



THE KUALA LUMPUR TIN MARKET (122469-H)

(A Company Limited by Guarantee)

KLTM 02/16

17 January 2011

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
USA

via Email

Dear Chairman Schapiro,

DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT 2010 – SECTION 1502: CONFLICT MINERALS

The Kuala Lumpur Tin Market (KLTM) is pleased to submit herewith comments on the above-said Legislation.

BACKGROUND

The KLTM provides a market for the trading of physical tin produced by regional tin producers. KLTM prices serve as a useful reference for tin producers and buyers especially within the Asia-Pacific region. The KLTM market, established in 1984, operates from its Kuala Lumpur base and the market is ideally located in a major tin producing and consuming region.

The KLTM trades only in physical tin. The tin metal traded on the KLTM is either smelter refined tin or tin warrants, which are bearer receipts of refined tin metal held and stored in KLTM Approved Warehouses located in Malaysia and Singapore. Tin metal traded are KLTM approved brands, namely;

- i) MSC from Malaysia
- ii) Thaisarco from Thailand
- iii) Banka from Indonesia
- iv) Mentok from Indonesia
- v) Koba from Indonesia

The refined tin metal traded on the KLTM is produced both from primary and secondary tin concentrates or ores and refining of crude tin metal and will also invariably contained some recycled tin.

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COMMENTS ON DODD FRANK LEGISLATION

Provisions in Section 1502 of the above-said Dodd-Frank Act that deal with conflict minerals would have impact on tin metal traded on the KLTM. In drawing-up their implementation rules pursuant to that Section of the Act, the KLTM wishes to draw attention to two critical issues that would have effect on the tin trade.

Firstly, KLTM wishes to point out that a portion of its members' production of refined tin arises from the smelting & refining of secondary tin bearing sources and recycled tin. According to market statistics, tin metal recycling is an important industry that today provides some 16 per cent of total world tin metal supply. It is a legitimate and sustainable economic activity that results in the conservation and efficient use of tin resources globally.

However, due to the industry complexity in which tin contained products are used, recycled and reprocessed, it is generally impossible to trace or verify the source of the primary tin concentrate from which the secondary tin bearing material and recycled tin is derived.

Secondly, and this has reference to the existing refined tin metals stored in approved KLTM warehouses or in circulation before ultimate use. There will certainly be a significant amount of such refined tin metal in existence when the implementation rules under the Dodd-Frank Act become effective. As these tin metal were produced prior to the implementation of the rules, and in most probability would have been unable to comply with the new rules, they should be considered for special exemption.

Thus, in drafting the implementation rules of the Dodd-Frank Act to address the issue of conflict minerals, the aforesaid matters that we have raised regarding the importance of recycling to the tin market, the difficulty in tracing or verifying the origin of recycled tin as well as the position of existing tin stocks should be given due and proper consideration.

The KLTM hopes that these comments are useful and helpful in the process of your drafting the implementation rules of Section 1502 of the Dodd-Frank Act.

Thank you.

Yours sincerely,

DATO' SERI DR. MOHD AJIB ANUAR

Chairman,
The Kuala Lumpur Tin Market

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