

November 3 2013

**Global Legal Entity Identifier Initiative – Business Registry Information**

Dear Sir/Madam,

We are writing on behalf of the Regulatory Oversight Committee (ROC) of the Global Legal Entity Identifier System (GLEIS), which is a G20 and Financial Stability Board (FSB) endorsed global initiative to deliver unique identification of parties to financial transactions across the world, other than natural persons. Business registries are an important source of information to support the unique identification of entities. For that reason, business registry name and registry identification numbers were included by G20 and the FSB in the LEI reference data at the system launch, as set out in the International Organisation for Standardisation (ISO) 17442 standard<sup>1</sup>. Recognising the role of national business registries in this global initiative, we are writing to you to seek your confirmation that there are no impediments or obstacles to the use of such numbers in the specific case proposed, which is set out below. We should be grateful for your response by Monday 2 December 2013.

The GLEIS system of identification will be used widely throughout the public and private sectors. The legislation and regulation of many countries have already requested, or will request in the near future, the use of the LEI for identifying entities in the reporting of some financial transactions. It will bring widespread benefits. In particular, such a system will provide a valuable ‘building block’ to contribute to and facilitate many financial stability objectives, including: improved risk management in firms; better assessment of micro and macroprudential risks; facilitation of orderly resolution of financial firms; containing market abuse and curbing financial fraud; and enabling higher quality and accuracy of financial data overall. It will reduce operational risks within firms by mitigating the need for tailored systems to reconcile the identification of entities and to support aggregation of risk positions. The lack of a common global identification system proved very costly in the financial crisis.

Given the manifold benefits of such a system, the G20 leaders in 2011 mandated the global regulatory community through the FSB to undertake the necessary preparatory work. The FSB prepared a report in June 2012 setting out recommendations and principles for a 3-tier federated system. The report was endorsed by the G20<sup>2</sup> and the recommendations have subsequently been taken forward to implementation by the global regulatory community, working in close consultation with major private sector stakeholders. The ROC is the first tier, responsible for the governance of the GLEIS in the broad public interest. It currently has 55 member authorities from the regulatory community across the globe, as well as 19 observer authorities. The second tier is the Global LEI Foundation (GLEIF), a non-for-profit body operating the Central Operating Unit of the system which will undertake the central operational functions. The GLEIF is expected to be established by the FSB as a not-for-profit foundation in Switzerland shortly. The third leg of the system will be provided by a federated group of Local Operating Units (LOUs)<sup>3</sup> which will provide the interface to entities registering in the GLEIS. There are 14 already in place, and more are expected soon, and such “pre-LOUs” have already begun assigning pre-LEIs and publishing reference data.

---

<sup>1</sup> See Recommendation 9 of the FSB LEI report at [http://www.leiroc.org/publications/gls/roc\\_20120608.pdf](http://www.leiroc.org/publications/gls/roc_20120608.pdf)

<sup>2</sup> [http://www.leiroc.org/publications/gls/roc\\_20120608.pdf](http://www.leiroc.org/publications/gls/roc_20120608.pdf)

<sup>3</sup> Before the full global system is launched these are labelled and known as pre-LOUs.

Under the global LEI initiative, each registered entity is allocated a unique 20-digit code, which is linked to a minimal set of information necessary to provide unique identification of the entity. Alongside elements such as the name and legal address, a vital role in the global identification system is also envisaged for the business registration number of the entity and the business registry reference where the entity is formed, as in many jurisdictions such registration defines and provides the proof of the existence of the legal entity. The proposed approach is that each entity applying for an LEI code would supply the required reference data to their preferred LOU, including their business registration number and name of the business registry, where available<sup>45</sup>. The information supplied by the entity seeking an LEI code would then be validated by the LOU, and the resultant LEI code and reference data for the entity would then be published as part of the GLEIS. The published information would be available to anyone free of charge, and without restrictions on republication or use.

To provide clarification that this proposed use of the business registry number is compatible with the conditions of use for your business registry, we are writing to seek your confirmation that: (1) there are no impediments to entities themselves with official business registry numbers in your registry providing their business registry numbers to LOUs, or the pre-LOUs, as part of their self-submitted reference data; (2) there are no impediments to the LOUs, or the pre-LOUs, freely publishing such registration numbers, as supplied by the entities; and (3) there are no impediments to the free use of such business registration numbers by users of the GLEIS. The ROC will maintain and publish a list of business registries that have provided written clarification/confirmation that there are no such impediments. Following publication of this list, entities registered in business registries on the list will be asked to supply their business registry numbers to pre-LOUs and LOUs as a key element of the reference data for publication in the GLEIS.

We should be very grateful, if you could respond to the ROC Secretariat Irina Leonova and Nigel Jenkinson ([irina.leonova@bis.org](mailto:irina.leonova@bis.org); [nigel.jenkinson@bis.org](mailto:nigel.jenkinson@bis.org)), by 2 December 2013, stating your confirmation of the above. Please could you also provide the official name of the registry for inclusion on the list so we can request all pre-LOUs and LOUs to use this exact name of your business registry.

Please do not hesitate to contact us if you have any questions. We look forward to hearing from you.

Yours sincerely

Irina Leonova and Nigel Jenkinson

[irina.leonova@bis.org](mailto:irina.leonova@bis.org) and [nigel.jenkinson@bis.org](mailto:nigel.jenkinson@bis.org)  
+41 61 280 9096 and +41 61 280 8685

LEI Regulatory Oversight Committee Secretariat  
Centralbahnplatz 2  
CH- 4002 Basel

---

<sup>4</sup> Some entities acquiring LEIs are not registered with business registries.

<sup>5</sup> According to the guideline adopted by the ISO TC68 Standards Advisory Group (SAG) in September 2013, the only exceptions will arise where the necessary data does not exist, or it is subject to legal constraints imposed by the data owner in the context of business registries.