



30 June 2014

Regulatory Oversight Committee Welcomes First Meeting of Global LEI Foundation

The Board of Directors of the Global Legal Entity Identifier Foundation (GLEIF) held its first formal meeting on 26 June in Zurich, Switzerland, following the decision of the Financial Stability Board to establish the Foundation and to file the necessary documents with the Swiss authorities to found the GLEIF. The LEI Regulatory Oversight Committee (ROC) has played a very active role in the preparatory work to establish the Foundation and will now take on responsibility to supervise the GLEIF in the public interest.

Gerard Hartsink was appointed the inaugural chairman of the Board, along with fifteen other Directors. See http://www.financialstabilityboard.org/publications/r_140114.pdf.

The LEI is a unique ID - for precise identification of parties to financial transactions. It will help financial regulators and firms understand exposures and risk transmission across the global financial system, streamline reporting, and improve aspects of supervision and compliance. And it will also reduce financial industry costs for internal reporting, risk management, and for collecting, cleaning, aggregating, and reporting data to regulators.

The Foundation will begin to take full operational management of the Global LEI System, under the oversight of the ROC. Under an interim system established in 2013 under the supervision of the ROC, 16 endorsed "pre-Local Operating Units" ("pre-LOUs") have assigned almost 300,000 "pre-LEI" codes to entities from more than 150 countries for use in regulatory reporting. And 12 other pre-LOUs have been granted prefixes to support planning and development, in advance of launching operational platforms.

The transition to full GLEIF management will occur over the coming year. One key principle guiding the transition will be a requirement that all LEIs issued to date will move unchanged into the system managed by the GLEIF. The establishment of the GLEIF and the beginning of the transition means that all codes issued by endorsed pre-LOUs should no longer be considered interim and henceforth will be called "Legal Entity Identifiers" or "LEIs." They are no longer pre-LEIs.

This day is an important milestone, completing the establishment of the 3 tier structure of the Global LEI System - ROC, GLEIF and Local Units - endorsed by the G20 in Los Cabos in June 2012 on the basis of recommendations of the FSB. The ROC was established in January 2013 to uphold the governance principles of and to oversee the Global LEI System in the broad public interest. These principles include assuring that the system produces high quality freely available data about entities operating in financial markets on a globally consistent basis. Over the past 2



years, over 60 public sector authorities from close to 40 jurisdictions have worked cooperatively to establish a governance framework, create the operational capacity to deliver LEIs by local pre-LOUs, and to undertake the preparatory work to support the establishment of the foundation to manage the central operations of the system¹.

“We have eagerly awaited this important day and welcome the expert governance of this global system that authorities and financial market participants can rely on to manage risk and threats to financial stability. This is a pivotal day for the Global LEI System,” said ROC Chairs Matthew Reed, Bertrand Couillault and Jun Mizuguchi. “I am honoured to have been chosen to chair the Global LEI Foundation and look forward to the exciting challenges ahead. We have an important job to do and have already begun work,” added Gerard Hartsink, Chair of the Global LEI Foundation.

Regulatory implementation of the LEI continues. In addition to further adoption of the use of the LEI for derivatives reporting on a global basis, authorities are extending reporting requirements for the LEI, where appropriate, to the banking sector, securities issuance, investment holdings for insurance and funds, and other uses such as identification of firms in credit registers. The ROC and its members remain committed to support the introduction of the Global LEI System as a unique identifier of parties to financial transactions to support financial stability analysis, risk management, and a range of other uses.

Members of the ROC wish to thank the FSB for serving as the founder of the GLEIF. ROC members also wish to thank Mr. Hartsink and the other volunteer members of the Board for all of the work they have been doing to ready the GLEIF for this inaugural meeting and the work ahead.

For further information, please contact the ROC Secretariat at LEIROC@bis.org.

Further information is available at www.leiroc.org

¹ For ROC members and observers see: <http://www.leiroc.org/about/membersandobservers/index.htm>