Nathaniel Lalone Discusses Damages in Non-Default Losses With *Risk.net*

August 30, 2023

Financial Markets and Funds partner Nathaniel Lalone spoke with *Risk.net* regarding the likelihood that members of the London Metal Exchange (LME) might be required to contribute to payments of damages or lawsuit settlements resulting from the cancellation of nickel trades last year. The LME's rule book, confirmed by Hong Kong Exchanges and Clearing (HKEX), states that damages awarded in lawsuits cannot be allocated to members as non-default losses (NDLs). Nate stated, "[The LME's rules] seem fairly strictly drafted to cover bona fide treasury losses only. So, unless there was some meaningful nexus that connects the damages awarded to LME Clear's treasury operations, I think it would be quite difficult to characterize such damages as NDLs." A court decision stemming from suits related to the March 8, 2022 cancelation event is expected in early October.

"HKEX expected to cover damages in LME nickel lawsuits," *Risk.net*, August 24, 2023

**Subscription may be required for article access.*

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.

Nathaniel Lalone
+44 (0) 20 7776 7629
nathaniel.lalone@katten.co.uk

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.