

ASIA PACIFIC PRECIOUS METALS CONFERENCE

Special Address
June 6, 2022

Sakhila Mirza
Executive Board Director & General Counsel
LBMA

Hybrid
**ASIA PACIFIC
PRECIOUS METALS
CONFERENCE**

6-7 June 2022

InterContinental Singapore



LBMA Advancing standards for the common good of the global industry

THREE-YEAR STRATEGIC PLAN : 2022-24



Responsible Sourcing

Increased demand for responsibly sourced bullion

International Bullion Centres
Broaden sustainability agenda
Responsible ASM
Increased engagement with the upstream/downstream
Advancing the Audit Programme



Physical Market Enhancements

GDL innovates to remain the leading global standard

Gold Integrity ecosystem
(Rock to Ring - all GDL production)
Security Features on bars
Stock Management
Advancing GDL Rules, Requirements & Professional Training



Financial Market Enhancements

Increased client confidence in transparent, accessible market

Gold as High-Quality Liquid Asset
Clearing, Settlement & Transparency Review
New GOF0/IRS
Gold Tokenisation
Advancing Precious Metals Code



Communications & Engagement

Highly accessible with presence in all key markets

Improved Member satisfaction rate
Broader industry engagement
(Central Banks, retailers, Asia)
Increased accessibility for Members
Strategic events & education programme

Technology

Governance

Business Model

LBMA KEY STRATEGIC DEVELOPMENTS

01

Responsible Sourcing Programme

Responsible Gold Guidance version 9

04

Global Precious Metals Code

Under Review

02

International Bullion Centres

Update

05

Gold Bar Integrity

The Pilot

03

Sustainability

*Broadening the agenda; no longer
just about Responsible Sourcing*

RESPONSIBLE SOURCING

Enforced by LBMA

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



The RSP covers 85-92% of global annual production. Good Delivery accreditation is the de facto standard trusted around the world



Global Risk assessment covering conflict, AML, terrorist financing, human rights, environment, sustainability



The RSP encourages engagement with all forms of mining and recycled sources across Gold, Silver Platinum and Palladium



Refiners on LBMA's Good Delivery List are audited annually by approved independent auditors and are required to report their audit findings publicly



6 key areas:
Transparency; Advancing Standards; Value Chain Accountability; Auditing standards; ASM' Sustainability

RESPONSIBLE GOLD GUIDANCE, VERSION 9

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



The responsible sourcing of **recycled gold**: clarity on due diligence expectations



The **elimination of cash** transactions except for ASM where transactions will require approvals



Provision of support for **responsible ASM** measures to create economic & development opportunities



Clarity on **Origin of material**. Integrated approach to risk assessment & strengthened due diligence process



Further detail on **ESG risk assessment**



Intermediary Refiner requirements for an audit aligned to the OECD due diligence guidance



Auditor independence & **audit quality**: rotation of auditors every 10 years & annual assurance checks



Mandatory conformance with **Disclosure guidance** to promote better reporting practices

ASM

Why Artisanal Gold Commitment Remains a Key Strategic Priority

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



Despite between 15-20% of the world's annual gold production being produced by ASM, less than 1% of that material comes through LBMA refiners



Responding to calls from NGOs, LBMA are working towards changing the current narrative around ASM



Feasibility Study: Consultant hired to research actionable ways GDL refiners can increase their direct sourcing of ASM material



LBMA Sustainability and Responsible Sourcing Conference featured discussions on identifying opportunities to change the narrative and reimagine the ASM sector.



Recently launched '**ASM Working Group Plus**' comprised of refiners currently sourcing ASM material and a select group of NGOs / practitioners with a track record in the sector

INTERNATIONAL BULLION CENTRES

Building leverage to eliminate gold laundering

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



Engagement with the Centres

Since the launch in November 2020, **LBMA has had good and ongoing engagement** with the International Bullion Centres. Across the different Centres, LBMA has met with a variety of governmental and industry bodies.



OECD Intergovernmental Meeting

The OECD hosted a follow-up Intergovernmental Meeting for the Centres in January to promote information sharing amongst the group and gather updates on the progress made over the previous year

The Centres remain committed to continuing working together to improve responsible sourcing standards.



Financial Action Task Force (FATF)

Since the start of the IBC work, **LBMA has had increased dialogue with FATF**. LBMA provided a response to the FATF report on Money Laundering from Environmental Crimes which was made public in July 2021.



Update

LBMA are engaging 121 with the IBCs to understand their challenges & progress in adopting the **OECD Guidelines**.

The goal is for LBMA to have a better-informed conversation with each IBC, and identify how to **work together to address remaining challenges.**

SUSTAINABILITY

Meeting our own needs without compromising the ability of future generations to meet their own needs

- LBMA & WGC are establishing a working group with key industry participants helping to define and align on the definition of sustainability for the industry.

ADVANCING TRADING STANDARDS

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore

Global Precious Metal Code



To promote **integrity** and
effective functioning of
OTC precious metals
markets



Ensuring **client**
confidence through
the Code's five
principles



LBMA maintains a
publicly available register
of 150 +Statements of
Commitment

GLOBAL PRECIOUS METALS CODE

Chapter	Principles
Ethics	High ethical and professional standards; manage conflicts of interest
Governance, Compliance, Risk Management	Appropriate oversight; compliance and risk management frameworks; escalation' independent reviews/assessments
Information sharing	Handling confidential information; provide for clear, accurate communication
Business conduct	Pre-trade and execution; due diligence; handling orders fairly; guidance on Mark-ups; benchmark auctions
Business conduct	Post-trade (confirmation process, netting, settlement, shipping)
Annex	Illustrative examples: definitions, conventions

One size does not fit all

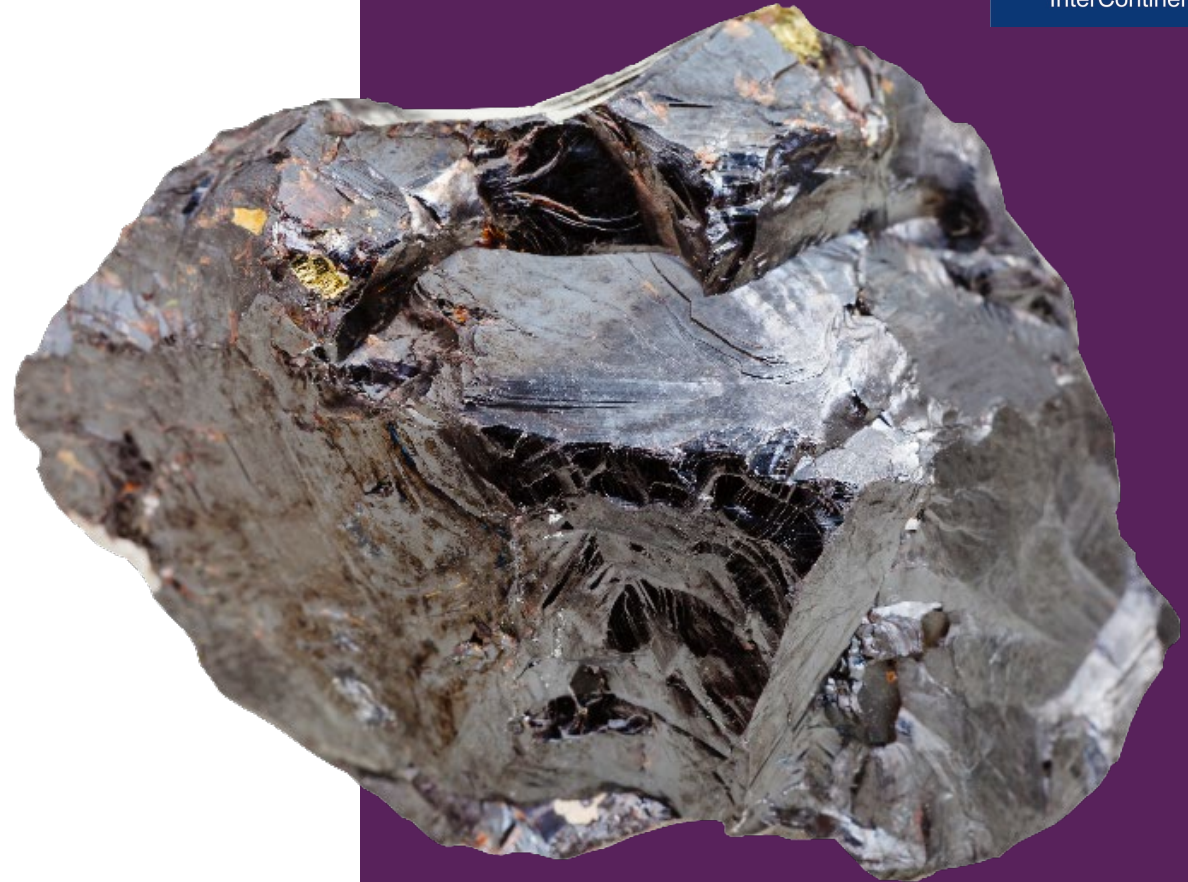
- Statement of Commitment
- Financial Institutions v Industrials (i.e. refiners)
- Some sections will apply to all i.e. ethics
- Market Participant determines what sections apply
- Comply or explain
- Applicable Laws should always prevail
- Applies to everyone in the OTC wholesale Precious Metals Market, but can be used by anyone

GOLD BAR INTEGRITY (GBI)

The aim is to increase transparency, accessibility and fungibility of gold across the industry.

This includes **gold supply integrity, provenance and chain of custody** throughout the entire value chain (from rock to ring), spanning **all products**

The goal is to have a **standards-based open market model** that allows the industry to adopt different technology solutions for the security feature, under LBMA guidance



DIGITAL GLOBAL ECOSYSTEM - PILOT

Pilot will allow those taking part to:

- **Test Vendor systems** to better understand the technology and the associated benefits
- **Work through** various **Use Case Scenarios**, including from mine to vault
- **Identify challenges** and determine if these can be addressed
- Provide **feedback** on mandatory data fields
- Understand the **data accessibility** (confidentiality, data protection)

The outcome of the Pilot will help determine next steps on the global adoption of the ecosystem.



**The Responsible
Supply Chain Company**

ENTIRE GLOBAL VALUE CHAIN

Market participants from rock to ring

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



Argor Heraeus SA, Asahi, Aura Minerals Inc., Barrick Gold Corporation, Brinks, Centerra Gold Inc., CME Group, Degussa, Helvetitor, Hummingbird Resources Plc, Loomis, MKS PAMP, Metalor, Newcrest Mining Limited, Newmont Corporation, Perth Mint, Pro Aurum, Rand Refinery, Royal Canadian Mint, Sibanye Stillwater Limited, Sharps Pixley, Standard Chartered, Umicore, Valcambi

GOLD INTEGRITY PILOT NEXT STEPS

To advance development, the proposed next steps are:

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



Pilots

Pilots with market participants & two service providers completed

May - July



Lessons Learnt

Lessons learnt from Phase 1 project initiation
Finalize business requirements

Q3



Next Steps

Scope the next phase of the GBI Project based on Pilot outcome

Q4

MARKET CONSULTATIONS

Make your voice heard!

Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore



LBMA Membership

Does the strategy make sense?

Does it support your global precious metals business?



GDL Minimum Criteria

What are your views around the minimum GDL criteria?

How do you think these should change?



Global Precious Metals Code

Get involved in the consultation of the revised code



Gold Bar Integrity

Give feedback on the development and deployment of a global system of integrity

UPCOMING EVENTS AND ENGAGEMENT

A chance to grow your network

Hybrid
**ASIA PACIFIC
PRECIOUS METALS
CONFERENCE**

6-7 June 2022

InterContinental Singapore

01

Member Events

Annual General Meeting, 7 July
12:00 meeting followed by afternoon reception

Seminar & Annual Dinner, 7 December
Natural History Museum, London

02

Global Events

Global Precious Metals Conference
16-18 October, 2022
Epic Sana, Lisbon

Regular Webinars
Every Thursday at 12:00BST

03

Professional Training Courses

Vault Training
E-learning resources and assessment tools to help raise standards for vault operators around the world

An Introduction to Loco London
Definitive primer for any investor or institution looking to take part in the global precious metals market.

How to Use Loco London
This one day course offers a deeper dive into the products traded on a daily basis.

**To be launched in Q3/4:
Responsible Sourcing 101**

Global Precious Metals Conference 2022



16 - 18 OCTOBER 2022, LISBON, PORTUGAL

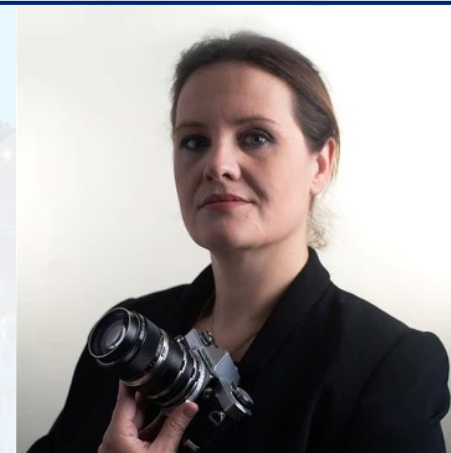
Global Precious Metals Conference 2022



Following the success of the summit, we will have more focus on sustainability at the annual conference

We are pleased to announce that **Izabella Kaminska** will deliver our keynote presentation on Day 1

Izabella Kaminska is the Founder of the Blind Spot – a new media venture that focuses on finance, market and media news – and former Editor and Reporter at the FT Alphaville Financial Times.



Conference programme to be published very shortly

16 - 18 OCTOBER 2022, LISBON, PORTUGAL



Hybrid
ASIA PACIFIC
PRECIOUS METALS
CONFERENCE

6-7 June 2022

InterContinental Singapore

THANK YOU

 lbma.org.uk

 [@lbmaexecutive](https://twitter.com/lbmaexecutive)

 [LBMA](https://www.linkedin.com/company/lbma)

 [LBMA](https://www.youtube.com/channel/UCv8v8v8v8v8v8v8v8v8v8v8)