



The Global Legal Entity Identifier System

ECRF Conference 2015, Madrid

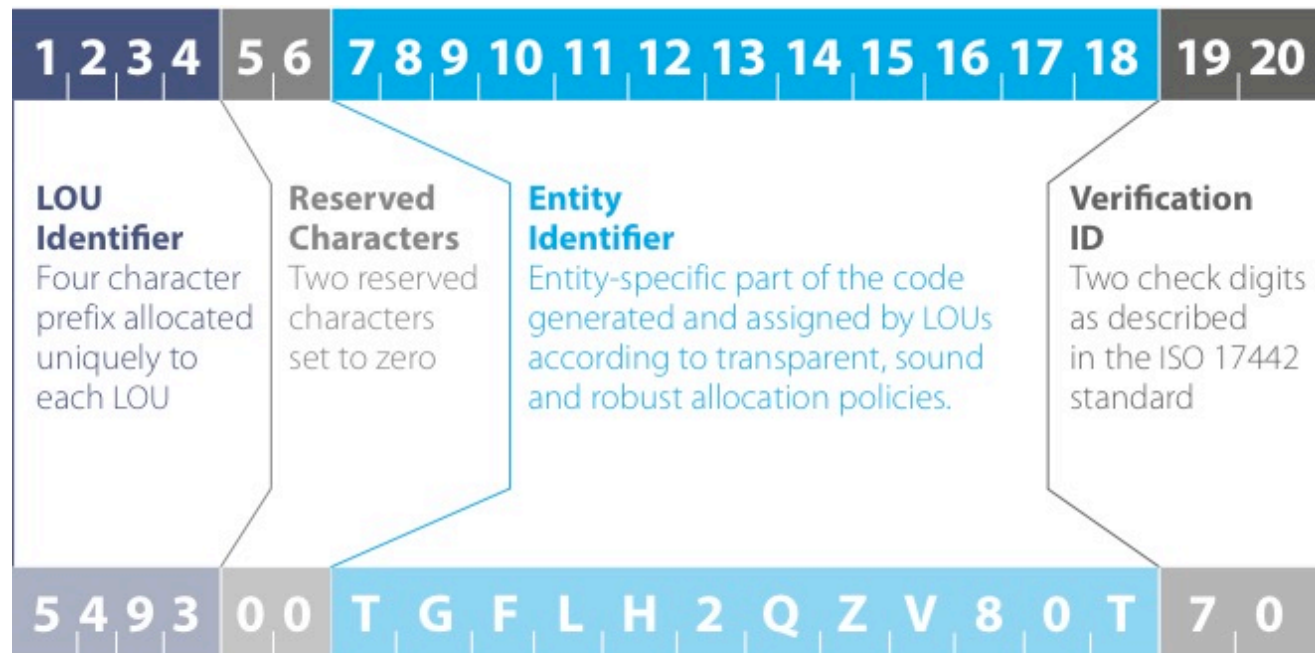
Stephan Wolf, CEO

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What is a LEI?



- LEI = Legal Entity Identifier
- Unique 20 digit alphanumeric code based on ISO 17442 standard assigned to legal entities



Example: ABB Sécheron S.A., Switzerland

For what (financial) transactions



- Required by the **public authorities** to
 - Assess risks, conduct market surveillance and enforcement
 - Supervise market participants
 - Regulatory reporting to derivatives and securities regulators
 - Regulatory reporting to Central Banks
 - AML, CFT and sanction regimes
 - Balance of Payments reporting
 - Public Procurement
- Benefits for the **private sector** include
 - Improved risk management
 - Operational efficiencies
 - Other needs
 - Correspondent banking
 - Trade finance
 - Payment and card payment schemes
 - e-Commerce websites for delivery of goods and services
 - Trading, clearing and settlement rulebooks

Who supports the LEI initiative?



- The **Governments** of the **G20 countries** asked in their November 2011 Cannes Summit for a Global LEI
- The **FSB** (Financial Stability Board) recommendations for the development of a **Global LEI System (GLEIS)** were endorsed by the G20 in their Los Cabos Summit in June 2012
- The FSB created the **ROC** (Regulatory Oversight Committee) with about 80 regulators
- The FSB established the **GLEIF** in June 2014 in close cooperation with the ROC

Who issues LEIs?



- Legal entities may request an LEI from a **LOU** (Local Operating Unit) of their choice
- There are about **30 competing pre-LOUs** so far that have received a “license to operate” from the ROC (in the future the GLEIF will manage the accreditation of LOUs)
- The LOUs operate on a “**non-profit cost-recovery model**”
- Over 350.000 LEIs have been issued so far (March 2015)

What is the GLEIF?



- **GLEIF** = Global LEI Foundation
- The GLEIF is a Swiss Foundation founded by the **FSB**
- The Foundation has an (international) Board of 16 Directors that held its Inaugural meeting on 26 June 2014
- The **ROC oversees the GLEIF**. Three ROC Observers attend the GLEIF Board meetings

GLEIF's main responsibilities



GLEIF is responsible for three main functions:

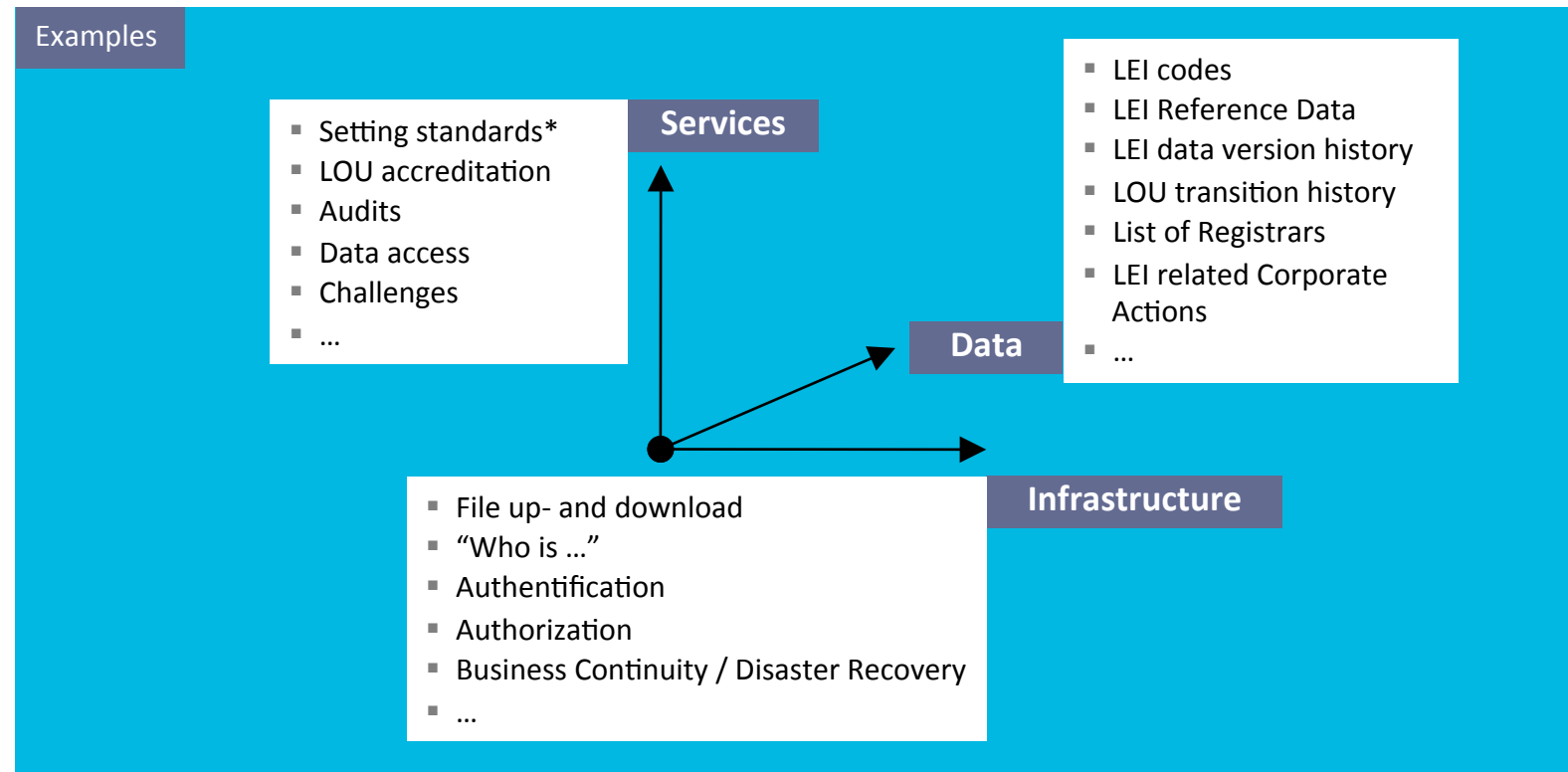
- **Rulemaking Function** – proposing, defining, issuing and enforcing worldwide uniform operational legal and technical standards and protocols for LEIs and LEI Reference Data.
- **Operational Function** – operating a Central Operating Unit, which shall maintain a central database of LEIs and corresponding LEI Reference Data, shall maintain a high level of data quality and shall make available – along with LOUs – LEI and LEI Reference Data to the public and to commercial customers
- **Monitoring Function** – monitoring of compliance of LOUs and users with standards and protocols and with the terms of this Master Operating Framework Agreement

All three functions require a deep understanding of the requirements regarding the underlying **infrastructure** and the related **services**.

GLEIF's responsibility



GLEIF is accountable and responsible for setting up the GLEIS in three dimensions. Business and technical process design will follow these dimensions.



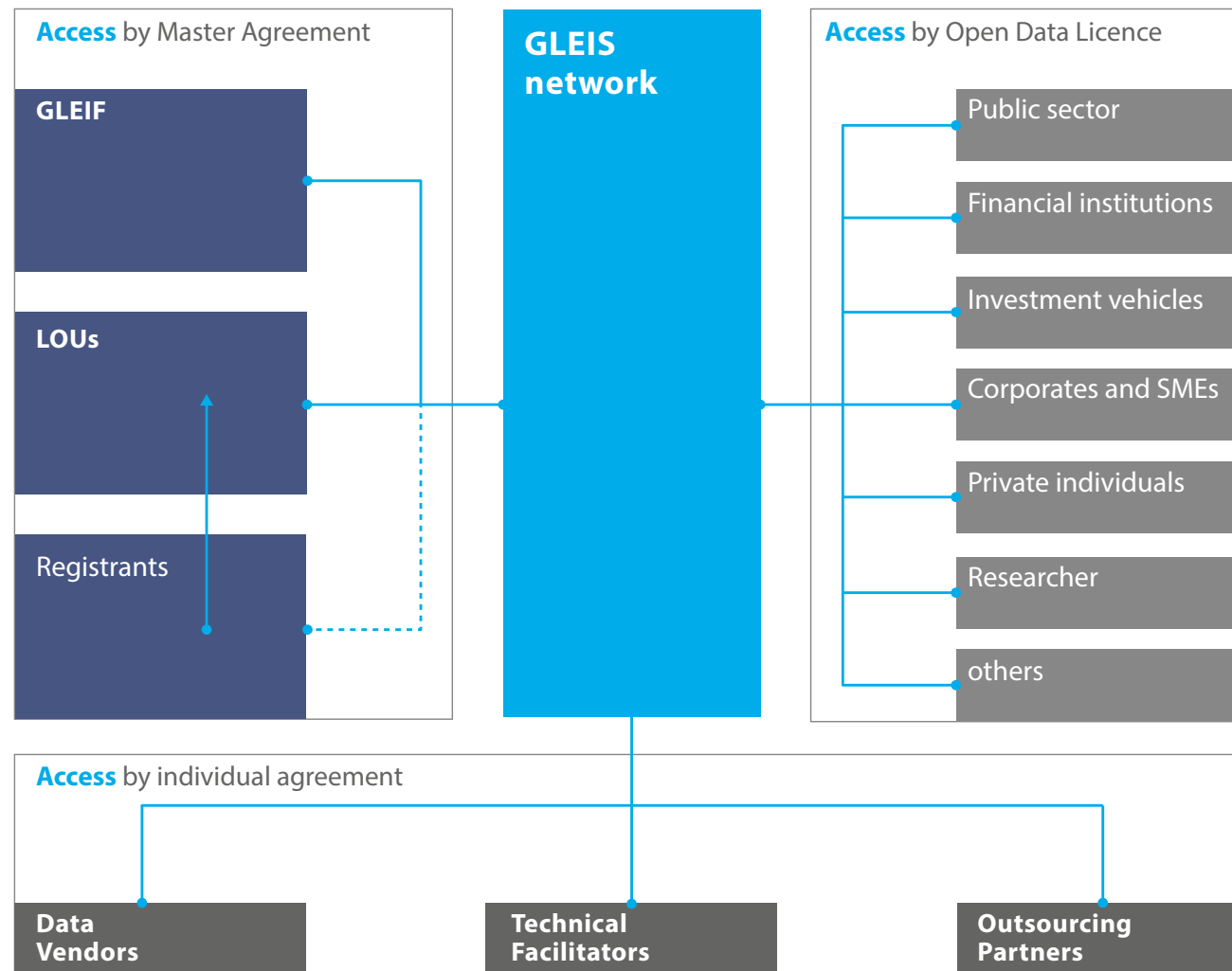
* "Setting legal and technical standards and protocols" as service to the public and private sectors

What is the GLEIS?

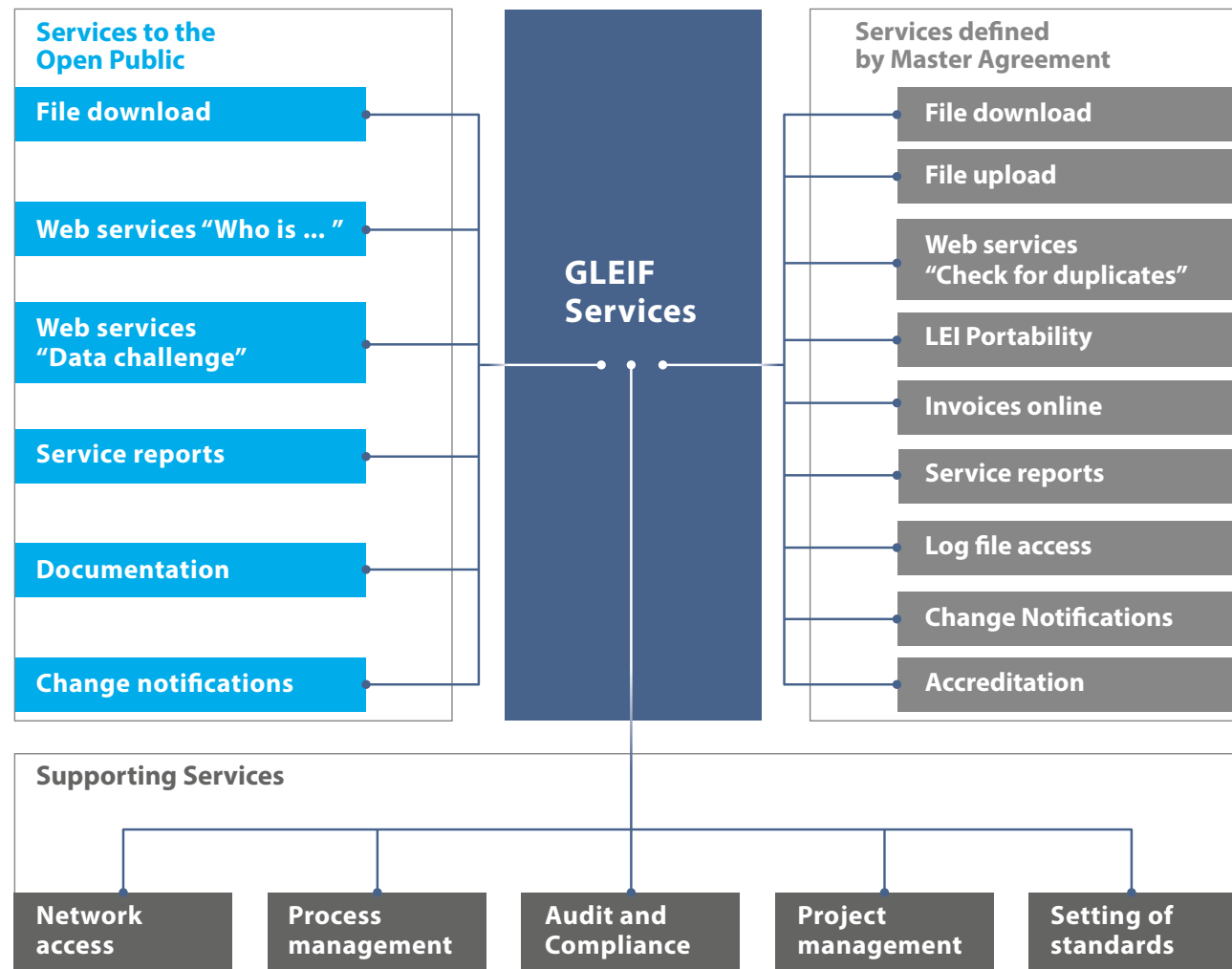


- **GLEIS** = Global Legal Entity Identifier System
- The GLEIS is a **federative system** of the LOUs and the GLEIF
- Users of the LEI data of the GLEIS have **free access** to the public LEI data of the LOUs and to the consolidated LEI data from the GLEIF.
- All LEI data will be **available for free 7x24 H to any user** without any licensing, intellectual property or similar restrictions

GLEIS as a legal network



GLEIF services in the GLEIS



Potential services of other GLEIS participants



Potential GLEIS participants beyond GLEIF and LOUs:

- Regulators
- Market Data vendors
- Technical facilitators, e.g. Telecoms, hosting & housing providers
- Financial market intermediaries
- Business registrars
- Audit firms
- Notaries public

They might offer additional services such as:

- Enriched content sets
- Binary protocols and data formats, realtime services
- Proxy services
- Consulting services
- Training services

GLEIF seeks partnerships with additional GLEIS participants

Thank you for your attention!

Limitations



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