

**Regulatory Oversight Committee Endorsement Note –  
Korea Securities Depository (KSD)**

On July 27, 2013 the Regulatory Oversight Committee (ROC) released a set of [principles](#)<sup>1</sup> designed to guide decision-making for the creation of an interim system for the Legal Entity Identifier (LEI) until the Global LEI Foundation (GLEIF) operating the Central Operating Unit (COU) takes over operational governance of the system. This system will provide that those LEIs (LEIs compliant with various ROC principles) issued by pre-Local Operating Units (LOU) that have been endorsed by the ROC will be acceptable by ROC authorities requiring the use of a common identifier.

The principles that have to be observed by the pre-LOUs that wish to integrate into the Interim Global Legal Identifier System (GLEIS) were [updated](#)<sup>2</sup> on 24 August 2014 to include the application of the Common Data Format published in February and June 2014, the agreement to contribute to the funding requirements of the GLEIF in line with the G20 endorsed FSB recommendations, the further guidance on portability published by the ROC on 24 August 2014 and the other conditions described in earlier endorsement notes.

During this interim period, the ROC recognizes that improvement will be necessary as the system moves from this early start-up period to full operational deployment. As a result, additional guidance can be expected from the ROC, and later from the GLEIF operating the COU, that all endorsed pre-LOUs and prospective pre-LOUs will be required to follow to ensure that the system meets its intended objective of supplying high quality and precise entity identification.

Pursuant to the process described in Annex 1 of the principles, in order to become an endorsed pre-LOU, a candidate must be sponsored by a ROC member. That ROC member sponsor must then seek endorsement from the ROC by demonstrating that the candidate pre-LOU meets the principles.

The ROC announced the first endorsements on 3 October 2013. The list of all endorsed pre-LOU can be found at:

[http://www.leiroc.org/publications/gls/lou\\_20131003\\_2.pdf](http://www.leiroc.org/publications/gls/lou_20131003_2.pdf)

In September, an additional ROC sponsor sought endorsement for a pre-LOU candidate. The Financial Services Commission, Korea, presented endorsement materials for KSD. The sponsor previously sought a four-character prefix for use by their candidate, the sponsor represented that their candidate was willing to and capable of

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<sup>1</sup> [http://www.leiroc.org/publications/gls/lou\\_20130727.pdf](http://www.leiroc.org/publications/gls/lou_20130727.pdf)

<sup>2</sup> [http://www.leiroc.org/publications/gls/lou\\_20140824\\_2.pdf](http://www.leiroc.org/publications/gls/lou_20140824_2.pdf)

complying with general LEI ROC principles. Several other sponsors have obtained prefixes for use by pre-LOUs but have not yet sought endorsement<sup>3</sup>.

Following the process for due diligence outlined in Annex 1 of the principles, and having satisfied itself that the candidate pre-LOU does meet the necessary principles, the ROC has decided to endorse this pre-LOU –KSD– so that the codes it issues or have issued may be used for reporting and other regulatory purposes in the various jurisdictions represented in the ROC.<sup>4</sup>

As of the date of this endorsement, all certified codes issued by this pre-LOU will be globally recognized by the ROC for reporting purposes, including those issued through self-registration and assisted registration with the explicit permission of the registrant.

The ROC appreciates the significant work that the sponsors, the endorsed pre-LOUs, and other pre-LOUs and members of the public continue to contribute to in creating the Global LEI System.

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<sup>3</sup> [http://www.leiroc.org/publications/gls/lou\\_20131003\\_2.pdf](http://www.leiroc.org/publications/gls/lou_20131003_2.pdf)

<sup>4</sup> Note that the requirement of the use of these or any entity identification codes is driven by local reporting and other regulatory requirements. Thus, the ROC does not mandate the use of these codes, nor does it determine whether the use of these codes by a local authority should be mandated. ROC members, having assented to the ROC Charter, which promotes the use and scope of the Global LEI System to expand the collective benefit from widespread adoption, through this process seek to be able to rely on codes issued by endorsed pre-LOUs for their own reporting purposes.