

To: All members and other interested parties

Ref: LME Notice: 22 061  
LME Clear Circular: 22-017

Classification: Trading

Date: 11 March 2022

Subject: **NICKEL MARKET – POSITION TRANSFERS IN LME SMART AND LME MERCURY**

## Summary

1. This Notice sets out details of the LME and LME Clear's position transfer process in relation to Contracts in Nickel.

## Defined Terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the LME Rulebook or the LME Clear Rules as the context requires.

## Background

3. The LME and LME Clear have received a number of requests from market participants relating to the transfer of Contracts and Positions in Nickel. This Notice clarifies the process for any such transfers and the circumstances in which transfers are permitted.

## Position Transfers

4. The following transfers of Contracts or Positions in Nickel are permitted utilising LMEsmart and LMEmercury from the date of this Notice until the Nickel market is reopened ("**Permitted Transfers**"):
  - a. A Transfer (as defined in the Matching Rules) within LMEsmart between Members or within a Member's own client account structure, in each case for the benefit of the same underlying Client or Indirect Client; and
  - b. A transfer of Positions between Accounts within LMEmercury of the same Member or between two Members, in each case for the benefit of the same underlying Client or Indirect Client.
5. Transfer fees shall be waived for any Permitted Transfer.
6. For the avoidance of doubt, no other transfers are permitted in relation to Contracts or Positions in Nickel (including other categories of trade within the Matching Rules such as OTC Bring Ons, and transfers that would result in a change in the underlying Client or Indirect Client).
7. Any Permitted Transfer must be effected at the original trade price or at the Closing Price as determined on 7 March 2022 (the "**7 March Closing Price**").
8. Any Member wishing to effect a Permitted Transfer, and any Member receiving a Permitted Transfer, must first submit to the LME and LME Clear an attestation that:

- a. the requested transfer is a Permitted Transfer;



- b. the Permitted Transfer will be effected at the original trade price or the 7 March Closing Price;
  - c. the transferring Member or the receiving Member (as relevant) acknowledges that it is responsible for ensuring that it has the full consent of any and all Clients and/or Indirect Clients to the Permitted Transfer;
  - d. the receiving Member has the requisite client documentation in place with the Client, so as to ensure the establishment of the resulting Client Contracts.
9. Any Permitted Transfer will be subject to the prior consent of the LME and LME Clear, and any Member effecting a Permitted Transfer or receiving a Permitted Transfer must follow the LME Group procedure for position transfers, and comply with the LME Rulebook and the LME Clear Rules.
10. Please note that trading data published by the LME may include any Contracts that are generated by Permitted Transfers. These do not indicate new trading, and do not indicate that the Nickel market has been reopened.

#### **Queries**

11. Members should direct any questions relating to this Notice to the LME Relationship Management team at [RM@lme.com](mailto:RM@lme.com).

**James Cressy, COO**  
**THE LONDON METAL EXCHANGE**  
**LME CLEAR LIMITED**

cc: Board directors  
Special Committee  
Nickel Committee  
User Committee