

ICE Benchmark Administration (“IBA”)
Redacted Minutes



Meeting: Gold Price Oversight Committee

Date: Monday 27th July 2015, 15:00

Location: IBA Offices, Chiswell Street

Attendees:

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

Apologies:

André Villeneuve

In attendance from IBA:

Dorota Gajecka	Matthew Glenville
James Montlake	Stylianos Tselikas

Circulation: IBA Website

Agenda Items/Questions Raised

1. Minutes from the last meeting, for approval

The minutes from the last Oversight Committee on 1st June 2015 and the minutes from the Sellers' Premium call on 29th June 2015 were approved.

2. Consultation Feedback Statement, published statement for information

No comments had been received by the Committee members or IBA.

IBA provided feedback on benchmark publication when there is no auction and were asked to provide some guidance on what to do if no rate has been made, to give a fall-back provision.

3. Dashboard, for consideration

IBA talked the Committee through the dashboard, highlighting a record high of 10 participants placing orders on 22nd June.

4. Behavioural observations in the auction, presentation for consideration

IBA talked about imbalance hedging and highlighted behaviours that they have seen.

5. Auction evolution, presentation for information

IBA has had bi-lateral and group meetings with direct participants to ask them what challenges they face and what they think the next phase of evolution will look like.

All of the direct participants are now in favour of moving to a blind auction, where the volumes will not be updated during each round, but only shown at the end of each round.

IBA also discussed their plan to reduce the round duration from 45 seconds to 30 seconds, which is supported by the participants.

IBA shared the plan to reduce the imbalance threshold from 20,000oz to 10,000oz, which is also supported by the participants.

IBA were asked what their proposed timetable for these changes was.

IBA informed the Committee that they are waiting for their technologies team to provide estimates on delivery.

IBA closed this section of the meeting by telling the Committee that a timetable will be produced and all participants are 'on-board' with these changes.

6. Fix prices for EUR and GBP and other currencies, presentation for consideration

IBA commented that the EUR and GBP prices are part of the LBMA Gold Price Specified Benchmark and hence are regulated by the FCA. There is a requirement for IBA to conduct surveillance to ensure that the FX rates and methods used to calculate the prices are suitable and accurate.

Post auction, the FX snapshots used are compared against the equivalent prices quoted by other leading market data providers.

IBA asked the Committee if they thought that more time should be spent on developing an infrastructure solution to provide tradeable FX prices. No one deemed this necessary.

7. Oral updates to Rules and Code of Conduct

IBA said that review of the IBA Gold Auction Rule Book and the Code of Conduct are being reviewed.

IBA asked the Committee if there were any aspects of the Code that they wanted to discuss or change, there were no issues raised.

8. Proposed time and date of next meeting

20th October, 07:00 - 08:00 BST (dial in / in person for those attending the LBMA/LPPM Vienna conference).

9. AOB

It was agreed to hold Oversight Committees every four months in 2016.

There being no further business the meeting was closed.