

# The LBMA Silver Price Q&A for End-Users

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**August 2014**

From 15 August, CME Group and Thomson Reuters will operate the new LBMA Silver Price, in partnership with the London Bullion Market Association (LBMA). CME Group will provide the electronic auction platform on which the price will be calculated and Thomson Reuters will be responsible for administration and governance of the benchmark as well as distribution. The LBMA will accredit market participants.

The London Silver Fix has been a global spot benchmark for 117 years. This new process for establishing the new LBMA Silver Price will maintain continuity with the existing London Silver Fixing process for market participants, while also increasing transparency and the number of market participants via an electronic platform for the auction. It will continue to be London-based and will offer a fully IOSCO-compliant solution to the London bullion marketplace. Our intention is to follow the current benchmarking process in order to minimise any possible disruptions and enable a seamless transition for the OTC silver market.

## Commonly asked questions:

- **When does the new LBMA Silver Price come into effect?**

The first day of the new LBMA Silver Price is 15 August 2014.

- **What time will the auction for the LBMA Silver Price take place?**

The auction time has not changed – the LBMA Silver Price auction will continue to take place at 12 noon London time each LBMA working day.

- **What format will the price be set in?**

The price will be tradable and expressed in U.S. Dollars per troy ounce. Foreign exchange equivalents for the price data will also be provided at the end of the auction process.

- **How do market participants receive the LBMA Silver Price?**

Thomson Reuters will distribute the LBMA Silver Price and auction round data in real-time through their flagship market data systems (Eikon and Elektron). The new RIC code for the daily, final LBMA Silver Price will be **LDNXAG=**. Thomson Reuters will also provide access to the data through re-distribution via third party data vendors such as Bloomberg. The LBMA will publish the price shortly after 12:00 noon each LBMA working day.

- **Will the new LBMA Silver Price be settled against Loco London Silver?**

Yes, the physical settlement for the LBMA Silver Price will be Loco London Silver T +2, as it has historically been for the London Silver Fix price.

- **Will this replace the telephonic London Silver Fix held by the three members of the London Silver Fixing Company?**

Following an extensive consultation with participants in the silver market conducted by the LBMA, CME Group and Thomson Reuters were selected by a market consensus to provide the solution for the LBMA Silver Price mechanism and provide continuity of the benchmark. The London Silver Fixing Company Limited's last day of operation will be 14 August and after this date, the London Silver Fix price will be replaced by the LBMA Silver Price.

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- **How do I receive the new LBMA Silver Price?**

**To execute direct trades:**

Please contact your bullion bank or broker to make sure they are participating in the new LBMA Silver Price. Provided your bank or broker is participating, you can continue to execute your orders through them via voice, email, fax etc. and continue to trade the same way you currently do with the existing London Silver Fixing price. If your bank or broker is not participating in the new LBMA Silver Price please ask them to sign up. Alternatively, the LBMA can assist with details of participants. Should you have interest to be a direct participant, please contact the LBMA at [ag.consult@lbma.org.uk](mailto:ag.consult@lbma.org.uk).

**To trade ISDA derivatives:**

ISDA has confirmed that the LBMA Silver Price will replace the existing London Silver Fix. Please contact ISDA directly [www2.isda.org](http://www2.isda.org) for more information.

**To make physical contracts that reference the new LBMA Silver Price:**

In the future, reference the new LBMA Silver Price for new contracts. Please consult your legal counsel regarding documentation changes you may need to make.

**For those seeking to license market data:**

Please contact your Thomson Reuters representative directly.

**For more information on the new LBMA Silver Price auction platform please email [metals@cmegroup.com](mailto:metals@cmegroup.com)**

**For further information about licensing, administration and governance please email [MetalsBenchmarks@thomsonreuters.com](mailto:MetalsBenchmarks@thomsonreuters.com)**

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