



LEI

GLOBAL
LEGAL
ENTITY
IDENTIFIER
FOUNDATION

The Global Legal Entity Identifier System (GLEIS) - current status and outlook

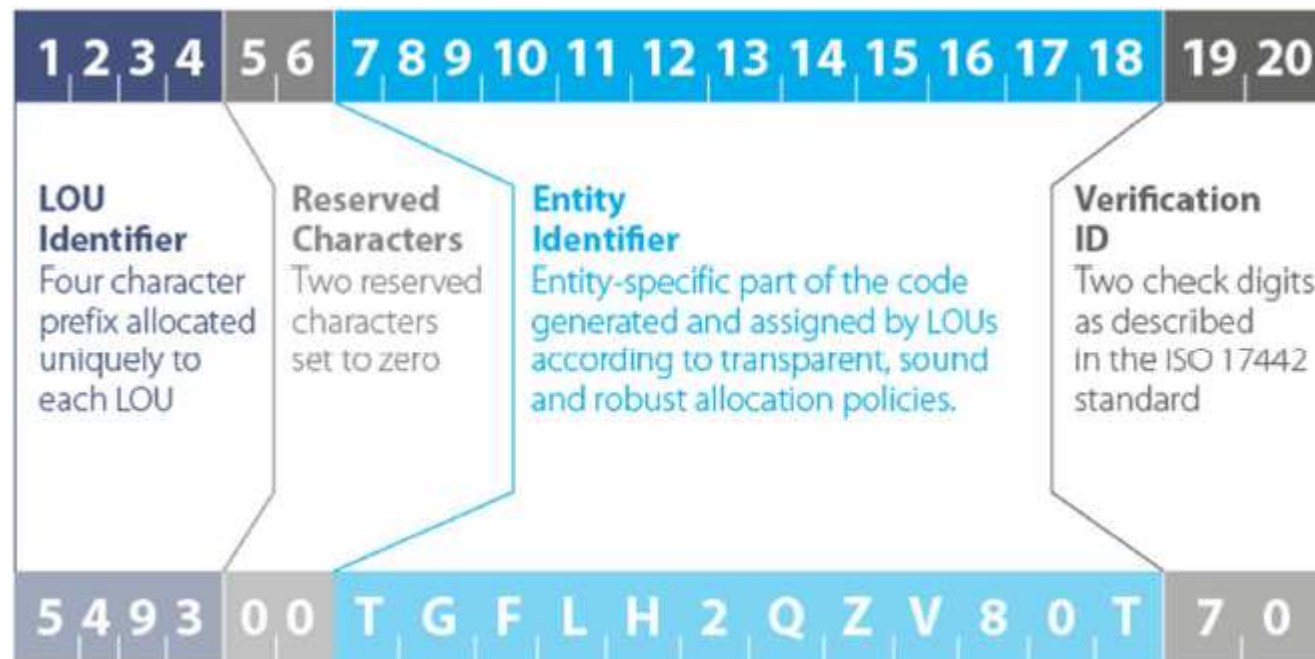
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What is a LEI?



- 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 and other needs
 - Correspondent banking
 - 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** 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

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 LOU accreditation)
- The LOUs operate on a **“non-profit cost-recovery model”**
- Over 340.000 LEIs have been issued (January 2015)

* Subject to any specific jurisdictional criteria or qualifications that may apply

What is the GLEIF?



- **GLEIF** = Global LEI Foundation
- The GLEIF is a Swiss Foundation
- The **FSB** is the **Founder** of the GLEIF
- 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
- The Board has appointed Stephan Wolf as CEO

Point of departure



GLEIF is – under the supervision of the ROC – 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: Vision, mission and objectives



G20 /FSB vision:

- to overcome weaknesses in financial reporting
- to identify participants in any financial transaction
- to create the LEI as a public good, offering collective benefits that are hard to capture by private market incentives alone
- to establish the LEI system in the best interest of the public and private sector

GLEIF: Vision, mission and objectives



GLEIF mission:

- to act as the operational arm of a global Legal Entity Identifier system
- to support on a not-for-profit basis the implementation of a global Legal Entity Identifier (“LEI”)
- to contribute to and facilitate many financial stability objectives , including: improved risk management; better assessment of micro and macroprudential risks; facilitation of orderly resolution; containing market abuse and curbing financial fraud; higher overall quality and accuracy of financial data; as well as meeting purposes set out in the Preamble of the GLEIF Statutes and the Charter of the Regulatory Oversight Committee (“ROC Charter”) .

GLEIF objectives (in the context of the service model)



1. Provide open and free access to publicly available data from the Global LEI System.
2. Create and maintain an operational GLEIF model that is efficient and avoids excessive costs.
3. Ensure that no entity involved in the Global LEI System exploits its relationship with the system in a way contrary to the broad public interest.
4. Ensure that the Global LEI System meets broad public and private sector requirements, including: data should be non-proprietary, with no bundling of services, or restrictions on access, usage, or redistribution.
5. Help creating standards and general policies for the Global LEI System to ensure that they are in the broad public interest.
6. Provide a high level of transparency in the operation of the Global LEI System.

GLEIF scope with regards to technology



In- and out-of-scope topics for GLEIF

Given the GLEIF Statutes, the ROC Charter, the FSB report “A Global Legal Entity Identifier for Financial Markets” and the GLEIF business plan, the GLEIF will

- become a gatekeeper for openly available LEI data,
- ensures high data high quality with free access to everyone,
- operates with high service levels,
- provides transparency to all stakeholders and market participants.

GLEIF will **not** become

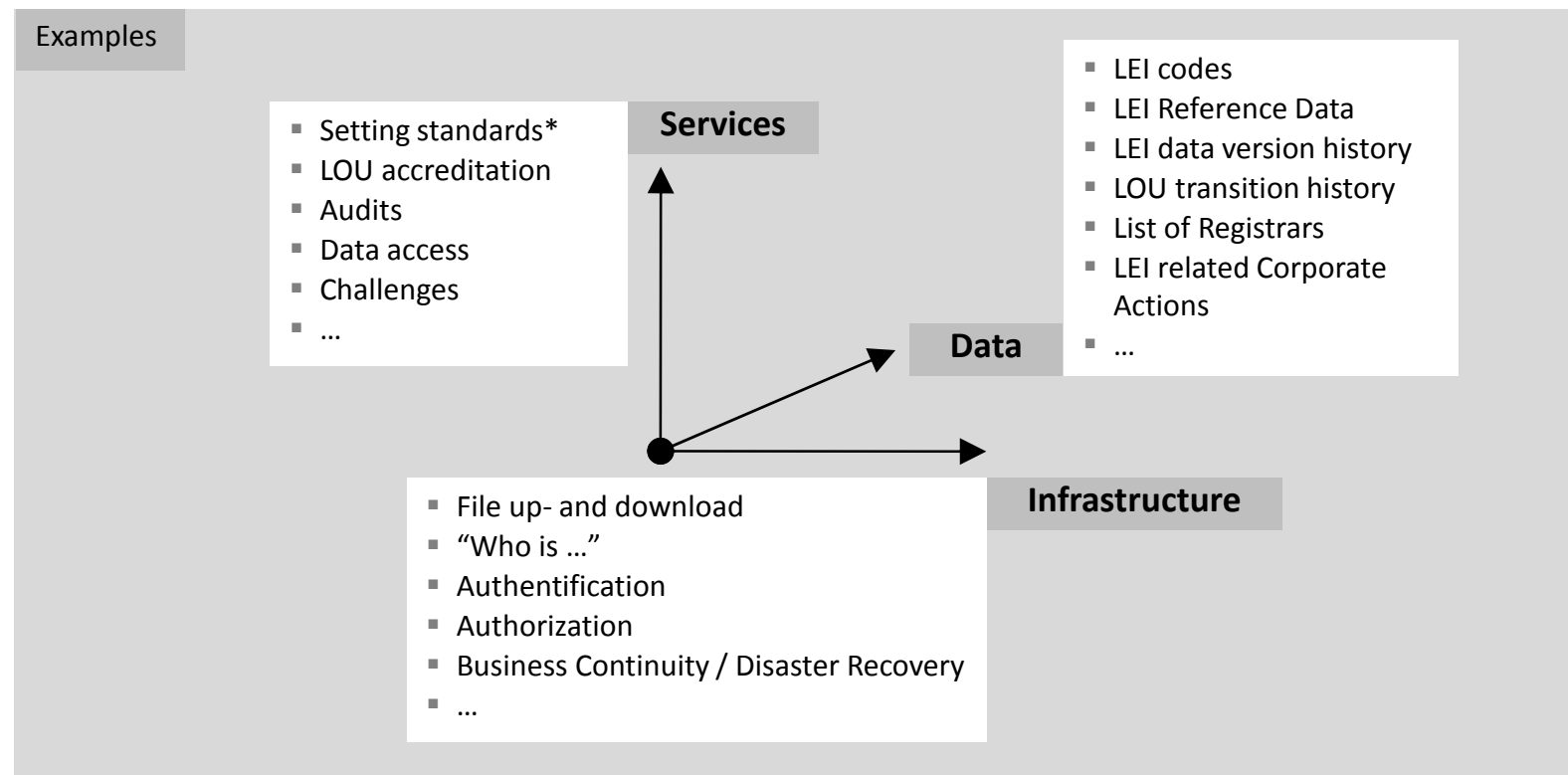
- a data vendor,
- a realtime service facilitator*,
- the legal owner of all the components of the GLEIS,
- financially liable for wrong data.

* For instance network utility and connectivity providers such as Radianz, 7 Ticks, etc.

GLEIF's responsibility

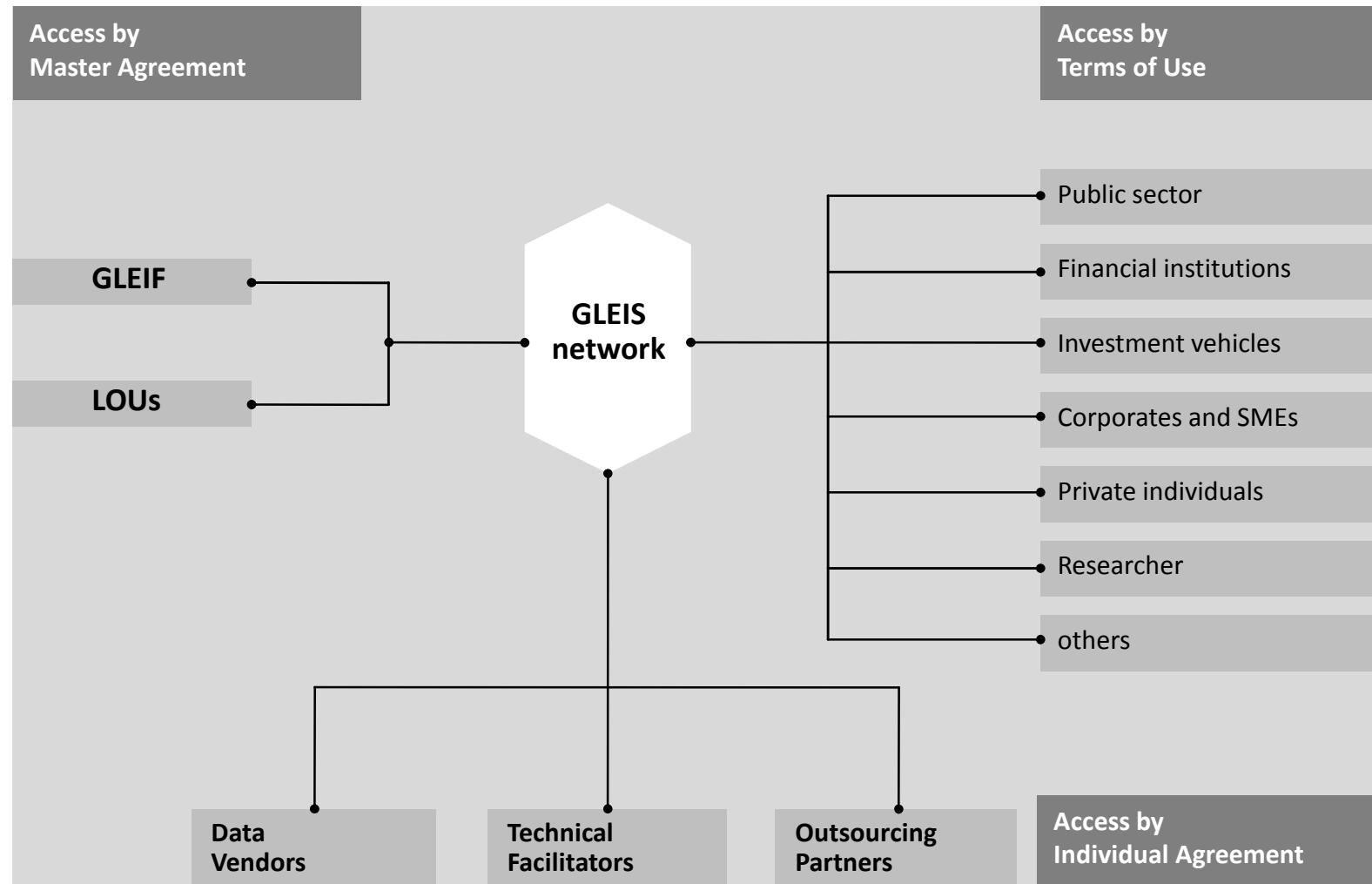


GLEIF is accountable and responsible for setting up the GLEIS in three dimensions. Business and technical process design will follow these dimensions.



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

GLEIS as a legal network



Exchange of data

- LEI data exchange between LOUs and GLEIF will be implemented using W3C standards, including XML, HTTP(s), FTP(s), SOAP and others
- Common Data File Format 1.0 and corresponding ISO standards for data models
- Data encoding using UTF-8

Storage of data

- GLEIF will store all LEI and LEI Reference data “forever”, including data on LEI transfers, changes to reference data items, analytical and derived data (where necessary), files being uploaded or generated
- GLEIF will use inMemory and SSD technology as well as appropriate backup devices
- Usage data will be stored compliant to data protection/ data privacy laws

Data architecture of a federative GLEIS



Access to data

- Data access to individual LEI records will be unlimited* via www.gleif.org
- File access to the “golden copy” of LEI data will be unlimited via FTP Proxy

Communications

- Documents on www.gleif.org will be published in PDF.
- All documents will come in English language only.
- Web site will be in English first, but technically ready for multiple languages including Arabian and Asian graphical character sets.
- Web site will be developed in HTML5, Javascript and CSS3, using responsive design.
- Some widgets may be implemented as code snippets to be integrated in 3rd party web sites (e.g. a LEI search).

* Unlimited in a technical sense. Restrictions from data privacy laws or any legal agreement will apply.

Data architecture of a federative GLEIS



Actuality

- All elements will be of highest possible actuality, including the underlying LEI data.
- „golden copy“ files will be kept intraday up2date. Downloads will include all LEIs stored in the central database.

GLEIF data in the GLEIS



The central GLEIF database will contain the following data sets

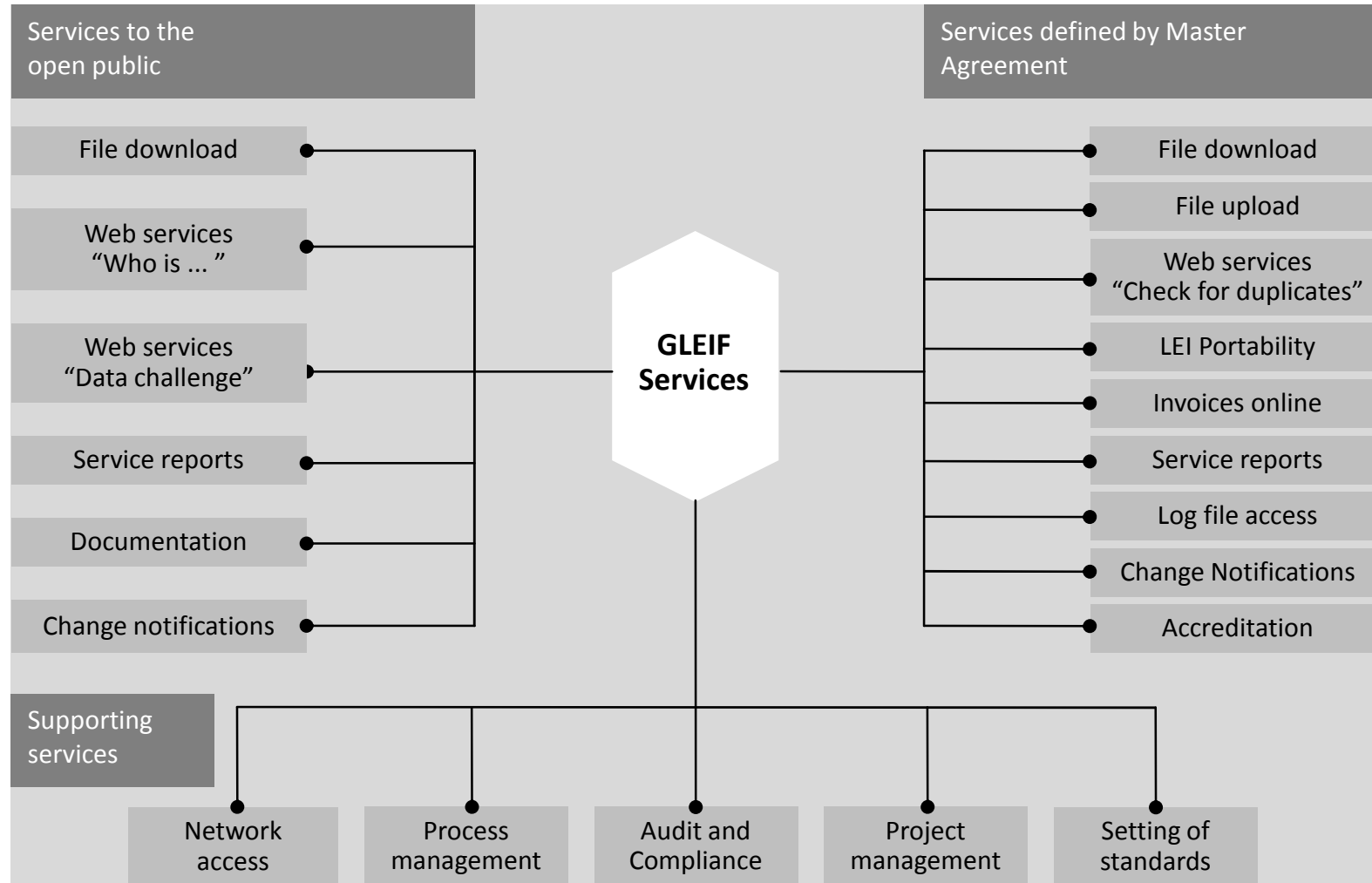
- Global coverage on all LOU LEIs and related Reference Data (“golden copy”)
- GLEIF might issue LEIs in its own right (backup function)
- LEI corporate actions
- Complete transaction history of all changes.
- GLEIF may add information about the usage of the data and related analytics.
- Quality measurements

Central LEI Repository and Golden Copy

The GLEIF database shall be named **Central LEI Repository**

The file containing all current LEIs and LEI Reference Data shall be called “golden copy”

GLEIF services in the GLEIS



GLEIF services in the GLEIS

Example service description



Name	Subscribe to LEI and LE-RD change notifications
Extends	-
Status	Draft
Tag Line	Subscription to notifications about changes to LEI or LE-RD.
Description	<p>The subscription informs about all recent changes to the LEI data in the Central LEI Repository. These changes will be called Corporate Actions.</p> <p>Additions and deletions in the Global LEI Repository are also considered changes. The "change event" that is triggered on a data change hold information about the type of event that caused the change, such as:</p> <ul style="list-style-type: none"> • LEI Registration, • LEI Renewal • Corporate Actions • Any reference data change
Results and benefits	<ul style="list-style-type: none"> • Up-to-date information about changes to LEI or LE-RD • Any user can incorporate the LEI and LEI-RD data changes in their databases and work flows.
Service Owner	Head of IT/Operations
Access Group(s)	<ul style="list-style-type: none"> • Open public by Terms of use • LOUs by Master Agreement • Suppliers and vendors by Individual Agreement
Supplier in charge	LOUs
Setup precondition	<p>Subscriptions will be delivered as</p> <ul style="list-style-type: none"> • Messages on individual changes • Delta files • Golden Copy files
Reporting	Web analytics provided via Piwik on usage
Auditing	Yes
Dependencies	<u>Upload LEI & LE-RD file</u> triggers data changes.
Frequency	<ul style="list-style-type: none"> • Messages on individual changes upon arrival • Delta files daily up to intraday • Golden Copy weekly, up to daily and intraday

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

They might offer additional services such as:

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

GLEIF seeks partnerships with additional GLEIS participants

Thank you!

Limitations



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