

**ICE Benchmark Administration (“IBA”)
Redacted Minutes**



Meeting: LBMA Gold Price Oversight Committee

Date: Friday 4th November 2016, 13:00 – 14:30

Location: IBA Offices

Attendees:

Finbarr Hutcheson (Interim Chair)	Deborah Land (Secretary)
Grant Angwin	Shekhar Bhandari (T)
Tony Evanson (T)	Rob Hayes (T)
DeAnne Julius	Sakhila Mirza
Michel Prada (T)	Tony Ricci
Aram Shishmanian (T)	Emma Vick
Simon Weeks	Tim Wood (T)

Apologies:

Carolyn Van den Daelen

In attendance from IBA:

Matthew Glenville	Lucy Jeffs
Stylianios Tselikas	

Circulation: IBA Website

Agenda Items/Questions Raised

1. Chairman’s Welcome

The Chairman welcomed the Committee and introduced two new members, Tony Ricci & Dame DeAnne Julius.

2. Apologies for absence

As table above.

3. Declaration of any conflicts of interest

The Chairman called for any new conflicts of interest to be disclosed.

The Chairman stated that regulated benchmarks are a relatively new phenomenon in the UK and that the UK has taken a leading role in applying regulation to benchmarks. He thought that it would be very hard to have a Committee with extensive knowledge and valuable input that didn’t have some kind of conflict of interest and the important thing was that those possible real or perceived conflicts were identified and where necessary, mitigated. IBA have intentionally structured the Committee to ensure a balance of interests and that no stakeholder group is dominant.

4. Approval of Minutes

- **Full Minutes of the meeting on 15 July 2016, for approval**
Approved
- **Redacted Minutes of the meeting on 15 July 2016, for approval**
Approved

IBA gave a central clearing update to the Committee, notifying them that the cleared instrument would be launched in January 2017 and the auction trades could be routed there from March 2017. The Committee were informed that IBA had spoken to every bank and every bank wanted to move. Discussion moved to the technical implications for this new model and IBA's primary wish to keep running a healthy auction.

5. Matters arising from the minutes

The review of the workings of the Committee was raised with the Chairman mentioning that he had spoken to all Committee members to ascertain their views. The general feedback was that while the Committee was working well, having a conference call for meetings is suboptimal but geographically necessary. Suggestions were made that one face to face meeting take place every year in London. Some new member names were suggested but all thought that the current spread and representation on the Committee was good.

6. Dashboards

The dashboards for July, August, September and October were shared with the Committee, along with a summary of April 2015 to October 2016. The Committee were talked through each.

Some discussion was had around levels of variance between rounds and whether there should be an acceptable variance level set. IBA offered to propose some thresholds and inform the Committee at each meeting if any.

7. Discussion topics

- On-going evolution - oral update
IBA gave an update on Gold auction evolution, stating that two Direct Participants now have internal approval to provide screens to their own clients.

The Committee were further informed IBA was considering running a third auction to aid the Asian market, with a feasibility study being done to see if it would be worthwhile and to ensure it didn't detract from the two auctions currently run.

- Summary of algo testing review
Findings were presented of IBA's live testing of the algorithm since August which they had been running in parallel with the auction but under the guidance of a human chairman whilst it is trialled. It was mentioned that some direct participants felt strongly that an algo was less risky than using a human to run the auction.

MG said that IBA would hold a public consultation on the algo (as it would change the pricing structure) and consider roll out once results had been shared with the Committee.

- Workings of the committee - oral update
This topic was covered in 'Matters arising from the minutes'.
- Calendar review: MAR 8.3.10 (2) (C)
No comments were given.

8. Information items

- Standing items - Incidents if any
There was nothing to report.
- Standing items - Quarterly statistics
This document was shared with the Committee for their information.

9. Proposed time and date of next meeting

Tuesday 24th January 2017, 14:30 – 16:00 GMT

10. AOB

There being none the meeting was closed.