



## **ICE BENCHMARK ADMINISTRATION**

### **LBMA GOLD PRICE – CONSULTATION ON NUMBER OF DECIMAL PLACES**

#### **Introduction**

ICE Benchmark Administration Limited (IBA) is the Benchmark Administrator of the LBMA Gold Price, which is the principal global benchmark for daily gold prices. The benchmark price is widely used by producers, consumers, investors, central banks and others.

IBA's methodology underpinning the LBMA Gold Price is an electronic auction run twice daily at 10:30am and 3:00pm London time. The auction process provides a market-based platform for buyers and sellers to trade physical spot gold and the final auction price is published to the market as the LBMA Gold Price benchmark.

The auction is conducted in US Dollars (USD) and, at the end of each auction, the price in USD is converted by IBA into Euros (EUR) and Sterling (GBP). The non-USD prices are published as Benchmarks for reference in derivative contracts and as indicative settlement prices at the end of the auction.

As with the London Gold Fix that the LBMA Gold Price replaced, prices are published to the following number of decimal places:

- USD - 2 decimal places
- EUR - 3 decimal places, and
- GBP - 3 decimal places.

#### **Proposed changes**

Following a review, IBA proposes to standardise publication of the LBMA Gold Price to 2 decimal places regardless of currency in line with general gold market practice.

Also, IBA currently publishes the LBMA Gold Price in troy ounces (oz), which is the traditional unit of weight for precious metals. IBA will publish the prices in grams as well. IBA may also look to add further currencies.

The above changes are proposed for implementation by IBA in November 2016.

#### **Commenting on the proposed changes**

IBA invites comments on the proposed changes, which should be addressed to IBA@theice.com on or before Wednesday 14 September 2016.

Alternatively, comments may be posted to IBA at the following address, to arrive by 14 September:

ICE Benchmark Administration Limited  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4SA

After that date, IBA will publish updates to the methodology for the LBMA Gold Price and the IBA Gold Auction Specification Document<sup>1</sup>, together with a summary of comments received during this consultation and IBA's response to those comments. If a commenter requests confidentiality, their comments will be taken into account by IBA but will not be included within IBA's published summary.

### **Further information**

Further information about IBA and the LBMA Gold Price can be found at:

<https://www.theice.com/iba/lbma-gold-price>.

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<sup>1</sup> Available at [https://www.theice.com/publicdocs/futures/IBA\\_Gold\\_Auction\\_Specification.pdf](https://www.theice.com/publicdocs/futures/IBA_Gold_Auction_Specification.pdf)