in the benchmark statement.</p> <p><i>Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.</i></p>	<p>Not applicable</p>
<p>b) Reference standards.</p> <p><i>List the supporting standards used for the reporting under item 6.</i></p>	<p>Not applicable</p>
<p>SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS</p>	
<p>Item 8. Where a benchmark is labelled as ‘EU Climate Transition Benchmark’ or ‘EU Paris-aligned Benchmark’, benchmark administrators shall also disclose the following information:</p>	
<p>a) forward-looking year-on-year decarbonisation trajectory;</p>	<p>Not applicable</p>
<p>b) degree to which the IPCC decarbonisation trajectory (1,5°C with no or limited overshoot) has been achieved on average per year since creation;</p>	<p>Not applicable</p>
<p>c) overlap between those benchmarks and their investable universe, as defined in Article 2, point (c), of Commission Delegated Regulation (EU) .../..., using the active share at asset level.</p>	<p>Not applicable</p>
<p>SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT</p>	
<p>Item 9. For significant equity benchmarks, significant bond benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, benchmark administrators shall also disclose the following information:</p>	
<p>a) the temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;</p>	<p>Not applicable</p>
<p>b) the name of the provider of the temperature scenario used for</p>	<p>Not applicable</p>

the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	
c) the methodology used for the measurement of the alignment with the temperature scenario;	Not applicable
d) the hyperlink to the website of the temperature scenario used.	Not applicable
Information updated on:	23 October 2023