



LEI

GLOBAL
LEGAL
ENTITY
IDENTIFIER
FOUNDATION

High level overview of the LEI system

21 June 2017

Joseph Tracy, Chair LEI ROC

GLEIF 2017 Conferência “Meet the Market – The uses of
LEI”, Lisbon

What is the Global LEI System

History of the Global LEI System



2008

In the wake of financial crisis, regulators worldwide acknowledged their inability to **identify parties to transactions** across markets, products, and regions.

2011

The G20 called upon the FSB (**Financial Stability Board**) to take the lead in developing recommendations for a global LEI and supporting governance structure.

2012

The G20 finance ministers and central bank governors and the FSB endorsed the Charter of the **LEI Regulatory Oversight Committee** (LEI ROC).

2014

The Global LEI Foundation (GLEIF) was established as a not-for-profit organization overseen by the ROC to act as the operational arm of the Global LEI System.

ROC's strategy to support the LEI expansion



- Increase in the number of rules and regulations requiring the LEI and in the number of jurisdictions adopting such rules
- Adoption of the LEI as an universal identifier by some jurisdictions
- Voluntary adoption of the LEI by market participants

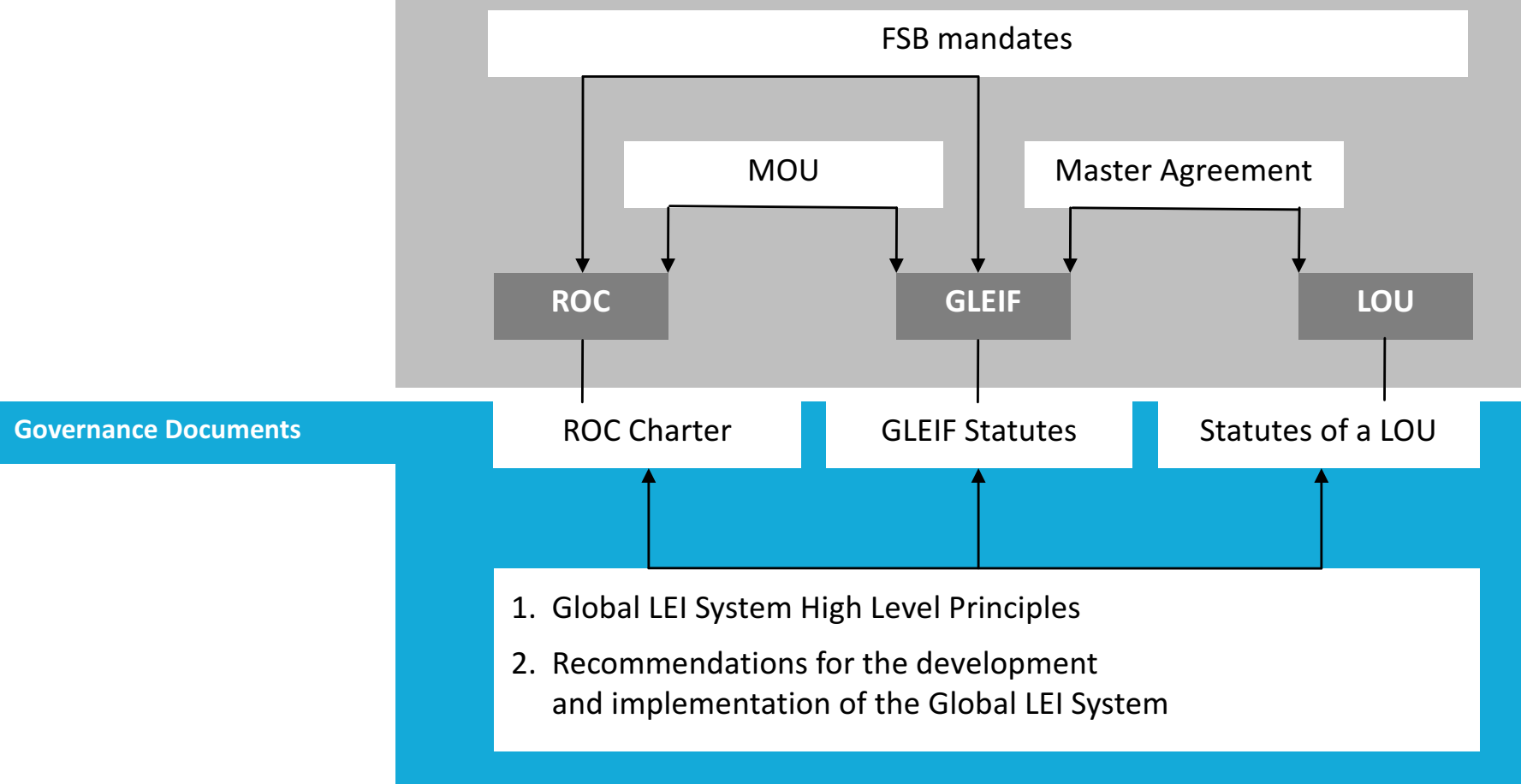
See LEI ROC update on its activities and on the Global LEI System for further detail:

http://www.leiroc.org/publications/gls/roc_20170112-1.pdf

Global LEI System relationship and governance documents



Relationship Documents

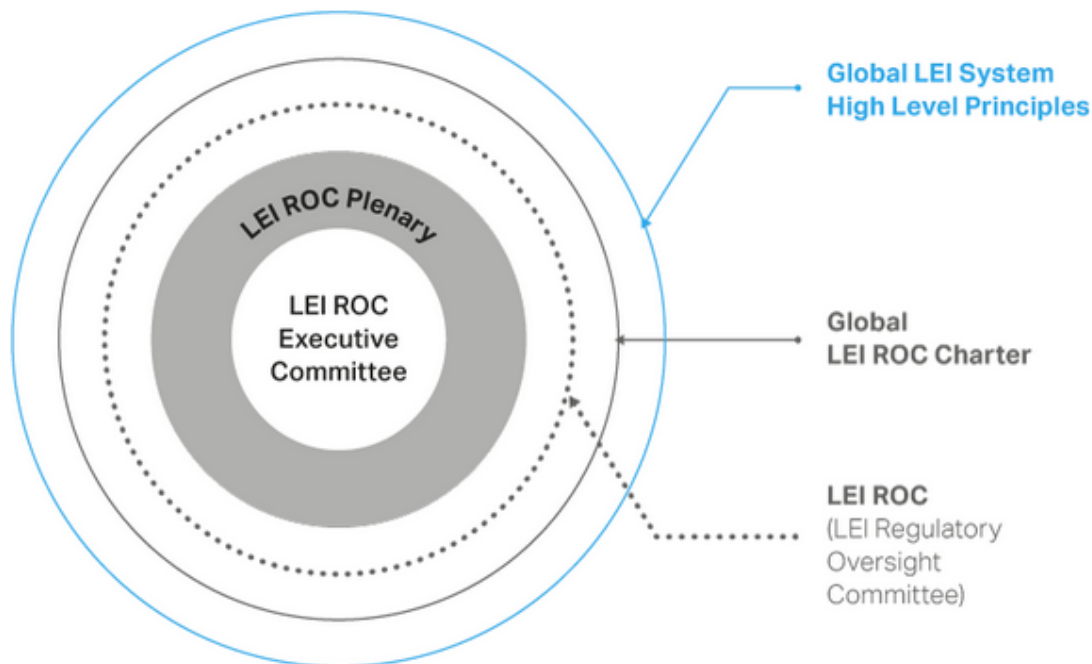


What is the LEI ROC

LEI Regulatory Oversight Committee (LEI ROC)



- The Regulatory Oversight Committee (ROC) is a group of over 70 public authorities from more than 40 countries established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System.



Objectives of the ROC



- In protecting the broad public interest, the objectives of the ROC are to ensure:
 - Open access to obtaining an LEI
 - Open and free access to publicly available data from the Global LEI System
 - No entity involved in the Global LEI System exploits its relationship with the system in a way contrary to the broad public interest
 - The Global LEI System meets broad public and private sector requirements

Responsibilities of the ROC



- To facilitate the establishment of, and to **designate the global LEI foundation** (or body of equivalent legal form) as the legal entity that operates the Central Operating Unit.
- To oversee **standards and general policies for the Global LEI System** to ensure that they are in the broad public interest.
- To be the **ultimate authority for oversight of the Global LEI System** standards and high level protocols.
- To request and receive **independent audits** of the Global LEI System for financial control, best business practices, and data quality standards

Benefits of the LEI

LEI allows for the unambiguous, unique identification of entities engaged in financial and digital transactions.



- “Concrete steps towards standardization include the establishment of mandatory requirements regarding the use of the International Securities Identification Number and [the global Legal Entity Identifier](#).”



- “The authorities issued regulations ..., and required the use of what is called [Legal Entity Identifier](#) for banks and large firms involved in certain transactions.”

LEI Use Cases - Private Sector



Up until now, legal entity reference data has been proprietary, siloed and internationally non-standardized. The LEI addresses these problems.

Deutsche Bank



MiFID II: Requirement for client firms to have a Legal Entity Identifier

MiFID II will require investment firms that execute transactions in financial instruments on behalf of a client firm, to include that client firm's legal entity identifier (LEI) within the transaction report sent to the competent authority. MiFID II will come into force January 3, 2017.

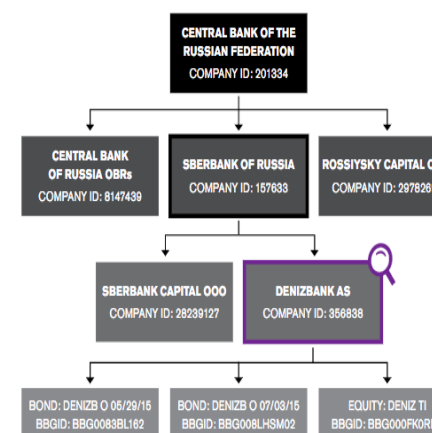
ENTERPRISE SOLUTIONS

BLOOMBERG EMBRACES THE LEGAL ENTITY IDENTIFIER

An In-Depth Analysis of the Evolution of the LEI and What It Means for Financial Services Firms

"Thomson Reuters is a strong supporter of standards in the data industry and has participated in expert working groups helping to create the LEI"

Establishing connections between entities and instruments is built into the design of the Bloomberg data model.



DENIZBANK AS - COMPANY ID: 356838

RISK MANAGEMENT	CUSTOMER DUE DILIGENCE	REGULATORY REPORTING	PRE-TRADE COMPLIANCE
Sector: Financial Country of Risk: Turkey (TR) Ultimate Parent: Russian Federation Issuer Risk: IG8 - 12-month default risk probability is between 0.096% and 0.1715%	FATCA: GIIN - JPCJ0H.00015.ME.792 Regulator: Capital Markets Board of Turkey Tax ID: 2920084496 Registered Address: Buyukdere Caddesi No:106 Esentepe Istanbul, 34394 TR	LEI: 3RV7W250LTUQH12NU88 Solvency II: NACE Sector - Financial & Insurance Activities NACE Code - 64.19 EMIR Counterparty Classification: Financial Company (FC)	OFAC Sectoral Sanctioned: No EU Sanctioned: Yes UN Sanctioned: No Canada Sanctioned: Yes Australia Sanctioned: Yes

Conferência “Meet the Market – The uses of LEI”



Thank you for your attention!

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

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