

To: All Members, warehouse companies and their London agents and other interested parties

Ref: 18/340

Classification: General updates Trading

Date: 31 December 2018

Subject: **RUSAL - LIFTING OF SANCTIONS - MARKET FEEDBACK**

Executive Summary

1. This Notice summarises the feedback received in relation to Notice 18/323 issued on 19 December 2018 (the **"Market Feedback Notice"**) and confirms that the LME proposes to: (i) recommend that the Special Committee lift the temporary conditional suspension so that warranting may be resumed in respect of all Rusal metal; and (ii) remove any conditions imposed by Notices 18/107 and 18/117 so that Members may freely enter into Contracts with Rusal and its affiliates, in both cases subject to OFAC delisting Rusal as a Specially Designated National, which is anticipated to occur on or around 18 January 2019.

Defined terms

2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Market Feedback Notice, and all other terms not otherwise defined in the Market Feedback Notice or herein shall have the meaning ascribed to them in the Rules and Regulations of the LME (the **"Rulebook"**).

Background

3. In the Market Feedback Notice, the LME sought the feedback of Members, Clients, and other interested parties on: (i) the Warranting Proposal; and (ii) the Contracts Proposal. This Notice summarises the feedback received and confirms the next steps.

Proposals

4. From the feedback received, the LME identified no substantive concerns in relation to the Warranting Proposal or the Contracts Proposal. Accordingly, the LME proposes the following, subject to the OFAC Delisting being confirmed:

Warranting Proposal

5. The LME shall recommend to the Special Committee that the temporary conditional suspension be lifted on or on a date promptly following the OFAC Effective Date (**"LME Effective Date"**). For the avoidance of doubt, this will mean that, from that date, all Rusal metal can be placed on Warrant, including metal produced: (a) prior to 6 April 2018; (b) between 6 April 2018 and the LME Effective Date; and (c) after the LME Effective Date. The temporary conditional suspension will remain in place until the LME Effective Date, and any metal to be warranted up to that date will need to comply with the process set out in Notices 18/103 and 18/106.



Contracts Proposal

6. The LME will remove the requirements imposed by Notices 18/107 and 18/117 with effect from the LME Effective Date. For the avoidance of doubt this will mean that, from that time and date, Members will be free to enter into Contracts with Rusal or any subsidiary or affiliate of Rusal, and there would be no requirement to make payment into a blocked account or to provide any form of undertaking to the LME.

Next Steps

7. If / when the OFAC Delisting occurs, the LME will request in short order that the Special Committee remove the temporary conditional suspension and will release a Notice confirming the implementation of the Warranting Proposal and the Contracts Proposal as soon as possible thereafter.

Sanctions Issues

8. Members should be mindful of international sanctions issues, and should always take their own advice in relation thereto. Members should also note the provisions of the LME and LME Clear Rulebooks in relation to sanctions.

Queries

9. Any market participant wishing to ask questions or seeking clarification on any aspect of this Notice is asked to contact the LME by email to marketengagement@lme.com.

Matthew Chamberlain
Chief Executive Officer

cc: Board directors
User Committee
Physical Market Committee
All metal committees
Traded Options Committee