

ICE Benchmark Administration (“IBA”)
Redacted Minutes



Meeting: LBMA Gold Price Oversight Committee

Date: Thursday 28th April 2016, 14:30

Location: IBA Offices

Attendees:

Finbarr Hutcheson (Interim Chair) (T)	Deborah Land (Secretary)
Shekhar Bhandari (T)	Tony Evanson
Rob Hayes (T)	Sakhila Mirza (T)
Emma Vick	André Villeneuve (T)
Simon Weeks (T)	Tim Wood (T)

Apologies:

Grant Angwin	Michel Prada
Aram Shishmanian	

In attendance from IBA:

Carolyn Van den Daelen	Matthew Glenville
Stylianos Tselikas	

Circulation: IBA Website

Agenda Items/Questions Raised

1. Apologies for absence

2. Declaration of any conflict of interest

The Chairman asked the Committee members if they had any conflicts of interest that they wished to declare either at the meeting or in private following the meeting. None of the Committee members had anything to declare nor any comments to make.

3. Minutes from the last meeting, for approval

No comments were made from the Committee. The minutes were approved.

4. Dashboards, for consideration

IBA talked the Committee through the dashboards for January – April 2016.

It was noted that January was an average month in terms of the price, number of rounds and number of active participants. There were a few major events to note; namely IBA's methodology moving to a blind auction and it was the first month without a seller's premium. From a market perspective it was noted that activity in China influenced the price during the first weeks of the year.

February yielded a higher average price than January but with the number of rounds being in line with the long term average. Chinese New Year holiday and Federal Reserve System Board of Governors' Chairman Janet Yellen's testimony caused some market volatility but overall the price continued to increase.

March saw a high average price once again with the number of rounds still being in line with the long term average. Some volatility was attributable to the Fed meeting, the Brussels terrorist attack, there being no auctions over the Easter holidays and a further speech from Chairman Yellen.

In April the price dropped slightly. Market events included lower than expected Chinese Consumer Price Index.

5. Discussion topics:

- **Policy for handling a concern over a submission**

The Committee considered a paper showing how IBA might identify suspicions, and any actions that would be taken if IBA did have a strong suspicion of manipulation.

- **Gold contingency policy**
The Committee considered whether IBA should seek to have a contingency policy beyond the current fallback arrangements for producing a rate if fewer than three participants were logged in at the beginning of an auction. The Committee expressed the view that IBA should not seek to create a rate if its integrity could not be validated.
- **IOSCO Principles: Internal audit review findings**
An internal audit of IBA was recently undertaken focussing mainly on IBA's adherence to the IOSCO Principles and whether IBA's surveillance tools and processes operate effectively. Overall the internal audit rated the LBMA Gold Price as 'Satisfactory'.

6. Periodic Reviews

- **Terms of reference of the Committee**
This document was brought to the Committee for periodic review. No members had any comments to make and the document was approved.
- **Setting, definition and scope of the LBMA Gold Price**
IBA shared that there had been many changes over the past year, all methodologies and systems are working well, and the review had identified no changes beyond those which are already planned.

7. Information items

- **Upcoming improvements and indirect participation**
IBA talked the Committee through a presentation outlining improvements already made by IBA and their current focus, including the areas below:

Trading flexibility
Indirect Participation
Credit
Automation

- **Standing item – incidents, if any**
IBA said that there had been nothing that they would classify as an incident.
- **Standing item – quarterly statistics**
IBA shared the quarterly statistics report with the Committee and informed them that volume continues to be good and appears to be healthy.
- **External audit review findings**
An external audit had been satisfactorily carried out, replicating IBA's calculations with no differences being found. The audit had one finding relating to data storage that had been addressed by IBA sometime previously.
- **European regulation update**
This document was provided for information only but the Committee was told that a detailed analysis would be undertaken once the legislation is finalised.

8. Proposed time and date of next meeting

14:30 - 16:00 BST, Wednesday 13th July 2016

9. AOB

There being none the meeting was closed.