



Charter of the Regulatory Oversight Committee

For the

Global Legal Entity Identifier System

and

Governance of Certain Other Global Data Identifiers and Elements

Having regard to:

- (1) the call of the Heads of State and Government of the Group of Twenty on the Financial Stability Board (FSB) to take the lead in helping coordinate work among the regulatory community to prepare recommendations for the appropriate governance framework, representing the public interest, for a global Legal Entity Identifier (LEI) (Cannes Summit, November 2011, "*Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All*"); and,
- (2) the endorsement by the Heads of State and Government of the Group of Twenty of the FSB recommendations regarding the framework for development of a Global LEI System for parties to financial transactions, with a global governance framework representing the public interest (Los Cabos Summit, June 2012);

Recognizing the need to develop and maintain for the broad public good a Global LEI System and harmonized financial data identifiers and other elements for derivatives and other reporting to regulators that are to be used: (a) by authorities of any jurisdiction or financial sector to, assess systemic risk and maintain financial stability, conduct market surveillance and enforcement, supervise market participants, conduct resolution activities, prepare high quality financial data and to undertake other official functions; and (b) by the private sector to support improved risk management, increased operational efficiency, more accurate calculation of exposures, and other needs.

We, the Finance Ministers and Central Bank Governors of the Group of Twenty, and the FSB have set forth in November 2012 this Charter for the Regulatory Oversight Committee (ROC) of the Global Legal Identifier System. The Global LEI System is composed of the ROC together with an operational component, consisting of the LEI foundation (or equivalent legal form) operating the Central Operating Unit (LEI COU), and the federated Local Operating Units (LOUs) providing registration and other services; and,

We, the current Members of the ROC, having consulted with the FSB, the Committee on Payments and Market Infrastructures (CPMI), and the International Organization for Securities Commissions (IOSCO), and recognizing the efficiencies and economies of scale in governing Certain Other Global Data Identifiers and Elements relating to financial transaction and product identification, and harmonized OTC derivatives data reporting, have set forth amendments in October 2020 to the LEI Charter to include the Certain Other Global Data Identifiers and Elements.

1. Mission

The mission of the ROC is to uphold the governance principles of and to oversee the Global LEI System, Unique Transaction Identifier (UTI), Unique Product Identifier (UPI), and Critical Data Elements (CDE) (collectively, the “LEI and Certain Other Global Data Identifiers and Elements”),

in the broad public interest, in accordance with:

- a) the Global LEI System High Level Principles and FSB recommendations, as endorsed by the Heads of State and Government of the Group of Twenty (Los Cabos, June 2012) (Annex A and B);
- b) the principles and functions set forth by the FSB and CPMI-IOSCO related to the UTI, UPI and the CDE, including the High Level Principles noted by the aforementioned organizations applying to the UTI, UPI, and CDE (Annex C);
- c) any additional principles adopted by this ROC; and
- d) any amendment to the provisions of this Charter.

In furtherance of this mission, the ROC is to take appropriate action to protect the public interest through regulatory oversight of the LEI and Certain Other Global Data Identifiers and Elements.

2. Objectives of the ROC

The primary objective of the ROC is to oversee the Global LEI System and Certain Other Global Data Identifiers and Elements in accordance with the High Level Principles listed in Annex A and C of this Charter. The ROC’s role is to promote the broad public interest by improving the quality of data used in financial data reporting, improving the ability to monitor financial risk, and lowering regulatory reporting costs through the harmonization of these standards across jurisdictions.

- a) With regard to the LEI, in protecting the broad public interest, the objectives of the ROC are to ensure:
 - (1) open and free access to publicly available data from the Global LEI System, including the following:
 - i. data should be non-proprietary, with no bundling of services, or restrictions on access, usage, or redistribution;
 - ii. all public data should be readily available on a continuous basis, easily and widely accessible using modern technology, and free of charge;
 - iii. confidential data should be safeguarded and with due regard for any applicable data protection legislation;
 - iv. data and operating processes should not be subject to any type of intellectual property restrictions, except those judged necessary by the ROC for protecting the broad public interest;

- v. restrictions should not be placed on a registrant on the use of its own LEI.
- (2) open access to obtaining an LEI, including:
 - i. by providing that any entities required, or eligible, to obtain an LEI are able to acquire one under open and non-discriminatory terms;
 - ii. by providing that fees, where and when imposed by the LEI COU, are set on a non-profit cost-recovery basis under the premise that the operational model of the LEI COU is efficient and avoids excessive costs and, that where possible, a parallel arrangement holds for the LOUs;
 - iii. by providing that the intellectual property necessary for or associated with the operation of the Global LEI System is held in a way that facilitates achievement of the High Level Principles.
 - (3) that the Global LEI System meets broad public and private sector requirements, including:
 - i. ensuring the uniqueness, consistency, exclusivity, accuracy, reliability, timeliness of access, portability, and persistence of the LEI codes and reference data;
 - ii. promoting the use and scope of the Global LEI System to expand the collective benefit from widespread adoption; and
 - iii. allowing use of local languages and character sets in registration, as well as allowing access to the Global LEI System in a common language and character set.
- b) With regard to the UTI, in protecting the broad public interest, the objectives of the ROC are to ensure:
- (1) unrestricted and free access to and use of the UTI for national or regional authorities, trade repositories acting in their capacity as trade repositories, and all other stakeholders and those involved in the lifecycle of a derivative contract;
 - (2) unrestricted access to the UTI Data Standard on a cost-recovery basis;
 - (3) that the UTI and UTI Data Standard adhere to the characteristics as defined in the UTI Technical Guidance; and,
 - (4) use of and access to the UTI and UTI data standard is free of licensing restrictions, not tied or bundled with any other service offered by a service provider, and that intellectual property necessary for or associated with the operation of the UTI is held in a way that facilitates achievement of the relevant High Level Principles.
- c) With regard to the UPI, in protecting the broad public interest, the objectives of the ROC are to ensure:

- (1) unrestricted access to, and use of, UPI Codes and UPI Data Standards; and that such access should not be tied or bundled with any other services offered by a service provider;
 - (2) unrestricted and free access to, and use of, the UPI Reference Data Library and of the UPI system itself for national or regional authorities;
 - (3) that the UPI code and reference data adhere to the Technical Principles as defined in the UPI Technical Guidance;
 - (4) access to, and use of, the UPI Reference Data Library for all entities with reporting obligations and trade repositories in a manner that is sufficient to allow them to associate a specific derivative product to its UPI Code in a timely manner to facilitate the discharge of reporting obligations for derivative transactions;
 - (5) that any fees, when and where imposed by the UPI service provider(s), are set on a cost-recovery basis and allocated fairly among stakeholders (excepting authorities, for which use of the UPI system will be free);
 - (6) that the UPI Data Standard is not subject to any intellectual property/licensing restrictions and intellectual property necessary for or associated with the operation of the UPI Reference Data Library is held in a way that facilitates achievement of the relevant High Level Principles;
 - (7) that the UPI service provider has policies and procedures that are reasonably designed to detect and effectively manage any potential conflict of interest, and that access to the UPI is not tied or bundled with any other services offered by the UPI service provider(s); and
 - (8) the operational viability and continuity of UPI service provider operations in accordance with the relevant High-Level Principles.
- d) With regard to the CDE, in protecting the broad public interest, the objectives of the ROC are to ensure:
- (1) unrestricted and free access to, and use of, CDE (including definitions, formats, and allowable values), and that the CDE Technical Guidance and the CDE Data Standards remain open source and freely available;
 - (2) that use of the CDE (including their definitions, formats, and allowable values) should not be subject to any intellectual property restrictions;
 - (3) that CDE Data Standards are agnostic to existing communication protocols and should be implementable in any existing syntax; and,
 - (4) compatibility of CDE data standards with the relevant High-Level Principles.

3. Responsibilities and authorities of the ROC

In carrying out its missions and objectives, the ROC has the following responsibilities and authorities:

- a) to be the ultimate authority for oversight of the Global LEI System and Certain Other Global Data Identifiers and Elements, including guidance, standards, high level plans, policies, and protocols, and having:
 - (1) The capacity to review and approve all decisions relating to the governance and strategy of the global LEI foundation operating the LEI COU; and,
 - (2) The capacity to review and approve all decisions relating to the governance and strategy concerning the UPI service provider(s) and the operating elements for Certain Other Global Data Identifiers and Elements.
- b) to facilitate the establishment of, and to designate the global LEI foundation (or body of equivalent legal form) as the legal entity that operates the LEI COU;
- c) to oversee standards and general policies for the LEI and Certain Other Global Data Identifiers and Elements to ensure that they are in the broad public interest, including, but not limited to:
 - (1) standards for LEI, UPI reference data, and CDE data and for other aspects of the operations of the LEI and Certain Other Global Data Identifiers and Elements;
 - (2) standards for participation of LOUs in the Global LEI System;
 - (3) standards for participation of the UPI service provider(s);
 - (4) cost-recovery principles, protocols, and procedures for the LEI COU budget formation;
 - (5) cost-recovery principles, protocols, and procedures for the UPI service provider(s);
 - (6) material contracts review to ensure that the objectives in section 2 are respected; and
 - (7) standards for business continuity, disaster recovery and automated system safeguards.
- d) on an ongoing basis, to evaluate the relevance of existing standards, propose new or to adapt existing standards under the global LEI and Certain Other Global Data Identifiers and Elements systems, and coordinate and consult with relevant stakeholders, as required, so that the global LEI and Certain Other Global Data Identifiers and Elements systems continue to reflect the governance objectives laid out in the High Level Principles, serve the broad public interest and reflect changes in financial markets or other relevant areas;
- e) to consult with relevant stakeholders (as identified by the Plenary or Executive Committee) on major changes (also as identified by the Plenary or Executive Committee) pertaining to the governance of Other Global Data Identifiers and Elements systems, including the designation or de-designation of the UPI service provider(s);
- f) to update the UPI and UTI Technical Guidance as necessary, considering the benefits and costs of such revisions, and after public consultation where appropriate.

- g) to monitor the evolution of market practices and update the CDE Technical Guidance as necessary in response to evolving market practices, authorities' needs, and the purposes for which the CDE Technical Guidance was developed;
- h) to recommend how the UTI, UPI and CDE Technical Guidance should be implemented;
- i) to monitor the implementation of the LEI and Certain Other Global Data Identifiers and Elements and identify implementation issues that may hinder their adoption;
- j) to provide that no entity involved in the global LEI and/or Certain Other Global Data Identifiers and Elements systems exploits its relationship with the system in a way that is contrary to the broad public interest;
- k) to request and receive independent audits of the Global LEI System for financial control, best business practices, and data quality standards;
- l) to request and receive independent audits of the UPI service provider(s);
- m) to appoint the initial Board of Directors of the global LEI foundation operating the LEI COU, to review the appointment and continuance of Directors, and to request (or direct, if consistent with the governing law of the global LEI foundation) removal of Directors for cause, according to public-interest protection criteria established by the ROC to be reflected in the governing documents of the global LEI foundation;
- n) to appoint, public or independent Directors of the global LEI foundation operating the LEI COU from outside of the regulatory community with special powers, determined by the ROC and to the extent permissible under the law governing the LEI foundation, who as individuals are to act in the broad public interest, (pursuant to the criteria established by the ROC and reflected in the governing documents of the global LEI foundation);
- o) to issue guidance to the LEI COU or other parts of the Global LEI System to protect the broad public interest as expressed in the High Level Principles or in this Charter;
- p) to oversee the UPI service provider(s), their adherence to the UPI Technical Guidance and the UPI Data Standard, and their performance against their UPI functions in accordance to the relevant arrangements between the ROC and the UPI service provider(s);
- q) to issue guidance to the UPI service provider(s) and entities involved with Certain Other Global Data Identifiers and Elements, in order to protect the broad public interest as expressed in the relevant High Level Principles or in this Charter;
- r) to communicate and coordinate with other bodies responsible for the publication and maintenance of the standards of Certain Other Global Data Identifiers and Elements as international data standards;
- s) to monitor the performance of the Global LEI System and Certain Other Global Data Identifiers and Elements, through inspections, hearings, reports and other means, where applicable;

- t) to promote a high level of transparency in the operation of the Global LEI System and in the operation and development of Certain Other Global Data Identifiers and Elements;
- u) to establish or appoint such special advisory, technical, or professional committees, working groups, or panels, as may be useful in carrying out the mission, objectives, and responsibilities of the ROC. The membership of such committees, working groups, or panels may be composed of Members of the ROC, other persons, (including from both the regulatory community or private sector), or both;
- v) to consider establishment of an appropriate framework for mediating or resolving disputes;
- w) to adopt, in addition to the provisions of this Charter, such rules or procedures as may be necessary to carry out the mission, objectives and responsibilities of the ROC; and
- x) to undertake any such other functions and actions as may be necessary and permissible to carry out the mission, objectives, and responsibilities of the ROC.

4. Members

- a) The following are eligible to be a Member of the ROC:
 - (1) any public sector authority and jurisdiction including regulatory and supervisory authorities and central banks;
 - (2) public international financial institutions;
 - (3) international public sector standard setting, regulatory, supervisory, and central bank bodies, and supranational authorities; and
 - (4) any other national or regional authority.

on condition that they are dedicated to working actively for the broad public interest in accordance with the Global LEI System High Level Principles and/or the High Level Principles of Certain Other Global Data Identifiers and Elements, and to working actively towards the objectives specified in this Charter. The public international financial institutions that are so dedicated participate as Members in accordance with their respective legal and policy frameworks.

- b) Membership criteria may be reviewed every 3 years, or earlier under circumstances where needs for review are identified, by the Plenary in the light of the ROC's mission, objectives and responsibilities.
- c) Recognising the need to support effective decision making and thus to contain the number of decision making Members, jurisdictions are invited to ensure co-ordination among authorities that meet the eligibility criteria.
- d) In the event that the number of eligible members wishing to join the ROC reaches such a size that makes decision-making impractical, Plenary Members should review whether new provisions are needed to limit Plenary Membership.

5. Commitments of Members

Assent to the Charter means that a Member is to:

- a) uphold the High-Level Principles and goals set forth in the Charter to protect the broad public interest in relation to the Global LEI System and Certain Other Global Data Identifiers and Elements;
- b) participate actively in the work of the ROC;
- c) support the introduction of the Global LEI System for official or international identification purposes; and,
- d) support the introduction and use of Certain Other Global Data Identifiers and Elements, recognizing that not all financial products and services are used or permitted in all financial markets.

6. Observers

- a) Public authorities and jurisdictions, public international financial institutions, and international public sector standard setting, regulatory, supervisory, and central bank bodies and supranational authorities, as defined in 4 a) above, that support the High Level Principles and wish to be informed of the proceedings of the ROC, but do not wish to participate actively in the decision making and governance process may become Observers.
- b) An Observer may attend meetings of the Plenary and participate in the ROC in a manner to be determined by the Plenary, Executive Committee, or any other groups, committees, working groups or panels that invite the Observer.

An Observer may not participate in the decision making of the Plenary or the Executive Committee.

7. Structure

The ROC is composed of the following:

- a) the Plenary;
- b) the Executive Committee;
- c) the Committee on Evaluation and Standards;
- d) the Committee on Derivative Identifiers and Data Elements; and,
- e) other committees, working groups, or panels as provided for in Section 3 (u) above.

8. Decision making

- a) Decisions by the Plenary, Executive Committee, and any other groups, committees, or bodies established by the ROC should be taken by consensus where possible.
- b) Members of the ROC have the duty to work towards consensus.
- c) The Chair has the duty to seek as broad a consensus as possible.

- d) Members who have stated an objection have the right to delay a decision for a fixed, short period and ask the Chair to seek an alternative solution.
- e) Voting should only occur in exceptional circumstances where consensus cannot be reached using the procedures outlined above. For such an eventuality, the ROC is to develop voting procedures with a geographically balanced majority for adopting decisions in the event that consensus cannot be reached for either or both the Plenary and the Executive Committee.

9. Plenary Membership and Responsibilities

- a) The Plenary consists of one designated representative of each Member of the ROC.
- b) The Plenary is the ultimate decision-making body of the ROC.
- c) The Plenary is presided over by the Chair of the ROC.
- d) The Plenary:
 - (1) decides on the manner in which the Plenary conducts its affairs;
 - (2) approves the work program of the ROC;
 - (3) oversees the standards and general policies for the Global LEI System and Certain Other Global Data Identifiers and Elements, to ensure that they protect the broad public interest, taking account of the analysis and recommendations of the Executive Committee;
 - (4) exercises oversight of the adherence of the Global LEI System and Certain Other Global Data Identifiers and Elements to the relevant High Level Principles and the goals specified in this Charter, and promotes transparency throughout the system;
 - (5) reviews membership criteria every 3 years or earlier where needs for review are identified, in the light of the ROC mission, objectives and responsibilities;
 - (6) appoints the Chair, the Vice Chair(s), and the Executive Committee;
 - (7) provides the Executive Committee with specific dedicated responsibilities and powers to take forward the work of the ROC and assigns responsibility for decisions on operational oversight issues to the Executive Committee;
 - (8) facilitates the establishment of, and designates the global LEI foundation (or body of equivalent legal form) as the legal entity that operates the LEI COU and terminates this designation;
 - (9) appoints the initial Board of Directors of the global LEI foundation operating the LEI COU and reviews appointment and continuance of Directors, and thereafter requests removal of Directors, as specified in 3 (m) of this Charter, taking due account of the recommendations of the Executive Committee;
 - (10) appoints, public or independent Directors as foreseen in section 3 (n);

- (11) hears at least twice a year, and as deemed necessary by the Plenary, a report from the Chair of the Board of Directors of the global LEI foundation operating the LEI COU;
- (12) designates, maintains the designation of, or de-designates UPI service provider(s);
- (13) establishes the Committee on Evaluation and Standards and appoints its chair;
- (14) establishes the Committee for Derivative Identifiers and Data Elements and appoints its chair(s);
- (15) establishes other committees, working groups and panels, as necessary, including membership and responsibilities;
- (16) appoints the Secretariat;
- (17) reviews and approves any amendments to this Charter; and
- (18) decides on any other matter governing the business and affairs of the ROC.

10. Plenary Representation and Attendance

- a) All Members are entitled to attend and participate in the Plenary.
- b) The Chair of the ROC presides over the Plenary.
- c) The Plenary is expected to meet at least 2 times each year.

11. Executive Committee

- a) An Executive Committee is established and composed of an initial maximum of twenty three (23) Members selected by, and from among the Plenary Membership. Regional Executive Committee Members are to be selected by and from the Plenary Members for that region. Members representing global public international financial institutions and standard setting bodies are to be selected by the Plenary.
- b) Membership of the Executive Committee is to be balanced jurisdictionally and regionally. The initial composition of the Executive Committee is to consist of a maximum of five (5) Members from at least 2 jurisdictions in each of the following regions: North America (including Mexico and the Caribbean); Europe (including the Commonwealth of Independent States); Asia (excluding the Middle East); and Central and South America, Africa, Oceania, and the Middle East. In addition, up to three (3) Members may be appointed to represent global public international financial institutions and standard setting bodies. The maximum size and composition of the Executive Committee is to be reviewed every 3 years, in accordance with criteria to be developed and approved by the Plenary. The Chair and the Vice Chair(s) are to be appointed from the Membership of the Executive Committee.
- c) Members of the Executive Committee are to be appointed for a maximum 3 year term, subject to renewal. Initial appointments may include some shorter term appointments to facilitate rotation in each region upon the decision of a region.

- d) The Executive Committee is to include representation by authorities from jurisdictions that have mandated the use, or made specific steps to introduce mandatory use, of the UTI, UPI, and CDE in reporting derivative transactions to trade repositories as described in Annex D to this Charter;
- e) The Executive Committee is to take forward the work of the ROC including decisions on operational oversight issues, under specified delegated responsibilities and powers provided by the Plenary.
- f) The Executive Committee may establish working groups and panels as needed to take forward the work of the Executive Committee.
- g) Relating to proposals or other work supporting the ROC's oversight of the UTI, UPI, and CDE, discussions during Executive Committee sessions are to follow regular procedures so as to include all Executive Committee Members present. However, Executive Committee decision-making on UTI, UPI, and CDE matters is to be made by those authorities from jurisdictions with a Regulatory Interest in the UTI, UPI, and CDE as set forth in Annex D to this Charter.
- h) In addition to its delegated responsibilities, the duties of the Executive Committee include the following:
 - (1) providing regular information and recommendations to the Plenary to keep the Plenary fully engaged and capable of action;
 - (2) informing the Plenary on the fulfilment of the delegated oversight responsibilities provided to the Executive Committee;
 - (3) monitoring and guiding the progress of the ROC's ongoing work;
 - (4) preparing options for decision for matters reserved to the Plenary;
 - (5) conducting ongoing oversight of the Global LEI System and Certain Other Global Data Identifiers and Elements to monitor adherence to the High Level Principles and other agreed principles, policies and standards to protect the broad public interest. In furtherance of this mission the Executive Committee shall hear at least twice a year, and as deemed necessary by the Executive Committee, a report from the Chair of the Board of Directors of the global LEI foundation operating the LEI COU, and from the UPI service provider(s);
 - (6) analysing and developing recommendations for principles, standards and general policies for the Global LEI System, ensuring that they serve the broad public interest, including, but not limited to:
 - i. standards for LEI reference data and for other aspects of the Global LEI System's operations;
 - ii. standards for participation of LOUs in the Global LEI System;
 - iii. cost-recovery principles, protocols, and procedures for the LEI COU budget formation;
 - iv. material contracts review to ensure that the objectives in section 2 a) are respected; and

- v. standards for business continuity, disaster recovery, and automated system safeguards.
- (7) analysing and developing recommendations for principles, standards, and general policies regarding Certain Other Global Data Identifiers and Elements, ensuring that they serve the broad public interest, including, but not limited to:
- i. standards for UPI reference data and for other aspects of the UPI and UTI;
 - ii. standards, requirements and criteria on which to base the designation of UPI service providers;
 - iii. matters of concern common to multiple authorities regarding the use, interpretation, and/or governance of the LEI and Certain Other Global Data Identifiers and Elements;
 - iv. updates or changes to the UPI and UTI Technical Guidance as necessary, considering the benefits and costs of such revisions.
 - v. updates to the standards for CDE and the CDE Technical Guidance, as required and in light of evolution in market practices as well as authorities' needs and the purposes for which these standards and the CDE Technical Guidance were developed;
 - vi. cost-recovery principles, protocols, and procedures for UPI service providers;
 - vii. material contracts review to ensure that the objectives in sections 2 b), c), and d) are respected; and
 - viii. standards for business continuity, disaster recovery, and automated system safeguards.
- (8) reviewing and commissioning work from the Committee on Evaluation and Standards, the Committee on Derivative Identifiers and Data Elements, or other committees, working groups and panels and coordinating work across those groups;
- (9) requesting and receiving independent audits of the system for financial control, best business practices and data quality standards;
- (10) performing on-site reviews of the LEI COU, subject to LEI COU security requirements;
- (11) requesting on as needed basis information from the Directors of the global LEI foundation operating the LEI COU;
- (12) requesting on an as-needed basis information from the management or directors of the UPI service provider(s);
- (13) issuing guidance to the LEI COU or other parts of the Global LEI System to protect the broad public interest as expressed in the relevant High Level Principles or in this Charter;

- (14) issuing guidance to the UPI service provider(s) or other entities involved in Certain Other Global Data Identifiers and Elements, to protect the broad public interest as expressed in the relevant High Level Principles or this Charter;
- (15) considering establishment of an appropriate framework for mediating or resolving disputes;
- (16) overseeing the work of the ROC Secretariat;
- (17) preparing the Plenary meetings, including making recommendations as appropriate in order to allow the Plenary to efficiently fulfil its mandate; and,
- (18) taking forward, after consultation and consistent with the directions of the Plenary, any other work necessary for the ROC to meet its mandate.

12. Committee on Evaluation and Standards (CES)

The CES has the following responsibilities to support the regulatory oversight functions of the ROC and the Executive Committee:

- a) to evaluate the adequacy of existing standards and protocols for LEI in the light of the High Level Principles and other principles adopted by the ROC and that serve the broad public interest;
- b) to propose revised or additional standards or protocols for LEI as necessary;
- c) to recommend to the Executive Committee the development of additional standards and protocols for LEI or the modification of existing standards and protocols for LEI as necessary; and
- d) to perform any other tasks and functions as requested by the Plenary or Executive Committee.

Members of the CES do not necessarily need to be the individuals or organisations participating in the ROC.

The CES reports to the Executive Committee on a regular basis and to the Plenary when requested.

13. Committee on Derivative Identifiers and Data Elements (CDIDE)

The CDIDE has the following responsibilities to support the regulatory oversight functions of the ROC and the Executive Committee:

- a) to evaluate the adequacy of existing standards and protocols for UPI, UTI, and CDE in the light of the High Level Principles and other principles adopted by the ROC and that serve the broad public interest;
- b) to propose revised or additional standards or protocols for UPI, UTI, and CDE as necessary, considering the benefits and costs of such revisions;
- c) to recommend to the Executive Committee the development of additional standards, protocols, or governance requirements for UPI, UTI, and CDE, or the modification of

existing standards, protocols, or governance requirements for UPI, UTI, and CDE, as necessary;

- d) to disseminate the UPI, UTI and CDE Technical Guidance and any further technical guidance approved in accordance with this Charter to authorities, market participants, and the public, in order to better facilitate use and adoption of the UPI, UTI and CDE, where applicable;
- e) to monitor, and make recommendations regarding, implementation of the UPI, UTI, and CDE across jurisdictions, and identify any implementation issues that arise that may hinder their adoption or a harmonized approach;
- f) to communicate and coordinate with external parties with an interest in the UPI, UTI, and CDE, and provide the ROC's views to other entities involved in setting standards for the UPI, UTI, and CDE; and,
- g) to perform any other tasks and functions as requested by the Plenary or Executive Committee.

Membership of the CDIDE is to be drawn primarily from authorities from jurisdictions that have a Regulatory Interest in the UTI, UPI, and CDE, as described in Annex D to this Charter. In nominating individuals to participate in the CDIDE, Members should prioritize those with expertise in derivatives identifiers and data elements and the data aspects of derivative reporting requirements.

The CDIDE reports to the Executive Committee on a regular basis and to the Plenary when requested.

14. Chair

- a) The Chair and the Vice Chair(s) are appointed by the Plenary from the Membership of the Executive Committee for a term of 2 consecutive years extendable for a maximum of one year. To assure sufficient continuity and/or to avoid turnover of the ROC chairs during the same year as turnover of global LEI foundation Board Chair, the ROC can extend the term of one Chair or Vice Chair for an additional year (for a total of 4 years).
- b) The Chair convenes and chairs the meetings of the Plenary and of the Executive Committee.
- c) The Chair is the principal spokesperson for the ROC and represents the ROC externally. The Chair should be informed of all significant matters that concern the ROC.
- d) The Chair is to take all decisions and act as necessary to achieve the objectives of the ROC, in accordance with directions given by the Plenary or the Executive Committee.
- e) The Chair is to act in the best interests of the ROC and ROC Membership.
- f) The Chair has a duty to seek as broad a consensus as possible.
- g) The Chair is to be supported by up to three Vice-Chair(s). The Chair and Vice-Chair(s) are to be from different geographic regions. At least two of these Chairs are to represent authorities from jurisdictions where the LEI and Certain Other Global

Data Identifiers and Elements have been implemented or are planned to be implemented. To ensure the appropriate geographical representation, the Chair should rotate at least once during the term.

15. Secretariat

- a) The Plenary is to appoint a Secretariat to support the ROC, taking account of a recommendation from the Chair and the Executive Committee.
- b) The Secretariat is directed by the Chair of the ROC, on behalf of the Plenary and Executive Committee.
- c) The duty of the Secretariat is to support the work of the ROC. The Secretariat does not participate in any ROC decision making.
- d) The Secretariat is to maintain and publish a list of Plenary Members.
- e) The initial Secretariat is to be provided through the establishment of an agreement with an existing public international financial institution that could help the ROC to mobilise and organise the necessary secretariat services during the first 3 years of formation.
- f) The funding arrangement that the ROC Plenary will establish pursuant to Article 16 will cover the costs of the Secretariat on an ongoing basis.
- g) The Plenary is to review all aspects of Secretariat arrangements every 3 years after the formation of the ROC, or when the remit of ROC's oversight changes.

16. Funding of the ROC

The ROC will establish funding arrangements to cover its costs, with modalities to be established by the Plenary.

17. Establishment

- a) The ROC is to be formed following endorsement of this Charter by the Group of Twenty and the FSB, and there being:
 - (1) at least eleven (11) authorities assenting to this Charter, including:
 - (2) at least three (3) from each of three regional groupings: North America (including Mexico and the Caribbean); Europe (including the Commonwealth of Independent States); and Asia (excluding the Middle East); and
 - (3) at least two (2) from a regional group comprising Central and South America, Africa, Oceania, and the Middle East; and
 - (4) of those authorities assenting within each of the four regions, at least two (2) deriving from different jurisdictions.
- b) Prior to the formation of the ROC and appointment of the Chair of the ROC by the Plenary, assent to the Charter is to be made by letter from eligible authorities to the Chair of the FSB.

- c) On formation of the ROC, and appointment of the Chair of the ROC by the Plenary, assent to the Charter is to be made by letter from eligible authorities to the Chair of the ROC. Membership becomes active once the Chair has provided confirmation.
- d) A Member may terminate its Membership by letter to the Chair of the ROC.
- e) A request for Observer status is to be made by letter from eligible authorities to the Chair of the FSB prior to the formation of the ROC, and thereafter by letter to the Chair of the ROC.

18. Access to information

The ROC is to have access to documents of the global LEI foundation operating the LEI COU as well as those of the LEI COU, and access to documents of the UPI service provider(s). The non-public information contained in these documents is to be treated as confidential information by the Members of the ROC. Provisions regarding such access are to be reflected in by-laws of the LEI foundation.

19. Confidentiality

The ROC Members are to treat all non-public information and documents, provided to or obtained by them under or in connection with Global LEI System and Certain Other Global Data Identifiers and Elements oversight activities and this Charter, as confidential. The Members are to ensure that confidential information provided to them in the context of the regulatory oversight arrangements is to be used only for the oversight of the Global LEI System and Certain Other Global Data Identifiers and Elements, and is not to be used by them for any other purpose, including in their capacities as users of the Global LEI System and Certain Other Global Data Identifiers and Elements services, provided that the foregoing does not prejudice their responsibilities under national laws or regulatory requirements.

20. Amendment Clause

Amendment of any of the provisions of this Charter may be proposed by the Executive Committee or Plenary and if adopted by the Plenary modifies this Charter. Such adoption is subject to the decision making framework for the ROC, or by specific procedures to be defined by the Plenary.

21. Review Clause

The ROC may review the Charter as necessary, in an appropriate manner. The review may cover all aspects of the governance arrangements for the Global LEI System and Certain Other Global Data Identifiers and Elements. An initial review is to take place by no later than October 2017. By this date, the Plenary is to examine this Charter on the basis of a report from the Executive Committee and is to determine whether the mission and organization of the ROC need to be reviewed. The charter shall be reviewed in the same manner every 5 years thereafter.

22. Legal Effect

This Charter does not create any legal rights or obligations or modify or supersede any national or international laws or regulatory requirements in force in any applicable jurisdiction, or applying to, any of the Members.

Nothing in this Charter is to require or to be deemed to require any of the Members to act in a manner which amounts to or may amount to violation of any of the provisions of any such national or international laws, legal frameworks, or regulatory requirements, or to prejudice or affect the exercise of any of their rights and discretions thereunder.

By endorsing or assenting to this Charter or becoming a Member of the ROC, no Member waives any immunity from suit or privilege to which it may otherwise be entitled and no Member submits to the jurisdiction of any court or arbitral body that would not otherwise have jurisdiction.

23. Annexes

The Annexes to this Charter, are considered part of the Charter:

Annex A: Global LEI System High Level Principles.

Annex B: Recommendations for the development and implementation of the Global LEI System.

Annex C: UTI, UPI and CDE High Level Principles.

Annex D: Regulatory Interest and Decision-Making within the ROC Executive Committee Regarding UTI, UPI, and CDE Matters.

Annex A: Global LEI System High Level Principles

1. The Global LEI system should uniquely identify participants to financial transactions.
2. The LEI system should meet the requirements of the global regulatory community for accurate, consistent and unique entity identification.
3. The LEI system should be designed in a manner that provides benefits to financial market participants.
4. Flexibility must be built into the global LEI system to provide the capability for the system to expand, evolve, and adapt to accommodate innovations in financial markets.
5. The LEI system should not be “locked-in” with a particular service provider for any key system functions or processes. The principles of competition should be ensured on both global and local levels where appropriate.
6. The global LEI system should support a high degree of federation and local implementation under agreed and implemented common standards.
7. The LEI system should meet evolving requirements of both the regulatory community and industry participants in terms of information content, scope of coverage, timeliness and availability.
8. The LEI Regulatory Oversight Committee should have the responsibility of upholding the governance principles and oversight of the global LEI system functioning to serve the public interest. The Committee has the ultimate power and authority over the global LEI system.
9. The mission, role and responsibilities of the ROC shall be specified by the global LEI Regulatory Oversight Committee Charter, which shall establish the Committee.
10. Participation in the global LEI Regulatory Oversight Committee shall be open to all authorities subscribing to the High Level Principles and to the objectives and commitments in the Charter.
11. The LEI Central Operating Unit should have the mission and role to ensure the application of uniform global operational standards and protocols set by the ROC and act as the operational arm of the global LEI system. It shall be established as a foundation or legal equivalent.
12. The LEI Central Operating Unit should have a balanced representation of industry participants from different geographic areas and sectors of economy. Its Board of Directors should be selected from industry representatives, plus independent participants.
13. The LEI system should allow the local provision by Local Operating Units of all LEI functions which the ROC determines are not required to be centralised.
14. The LEI system should promote the provision of accurate LEI reference data at the local level from LEI registrants and ensure global uniqueness of the registrants.
15. Any global universal intellectual property rights should belong to the global LEI system.

Annex B: Recommendations for the development and implementation of the Global LEI System

Recommendation 1

SETTING UP A GLOBAL LEI SYSTEM The FSB strongly supports the development and implementation of a global LEI system that uniquely identifies participants to financial transactions.

Recommendation 2

GLOBAL REGULATORY COMMUNITY REQUIREMENTS The LEI system should meet the requirements of the global regulatory community (including supranational organisations). The potential benefits of the LEI include: to support authorities in fulfilling their mandates to assess systemic risk and maintain financial stability; conduct market surveillance and enforcement; supervise market participants; conduct resolution activities; prepare high quality financial data and undertake other regulatory functions.

Recommendation 3

GLOBAL LEI SYSTEM GOVERNING DOCUMENTS Global LEI system High Level Principles set out the principles and commitments that specify and define the governance and structure of the global LEI system. A global LEI Regulatory Oversight Committee Charter should specify the mission, role and responsibilities of the Committee as well as the process for its establishment. Support for the High Level Principles agreement and Charter will indicate a desire to participate in the global LEI system.

Recommendation 4

SUPPORT OF FINANCIAL MARKET PARTICIPANTS The LEI system should be designed in a manner that provides benefits to financial market participants.

Recommendation 5

SYSTEM FLEXIBILITY Flexibility must be built into the global LEI system to provide the capability for the system to expand, evolve and adapt to accommodate innovations in financial markets. It must also allow the seamless introduction of new participants. To these ends, critical software and other relevant elements must be defined and made publicly available without any licensing, intellectual property or similar restrictions under open source principles. The LEI should be portable¹ within the global LEI system.

¹ In this context a portable LEI means that the code could be transferred from one LOU to another LOU. This may be necessary, for example, in case of the LEI being obtained originally from a foreign LOU before a local LOU was established or if an entity changed its legal address or headquarters, etc.

Recommendation 6

COMPETITION AND ANTI-TRUST CONSIDERATIONS The LEI system should be designed to ensure that it is not “locked-in” with a particular service provider for any key system functions or processes, and that the principles of competition are ensured on both global and local levels where appropriate. The governance framework should provide safeguards to ensure that competition principles and anti-trust considerations are upheld. The local implementation of the global LEI system should meet local anti-trust requirements.

Recommendation 7

FEDERATED NATURE OF THE LEI SYSTEM The global LEI system should support a high degree of federation and local implementation under agreed and implemented common standards.

Recommendation 8

SCOPE OF COVERAGE Eligibility of ‘legal entities’ to apply for an LEI should be broadly defined, in order to identify the legal entities relevant to any financial transaction. No more than one LEI shall be assigned to any legal entity.

Recommendation 9

LEI REFERENCE DATA AT SYSTEM LAUNCH The official name of the legal entity, the address of the headquarters of the legal entity, the address of legal formation, the date of the first LEI assignment, the date of last update of the LEI, the date of expiry, business registry information (if applicable), alongside a 20 digit alphanumeric code should form the basis for the global system at the launch of the global LEI initiative. For entities with a date of expiry, the reason for the expiry should be recorded, and, if applicable, the LEI of the entity or entities that acquired the expired entity.

Recommendation 10

REVIEW OF SCOPE OF COVERAGE AND REFERENCE DATA The Regulatory Oversight Committee should undertake regular reviews of the scope and extent of coverage of the LEI to reflect emerging regulatory and market requirements for the LEI use according to an agreed schedule. The Regulatory Oversight Committee should undertake regular reviews of the LEI reference data according to a set schedule to monitor the required changes, additions, retirements and modifications.

Recommendation 11

STANDARDS FOR THE LEI SYSTEM The LEI system should meet, to the degree possible, evolving requirements of both the regulatory community and industry participants in terms of information content, scope, timeliness and availability. The Regulatory Oversight Committee is responsible for the final determination for any standards for the LEI to be utilised in the global LEI system. When proposing areas for the development of new standards, the Regulatory Oversight Committee should strongly consider utilising existing standard setting organizations to develop such standards, provided that such organizations

incorporate the requirements for the standards as determined and communicated by the Regulatory Oversight Committee.

Recommendation 12

LEI REFERENCE DATA ON OWNERSHIP The FSB LEI Implementation Group should as soon as possible develop proposals for additional reference data on the direct and ultimate parent(s) of legal entities and relationship or ownership data more generally and to prepare recommendations by the end of 2012. The group should work closely with private sector experts in developing the proposals.

Recommendation 13

LEI OPERATIONAL AND HISTORICAL DATA The LEI system should maintain high quality records that retain relevant information on amendments (query, add, modify or delete of any data element) to data items as well as additional data to facilitate the surveillance and control of the system by the COU where appropriate.

Recommendation 14

CENTRAL OPERATING UNIT The mission and role of the Central Operating Unit should be to ensure the application of uniform global operational standards and protocols that deliver global uniqueness of the LEI, seamless access to the global LEI and to high quality reference data for users with depth of access controlled by appropriate access rights, as well as protocols and methods for how local systems can connect to the Central Operating Unit.

Recommendation 15

FORMATION OF THE CENTRAL OPERATING UNIT The LEI Implementation Group should develop a detailed plan for the formation of the Central Operating Unit via the establishment of a not-for-profit LEI foundation² by interested industry participants under the oversight of the formed LEI Regulatory Oversight Committee. The foundation would rely on industry participants, their expertise and knowledge to identify and develop the most technologically, financially and legally sound methods to implement the global LEI system in line with the standards and framework defined by the Regulatory Oversight Committee. Representatives from all geographic areas and industry sectors would be invited to participate in the preparatory work underpinning the formation of the LEI foundation as the Central Operating Unit in a manner defined by the Implementation Group.

Recommendation 16

BALANCED REPRESENTATION IN THE CENTRAL OPERATING UNIT The Regulatory Oversight Committee and LEI Implementation Group should ensure that the global LEI foundation takes account of the interests of financial and non-financial industry participants from different geographic areas and economic sectors.

² Or body of equivalent legal form.

Recommendation 17

LOCAL OPERATING UNITS The LEI system should allow the local provision of all LEI functions which the Regulatory Oversight Committee determines do not need to be centralised. The LEI system should enable the use of local languages, organisation types and relationship structures as required. Procedures to integrate local systems into the global LEI system should be developed by the LEI Implementation Group in consultation with local jurisdictions and potential Local Operating Units (when available) in a way and manner that meets the global LEI system High Level Principles. The Central Operating Unit of the LEI system should be able to provide support to Local Operating Unit operations when necessary according to criteria and requirements established by the Regulatory Oversight Committee and administered by the Central Operating Unit.

Recommendation 18

LEI DATA VALIDATION The LEI system should promote the provision of accurate LEI reference data at the local level from LEI registrants. Responsibility for the accuracy of reference data should rest with the LEI registrant, but Local Operating Units have responsibility to exercise due diligence in guarding against errors, as consistent with Regulatory Oversight Committee standards, and to encourage necessary updating. The Central Operating Unit has responsibility to check registrations for global uniqueness and to coordinate reconciliation by Local Operating Units where necessary. Accuracy should be ensured at the local level by the registered entities. Self-registration should be encouraged as a best practice for the global LEI system.

Recommendation 19

LEI ISSUANCE WHEN NO LOCAL REGISTRAR AVAILABLE Whenever possible the LEI registration should take place with the relevant Local Operating Unit. When a Local Operating Unit is not available, the Regulatory Oversight Committee and a local jurisdiction (when willing to engage) should agree on approaches for local entities to obtain LEIs. The Implementation Group should develop proposals for such mechanisms via: (1) establishing a mechanism of obtaining LEIs through other Local Operating Units; (2) establishing a mechanism of obtaining LEIs from a registration facility in the Central Operating Unit; and (3) any other mechanisms that are appropriate.

Recommendation 20

SUSTAINABLE FUNDING The steady state funding of the global LEI system should be self-sustainable and reliable. The funding system should be based on an efficient non-profit cost-recovery model. The system should have two components: a local discretionary charge; and a common fee based on the number of registrations in each LOU to pay for the centralised operations in the Central Operating Unit, alongside any costs of implementing and sustaining the governance framework. Fees should be sufficiently modest not to act as a barrier to acquiring an LEI.

Recommendation 21

GLOBAL REGULATORY OVERSIGHT COMMITTEE CHARTER The governance framework of the global LEI system should be developed at the international level in an open and transparent manner that supports collective governance of the global system. A global LEI Regulatory Oversight Committee Charter should set out the formation and operations of the Regulatory Oversight Committee. The global LEI Regulatory Oversight Committee Charter should be prepared by the FSB LEI Implementation Group for endorsement by the G-20 at the Finance Ministers and Central Bank Governors meeting in November 2012 or by the FSB Plenary in October.

Recommendation 22

REGULATORY OVERSIGHT COMMITTEE A Regulatory Oversight Committee, as specified in the Charter, should have the responsibility of upholding the governance principles and oversight of the global LEI system functioning to serve the public interest. The Regulatory Oversight Committee should be a body representing regulators and other government or supranational entities engaged in regulating or monitoring the financial system or markets. Membership and decision making processes would be established by the Charter. Wherever possible, decisions would be reached by consensus.

Recommendation 23

POWER AND AUTHORITY OF THE REGULATORY OVERSIGHT COMMITTEE The Regulatory Oversight Committee has the ultimate power and authority over the global LEI system. Any power delegated to the Central Operating Unit, Local Operating Units and other entities can be reversed by the Regulatory Oversight Committee³. The Regulatory Oversight Committee should establish a formal oversight plan to ensure that its directives to the Central Operating Unit or other parts of the system are enforced and that the governance principles are upheld.

Recommendation 24

PARTICIPATION IN THE REGULATORY OVERSIGHT COMMITTEE To participate in the LEI Regulatory Oversight Committee, an authority should indicate support for the global LEI High Level Principles and Charter for the Regulatory Oversight Committee. Authorities may elect to be a full member of the Regulatory Oversight Committee or an observer. The rights and responsibilities of members and observer status participants should be defined in the Charter.

Recommendation 25

LEVERAGING INFRASTRUCTURE OF AN INTERNATIONAL FINANCIAL ORGANISATION In developing proposals to establish the Regulatory Oversight Committee following agreement on the Charter, the Implementation Group should if possible and, subject to agreement, leverage on the existing infrastructure of an international financial

³ Local authorities may also reserve rights to be engaged in decisions on local registration operations to the extent that they act in accordance with the High-Level Principles of the LEI system.

organisation to initiate and stand-up the global LEI governance structure in a timely manner, utilising the experience of the international organisation in executing international initiatives.

Recommendation 26

GOVERNING DOCUMENTS FOR THE CENTRAL OPERATING UNIT Alongside the development of the global Charter, the Implementation Group should develop legal documents governing the mandate provided by the Regulatory Oversight Committee to the Central Operating Unit as well as other legal documents needed to specify the full governance framework for the global LEI system.

Recommendation 27

BOARD OF DIRECTORS OF THE CENTRAL OPERATING UNIT The Central Operating Unit shall have a Board of Directors. The Regulatory Oversight Committee has the right to veto membership of the BOD, as well as to remove members. The ROC has the right to appoint independent members⁴.

Recommendation 28

FORMATION OF THE INITIAL BOARD OF DIRECTORS OF THE CENTRAL OPERATING UNIT The Central Operating Unit's initial Board of Directors should be appointed by the Regulatory Oversight Committee, taking into account the need for geographic and sectoral diversity. The Implementation Group should develop the fitness criteria, size, role etc., for the BOD that should be reviewed in two years by the Regulatory Oversight Committee.

Recommendation 29

POWERS AND FUNCTIONS OF THE BOD OF THE CENTRAL OPERATING UNIT The Board of Directors of the Central Operating Unit should be granted powers to direct the management and operations of the Central Operating Unit in line with the overall standards set by the Regulatory Oversight Committee.

Recommendation 30

CONTINGENCY ARRANGEMENTS The Regulatory Oversight Committee is responsible for setting and overseeing the application of business continuity standards for the global LEI system in line with best practices for key financial infrastructure. Rules and procedures should be defined that the Central Operating Unit and Local Operating Units must follow in case of insolvency, bankruptcy, etc., in order to ensure continuity of the global LEI system. A protocol should also be developed for maintenance of secure parallel copies of the LEI, in a manner that respects local laws.

⁴ In this context independent members mean non-industry representatives.

Recommendation 31

LEI INTELLECTUAL PROPERTY The LEI Implementation Group should conduct analysis and provide recommendations on the treatment of the “LEI” intellectual property (such as the LEI code, software, reference data, any other LEI data, operational protocols, etc.) according to the principles of open access and the nature of the LEI system as a public good. The objective of this analysis shall be to ensure a regime that assures the availability in the public domain, without limit on use or redistribution, of LEI data, reference data, and processes. Any intellectual property rights should be held by, or licensed to the global LEI foundation unless defined otherwise by the Regulatory Oversight Committee. Copyright should be used to the extent possible to promote the free flow or combination of information from disparate sources.

Recommendation 32

FSB LEI IMPLEMENTATION GROUP Subject to the G-20 supporting further work to launch the global LEI, and entrusting implementation planning to the FSB, an FSB LEI Implementation Group (IG) should be established with a clear mandate to launch the global LEI system on a self-standing basis. The LEI Implementation Group should cease to exist upon formation of the Regulatory Oversight Committee which should be by 31 March 2013 at the latest.

Recommendation 33

STRUCTURE OF THE FSB LEI IMPLEMENTATION GROUP A time-limited FSB LEI Implementation Group of interested and willing experts (legal, IT, and other) from the global regulatory community that includes interested parties from the FSB LEI Expert Group should be formed to take the global LEI initiative forward into the global implementation phase until the Regulatory Oversight Committee is established. The IG should be led by representatives from different geographic areas to reflect the global nature of the LEI initiative and will be supported by the FSB Secretariat. The IG should develop proposals for the global LEI system stand-up as defined in the mandate below for review and endorsement by the FSB Plenary in October 2012 and, as appropriate, final review and endorsement by G-20 Finance Ministers and Central Bank Governors in November 2012.

Recommendation 34

RESPONSIBILITIES OF THE FSB LEI IMPLEMENTATION GROUP The mandate of the FSB LEI Implementation Group should be to prepare a draft global LEI Regulatory Oversight Committee Charter, proposals for the establishment of the LEI Regulatory Oversight Committee and related structures, develop all necessary legal documents for Regulatory Oversight Committee operations, develop necessary intellectual property agreements and contracts, conduct research and provide recommendations on LEI related information sharing arrangements; set up the process and any necessary legal documentation necessary for establishment of the Central Operating Unit and its Board of Directors; and set up the process for establishment of the necessary standards, protocols, rules and procedures and organizational design for the Central Operating Unit.

Recommendation 35

ESTABLISHMENT OF THE GLOBAL LEI SYSTEM The global LEI system will be established by the endorsement of the high level Charter for the Regulatory Oversight Committee by the G-20 Finance Ministers and Governors in November or by the FSB Plenary in October

Annex C: UTI, UPI, and CDE High Level Principles

Unique Transaction Identifier

1. *Public interest.* Governance should be driven by public and regulatory interest.
2. *Lean.* The UTI Governance Arrangements should not be unnecessarily complex or costly.
3. *Change only as needed.* Revisions to the UTI Governance Arrangements, UTI Technical Guidance and UTI Data Standard should be managed on a need-only basis and consider benefits and costs of such revisions, to minimise impact on various stakeholders.
4. *Consultative change process.* Changes to the UTI Governance Arrangements, UTI Technical Guidance, and UTI Data Standard should allow for direct or indirect involvement of stakeholders and should be made after consultation where appropriate.
5. *Economic sustainability.* The UTI Governance Arrangements should be consistent with the need to help ensure the economic sustainability of the UTI over time.
6. *Open access.* Access to and use of the UTI should be unrestricted and free of charge for (i) Authorities; and (ii) TRs acting in their capacity as TRs; and (iii) all other stakeholders and those in the lifecycle of a derivative contract. Access to the UTI Data Standard should be unrestricted and obtained on a cost-recovery basis.
7. *Intellectual property.* The UTI Data Standard shall not be subject to any intellectual property restriction, and any created intellectual property shall be treated in a manner consistent with open source principles and as a public good. Consistent with this, use of and access to the UTI and UTI Data Standard shall be free of licensing restrictions.
8. *Conflicts of interest.* Access to the UTI shall not be tied or bundled with any other services offered by a Service Provider.
9. *Fit for purpose.* UTI Governance Arrangements should be able to perform the relevant functions identified (including functions relating to Data Standard determination and implementation) in a timely and efficient manner and should have reasonable access to the necessary resources and information to do this. Governance of the UTI should maintain the fitness of the UTI and UTI Technical Guidance for the needs of Authorities.
10. *Consistency with other frameworks.* Governance of the UTI should take into account other governance frameworks that impact other Data Elements, such as the Legal Entity Identifier and the Unique Product Identifier.

Unique Product Identifier

1. *Public interest.* Governance should be driven by the public and regulatory interest.
2. *Lean.* The UPI Governance Arrangements should not be unnecessarily complex or costly.

3. *Change only as needed.* Revisions to the UPI Governance Arrangements, the UPI Technical Guidance and UPI System should be managed on a need-only basis and consider benefits and costs of such revisions to minimise impacts on various stakeholders.
4. *Consultative change process.* Changes to the UPI Governance Arrangements, UPI Technical Guidance, and UPI System (except for the day to day process of updating the data held in the UPI Reference Data Library) should allow for direct or indirect involvement of stakeholders and should be made after public consultation where appropriate.
5. *Economic sustainability.* The UPI Governance Arrangements should be consistent with the need to help ensure the economic sustainability of the UPI System over time.
6. *Open access.* Access to, and use of, UPI Codes and the UPI Data Standard should be unrestricted. Authorities should have access to, and use of, the UPI Reference Data Library that is similarly unrestricted. Entities with reporting obligations and TRs should have access to, and use of, the UPI Reference Data Library in a manner that is sufficient to at least allow them to associate a specific OTC derivative product to its UPI Code in a timely manner and facilitate the discharge of reporting obligations for OTC derivatives transactions.
7. *Cost.* Any fees charged by the UPI Service Provider(s) should be based on cost-recovery and should be allocated among stakeholders fairly. For Authorities, use of the UPI System should be free.
8. *Intellectual property.* The UPI Data Standard should not be subject to any intellectual property restriction. Consistent with this, the use of any UPI Code should be free of licensing restrictions. As to the UPI Reference Data Library, intellectual property restrictions should be applied in a manner consistent with the rules applicable in a given jurisdiction.
9. *Conflicts of interest.* UPI service provider(s) should have policies and procedures that are reasonably designed to detect and effectively manage any potential conflict of interest. Access to the UPI should not be tied or bundled with any other services offered by a UPI service provider.
10. *Fit for purpose.* UPI Governance Arrangements should be able to perform the relevant functions identified in a timely and efficient manner and should have reasonable access to the necessary resources and information to do this. UPI Governance Arrangements should maintain the fitness of the UPI System and UPI Technical Guidance for the needs of Authorities.
11. *Consideration of other governance frameworks.* Governance Frameworks for the UPI should take into consideration other Governance Frameworks that impact other data elements, such as the LEI, the UTI, and other critical data elements for OTC derivatives.
12. *Operational viability and continuity of UPI service provider operations.* Governance of the UPI System should be such that any UPI service provider should be required to have adequate resources, legal authorities, and reasonable policies and procedures in place designated or adequate to ensure operational viability, system security, and

business and system continuity and succession, so as to enable it to operate securely and effectively as a UPI service provider.

Critical Data Elements

1. *Public interest.* Revisions to CDE should be driven by public and regulatory interest. The G20 summit in Pittsburgh agreed to improve transparency, mitigate systemic risk, and protect against market abuse by having all OTC derivatives transactions reported to TRs. Harmonised CDE and effective CDE Governance Arrangements will support these goals by facilitating the consistent aggregation of OTC derivatives data reported to TRs at a global level.
2. *Lean.* The CDE Governance Arrangements should not be unduly costly or complex.
3. *Consultative change process.* Stakeholders should be appropriately involved, so that they can provide insight into any new market development affecting the harmonisation of CDE and provide expertise on market practices as appropriate.
4. *Change only as needed.* Change requests for CDE should be approved on a need-only basis (e.g., Authorities' needs or developments in market practices) and consider the benefits and costs of such changes, to minimise any impact on relevant stakeholders.
5. *Open access.* Access to and use of CDE (including definitions, formats and allowable values) should be unrestricted and available free of charge. In particular, the CDE Technical Guidance and CDE Data Standards should remain open source and freely available, to ensure a level playing field for all stakeholders and users of the OTC derivatives data.
6. *Intellectual property.* Use of the CDE (including their definitions, formats and allowable values) should not be subject to any intellectual property restriction.
7. *Fit for purpose.* Bodies to whom CDE governance functions are assigned should be able to perform their respective functions in a timely and efficient manner and should have reasonable access to the necessary resources and information to do so. Further, the CDE Governance Arrangements should ensure that the CDE Technical Guidance and CDE Data Standards remain well adapted to Authorities' needs.
8. *Compatibility.* CDE Data Standards should be agnostic to existing communication protocols and should be implementable in any existing syntax.
9. *Consideration of other arrangements.* The CDE Governance Arrangements should take into account arrangements for other data elements, such as the LEI, UTI and UPI.

Annex D: Regulatory Interest and Decision-Making within the ROC Executive Committee Regarding UTI, UPI, and CDE Matters

Within the Executive Committee, proposals or other work supporting the ROC's oversight of the Unique Product Identifier, Unique Transaction Identifier, and the Critical Data Elements are to be discussed before all members of the Executive Committee.

Executive Committee decisions made under Section 11 of the Charter and Article IV of the Procedural Guidelines regarding UPI, UTI and CDE matters are to be made by those members of the Executive Committee representing authorities from jurisdictions that have a Regulatory Interest in the UPI, UTI and CDE.

The criteria for whether such a jurisdiction has such a Regulatory Interest are:

- 1) Legal requirements mandating the use of the global identifiers and data elements in derivative transactions (UTI, UPI and CDE) have been introduced within that jurisdiction and are applicable within the existing regulatory framework for reporting to trade repositories;

OR

- 2) Specific steps have been taken within that jurisdiction in order to introduce the mandatory use of the global identifiers and data elements in derivative transactions (UTI, UPI and CDE) within the relevant regulatory reporting framework. In particular, such steps could amount to, but are not limited to:
 - a. Public announcement of a proposal to introduce the UTI, UPI and CDE in determined and foreseeable future;
 - b. Launch of a consultation process with the impacted market participants on the intended introduction of the UTI, UPI, and CDE in determined and foreseeable future; or,
 - c. Submission of a regulatory or legislative proposal to introduce the UTI, UPI, and CDE into the applicable framework of reporting to trade repositories to a respective legislative body in charge of adopting such proposal.