



**Redacted Minutes of a Meeting of the  
Precious Metals Oversight Committee of  
ICE Benchmark Administration (“IBA”)  
held on Thursday, 09 November 2017 15:00 GMT**

**PRESENT:** Mr S Pickford (Independent), Chairman  
Mr T Evanson (Brink’s Global Services)  
Mr R Hayes (AngloGold Ashanti) - by phone  
Dame DeAnne Julius (IBA INED) - by phone  
Mr S Lodder (Jane Street)  
Ms C Lynn (Coeur Mining)  
Ms E Vick (IBA)  
Mr S Weeks (Scotia Bank) - by phone  
Mr T Wood (Denver Gold Group) - by phone

**IN ATTENDANCE:** Ms G Bains  
Mr T Bowler (IBA President)  
Mr T Evans  
Mr M Glenville  
Ms J ten Elsen (Committee Secretary)  
Mr S Tselikas  
Mr A Villeneuve (IBA Chairman)

**APOLOGIES:** Mr G Angwin (Asahi Refining)  
Mr S Bhandari (Kotak Mahindra Bank)  
Ms S Mirza (LBMA)  
Mr M Prada (IBA INED)

**CIRCULATION:** IBA Website

	<p><b>Chairman’s Welcome and Introduction</b> The Chairman welcomed the Committee Members to the first meeting of the Precious Metals Oversight Committee (PMOC).</p>
	<p><b>Terms of Reference</b> The Chairman drew the Committee’s attention to the proposed PMOC Terms of Reference. IBA provided some background and noted that they were drafted in line with current regulatory requirements and the IOSCO Principles for Financial Benchmarks. IBA confirmed that no substantive changes had been required to accommodate the LBMA Silver Price Benchmark.</p> <p>After due consideration, the Committee approved the PMOC Terms of Reference.</p>
	<p><b>Update on LBMA Gold &amp; Silver Prices</b> IBA gave a presentation on the LBMA Gold and Silver Prices, showing how the auctions work and highlighting improvements that IBA had put in place since taking over the benchmarks.</p> <p>The presentation covered the following topics:</p> <ul style="list-style-type: none"><li>• Protections incorporated into the auction process, such as Blind Auctions, Client &amp; House Order Segregation, Audit Trails and Automation, and Central Clearing;</li><li>• Dynamic Price Discovery; and</li><li>• Silver and Gold Volumes traded on a daily, weekly and monthly basis.</li></ul>

	<p>The Committee discussed and noted:</p> <ul style="list-style-type: none"> <li>• Central Clearing had allowed for the onboarding of more new participants, significantly improving the dynamic nature of the price discovery process;</li> <li>• several entities were interested in becoming new auction participants;</li> <li>• the transition of the administration of the LBMA Silver Price to IBA had been smooth; and</li> <li>• circuit breakers and “fat finger” checks were in place.</li> </ul> <p><u>The Committee requested further information about the circuit breakers.</u></p>
	<p><b>Surveillance Overview</b></p> <p>IBA provided a detailed Surveillance Overview Presentation to the Committee noting that surveillance tools and processes were similar for Gold, Silver and the other IBA-administered benchmarks.</p> <p>IBA gave an overview of the process, the tools and the alerts that IBA monitors.</p> <p>The Committee discussed the Dashboards in detail and noted that they would form a standing agenda item. In addition, thematic reviews would be presented periodically to the Committee.</p>
	<p><b>EU Benchmarks Regulation</b></p> <p>The Committee noted the importance of the EU Benchmarks Regulation (BMR), which would come into effect on 01 January 2018.</p> <p>The Committee discussed and noted that</p> <ul style="list-style-type: none"> <li>• the FCA, which was the approving body for IBA benchmarks, would accept draft applications for BMR Authorisation before the end of 2017;</li> <li>• the paperwork required under the BMR was considerable but in many ways similar to IBA's current documentation for compliance with the IOSCO Principles for Financial Benchmarks; and</li> <li>• IBA had a Code of Conduct for the auction participants, but this would not be subject to BMR requirements.</li> </ul> <p>It was noted that the BMR refers to ‘contribution of input data’, where data is (i) provided to an administrator, either directly or indirectly, (ii) is necessary for the purpose of determining the benchmark and (iii) is provided for that purpose.</p>
	<p><b>Any Other Business</b></p> <p>The Committee noted that it would as a matter of course be informed of any incidents with respect to the benchmarks and noted that:</p> <ul style="list-style-type: none"> <li>• there had been a minor issue with published volumes not displaying decimal places on certain vendor screens in relation to the Silver benchmark publication, which was being resolved; and</li> <li>• there had been some confusion in the market about the applicable settlement date for the auctions on 08 October 2017 because Veterans Day is a Federal holiday in some US States. The LBMA had published a clarification that day.</li> </ul> <p>The Chairman noted that in addition to Incidents, the Declaration of Conflicts of Interest would form part of the standing item on the PMOC’s agendas.</p> <p>The Chairman thanked the Committee Members for their attendance and contributions and, with there being no further business to discuss, closed the meeting.</p>

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Stephen Pickford

Chairman