

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



**Meeting:** Gold Price Oversight Committee

**Date:** Tuesday 19<sup>th</sup> January 2016, 14:30

**Location:** IBA Offices

**Attendees:**

Finbarr Hutcheson (Interim Chair)                      Deborah Land (Secretary)

Grant Angwin (T)    Ruth Crowell

Tony Evanson (T)     Michel Prada (T)

Emma Vick    Simon Weeks (T)

**Apologies:**

Shekhar Bhandari     Rob Hayes

Aram Shishmanian     André Villeneuve

Tim Wood

**In attendance from IBA:**

Matthew Glenville (T)                                      Stylianos Tselikas

**Circulation:** IBA Website

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**Agenda Items/Questions Raised**

**1. Declaration of any conflict of interest**

The Chairman stated that the declaration of interest will be a standing item on the agenda and reminded the Committee of the importance of declaring any conflicts at the Committee meeting or privately to the Chairman or IBA.

None of the Committee members had anything to declare nor any comments to make.

**2. Minutes from the last meeting, for approval**

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

**3. Dashboard, for consideration**

IBA talked the Committee through the dashboards for October, November and December. It was noted that in October volume levels were consistent with previous months, as well as round durations and the number of rounds. Also the number of participants was consistent with what had been previously seen. November was a standard month in terms of volumes and imbalances, with good minimum balances and one auction having an imbalance of only 2oz.

December 29<sup>th</sup> was the last trading day of the year for delivery so increased volume was seen, as expected.

**4. Recent changes to the auction - removal of the Seller's Premium and making the auction 'blind'**

IBA took the Committee through a presentation of recent changes to the auction.

Since January 11<sup>th</sup> 2016, aggregated volumes have not been shown to Direct Participants during each round of the IBA Gold Auction (Blind Auction). The total Bid and Ask volumes are only available once a round (30 seconds) is over.

Having a blind auction removes a perceived conflict of interest as participants are unable to see how their input might affect the price. Running a blind auction does not seem to have had any impact on the auction time or number of rounds.

The Committee were informed that volumes for January had been in line with previous months and that there didn't seem to have been any negative impact from removing the Seller's Premium.

**5. Indirect Participation**

IBA gave an oral update on Indirect Participation highlighting that the structure for Indirect Participation is now in place in the Rule Book and an Indirect Participant would be fully responsible for all of their own order activity. This is expected to reduce both conduct risk and operational risk for Direct Participants.

**6. Evolution under consideration: oral update**

IBA informed the Committee that small imbalances split between 12 participants are uneconomical to book. IBA will implement new logic to rationalise the allocation of small imbalances.

**7. Gold contingency procedure: memo, for discussion**

This was deferred to the next meeting.

**8. Gold error policy, for approval**

No comments were received at the meeting; IBA requested any amendments be sent to IBA within one week or it would be assumed that the document was approved.

**9. Calendar of agenda items, for information**

No comments were received.

**10. Proposed time and date of next meeting**

14:30 - 16:00 BST, Thursday 28 April 2016

**11. AOB**

BCP

IBA mentioned that it had successfully run the auction and benchmark publication from two of its backup sites.