Global Legal Entity Identifier Foundation

Visibility. Stability. Integrity.

27 April 2016
CES Plenary seminar, Paris France

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1. The Legal Entity Identifier (LEI)

What is the LEI?

- A high-quality identifier that is accessible free of charge as a broad public good for the benefit of the users of the public and private sector.

- Unique 20 digit alphanumeric code based on ISO 17442 standard assigned to legal entities
LEI growth path

- LEIs are issued by local operating units (LOUs)
- LOUs supply registration, renewal and other services, and act as the primary interface for registrants for LEIs

![Graph showing LEI growth path]

The GLEIF website provides a listing of LEI issuers.

**LOU Facts**
- 29 LEI Issuers based in 27 different countries
- 193 jurisdictions served

**Number of LEIs per country**

Total LEIs Issued as of 31 January 2016: 419,200

![Map showing number of LEIs per country]
2. Why LEI?
Financial Stability Board press release (30 June 2014)

- “Unique identification of parties to financial transactions underpins multiple financial stability objectives.”
  - Improved risk management in firms
  - Better assessment of micro and macro prudential risks
  - Facilitation of orderly resolution

- “It also provides many benefits to the private sector.”
  - Lowering operational risks
  - Facilitating straight through processing

Mark Carney and Bertrand Badré in the Financial Times (3 June 2015)

- “Authorities must ensure that they provide a clear and consistent interpretation and enforcement of international standards.”

- “They should work with the financial industry to pursue technical measures, such as the global Legal Entity Identifier system, which standardizes identification, and Know Your Customer platforms that help avoid duplicating due diligence work.”

- “Both solutions are already being implemented, but they need regulators’ support to reach the scale needed to achieve more reliable due diligence.”

Mark Carney is the Chairman of the Financial Stability Board. Bertrand Badré is Chief Financial Officer of the World Bank.
Benefits of LEI adoption for users in the public sector

- Risk assessment, market surveillance and enforcement
  - Reporting to regulators to
    - derivatives regulators
    - securities regulators
    - central banks
    - insurance regulators
    - pension funds regulators

- Other needs of the public sector
  - Public procurement
  - International tax programs (such as the BEPS program)
  - Provision of statistical research such as for the CMFB partners
  - Collateral management central banks
  - Reliable sourcing

Benefits of LEI adoption for users in the private sector

- LEI adoption responds to business needs with regard to identification management in the following areas
  - Correspondent Banking (buy side and sell side)
  - Trade finance (UCP 600)
  - Cash management corporates
  - SBR reporting
  - Asset management for (pension) funds
  - Payment schemes
  - Card payment schemes
  - E-invoicing schemes
  - Trading, clearing and settlement rulebooks
  - Collateral management
  - Data management
  - Credit rating
3. The role of the Global Legal Entity Identifier Foundation (GLEIF) in the Global LEI System (GLEIS)

What is the GLEIF?

- GLEIF is a Swiss Foundation founded by the Financial Stability Board (FSB)

  GLEIF manages a network of partners to provide trusted services and open, reliable data for unique legal entity identification worldwide

- The Foundation has an (international) Board of 15 Directors that held its inaugural meeting on 26 June 2014

- The Regulatory Oversight Committee (ROC) oversees GLEIF
  - Represents members from public authorities across the globe
  - Three ROC Observers attend GLEIF Board meetings

- The CPMI-IOSCO* Principles for Financial Market Infrastructures 2012 are applicable to the oversight of the GLEIF by the ROC

*CPMI: Committee on Payments and Market Infrastructures
IOSCO: International Organization of Securities Commissions
The role of the GLEIF in the Global LEI System

GLEIF performs four main functions:

1. **Rulemaking**: proposes, defines, issues and enforces worldwide uniform operational and technical standards and protocols for LEIs and LEI Reference Data.

2. **Operations**: provides the technical infrastructure necessary to unite the LEI information published by the LOUs and to make publicly available at [www.gleif.org](http://www.gleif.org) the **Global LEI Index**.

3. **Monitoring**: accredits LOUs and monitors compliance of LOUs. GLEIF publishes a monthly **LEI Data Quality Report** with key statistics.

4. **Communication**: makes all relevant documentation available at [www.gleif.org](http://www.gleif.org).

GLEIF Operations

GLEIF is accountable to deliver services, data and supporting infrastructure

<table>
<thead>
<tr>
<th>Services</th>
<th>Data</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Setting standards*</td>
<td>* LEI codes</td>
<td>* File up- and download</td>
</tr>
<tr>
<td>* LOU accreditation</td>
<td>* LEI Reference Data</td>
<td>* Authentication</td>
</tr>
<tr>
<td>* Audits</td>
<td>* LEI data version history</td>
<td>* Authorization</td>
</tr>
<tr>
<td>* Access to LEI data</td>
<td>* LOU transition history</td>
<td>* Business continuity</td>
</tr>
<tr>
<td>* Challenges</td>
<td>* List of Registrars</td>
<td>* Disaster recovery</td>
</tr>
<tr>
<td>* ...</td>
<td>* LEI related Corporate Actions</td>
<td>* ...</td>
</tr>
</tbody>
</table>

* *Setting technical and operational standards and protocols as a service to the public and private sector*
Global LEI System relationship and governance documents

Relationship Documents

- FSB mandates
- MOU
- Master Agreement
- ROC
- GLEIF
- LOU

Governance Documents

- ROC Charter
- GLEIF Statutes
- Statutes of a LOU

1. Global LEI System High Level Principles
2. Recommendations for the development and implementation of the Global LEI System

Global LEI System (GLEIS) as a legal network

Access by Master Agreement

- GLEIF
- LOUs
- Registrants

Access by Open Data Licence

- Public sector
- Financial institutions
- Investment vehicles
- Corporates and SMEs
- Private individuals
- Researcher
- Others

Access by individual agreement

- Data Vendors
- Technical Facilitators
- Outsourcing Partners
4. GLEIF infrastructure development

GLEIF service: daily concatenated file

- GLEIF collects daily the LEI data from the LOUs (Local Operating Units) and publishes the concatenated file in the Common Data File format (see next page).

- All LEI data are free of charge downloadable from www.gleif.org. Search results are available in various formats. The search engine also allows search with multiple criteria.

- Additional features are planned to be included in the LEI reference data such as the Business Register ID and Entity Legal Forms ISO 20275

- There will be a golden copy file available which is generated out of the database with always up to date LEI records
## Common Data File Format of the LEI Record

<table>
<thead>
<tr>
<th>LEI Data Record</th>
<th>15 +</th>
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<tbody>
<tr>
<td>LEI</td>
<td>UD1</td>
</tr>
<tr>
<td>Registration</td>
<td>Date</td>
</tr>
<tr>
<td>LastUpdateDate</td>
<td>Date</td>
</tr>
<tr>
<td>RegistrationRef</td>
<td>IdentIF</td>
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<td>IdentIF</td>
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<tr>
<td>ManagingLOU</td>
<td>IdentIF</td>
</tr>
<tr>
<td>ValidationSource</td>
<td>IdentIF</td>
</tr>
<tr>
<td>Extension</td>
<td>Date</td>
</tr>
</tbody>
</table>

### GLEIF Concatenated File on www.gleif.org

**Details for LEI data published on 2015-06-08**

**GLEIF Concatenated File**

- Download concatenated file (2015-06-08)
- 373,697 LEI records, 423.3 MB, Created by GLEIF
- MD5 hash: b06f379f55a19a7525c21795

### Pre-LOU original source files

<table>
<thead>
<tr>
<th>Pre-LOU</th>
<th>Content Date</th>
<th>Download Date</th>
<th>MD5 Checksum</th>
<th>Record Count</th>
<th>Source File</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
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<td>2015-06-08</td>
<td>1609</td>
<td>100,000,000</td>
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<tr>
<td>Central Depository &amp; Settlement Warranties</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearstream Securities Clearing Corporation</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Status Icons Explained:**
- Source File was available for download from LOU on day of concatenation and it was compliant with the common data file (CDF) format.
- Source File was not available for download from LOU on day of concatenation or was not compliant with the common data file (CDF) format. An asterisk (*) is next to the file name to indicate that you must click the corresponding status icon to see more information.
- Source File was available for download from LOU on day of concatenation but was not compliant with the common data file (CDF) format. No asterisk (*) is next to the file name, but clicking the corresponding status icon will link you to more information.
5. **Next steps**

**Next Steps**

1. **“Who is who”**
   - Rollout of GLEIF services is the current key focus of the GLEIF
   - GLEIF was mandated by the ROC to add standardized reporting of the Business Registry to the Common Data File before September 2016.
   - GLEIF was mandated by the ROC to add the Entity Legal Form (ISO 20275) to the Common Data File in 2016

2. **“Who owns whom” – Level 2 Data**
   - On 10 March 2016 the LEI ROC published a document, entitled ‘Collecting data on direct and ultimate parents of legal entities in the Global LEI System – Phase 1’.
   - The paper sets forth the policy design of a process for collecting ‘Level 2’ data, to complement the existing ‘Level 1’ LEI reference data
Thank you for your attention!

For more information, visit the GLEIF Website at www.gleif.org

Limitations

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