



LEI

GLOBAL  
LEGAL  
ENTITY  
IDENTIFIER  
FOUNDATION

## Global Legal Entity Identifier Foundation Annual Report 2015

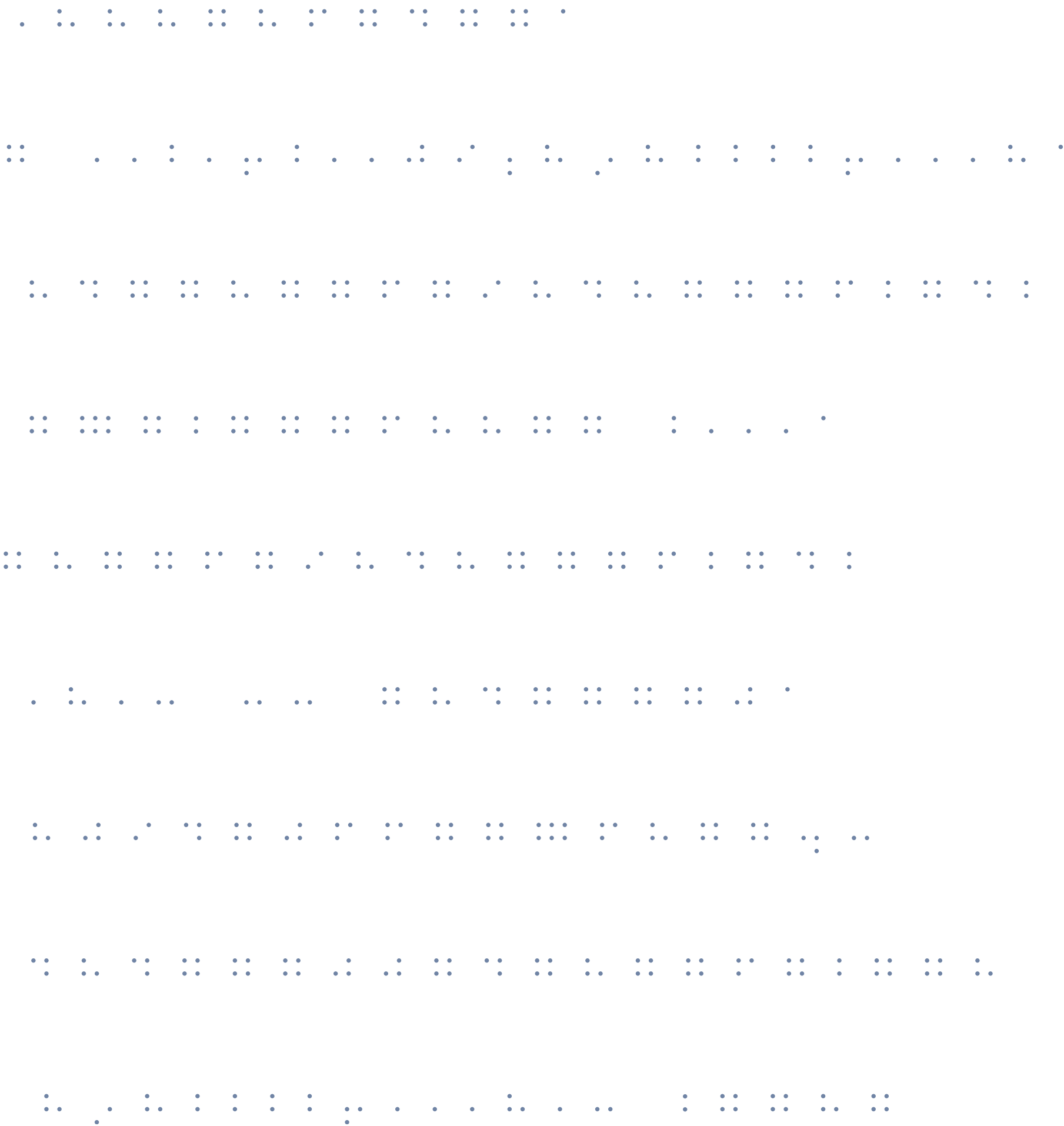


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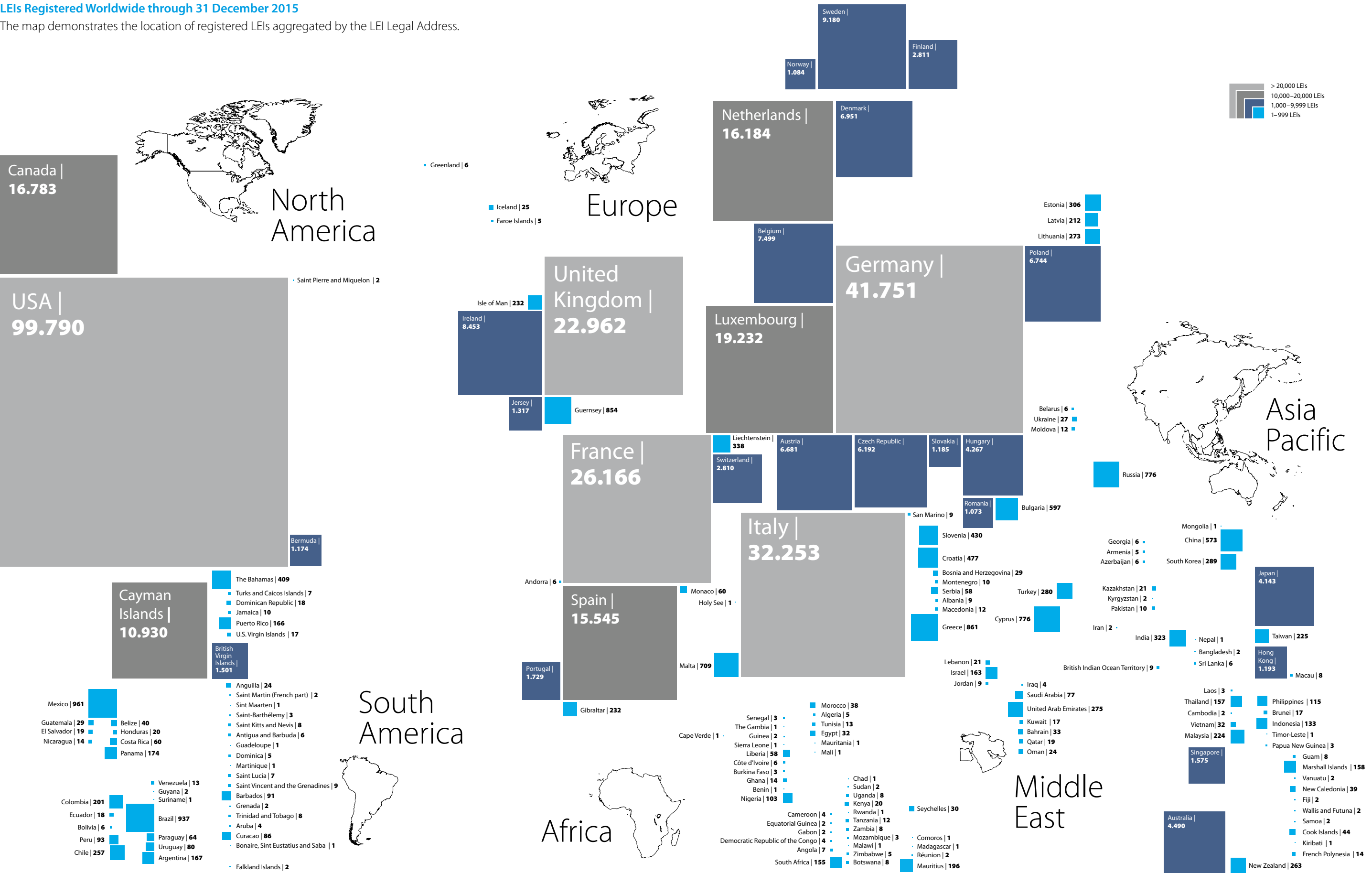
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LEIs Registered Worldwide through 31 December 2015

The map demonstrates the location of registered LEIs aggregated by the LEI Legal Address.







The city of Basel is the legal domicile of the Global Legal Entity Identifier Foundation (GLEIF) and the Financial Stability Board (FSB).



Overview of GLEIF and Global LEI System

GLEIF

GLEIF (Global Legal Entity Identifier Foundation) was established in June 2014 by the Financial Stability Board as a follow-up of the conclusions of the G20 in the 2011 Cannes Summit. GLEIF supports on a non-profit basis the implementation of a global LEI (Legal Entity Identifier) to identify unique legally distinct entities that engage in financial transactions. The LEIs are created as a broad public good and are made available free of charge or intellectual property rights for the benefit of users of the public and the private sector. The Foundation is overseen by the Regulatory Oversight Committee (ROC).

GLEIS (Global LEI System)

In 2015 the Global LEI System entered into a period of sustained cooperation between the LEI ROC, GLEIF and the LEI Operating Units. Throughout 2015, initial responsibilities of the LEI ROC were taken over by GLEIF which had expanded its organization and operational capacities. The availability of the Global LEI Index, that unambiguously identifies entities engaged in financial transactions, demonstrated this development contributing to an overall strengthened GLEIS.

The Global LEI System operates in three tiers



The Financial Stability Board (FSB) and the Group of Twenty (G20) have endorsed the LEI, Global LEI System and GLEIF.

The LEI represents a broad public good and is planned to be used:

by authorities of any jurisdiction

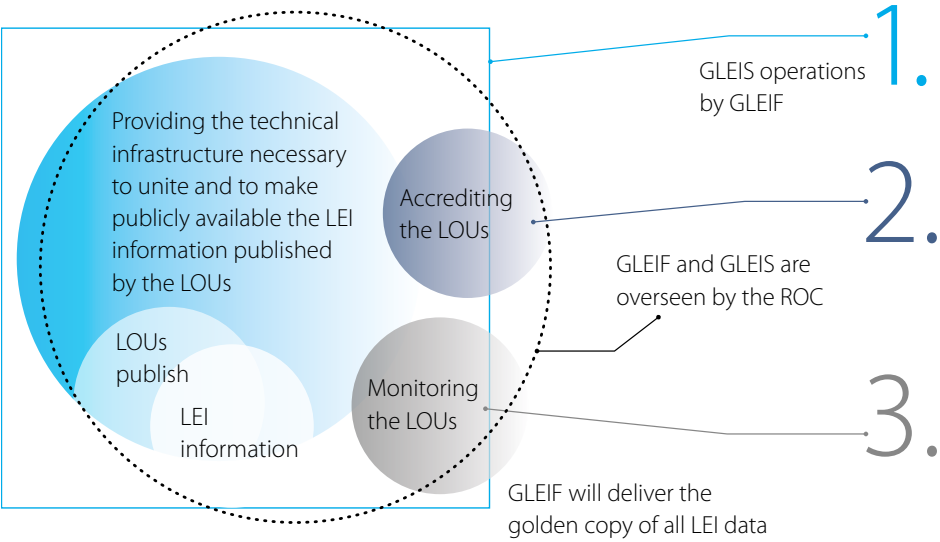
- to assess systemic risks and maintain financial stability
- conduct market surveillance and enforcement
- supervise market participants
- conduct resolution activities
- prepare high quality financial data
- undertake other official functions

by the private sector to support

- improved risk management
- increased operational efficiency
- more accurate calculation of exposures
- other needs

The GLEIF's key responsibilities are:

- making the LEI information publicly available in the Global LEI Index published on [www.gleif.org](http://www.gleif.org)
- accrediting the LEI Operating Units
- monitoring the compliance of the LEI Operating Units with the quality requirements for the LEI data and the cost recovery principles



## GLEIF Vision and Mission Statement

### GLEIF Vision

In developing and maintaining the Global LEI System, the GLEIF contributes to and facilitates the financial stability objectives pursued with the global adoption of the LEI.

### GLEIF Mission Statement

The mission of GLEIF is to manage a network of partners to provide trusted services and open, reliable data for unique legal entity identification worldwide.

Behind this backdrop, GLEIF supports, on a not-for-profit basis, the implementation of a Global LEI System, ensuring that the governance principles of the GLEIS are upheld.

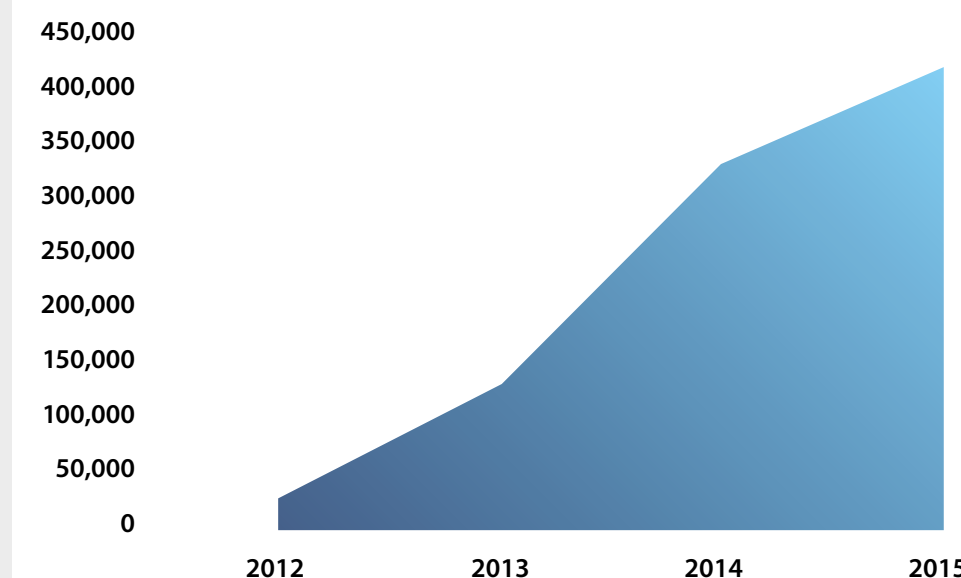
## Performance in 2015

### Performance of Registered LEIs

GLEIF focused on building up its operational capacities throughout 2015, after its initial establishment in June 2014.

The number of issued LEIs by the Global LEI System demonstrated a balanced development throughout all quarters in 2015, after regulatory developments had triggered a strong issuance of new LEIs at the beginning of 2014.

### Development of LEI Registration



The aggregated sum by the end of 2015 amounts to 411.659 registered LEIs. In particular the issued LEIs for the regions of the United States and Europe contributed to the growth but also other regions in the world are increasing their number of LEIs. In 2015, the presence of LEI Operating Units endorsed by the LEI ROC was expanded to the following countries: India, Saudi Arabia, South Africa and Australia.

The worldwide LEI distribution is illustrated in the global map of LEIs (see pages 4-5).

Number of Registered LEIs by Pre-LOU (December 31, 2015)

Pre-LOU	LEI (Dec 31, 2015)	LEI (Dec 31, 2014)
Business Entity Data, B.V. (GMEI Utility)	197.972	160.217
Herausgebergemeinschaft WERTPAPIER-MITTEILUNGEN Keppler, Lehmann, GmbH & Co. KG (WM Datenservice)	63.053	52.801
UniVista LEI Limited (London Stock Exchange PLC)	37.555	29.251
Unione Italiana delle Camere di commercio, industria, artigianato e agricoltura (UNIONCAMERE)	35.332	26.800
Institut National de la Statistique et des Etudes Economiques (Insee)	24.650	19.738
Kamer van Koophandel (KvK)/Netherlands Chamber of Commerce	13.651	10.865
Registro Mercantil del Reino de Espana	12.976	10.671
Centralni depozitar cennych papiru a.s.	6.672	5.208
Krajowy Depozyt Papierow Wartosciowych SA (KDPW)	5.958	4.568
Japan Exchange Group/ Tokyo Stock Exchange (JPX/TSE)	3.780	2.991
Irish Stock Exchange	3.214	2.197
Finnish Patent and Registration Office (PRH)	2.200	1.861
LuxCSD S.A.	1.328	286
Bundesanzeiger Verlag GmbH (Bundesanzeiger)	1.079	377
National Settlement Depository (NSD), Russia	710	195
The Bronnoysund Register Centre	451	288
Centralni Depozitar Cennych Papiru a.s. (Central Securities Depository of the Slovak Republic CDCP)	363	181
China Financial Standardization Technical Committee	199	41
Zagreb Stock Exchange Inc. (ZSE)	150	—
Istanbul Takas ve Saklama Bankasi A.S. (Takasbank)	116	76
Central Securities Clearing System Plc	85	—
Central Bank of Argentina	76	—
APIR Systems Limited	27	—
Korea Securities Depository (KSD)	22	—
Legal Entity Identifier India Limited	16	—
Saudi Credit Bureau (SACB/MOA'RIF)	13	—
Central Depository & Settlement Co Ltd (CDS)	11	—

Access to LEI Data for Users

In October 2015, GLEIF launched the Global LEI Index which provides information, updated daily, on all LEIs issued to date. The Global LEI Index consists of a golden copy of all past and current LEI records including related reference data in one repository.

The Global LEI Index, together with the LEI search engine developed by GLEIF, puts the complete LEI data, made available by GLEIF as the authoritative source, at the disposal of any interested party conveniently and free of charge. Through the LEI search tool, key facts, figures and statistics on the global LEI population via interactive graphs and a world map drill-down (see pages 4–5) are displayed.

Up-to-Date Information of LEI at a Global Scale

GLEIF developed a concatenated file publishing on a daily basis updated data including:

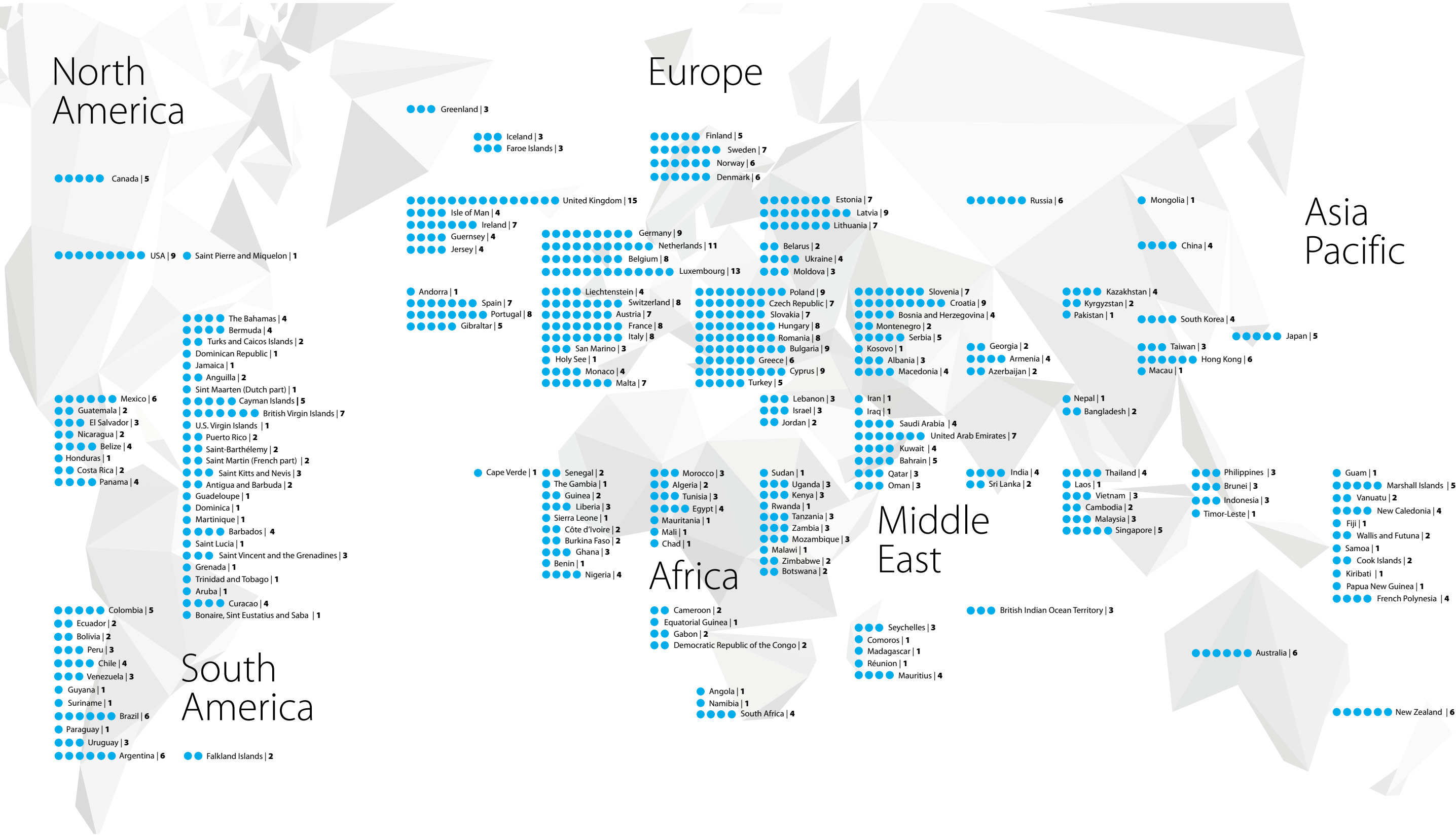
- all current Legal Entity Identifiers (LEIs) globally
- all related LEI reference data (LE-RD)

Through a concatenation of all LEI records in the LEI data files published by all LEI issuers worldwide one central file, without changes, is achieved. GLEIF offers this unique service free of charge to any interested user of the public and private sector. For any user, it is important to take into consideration the LEI Data Terms of Use.

Role of the LEI Operating Units

LEI Operating Units – also previously referred to as Local Operating Units (LOUs) – supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI. A legal entity is not limited to using an LEI issuer in its own country. It can use the registration services of any LEI Operation Unit that is endorsed and qualified to validate LEI registrations within its jurisdiction.

Number of LEI Operating Units Serving a Country  
(December 31, 2015)





Chairman’s Report

Dear Stakeholder,

GLEIF was founded by the Financial Stability Board (FSB) with the objective to develop and maintain for the broad public good a Global LEI System that makes an LEI, a global Legal Entity Identifier, to identify legally distinct entities in financial transactions, free of charge or intellectual property rights available for the users of the public and private sector.

The Directors of the GLEIF Board in close cooperation with members of the LEI Regulatory Oversight Committee (LEI ROC) and GLEIF Management cooperated intensively during 2015 to ensure a successful realization of GLEIF’s activities.



Gerard Hartsink  
Chairman of the Board

Cooperation with the GLEIS Partners

The focus in 2015 was on intensifying cooperation with the Global LEI System partners and preparing the launch of the delivery of the Global LEI index and the Master Agreement as well as to ensure the buildup of GLEIF capacities. The Global LEI Index was launched in October 2015.

In 2015 the Board held several meetings with the Executive Committee of the LEI ROC. In addition the CEO had regular meetings with the Pre-LOU managers to strengthen the cooperation for the overall Global LEI System. The feedback of the LEI ROC and the Pre-LOU managers contributed to a successful establishment of GLEIF.

Substantive consultations with the ROC and the Pre-LOUs finally led to the launch of the Master Agreement – the contractual framework between GLEIF and the LEI Operating Units, constituting a milestone in 2015. In December 2015 the accreditation process of the existing Pre-LOUs and some new candidate LOUs started.

Financial Performance

The year 2015 started with stronger revenue than anticipated, both due to new LEI issuance and renewals. With a gross revenue of US\$ 6.1 million a net surplus of US\$ 1.13 million was realized that was added to the retained surplus to ensure the sustainability of GLEIF and ensure the funding of further activities such as the Direct and Ultimate Parent program. Given a promising outlook and steady volumes of expected issued and renewed LEIs, the Board concluded to reduce the annual LEI license fee from US\$ 20 to US\$ 19 per issued or renewed LEI per year for the budget year 2016.

Corporate Governance

The Board of Directors had 13 meetings throughout 2015 with four in-person meetings. The Board is supported by six Board Committees including an Audit and Finance Committee, a Governance Committee, a Technology and Operations Committee, a Joint Promotion Committee, a Master Agreement Committee and a Committee of Chairs. The minutes of the Board meetings are published to ensure that any stakeholder is able to follow the dialogue and conclusions of the Board.

The Board approved in 2016 its bylaws that will be presented for approval to the Supervisory Authority in Basel after the ROC approval. In addition, the Board approved a Memorandum of Understanding that specifies the cooperation with the ROC in more detail which was signed on September 23, 2015, and published on [www.gleif.org](http://www.gleif.org).

The Board initiated in 2015 a call for applications for candidates interested to serve as a director for the period from June 2016.

Evolving Regulatory Landscape

The Board recognizes that the regulatory community has an important role in the success of the Global LEI System by requiring the use of an LEI for entity identification into their rulemaking. Without the support of the public authorities the critical mass for a GLEIS may not become a reality. With the ROC an agreement was reached on the interpretation of the limitation for GLEIF mentioned in the GLEIF Statutes on the influencing legislation or rulemaking.

In 2015 public authorities of several jurisdictions approved rules that will lead to more LEIs in 2016 and beyond. Although the outlook is promising the fact is that a critical mass will not yet be achieved in 2016 in all (G20) jurisdictions.

Promotion

All Directors of the GLEIF Board are ambassadors for the promotion of the value of the LEI in their jurisdiction and industry. In 2015 the CEO, the Directors and the Chair have given public speeches for many audiences of the private sector.

Other Stakeholders

The Board understands that in addition to the specific Global LEI System partners many other stakeholders of the private and public sector have a user interest to be included in the further development of the GLEIF services. The Board will take care that relevant documentation will become publicly available and that consultations will take place as appropriate with interested stakeholders.

Outlook 2016

The Board concluded that it is mission-critical that in 2016 more LEIs will be issued and renewed to create a sustainable GLEIF and will support GLEIF management with its promotion activities. In addition, in 2016 the Board will ensure that the mandate of the ROC for realizing the Direct and Ultimate Parent program will become a reality.

Conclusion

We would like to express our thanks and appreciation to all partners and organizations that have supported the successful consolidation of the GLEIF.

We understand that we have challenges ahead to achieve a strong and sustainable Global LEI System, but we are convinced that together with all our GLEIS partners we will be able to achieve the objectives of our Foundation.

Gerard Hartsink  
Chairman of the Board

## Chief Executive Officer's Report

2015 was a year of sustained success for the GLEIF. Our journey experienced many accomplishments and GLEIF became fully operational. GLEIF progressed its role and worked in partnership with its customers, colleagues and staff in fulfilling its mission of implementing an effective and efficient Global LEI System to further the public good and bring enhanced transparency to financial markets and for financial transactions.

2015 was also a year of growth for the GLEIF in terms of the number of issued and renewed LEIs, resources, technical advancements, progress on strategic initiative and strength in our financial position.



Stephan Wolf  
Chief Executive Officer

## Key Accomplishments in 2015 Include:

### Growth

Working with partners, GLEIF witnessed growth of the Global LEI System by over 10% and welcomed six new LEI Operating Units endorsed by the LEI ROC. Due to a strong net surplus of US\$ 1.13 million the LEI fee could be reduced from US\$ 20 in 2015 to US\$ 19 in 2016. Reducing the LEI fee was definitely one of our major set objectives in 2015 and was successfully accomplished being decisive on the way to make the LEI accessible as a public good. Additionally, GLEIF continues to work closely with the LEI ROC to monitor LEI inclusion in international data-reporting standards. Growth outlook remains positive with recent consultations related to direct and ultimate parents, correspondent banking, harmonization of key data elements for OTC derivatives, and Unique Transaction Identifiers all including the LEI as an important data element.

### Building a Solid Executive Management Team

During 2015, executive search was ongoing leading to the successful recruitment of key positions. In the first quarter, as anticipated, the Manager of Service Management and the Manager for IT & Operations Development successfully started their duties. The Head of Standards and the Head of Communications joined GLEIF in the second quarter 2015 followed by the Head of Business Operations in the third quarter.

### Master Agreement and Accreditation

After intense consultations the successful launch in October 2015 of the Master Agreement – the contractual framework governing the relationship between GLEIF and LEI issuing organizations – paved the way for the implementation of the accreditation process. Thereby, GLEIF evaluates the suitability of organizations seeking to operate within the Global LEI System as issuers of Legal Entity Identifiers (LEIs) and custodians of LEI Reference Data. Becoming a member of the Global LEI System via GLEIF accreditation is a globally recognized designation of commitment to data quality and customer service.

### Service developments

Throughout the first and second quarter the IT infrastructure and services inside GLEIF were expanded and set up. The GLEIF website was further developed containing a mayor milestone: a LEI concatenated file.

In October 2015 the Global LEI index was launched so that public and private users are able to use LEI data free of charge for individual records or in bulk supported with a search engine.

### Communications

During the third quarter 2015, the GLEIF press office and corporate communication program was set up successfully. GLEIF completed compiling a global media list featuring contacts for close on 800 titles including international financial services and trade media as well as leading national financial services media in Africa, the Americas, Asia, Europe and Oceania. GLEIF doubled the audience reached with GLEIF press releases between June and October 2015. GLEIF successfully launched its social media presence implementing a social and online media monitoring program to capture public debate on GLEIF and LEI. At the time, no social media platform dedicated, specifically, to educating audiences on the LEI and GLEIF story existed. Throughout the fourth quarter of 2015 we steadily increased the number of followers on Twitter and LinkedIn as well as the number of monthly views of the GLEIF blog. As a result of curating GLEIF social media content, the foundation is now a leading source of information on the LEI story available online.

### Service Management and Quality Management

Throughout 2015 the Global LEI System Quality Management planning was considerably strengthened through consultations between the GLEIF, the Board and LEI ROC CES. The GLEIF management presented in the third quarter an overview on the quality management program envisaged for GLEIF. GLEIF recognized the importance of implementing ISO 20000 as well as a strong process management framework triggering efficiencies and cost benefits. Major outputs were the introduction of a service portal, the setting-up of a data quality management framework, the definition and implementation of data quality checks and daily data quality reports.

GLEIF management brought to the attention of the Board and the ROC the issue of high numbers of lapsed LEIs in certain jurisdictions and related data quality concerns. The Board and GLEIF management committed to closely cooperate on tackling the issue in 2016.

### Direct and Ultimate: Level 2 Data Project

Intensive consultations and dialogue took place during 2015 with the ROC on the Level 2 data process. A consultation document on collecting data on direct and ultimate parents of legal entities in the Global LEI System was published by the LEI ROC in September 2015 and resulted in the final ROC policy published on March 10, 2016. This decisive kick-off for the Level 2 data project will be a key focus of GLEIF activities throughout 2016.

### Promotion

Progress has been made on all fronts in promoting the LEI in the public and private sector. Management and the Board agreed on a common, consistent promotion communication. The Chair and the CEO participated in several market events, primarily in the United States and Europe but also in Beijing.

### Outlook

Regarding regulatory reporting, the requirement for the LEI is expanding. For example, financial institutions in the EU will need an LEI to fulfill their reporting obligations under MiFID II. Insurance companies under Solvency II require an LEI from June 2015 (from June 2016 for all other insurance firms). Central Securities Depositories (CSDs) will require LEIs including all their participants and settlement banks by the end of 2016.

In 2016 our strategic initiatives have a common theme: integration of the LEI as a commonly accepted standard on a global scale. To that end, we continue to invest in technology, infrastructure and communications.

In our view, the overall market demand for LEIs keeps on growing rapidly as the demands for proper controls and accountability continue to increase from regulators, authorities, auditors, businesses, academia and the general public. This will increase the demand on LEI Operating Units to perform to market expectations and it is our obligation to ensure we provide support while, at the same time, ensuring that the overall operational controls and performance metrics are world-class and effectively executed.

With the continued support of our Board, the LEI Operating Units and the general public, we are fully engaged in our mission of supporting the Global Legal Entity Identifier Foundation which provides a unique legally distinct identifier for entities engaged in financial transactions and to maintain for the broad public good for the users of the private and public sectors.

Stephan Wolf  
Chief Executive Officer



Directors' Report

The Board of Directors is pleased to present the second GLEIF annual report highlighting the status of the GLEIF operations as well as the statements of financial condition and the auditor's report for the period from December 31, 2014 to December 31, 2015.

The Financial Stability Board founded the GLEIF on June 26 in Basel-Stadt in Switzerland. The Board has established its headquarters in Frankfurt, Germany. The GLEIF uses Swiss law for its contracts with its Global LEI partners, such as for the Master Agreement with the LEI Operating Units and with its service suppliers.

Principal Activities

GLEIF supports on a not-for-profit basis the implementation of a global LEI to identify uniquely distinct entities that engage in financial transactions and to maintain for the public good the Global LEI System that is to be used by authorities and by the private sector.

The GLEIF is responsible for three main functions:

**Rulemaking function –** defining, issuing and enforcing worldwide uniform operational legal and technical standards and protocols for LEIs and LEI reference data.

**Operational function –** operating the Global LEI Index, a central database of LEIs and corresponding LEI reference data, maintaining a high level of data quality and making that data available free of charge to public and private users.

**Monitoring function –** monitoring the compliance of the LEI Operating Units with the protocols, the quality standards and cost recovery principles of the Master Agreement and the users with the LEI Data Terms of Use. The Master Agreement will be signed by GLEIF and the LEI Operating Units and includes the legal and technical standards and protocols under which GLEIF and the LEI Operating Units will operate.

Stakeholders

The Board of Directors understands that it has to take care of the interest of several stakeholders in the public and private sector.

The LEI ROC is a major stakeholder for the Board of Directors as well as other public authorities that may have an interest as users of the Global LEI System.

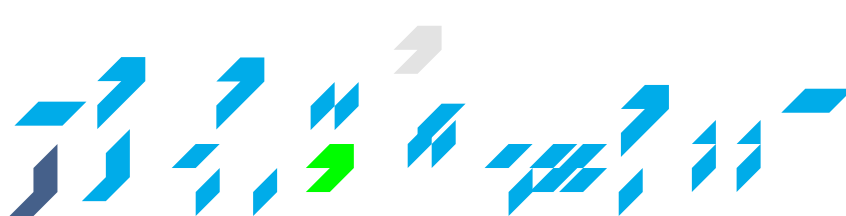
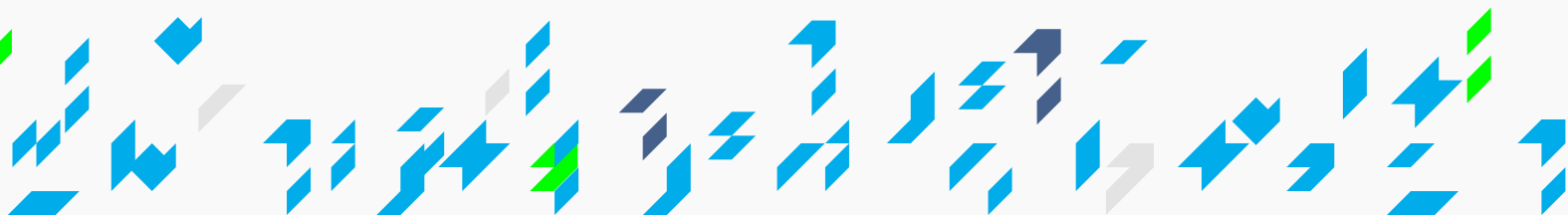
The private sector has a multitude of stakeholders that are potential users of the Global LEI System. The Board aims to take into account the interests of the different users.

Promotion of Worldwide Adoption of LEI

Continued advocacy is required at both national and international level. Cooperation between the public and private sectors is essential to that end. Regulators play a key role by requiring LEIs to be used broadly in regulatory reporting, for other supervisory practices and for the public sector at large.

GLEIF will further develop models together with partners from the private sector to promote LEI issuance and usage beyond regulatory requirements. Both public and private sectors can achieve tremendous benefits from a strong Global LEI System.

The Board of Directors and the LEI ROC Plenary members concluded, within the requirements set forth in Article 10 of the Statutes for GLEIF, that the Board members could act as ambassadors of the GLEIF. As ambassadors, the Board and ROC are expected to ensure there is a global understanding in both the public and private sectors of the mission and benefits of the Global LEI System. The Board approved communication material that was made available for this purpose. In addition, GLEIF in cooperation with the ROC will ensure that the value of the Global LEI System and LEI is known as regulators and governments consider the need for legal entity identification as part of rulemaking and other processes.



Board of Directors  
December 31, 2015



### Directors and Their Interests

The Directors who serve on the Board are published on the GLEIF website.

Directors of the GLEIF Board sign a Director's agreement for their services to the Board and annually acknowledge their responsibilities under the GLEIF Conflict of Interest Policy.

### Strategy

In 2015, the Board of Directors focused on delivering the following two strategic priorities: the delivery of the Global LEI Index and the adoption of the Master Agreement as the cooperation model with the LEI Operating Units and to start the accreditation process with the Pre-LOUs and some new candidate LEI Operating Units.

GLEIF's website was launched in April 2015 and ensures that all stakeholders have access to GLEIF's services and governance documentation. The Global LEI Index was launched in October 2015 and made the data of all legal entities with an issued LEI available free of charge for the users of the public and private sector.

The CEO with the support of the Board prepared the Master Agreement including the accreditation process for LEI Operating Units that want to join the GLEIS.

### Strong Governance

An intensive consultation was held throughout 2015 between the Board and the LEI ROC on the bylaws and the Organizational Regulations. The LEI ROC provided its comments and recommendations in accordance with Article 38 of the

Statutes. The bylaws will be presented to the Supervisory Authority in Switzerland after the approval of the ROC.

A Memorandum of Understanding was signed between the LEI ROC and the GLEIF on September 23, 2015 that further specifies the processes and responsibilities between the LEI ROC and the GLEIF in more detail.

The Board reviewed the succession of its Directors and initiated a call for candidates, compliant with article 15 of the Statutes, who are interested to serve as a Director for the period from June 2016.

To further sustain the governance framework and ensure smooth and efficient Board processes a Board Secretariat was set up to be operational as of January 2016.

### Executive Management

The CEO finalized successfully his search for executives and staff that were all published on the website. The plan was realized by the end of 2015 that for all executive management positions a qualified team member was available and a strong international management team was created.

### Financial Results

In the fiscal year 2015 a gross revenue of US\$ 6.1 million was realized with a net surplus of US\$ 1.13 million. The Board decided to add the net surplus to the organizational capital to ensure the sustainability of GLEIF and to ensure the funding of further activities such as the Direct and Ultimate Parent program.

The Board does not expect significant surpluses to be realized in the future, as GLEIF is to operate on a not-for-profit basis. The Board decided for the budget year 2016 to lower the fee for new and renewed LEIs from US\$ 20 to US\$ 19. As the GLEIF continues to build planned operations and projects such as the Direct and Ultimate Parent project, the generated surplus is expected to be utilized in 2016.

### Going Concern

The Board of Directors have formed a judgment, at the time of approving the financial statements, and upon consideration of the system of internal controls, that there is a reasonable expectation the GLEIF for its current mandate has adequate resources to continue its operational existence for the foreseeable future.

In making this judgment, the Board of Directors considered that, in some jurisdictions, the renewal rate of LEIs for regulatory reporting needs to be strengthened. The Board understands that the GLEIF received additional mandates in 2016 from the LEI ROC for which the costs and revenues are not yet clear at the time of the approval of the financial statements. Notwithstanding, the Board views these risks to be manageable.

The Board of Directors estimate, based on their assessment of the progress to date and having reviewed the cash flow for the budget year 2016, that sufficient funds for the current mandate will be available for the foreseeable future.

### Internal Control

The Board of Directors approved a set of policies that are required to have appropriate control of the tasks delegated to the CEO. The Head of Compliance and Audit ensures the internal audit is in place and has direct access to the Chairman of the Board and the Chairman of the Audit and Finance Committee. The Audit and Finance Committee is charged with the approval of the audit plan and reviews the internal audits and the findings of the external audits by EY.

### Auditor

The Board of Directors approved on June 26, 2014 the selection of EY as the external auditor for a renewable period of three years as required in Article 25 of the Statutes. Each Director at the approval of the financial statements confirms that so far as the Director is aware, there is no relevant audit information of which EY is unaware. On the recommendation of the Audit and Finance Committee the Board of Directors approved the financial statements.

### GLEIF Services

The Board ensured that public and private users were able to use the LEI data in the Global LEI Index free of charge or intellectual property rights from October 2015 including the option of a bulk download of all LEIs. Optimizing and delivering high data quality formed a major achievement of GLEIF in 2015.

By order of the Board  
Gerard Hartsink, Chairman of the GLEIF Board



Governance Statement

**In June 2014 the Financial Stability Board (FSB) established the GLEIF as a Swiss Foundation in Basel. The GLEIF is committed to act as a not-for-profit organization with the highest integrity and transparency in its operation and interaction with all stakeholders. The GLEIF Board will seek to maintain the highest standards in governance and incorporate the best governance practices into its framework and operational processes.**

The Statutes of GLEIF and the Board minutes are published at [www.gleif.org](http://www.gleif.org) to ensure transparency as required in Article 6 of the Statutes. The bylaws of the GLEIF will be published in 2016 after the approval of the Supervisory Authority in Switzerland.

The ROC (Regulatory Oversight Committee) Chair and the two Deputy Chairs are ex officio members of the Board and participated in all Board meetings in 2014.

The GLEIF Chair and the CEO hold a meeting every two weeks with the ROC Chair and the two Deputy Chairs. The GLEIF Board held in 2015 four joint meetings with the Executive Committee of the ROC. In addition, the GLEIF Chair and CEO were invited to report the progress made by GLEIF during two ROC Plenary meetings in 2015.

Stakeholders

Regulatory Oversight Committee (ROC)

The GLEIF is subject to the oversight of the ROC (Regulatory Oversight Committee). The members of the ROC Plenary and their decisions are published at [www.leiroc.org](http://www.leiroc.org).

The relationship between the ROC and the GLEIF are included in Articles 30 and 31 of the GLEIF Statutes. On September 23, the GLEIF Chair and ROC Chair signed a Memorandum of Understanding that further specifies the processes and responsibilities between the GLEIF and the ROC.

Directors of the Board

The Directors of the Board were selected by the LEI ROC and nominated by the FSB. They serve on an unpaid basis and are entitled to reimbursement of their GLEIF-related costs and traveling expenses as stipulated in Article 19 of the Statutes.

The Directors of the Board are eligible for a two-year term of office as of June 26, 2014. The Board approved that eight of the 16 Directors are allowed to serve three-year terms in order to meet the staggering requirement of Article 17 of the Statutes.

Two Directors of the Board, Howard Edelstein and Ayan Keser, resigned in 2015 in accordance with Article 21 of the Statutes. The Board thanks them for their services.

The Directors of the Board participate in Director Education Sessions such as training for Mr. Thomas Sprecher on the duties of a Director of the Board of a Swiss foundation and of Mr Tim Moss, Chairman of the Corporate Registers Forum.

Succession of Directors

Throughout 2015, a detailed succession analysis taking into account skills, sector representation and geographical representation as required in article 13 of the Statutes was conducted by the Governance Committee in the second quarter. Consequently, the appointment and replacement process as well as the transition of Directors was further defined including the roles of the ROC based on Article 31 of the Statutes in the selection of new Directors under strict confidentiality taking into consideration the Swiss privacy rules. Steps were taken to advance the search process and the ambitious target was set to appoint new Directors for a Board of 18 Directors by June 2016 respecting the provisions laid out in Article 13 of the Statutes.

The Board approved the “Call for Applications” process documentation compliant with Article 15 of the Statutes. This process involves steps of vacancy publishing with appropriate deadline for application, presentation of a list of candidates by the Governance Committee for review to the Board, and final approval by the Board of the recommended candidates. The Chair presented the approved candidates for a “no objection declaration” to the ROC Chair as required in Article 31 of the Statutes. The new directors will start their duties from the June 2016 Board meeting.

Board Self-Assessment

In 2015 the Directors of the Board participated in an annual self-assessment process.

The Board approved a self-assessment methodology in April 2015 as well as the respective Performance Evaluation Questionnaire (PEGs) for the Board and its Board Committees. Therein, each Director was tasked to evaluate the Board and each Board Committee of which the Director participated. The Governance Committee consequently provided the requested feedback on its findings and recommendations to the Board.

Transparency

The Board of Directors will adhere to its Statutes, bylaws and to the CPSS-IOSCO Principle 2 for Financial Market Infrastructures that an FMI should have clear and transparent governance arrangements. The Board of Directors has made all the available governance documents such as Statutes and Board meeting minutes publicly available as required in article 6 of the Statutes. In 2016 additional governance documents such as the bylaws will be published after approval of the Board, taking into account any recommendations of the ROC and approval of the Supervisory Authority in Switzerland.

GLEIF Board Committees

The GLEIF Board was supported in its oversight function by six Board Committees. The Board Committees meet as often as is required to review and advise the Board on matters related to their mandate. A brief summary follows for each Committee:

■ Committee of Chairs

The CoC is charged with supporting the Chair for the agenda of the Board and with the annual remuneration of the management of the GLEIF.

■ Audit and Finance Committee

The AFC is charged with the review of the external audit engagement and the internal audit plan. It ensures that GLEIF management has a system of internal controls and reviews the internal audit reports.

■ Governance Committee

The GC is charged with providing advice to the Chair of the Board to support proper governance.

■ Master Agreement Committee

The MAC provides oversight of the maintenance of the Master Agreement focusing on the legal provisions of the GLEIS.

■ Technology and Operations Committee

The TOPS provides oversight and counsel for the technical and operational standards and for the architecture for the GLEIS.

■ Joint Promotion Committee

The JPC supports the GLEIF with promotion policies and actions for the adoption of the LEI. This Board Committee is composed of three Directors of the Board and the three ROC observers of the Board.

LEI Operating Units

The GLEIF, together with its Pre-LOU partners, operate the Global LEI System. The GLEIF is required to provide support and oversight to ensure that LEI Operating Units are performing their required functions with proper internal controls and meeting performance and data quality metrics and cost recovery requirements.

In 2015, the managers of the LEI Operating Units were, as GLEIS partners, actively involved in the development of the Master Agreement.

GLEIF and the managers of the LEI Operating Units have been meeting monthly to progress this task to its current form.

The managers of the LEI Operating Units started at the end of 2015 the accreditation process that was approved in the Master Agreement.

Business Registers

The GLEIF had meetings with the Corporate Business Forum and the European Corporate Business Forum to explore future best practice methods for implementing a cooperation process between all parties. Several Business Registers decided to become accredited LEI Operating Units.

The LEI ROC determined that a Business Register Code should be included in the Consolidated Data File (CDF) of the Global LEI System so that users are able to determine which Business Register hold the record(s) for a particular legal entity.

Users of the LEI Data

**Vendors** The GLEIF believes that data vendors and technology service providers are important stakeholders as users of the LEI data. The GLEIF Board approved the creation of a Vendor Stakeholder Group that had its first meeting in June 2015.

**Public Authorities and Administrations** Public Authorities and Public Administrations are and will be a large group of users of the LEI data. GLEIF is subject to the oversight of the ROC. The oversight was further specified in the Memorandum of Understanding between the GLEIF and the ROC.

The ROC is the representative of the public sector that formulates the policies for the additional functions of the GLEIS. The main policy is the Direct and Ultimate Parent policy that the ROC published on March 10, 2016.

The ROC is considering how its members could promote the LEI more prominently to the public sector.

**Other Interested Stakeholders** The GLEIF Board will take the interests of private businesses, NGOs, consumers and academia into consideration in its planning activities. A structured dialogue with those user groups of the LEIs was started in 2015 with several large statistical users.

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Regulatory Developments

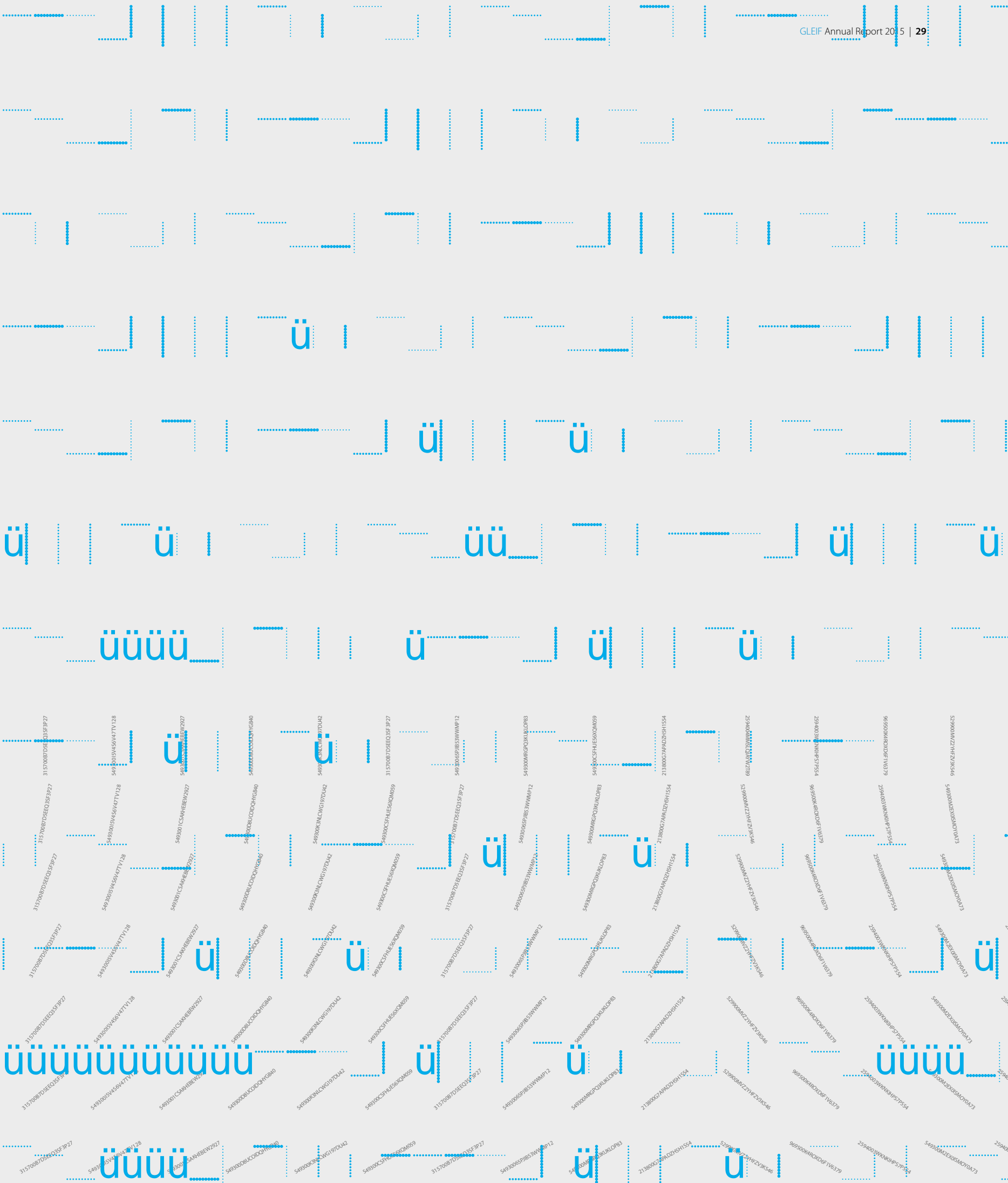
The regulatory community has an important role in the success of the Global LEI System by requiring the use of LEI entity identification in its rulemaking. This year’s focus of regulation was in the financial market sector, but other sectors, like the energy sector or those for public procurement, also started use of the LEI.

An overview on the current and proposed rulemaking including, the usage of the Legal Entity Identifier (LEI) across all regions, was further enhanced in 2015, involving regular updates, and is available on the GLEIF website.

The GLEIF will support authorities in facilitating the attainment of financial stability objectives such as:

- increased transparency of the data of legal entities in financial transactions and of the ultimate parent of groups
- improved compliance and risk management.
- better assessment of micro and macro prudential risks
- facilitation of orderly resolution
- containing market abuse and curbing financial fraud
- higher overall quality and accuracy of financial data
- other official functions

The support of the public authorities in G20 jurisdictions is crucial in gathering a critical mass for the GLEIS, as a broad public good, to become a reality.



Accreditation Process

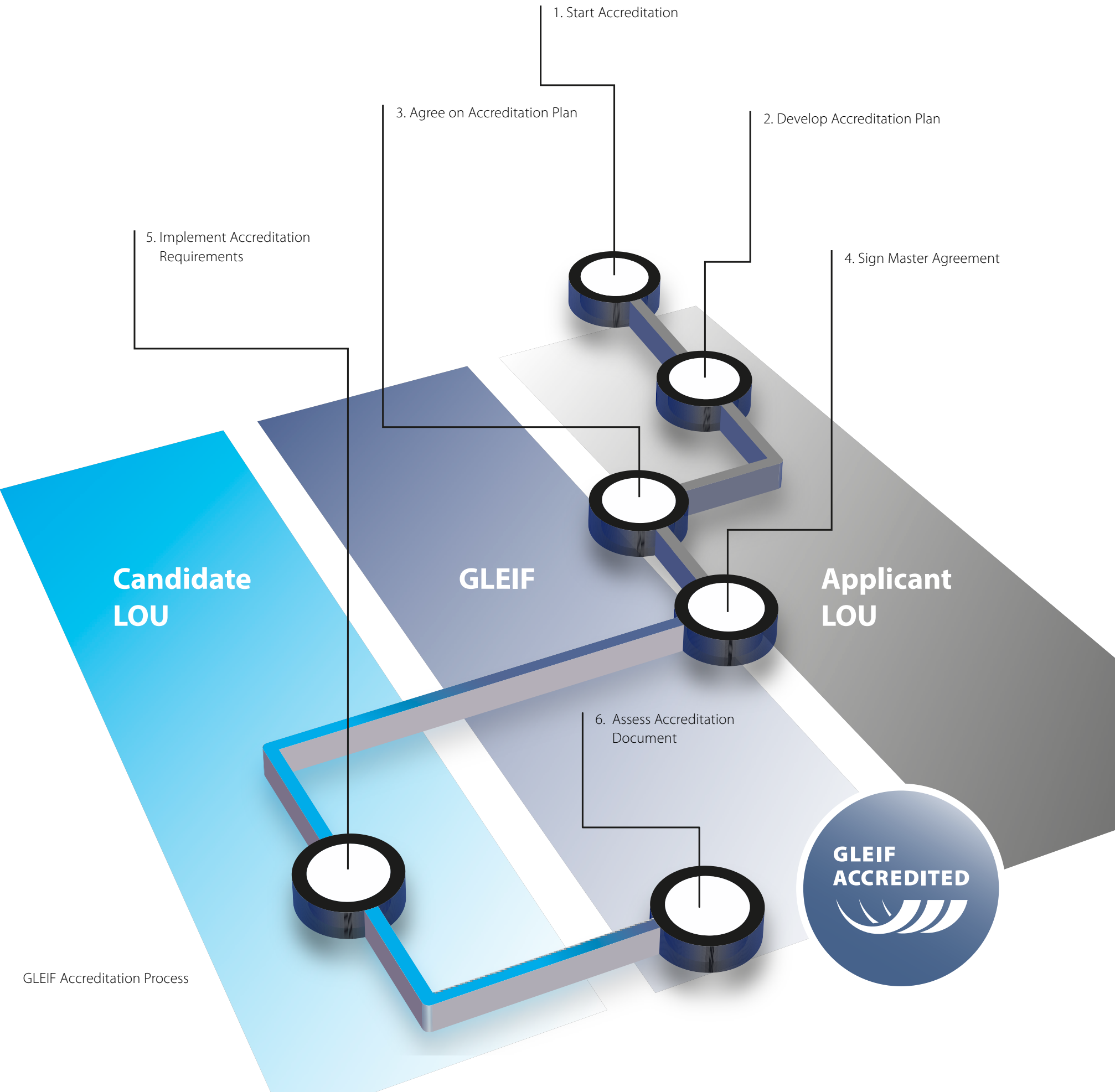
The Pre-LOUs currently issuing LEIs based on previous endorsement procedures must become GLEIF-accredited in order to be fully accepted into the GLEIF system. Accreditation is a rigorous evaluation process carried out by GLEIF. Candidate organizations must meet the requirements set out in the Master Agreement which is the contractual framework governing the relationship between GLEIF and LEI-issuing organizations. GLEIF verifies on an annual basis whether organizations accredited to issue and maintain LEIs continue to meet the requirements with regard to service orientation and quality set out in the Master Agreement.

Accreditation is the process by which the Global Legal Entity Identifier Foundation (GLEIF) evaluates the suitability of organizations seeking to operate within the Global LEI System as issuers of Legal Entity Identifiers (LEIs) and custodians of LEI Reference Data. Becoming a member of the Global LEI System via GLEIF accreditation is a globally recognized designation of commitment to data quality and customer service. The GLEIF accreditation process involves six steps which an organization seeking to become a GLEIF-accredited LEI Operating Unit must complete.

Implementation of the GLEIF accreditation program is the first of several GLEIF services launched to support its partners in the Global LEI System to optimize the quality, reliability and usability of LEI data.

GLEIF accreditation indicates that the LEI Operating Unit meets or exceeds the GLEIF quality and performance standards. The Master Agreement obligates the LEI Operating Unit to maintain these quality standards.

GLEIF assumed the responsibility for accrediting organizations seeking to become LEI issuers on October 7, 2015 with the conclusion of a Memorandum of Understanding between GLEIF and the LEI ROC.



GLEIF Accreditation Process



Data Quality and Service Management

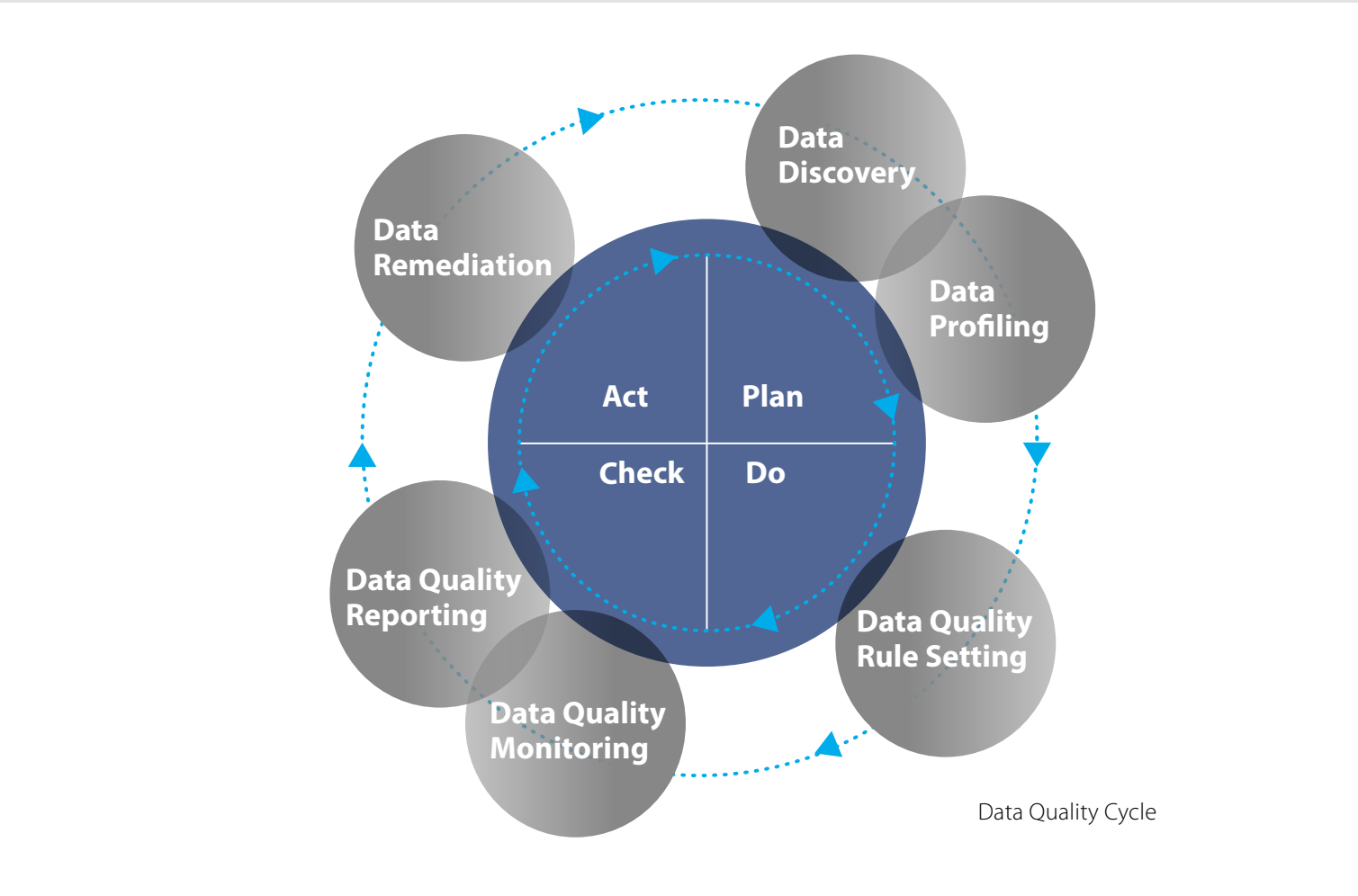
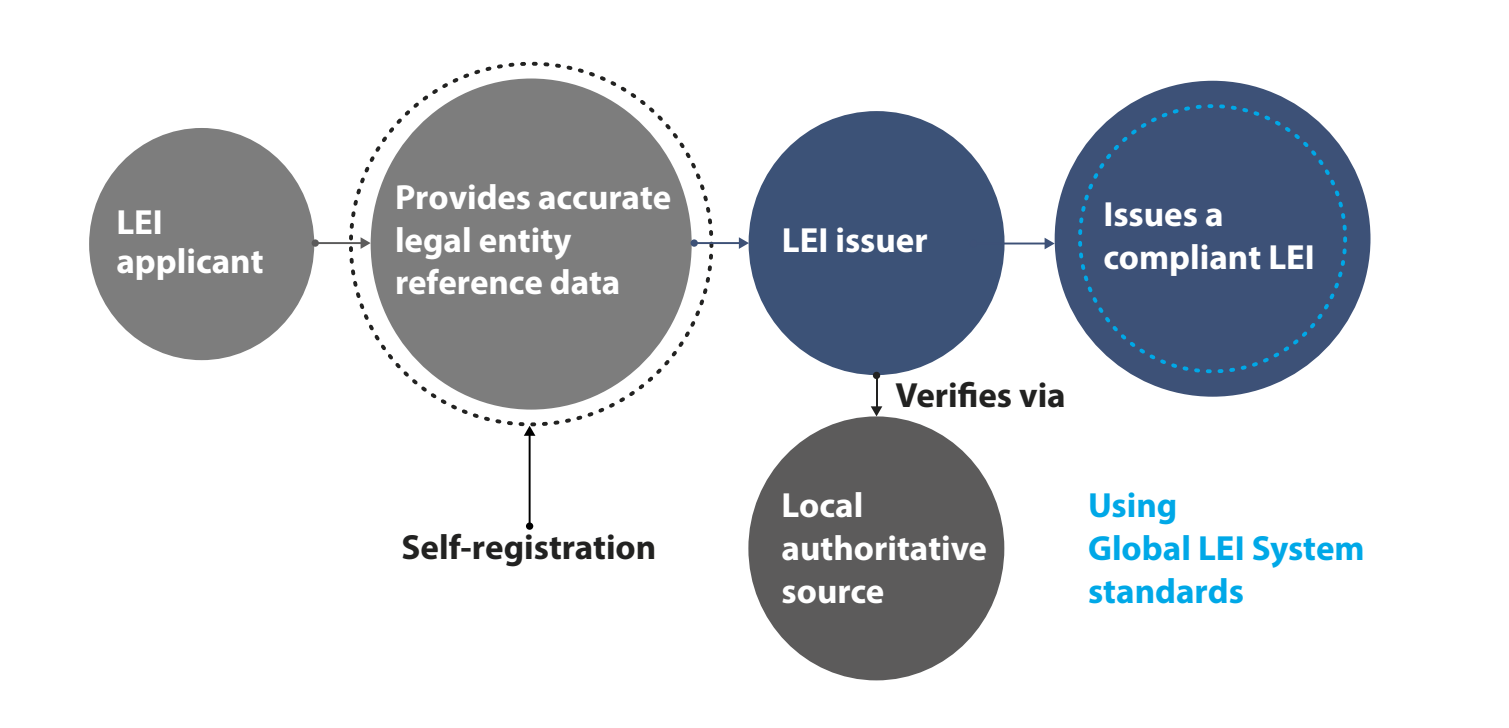
High level of data quality is of key importance in the Global LEI System.

Throughout 2015, GLEIF worked intensively on developing a data quality management program. Based on a set of clearly defined criteria, the quality of the LEI data pool (the publicly available information on legal entities identifiable with an LEI) shall be monitored, assessed and further optimized.

The LEI connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. The public LEI data pool, which is accessible on the GLEIF website, is a global directory that greatly enhances transparency in financial markets. The data pool’s ability to meet this objective relies on the availability of trusted, open and reliable data.

The GLEIF data quality management methodology drives forward continuous optimization of the LEI data pool. To clarify the concept of data quality with regard to the LEI population, GLEIF has defined, in close dialogue with the LEI Regulatory Oversight Committee and the LEI issuing organizations, a set of measurable quality criteria using standards developed by the International Organization for Standardization (ISO). The criteria include the completeness, comprehensiveness and integrity of the LEI data records. By instituting a set of defined quality criteria, GLEIF has established a transparent and objective benchmark to assess the level of data quality within the Global LEI System. GLEIF initiated the process of evaluating the quality of the LEI data pool based on these criteria in Q4 2015.

In addition, GLEIF has developed a methodology to score the quality level of LEI data. The score represents the percentage of all LEI data records that successfully passed checks against defined quality criteria during the reporting period. These checks identify, for the time being, whether the data records are consistent and plausible.



GLEIF Meet the Market Events

Working with local partners, GLEIF introduced the LEI to markets in Asia, the Middle East, Europe, North America and South America.





Global Legal Entity Identifier Foundation

Basel, Switzerland

## Financial Statements 2015

for the Period from January 1 to December 31, 2015

Statement of Comprehensive Income  
for the Period from January 1 to December 31, 2015

	Notes	12 months Jan. to Dec. 2015	6 months Jun. to Dec. 2014
		US\$	US\$
Fee revenues	3.1	5,860,775	3,368,460
Personnel expenses	3.2	-1,703,964	-181,580
Other operating expenses	3.3	-3,394,594	-1,863,423
Other operating income	3.4	262,294	15,164
Amortization and depreciation expense	4.5/4.6	-93,825	0
<b>Operating surplus</b>		<b>930,686</b>	<b>1,338,621</b>
Subsidies and donations	3.5	206,219	125,000
Financial income/expense	3.6	-481	4
<b>Net surplus</b>		<b>1,136,424</b>	<b>1,463,625</b>
Changes of components of net equity	3.2	-9,825	0
from actuarial gains and losses in pension and similar obligations			
Items that will not be reclassified to net surplus		-9,825	0
<b>Other comprehensive income</b>		<b>-9,825</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>1,126,599</b>	<b>1,463,625</b>

### Balance Sheet

for the Period Ending December 31, 2015

Assets	Notes	Dec. 31, 2015	Dec. 31, 2014
		US\$	US\$
Receivables from Pre-LOU fees	4.1	1,971,322	1,766,835
Current financial assets	4.2	44,749	513
Other assets	4.3	437,968	81,771
Cash and cash equivalents	4.4	3,752,821	2,836,050
<b>Current assets</b>		<b>6,206,860</b>	<b>4,685,169</b>
Intangible fixed assets	4.5	10,907	0
Tangible fixed assets	4.6	534,653	0
Financial assets	4.2	117,292	0
<b>Non-current assets</b>		<b>662,852</b>	<b>0</b>
<b>Liabilities and equity</b>			
Payables due to vendors	4.7	657,175	314,181
Liabilities due to Board Directors	6.1	164,268	259,827
Deferred revenue	4.8	2,723,600	2,398,540
Other financial liabilities	4.9	39,512	67,930
Other payables	4.10	515,072	125,139
<b>Current liabilities</b>		<b>4,099,627</b>	<b>3,165,617</b>
Provision for pension costs	3.2	14,368	0
Payables due to vendors	4.7	26,315	0
Financial liabilities	4.9	15,070	0
Deferred subsidies	3.5	68,181	0
<b>Non-current liabilities</b>		<b>123,934</b>	<b>0</b>
Paid-in Foundation capital		55,927	55,927
Other reserves		-9,825	0
Retained surplus		2,600,049	1,463,625
<b>Organizational capital</b>	4.11	<b>2,646,151</b>	<b>1,519,552</b>
		<b>6,869,712</b>	<b>4,685,169</b>

### Cash Flow Statement

for the Period from January 1 to December 31, 2015

	Notes	12 months Jan. to Dec. 2015	6 months Jun. to Dec. 2014
		US\$	US\$
Surplus		1,136,424	1,463,625
Amortization and depreciation expense		93,825	0
Increase (decrease) of provisions		4,544	0
Financial income/expense		456	-4
Other non-cash expenses and income		24,407	26,930
Decrease/increase of receivables and other current assets		-611,964	-1,849,118
Increase/decrease of liabilities to vendors and other operating liabilities		1,032,072	3,165,616
Interest received		0	4
<b>Cash flow from operating activities</b>		<b>1,679,764</b>	<b>2,807,053</b>
Acquisition of intangible and tangible fixed assets	4.5/4.6	-619,728	0
Acquisition of long-term financial assets	4.2	-121,088	0
<b>Cash flow from financing activities</b>		<b>-740,816</b>	<b>0</b>
Contribution to the Foundation capital		0	55,927
Repayment of finance lease liabilities		-612	0
Proceeds from other financing liabilities		6,962	0
Interest paid		-379	0
<b>Cash flow from financing activities</b>		<b>5,971</b>	<b>55,927</b>
<b>Total cash flow effects on cash and cash equivalents</b>		<b>944,919</b>	<b>2,862,980</b>
Effect of changes in exchange rates on cash and cash equivalents		-28,148	-26,930
Cash and cash equivalents at beginning of period		2,836,050	0
<b>Cash and cash equivalents at end of period</b>	4.4	<b>3,752,821</b>	<b>2,836,050</b>



Statement of Changes in Organizational Capital

	Notes	Paid-in Foundation capital	Other reserves, actuarial gains and losses from pension obligations	Retained surplus	Organizational capital
		US\$	US\$	US\$	US\$
Balance as of June 26, 2014	4.11	55,927	0	0	55,927
Net surplus			0	1,463,625	1,463,625
Total comprehensive income			0	1,463,625	1,463,625
Balance as of December 31, 2014	4.11	55,927	0	1,463,625	1,519,552
Net surplus			0	1,136,424	1,136,424
Other comprehensive income			-9,825	0	
Total comprehensive income			-9,825	1,136,424	1,126,599
Balance as of December 31, 2015	4.11	55,927	-9,825	2,600,049	2,646,151

Notes to the Financial Statements 2015

1.1 Information on GLEIF

The accompanying financial statements present the operations of Global Legal Entity Identifier Foundation with its registered office in Basel, Switzerland (hereinafter: “GLEIF” or “the Foundation”).

GLEIF is a foundation according to Swiss civil law, and registered under no. CHE-200.595.965 in the commercial register of Basel-Stadt, Switzerland. The address of the Foundation is Bäumleingasse 22, 4051 Basel, Switzerland. In February 2015, GLEIF began operating a permanent establishment in Frankfurt am Main, Germany, where the main operating activities of the Foundation are now located.

GLEIF was founded on June 26, 2014 by the Financial Stability Board, an association under Swiss law. The purpose of GLEIF is to establish, maintain and monitor the Global Legal Entity Identifier System (“GLEIS”) which provides a worldwide unique identification number (the “LEI”) for all parties of financial transactions.

The establishment of this system has been required by the heads of state and government of the Group of Twenty, calling the Financial Stability Board to coordinate the work among the regulatory bodies. Prior to the foundation of GLEIF, the Financial Stability Board established the Regulatory Oversight Committee (“ROC”) which had set forth requirements for the structure of the GLEIS and for the managing, monitoring and standard-setting functions, as well as the internal structure and the funding of the central operating unit of this system. With the foundation of GLEIF, the committee has assigned this central operating unit function to GLEIF. The ROC maintains the supervision of the GLEIS, including the activities of GLEIF, in the broad public interest.

The financial statements have been authorized for publication by the Board of Directors on April 14, 2016.

2. Basis of Presentation and Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). GLEIF also prepares a set of statutory financial statements in accordance with the Swiss Code of Obligations.

These financial statements are presented in US dollars (US\$), with rounding to the nearest dollar, unless otherwise stated.

The financial statements are prepared on the historical cost basis, unless otherwise stated in the accounting policies.

The accounting policies set out below are unchanged from the prior period and have been applied consistently throughout both periods.

2015 was the first full year of GLEIF operations. The volume of GLEIF activities and transactions increased, resulting in different presentation of some line items in the 2015 financial statements compared with the 2014 Annual Report. The revised presentation format is intended to increase transparency and usability of the financial statements. The comparative amounts for 2014 have been presented accordingly.

2.1 Foreign Currency

The functional currency of GLEIF is the US dollar, as the Foundation generates its revenues and receives almost all cash flows from the local operating units (“LOU”) in this currency. Transactions that are denominated in a currency other than the US dollar are recorded at the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are retranslated into US dollars applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in income.

The exchange rates of the most significant foreign currencies are:

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Swiss franc to US dollar	1.0048	1.0097
Euro to US dollar	1.0887	1.2141

2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates and excluding taxes or duty. Revenue is recognized over the term of the license period on an accrual basis.

The revenue of GLEIF is based on arrangements with the Pre-LOUs to pay to GLEIF a fixed service fee for each LEI issued or renewed in the respective calendar year. The license period of a LEI is one year from the date of issuance or renewal. During this period, the Pre-LOU is responsible to manage and maintain the integrity and accuracy of the LEI entry data and of the related changes. The services provided by GLEIF to the Pre-LOUs relate to quality assurance, standardization, and certain other work with regard to the Pre-LOUs management of LEIs. Accordingly, the revenue of GLEIF is related to the service periods of the LEIs. On a straight-line basis, GLEIF recognizes the revenue over the terms of the contracts between the Pre-LOUs and the LEI users, and defers the revenue which is allocated to the portion of the LEI service periods remaining after the balance sheet date. The outstanding portion of the LEI service periods is estimated based on quarterly performance reports of each Pre-LOU.

2.3 Government Grants

A government grant or assistance is recognized only when there is reasonable assurance that GLEIF will comply with any conditions attached to the grant and the grant will be received. The grant is recognized as income over the period necessary to match with the related costs, for which they are intended to compensate, on a systematic basis. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognized as income in the period in which it is receivable. A grant relating to assets (capitalized expenditure) is recognized as deferred income (liability), and released in accordance with the amortization of the related assets.

2.4 Interest

Interest income and expense are recognized using the effective interest method. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

2.5 Income Taxes

Since 2015, the Foundation’s activities are located in Basel, Switzerland and in Frankfurt am Main, Germany. GLEIF is free from Swiss income taxes based on an assessment of the tax authority Basel-Stadt, Switzerland. In Germany, the activities of GLEIF to manage and monitor the GLEIS are free from corporate and trade tax on income by law.

2.6 Provisions

A provision is recognized in the balance sheet when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the income statements.

Provisions for pension obligations are recognized by using the projected unit credit method, based on reasonable assumptions for the long-term expected rate of salary increases and benefit increases, demographic assumptions and long-term interest rates as of the balance sheet date. The related plan assets are recognized at their fair value, in accordance with IAS 19.

2.7 Lease Commitments

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Finance Leases

GLEIF recognizes assets held under finance leases at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating Leases

GLEIF recognizes operating lease payments as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognized in the period in which they are incurred. Lease incentives and similar arrangements of incentives are taken into account when calculating the straight-lined expense.

2.8 Tangible Fixed Assets

GLEIF items of tangible fixed assets are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of each item. Tangible fixed assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives of all items of tangible fixed assets are as follows:

Technical and computer equipment	3 to 5 years
Motor vehicles	6 years
Office equipment	6 to 10 years
Apartment equipment	3 to 5 years

2.9 Intangible Fixed Assets

Separately acquired items of intangible fixed assets are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of each item. After initial measurement, intangible fixed assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives of the intangible fixed assets.

The estimated useful lives of intangible assets are as follows:

Software	3 to 5 years
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As at the end of the current fiscal year, GLEIF did not have intangible assets with an indefinite useful life.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Foundation mainly include cash and cash equivalents, long- and short-term security deposits and receivables from Pre-LOU fees. Financial liabilities of the Foundation mainly comprise payables to vendors, and to employees and Board Directors. GLEIF does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). Based on their nature, financial instruments are classified as financial assets and financial liabilities measured at cost or amortized cost and financial assets and financial liabilities measured at fair value.

Financial instruments are recognized on the balance sheet when GLEIF becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, available-for-sale financial assets, loans and receivables, financial liabilities measured at amortized cost – to which they are assigned.

**Cash and Cash Equivalents:** The Foundation considers all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and have less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

**Loans and Receivables:** Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

**Financial Liabilities:** The Foundation measures financial liabilities at amortized cost using the effective interest method.



### 2.11 Accounting Pronouncements Applied in the Financial Statements

GLEIF has applied all IFRS accounting pronouncements which are effective for this reporting period. The Foundation has not adopted standards already issued but not yet effective for this reporting period.

### 2.12 Not Yet Adopted Recent Accounting Pronouncements

The following pronouncements issued by the IASB are not yet effective and have not yet been adopted by the Foundation:

In July 2014, the IASB published the final version of IFRS 9: Financial Instruments. The new standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities especially with regard to managing non-financial risks. The new standard is effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. The impacts of adopting IFRS 9 on the Foundation's financial statements will depend on the volume and structure of the financial transactions in its future development.

In May 2014, the IASB issued IFRS 15: Revenue from Contracts with Customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. In addition, the new standard requires a set of quantitative and qualitative disclosures to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 supersedes IAS 11: Construction Contracts and IAS 18: Revenue as well as related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018; early application is permitted. Based on the current revenue structure of GLEIF, the Foundation assesses that the adoption of IFRS 15 will not have a material impact on the financial statements.

In January 2016, the IASB issued IFRS 16: Leases. It supersedes IAS 17 and related interpretations. The new standard eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and depreciation of lease assets separately from interest on lease liabilities in the income statement. The new stand will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, when IFRS 15 is also applied. Based on the current lease contracts which are mainly classified as operating lease in accordance with IAS 17, the Foundation assesses that the adoption will cause a significant increase of assets and related lease liabilities.

### 2.13 Critical Accounting Estimates

The financial statements are prepared in accordance with IFRS as issued by the IASB. The significant accounting policies, as described above and in this section, are essential to understanding the Foundation's results of operations, financial positions and cash flows. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates may have a material impact on the results of operations, financial positions and cash flows.

**Revenue Recognition on Service Contracts:** The allocation of revenue relating to the Foundation's service contracts with Pre-LOUs to the appropriate accounting periods is based on reasonable estimates of the timing of the underlying LEI service contract between the Pre-LOUs and the LEI users. The Foundation receives quarterly reports from the Pre-LOUs detailing the number of LEIs renewed or newly issued by the Pre-LOUs. GLEIF has applied estimates, assuming that the issuance and the renewal of each LEI, and the related start of a standard one-year service period, is distributed on a straight-line basis within the reported quarters. Changes in these estimates may lead to an increase or decrease of revenue.

3. Statement of Comprehensive Income

3.1 Fee Revenues

The revenues split in regions (based on the legal seat of the Pre-LOUs) as follows:

	12 months Jan. 1 to Dec. 31, 2015	6 months Jun. 26 to Dec. 31, 2014
	US\$	US\$
Europe	5,779,770	3,344,170
Asia	77,960	23,390
Other regions	3,045	900
<b>Fee revenues</b>	<b>5,860,775</b>	<b>3,368,460</b>

While a significant portion of the overall GLEIF fees are from LOUs with a legal seat in Europe, the underlying cash flows of the GLEIF are generated by a very geographically diverse population of LEI registrants. As a result, the GLEIF does not have a material concentration of its cash flows generated in Europe.

3.2 Personnel Expenses

	12 months Jan. 1 to Dec. 31, 2015	6 months Jun. 26 to Dec. 31, 2014
	US\$	US\$
Wages and salaries	1,559,610	162,787
Social contributions and expenses for pension and care	144,354	18,793
<b>Personal expenses</b>	<b>1,703,964</b>	<b>181,580</b>

The personnel expenses consist of the fixed and accrued variable remuneration as well as the bonus accrual for employees employed by the Foundation. Social, pension and care contributions are also included as part of these expenses.

As of year end 2015 GLEIF employed 15 (2014: two) employees. The average headcount for 2015 is nine employees.

In 2015 GLEIF set up a pension plan in Switzerland with AXA Vorsorgestiftung. Based on the plan rules and pension law in Switzerland the plan qualifies as a defined benefit scheme under IFRS. GLEIF recognized pension cost of US\$ 7,200 within personnel expenses and net interest expenses of US\$ 25, and paid employer contributions of US\$ 5,238 to the scheme.

Actuarial losses of US\$ 10,391 from the defined benefit obligation, net of US\$ 566 actuarial gains from the return on plan assets have been recognized as other comprehensive income. The defined benefit obligation amounts to US\$ 28,034 at 31 December 2015, net of the plan assets of US\$ 13,666. A net pension liability of US\$ 14,368 has been recognized in the balance sheet as at 31 December 2015.

The weighted average duration of the obligation is 18.3 years.

For the calculation of the defined benefit obligation a discount rate of 0.8% and a long-term salary increase rate of 1.0% is used.

3.3 Other Operating Expenses

	12 months Jan. 1 to Dec. 31, 2015	6 months Jun. 26 to Dec. 31, 2014
	US\$	US\$
Rental	183,920	0
External contractors	384,177	333,567
Travel and entertainment	534,794	223,373
IT consulting and development	322,313	52,955
IT service and maintenance	103,505	0
Telephone and communication, office expenses	75,675	6,039
Consulting and advice	293,558	358,716
Legal advice	812,381	727,094
Tax advice, accounting and audit	335,733	117,026
Insurance premiums	15,015	5,410
Currency translation losses	260,151	30,040
Board remuneration	50,000	0
Other	23,372	9,203
<b>Other operating expenses</b>	<b>3,394,594</b>	<b>1,863,423</b>

The currency losses result from payment of invoices in foreign currency as well as the translation of monetary balances as at year end 2015.

Operating Leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods is as follows:

	Office building	Employee apartment
	US\$	US\$
Minimum lease payments		
Not later than one year	192,103	13,143
Later than one year and not later than five years	1,262,393	0
Total future minimum lease payments	1,454,496	13,143

In April 2015 GLEIF entered into an operating lease agreement to rent office premises located in Bleichstrasse 59, Frankfurt am Main. The lease period is fixed for five years commencing on November 1, 2015 with the option to renew for a further five years. The option is expected to be exercised 12 months before the end of the initial five-year contract period. The agreement grants a seven-month rent-free period as an incentive to GLEIF. This incentive will be amortised over the initial five-year rental period.

The rent will be increased annually in accordance with the customer price index in Germany, the first change will apply in January 2017.

In July 2015 GLEIF entered into an operating lease agreement to rent an apartment located in Frankfurt am Main. The lease period is unlimited, however it is fixed for one year commencing on August 1, 2015. After the conclusion of the fixed period, GLEIF has an option to terminate the agreement with an advance notice period of two months.

3.4 Other Operating Income

The other operating income mainly consists of currency gains, which result from payment of invoices in foreign currency as well as translation of monetary balances at year end.

3.5 Subsidies and Donations

In 2015 GLEIF received assistance from a government authority of the region of Hessen, Germany ("Hessisches Ministerium für Wirtschaft, Verkehr und Landesentwicklung"). The assistance was limited to a maximum of EUR 250,000. In order to receive the assistance GLEIF was required to incur certain qualifying expenditure. GLEIF complied fully with the terms of the subsidy and in turn received the full amount of EUR 250,000 (US\$ 274,400). GLEIF has not benefited from any other form of government assistance. There are no unfulfilled conditions or other contingencies attaching to government assistance that has been recognized.

The portion of the subsidy attributable to capital expenditures (tangible and intangible fixed assets) has been deferred, and is amortized over the useful life of the related fixed assets. The total cash flow from the subsidy is as follows:

	12 months Jan. 1 to Dec. 31, 2015
	US\$
Subsidy income	206,219
Deferred subsidies	68,181
Cash flow from subsidies	274,400

The donation received in 2014 had been issued by the Alfred P. Sloan Foundation to the Financial Stability Board to fund initial meetings and operations for Directors of GLEIF during the inception period of the Foundation. The funds have been used to reimburse travel costs and third-party expenses for the Board of Directors activities during 2014.

The cash flow of the subsidies and donations is presented within the cash flow from operations.

3.6 Financial Income/Expense

	12 months Jan. 1 to Dec. 31, 2015	6 months Jun. 26 to Dec. 31, 2014
	US\$	US\$
Interest income	0	4
Interest expenses	-481	0
Financial result	-481	4



## 4. Balance Sheets

### 4.1 Receivables from Pre-LOU Fees

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Receivables not yet due	1,971,322	1,763,639
Receivables due but not impaired:		
1–30 days	0	3,021
31–60 days	0	128
more than 60 days	0	47
total due	0	3,196
<b>Receivables from Pre-LOU fees</b>	<b>1,971,322</b>	<b>1,766,835</b>

As of the balance sheet date, there are no indications that the receivables will not be settled.

### 4.2 Current and Non-Current Financial Assets

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Security deposits due within one year	25,170	0
Receivables due from vendors	15,557	0
Other current financial assets	4,022	513
<b>Current financial assets</b>	<b>44,749</b>	<b>513</b>
	2015	2014
	US\$	US\$
Deposit due later than one year office premises	112,556	0
Employee apartments	4,736	0
<b>Non-current financial assets</b>	<b>117,292</b>	<b>0</b>

The balance outstanding as at December 31, 2015 relates mainly to security deposits for the operating lease contracts that the Foundation entered into during 2015.

The outstanding deposits receivable analysis is as follows:

	Dec. 31, 2015
	US\$
Deposits receivable not later than one year	25,170
Deposits receivable later than one year and not later than five years	117,292
<b>Total deposits receivable</b>	<b>142,462</b>

### 4.3 Other Current Assets

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Deductible input VAT Germany Switzerland	255,497 86,593	434 46,663
Reimbursements due (e.g. social security)	7,914	0
Prepaid IT licenses and maintenance	28,304	0
Annual newsletter subscriptions	23,480	13,233
Prepaid insurances	14,973	7,203
Prepaid travel expenses	6,084	6,238
Other prepaid expenses	15,123	8,000
<b>Other current assets</b>	<b>437,968</b>	<b>81,771</b>

4.4 Cash and Cash Equivalents

The position consists of current bank accounts and cash on hand.

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
UBS Group AG	3,627,800	2,216,513
Sparkasse Langen-Seligenstadt	124,482	0
Cash on hand	539	0
Cash and cash equivalents	3,752,821	2,836,050

4.5 Intangible Fixed Assets

The carrying amounts of all intangible fixed assets are as follows:

	Software
	US\$
Cost	16,239
Accumulated amortization	-5,332
Carrying amount as of Dec. 31, 2015	10,907
Reconciliation	
Carrying amount as of Jan. 1, 2015	–
Additions	16,239
Amortization	-5,332
Carrying amount as of Dec. 31, 2015	10,907

All intangible fixed assets stem from external purchases.

4.6 Tangible Fixed Assets

The carrying amount of all tangible fixed assets are as follows:

	Technical and computer equipment	Office equipment	Apartment equipment	Motor vehicles	Finance lease assets	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Cost	307,243	216,217	9,564	70,466	19,657	623,147
Accumulated depreciation	-36,743	-38,245	-6,972	-5,874	-660	-88,494
Carrying amount as of Dec. 31, 2015	270,500	177,972	2,592	64,592	18,997	534,653
Reconciliation						
Carrying amount as of Jan. 1, 2015	–	–	–	–	–	–
Additions	307,243	216,217	9,564	70,466	19,657	623,147
Depreciation	-36,743	-38,245	-6,972	-5,874	-660	-88,494
Carrying amount as of Dec. 31, 2015	270,500	177,972	2,592	64,592	18,997	534,653

The finance lease contract concerns specific computer equipment, the contract terms are disclosed under note 4.9. Legal ownership will not be transferred under these terms.

No asset is pledged as security for liabilities of the Foundation. Nevertheless, in accordance with general purchase conditions in Germany, most vendors will withhold the legal ownership of assets delivered until the purchase price is fully paid.

4.7 Payables to Vendors

**Payables Due within Three Months:** The majority of the current payables to vendors, including accrued payables, are due or will become due within three months after the balance sheet date. Normal payments terms agreed with the vendors range between 7 and 30 days after invoicing.

**Payables Due Later than Three Months:** US\$ 48,598 payables relate to a deferred rent liability which reflects the amortization of an initial seven-month rent-free period over the five-year initial fixed rental period. This accrued liability is split into a long-term portion of US\$ 26,315 and a short-term portion of US\$ 22,283 due between four and twelve months after the balance sheet date, and is recognized with its present value by using an appropriate interest rate for corporate bonds.

4.8 Deferred Revenue

The deferred revenue is accrued in accordance with the outstanding portions of LEI service periods within the GLEIS. See section 2.2 above.

4.9 Financial Liabilities

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Leasing liabilities falling due later than one year and not later than five years	15,070	0
Long term financial liabilities	15,070	0
Leasing liability portion falling due within one year after the balance sheet date	3,745	0
Short-term bank liabilities	6,507	0
Liabilities due to Pre-LOUs	29,260	67,930
Current financial liabilities	39,512	67,930
Total financial liabilities	54,582	67,930

The short-term bank liabilities reflect the balances on the Foundation’s credit card accounts.

**Finance Lease**

In September 2015 GLEIF entered into a finance lease agreement to rent certain items of office equipment. The rental period is five years commencing November 2015. The interest rate has been calculated to approximately 2.02% over the rental period. The rental payments are equal and are payable monthly over the rental period. The ownership of the equipment does not pass to the Foundation at any time during the rental period.

The gross minimum lease payments and the related present values are as follows:

	Present value	Gross amount
	US\$	US\$
Within one year	3,745	4,084
Later than one year and not later than five years	15,070	15,655
Total	18,815	19,739

4.10 Other Payables

	Dec. 31, 2015	Dec. 31, 2014
	US\$	US\$
Wage and church tax payables	86,062	4,654
Social security liabilities	35,344	28,982
Outstanding vacation	52,476	0
Variable salary	169,598	0
Bonuses	163,265	0
Other liabilities due to employees	8,327	36,171
Other	0	681
Other payables	515,072	70,488

The variable remuneration to the GLEIF employees accrued for in 2015 in accordance with the employment contracts. The bonuses to employees are accrued in accordance with Board and management decisions.

The outstanding vacation liability in 2015 reflects the accrued salary and social contribution payments for the respective time.

4.11 Organizational Capital

The Foundation’s initial paid-in Foundation capital in an amount of CHF 50,000 was contributed by the Financial Stability Board, according to Article 7 of the GLEIF Statutes. With consent of the GLEIF Board of Directors, the Financial Stability Board is permitted, but not obliged, to make additional contributions.

The total comprehensive income earned in 2015 will be allocated to the Foundation’s reserves. According to Article 10 of the GLEIF Statutes, any surplus generated by GLEIF is dedicated to pursue the purposes of the Foundation. Any distribution payment to Directors, employees or third parties, other than those made with the consent of the GLEIF Board of Directors and in accordance with the Foundation’s purpose, is not permitted.

The Foundation’s capital does not entitle the Founder to receive distributions, or any repayment of the capital contributed.

According to the Statutes, GLEIF must operate on a not-for-profit basis. In order to ensure the sustainable performance of the Foundation, the GLEIF Board and management believe that a reasonable level of total capital reserve is necessary.



5. Financial Instruments

5.1 Additional Disclosures on Financial Instruments

The following table presents the fair values and carrying amounts of each category of financial assets and financial liabilities:

	Dec. 31, 2015	Dec. 31, 2014
	Carrying amount	Carrying amount
	US\$	US\$
Financial assets measured at cost or amortized cost		
Long-term security deposits	117,292	0
Receivables from Pre-LOU fees	1,971,322	1,766,835
Cash and cash equivalents	3,752,821	2,836,050
Other non-derivative financial assets	44,749	513
	5,886,184	4,603,398
Financial assets measured at cost or amortized cost		
Payables due to vendors	657,175	314,181
Liabilities due to Board Directors	164,268	259,827
Finance due to liability	18,815	0
Liabilities due to banks	6,507	0
Liabilities due to Pre-LOUs	29,260	67,930
	876,025	641,938

All financial assets and liabilities are measured at cost or amortized cost.

The carrying amounts of cash and cash equivalents, Pre-LOU fee and other receivables and vendor payables with a remaining term of up to 12 months, other current financial assets and liabilities represents a reasonable approximation of their fair values, mainly due to the short-term maturities of these instruments. The carrying amount of the long-term security deposit represents a reasonable approximation of its fair value as the current market deposit rates are as low as 0%.

Net losses of financial instruments are US\$ 22,786 for 2015 (2014: US\$ 14,872). The amounts presented consist almost entirely of foreign currency gains and losses from the realization and valuation of the financial assets and liabilities mentioned above.

Total interest income, interest expense and total expenses from financial instruments are:

	12 months Jan. 1 to Dec. 31, 2015	6 months Jun. 26 to Dec. 31, 2014
	US\$	US\$
Total interest income	0	4
Total interest expense 2015	144	0
Total expenses	9,714	9,203

The bank transaction expenses are presented under the operating expenses.

5.2 Financial Risk Management

The Foundation's operating business as well as its intended future investment and financing activities are affected by changes in foreign exchange rates, and interest rates. In order to optimize the allocation of the financial resources, GLEIF identifies, analyzes and manages the associated market risks. The Foundation seeks to manage and control these risks primarily through its regular operating and financing activities.

Foreign Currency Exchange Rate Risk

The intended operating structure of GLEIF exposes the Foundation to foreign currency exchange rate risks, particularly regarding fluctuations between the US dollar and the Swiss franc as well as the euro, in the ordinary course of business. Based on an annual budget and monthly interim statements, the Foundation plans the future financial disbursements in each significant transaction currency to mitigate the risk exposure to unpredicted and unwanted currency exchange earnings.

IFRS 7 requires a presentation of the effects of hypothetical changes of currency relations on surplus and equity using a sensitivity analysis. The changes of currency prices are related to all financial instruments outstanding at the end of the reporting period. To determine the net foreign currency risk the financial instruments are categorized according to their foreign currency, and a 10% increase or decrease is assumed for the transaction currency. The following table shows the effect for the two main foreign transaction currencies:

	Effect on equity	Effect on surplus
	US\$	US\$
10% increase of transaction currency		
Swiss franc	1,000	1,000
Euro	46,000	46,000
	47,000	47,000
10% decrease of transaction currency		
Swiss franc	-1,000	-1,000
Euro	-46,000	-46,000
	-47,000	-47,000

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises whenever interest terms of financial assets and liabilities are different. Due to the short-term structure of a majority of financial assets and liabilities in the balance sheet as of December 31, 2015, the interest rate risk exposure of GLEIF is low.

Liquidity Risk

Liquidity risk results from the Foundation’s potential inability to meet its financial liabilities, in particular for ongoing cash requirements from operating activities.

Due to the quarterly installments agreed in the arrangements with the major Pre-LOUs, and the repeating cash structure of the most important operating expenses, the GLEIF management is able to mitigate liquidity risks.

Default Risk

Credit risk from fee receivables and other financial receivables includes the risk that receivables will be collected late or not at all. These risks are analyzed and monitored by the management. The Foundation mitigates the default risks by assessing the financial strength of a Pre-LOU candidate during the accrediting and monitoring processes. However, default risk cannot be excluded with absolute certainty. The maximum default risk amount is the carrying amount of the financial asset. No collateral or insurance is agreed with regard to the default risk.

6. Other Information and Disclosures

6.1 Related Party Transactions

Related individuals of GLEIF include the Directors of the GLEIF Board, the Chief Executive Officer and the senior management, and the members of the Regulatory Oversight Committee. Related organizations include the Financial Stability Board.

The following table discloses the current and prior-year transactions with related parties, and the payables due December 31, 2015, and December 31, 2014:

	12 months Jan. to Dec. 2015	Dec. 31, 2015	6 months Jun. to Dec. 2014	Dec. 31, 2014
	Expenses	Liabilities	Expenses	Liabilities
	US\$	US\$	US\$	US\$
Board Directors				
Remuneration and bonus	50,000	50,000	243,320	243,320
Travel expense reimbursement	323,033	114,268	193,876	16,507
Key management personnel				
Fixed remuneration	636,852	772	122,933	17,503
Variable remuneration and bonus	275,571	200,413	38,589	38,589
Travel expense reimbursement	110,527	7,614	27,031	18,669
	1,395,983	373,067	625,749	334,588

The Directors did not receive remuneration in 2015 for their services as Directors of the GLEIF Board, with the exception of the reimbursement of their travel costs, and the separate remuneration of the Board Chair for activities exceeding the usual scope of the Foundation which was approved in line with article 19 of the GLEIF Statutes.

The 2015 travel reimbursement expenses and liabilities for the Board Directors include claimed expenses as well as accrued expenses for outstanding reimbursement.

The key management personnel of GLEIF consist of the CEO, the CFO, the Head of Business Operations and the General Counsel.

The expenses for the pension scheme for Swiss employees in the favor of the senior management are US\$ 7,200 (2014: US\$ 8,555).

6.2 Observance of the Requirements of the GLEIF Statutes

The purpose of GLEIF is to act as the operational arm of a global Legal Entity Identifier system, and thereby support on a not-for-profit basis the implementation of a global Legal Entity Identifier in the form of a reference code to identify unique legally distinct entities that engage in financial transactions, as per Article 3 of the GLEIF Statutes. The Board of Directors observed that all expenses and disbursements of GLEIF were made to pursue the purpose of the Foundation, in accordance with Swiss law and the GLEIF Statutes.

6.3 Principal Accountant Fees

Fees related to professional services rendered by the Foundation's independent auditors, Ernst & Young AG, Basel/Switzerland, for fiscal year 2015 are US\$ 42,039 for audit services and US\$ 42,777 for 2014 audit services.

6.4 Subsequent Events

GLEIF is not aware of any significant subsequent event after the balance sheet date that would require disclosure.

7. Board of Directors, Secretary and Chief Executive Officer

The Board of Directors consisted of the following individuals on December 31, 2015:

		Term
<b>Gerardus Hartsink</b> (Chair of the Board)	Hilversum, the Netherlands	3 years
<b>Sergio Chodos</b>	Washington, D.C., United States of America	2 years
<b>Bo Chen</b>	Beijing, China	3 years
<b>Wolfgang König</b>	Gelnhausen, Germany	3 years
<b>Ravi Mathur</b>	Gurgaon, India	3 years
<b>Hiroshi Kawagoe</b>	Tokyo, Japan	2 years
<b>Hyoung-Seok Lim</b>	Seoul, Republic of Korea	2 years
<b>Nabil Al-Mubarak</b>	Riyadh, Saudi Arabia	2 years
<b>Arthur Cousins</b>	Johannesburg, South Africa	2 years
<b>Bruno Schütterle</b>	Bad Ragaz, Switzerland	3 years
<b>Christopher Taggart</b>	London, United Kingdom	3 years
<b>Jefferson Braswell</b>	San Francisco, United States of America	3 years
<b>Robin Doyle</b>	Montclair, United States of America	3 years
<b>Timothy Smucker</b>	North Laureance, United States of America	2 years

All Directors were nominated in December 2013 by the Founder, the Financial Stability Board, and appointed at the inception of the Foundation on June 26, 2014 as per Article 14 of the GLEIF Statutes. The general term of the appointment is two years. For eight Board Directors this term was extended to three years in the Board meeting in December 2014 to initiate a staggered rotation process, as per Article 17 of the GLEIF Statutes. Two Directors of the Board, Howard Edelstein and Ayan Keser, resigned in 2015 in accordance with Article 21 of the Statutes.

For all subsequent Board Directors a nomination procedure shall be coordinated by the Chair of the Board. Irrespective of this procedure the Founder has the right to remove or appoint a Director of the Board based on a recommendation of the ROC, as defined in Article 15 of the GLEIF Statutes.

The Board of Directors appointed Thomas Sprecher, Zurich, Switzerland, as Secretary of the Board on June 26, 2014.

The Chief Executive Officer is Stephan Wolf, residing in Wiesbaden, Germany. He started in his role in October 2014.

Signing authorities have been established as per GLEIF Statute Article 35 "Signatures."

Basel, April 14, 2016



## Report of the Statutory Auditor



Ernst & Young Ltd  
Münchener  
Hauptstadt  
Städtische Bank

Global Legal Entity Identifier Foundation  
Basel  
14. April 2015

To the Board of Directors of

Global Legal Entity Identifier Foundation, Basel

Zürich, 14 April 2015

### Report of the auditor on the financial statements

As auditor and in accordance with your instructions, we have audited the accompanying financial statements of Global Legal Entity Identifier Foundation, which comprise the statement of comprehensive income, balance sheet, cash flow statement, statement of changes in organisational capital and notes for the year ended 31 December 2015.

#### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



2

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS.

Ernst & Young Ltd

*John Allan*  
John Allan

*Armin Imoberdorf*  
Armin Imoberdorf

#### Enclosure

- Financial statements (the statement of comprehensive income, balance sheet, cash flow statement, statement of changes in organisational capital and notes)

Overview of the Directors and CEO

As of December 31, 2015, the Board was comprised of 14 Directors inclusive of the Chairman and appointed by the FSB on a recommendation of the ROC from industry and regulatory organizations who bring their expertise and experience to the GLEIF. Their contributions were instrumental in establishing the GLEIF in 2014.

All Directors of the Board serve the GLEIS on an unpaid basis. They are eligible for reimbursement of reasonable expenses relating to their responsibilities as governed by Article 19 of the Statutes and the GLEIF Board Expense Policy.

The Board adopted a Conflict of Interest Policy that all Board members must comply with and acknowledge on an annual basis.

GLEIF Board Directors	Board of Directors	Committee of Chairs	Audit & Finance Committee	Governance Committee	Master Agreement Committee	Technology & Operations Committee	Joint Promotion Committee
Gerard Hartsink	Chair	Chair					Chair
Sergio Chodos				Chair			
Bo Chen							
Wolfgang König							
Ravi Mathur							
Hiroshi Kawagoe							
Hyoung-Seok Lim							
Nabil Al-Mubarak							
Arthur Cousins							
Bruno Schütterle							
Chris Taggart							
Jefferson Braswell							
Robin Doyle							
Timothy P. Smucker							

Directors of the Board



Director: Gerard Hartsink  
Role: Chair



Director: Jefferson Braswell  
Affiliation: Tahoe Blue Ltd  
Role: Chief Executive Officer & Founding Partner



Director: Robin Doyle  
Affiliation: JPMorgan Chase  
Role: Managing Director – Corporate Regulatory Strategy & Policy



Director: Sergio Chodos  
Affiliation: International Monetary Fund  
Role: Executive Director, IMF



Director: Bo Chen  
Affiliation: China Financial Computerization  
Role: General Manager



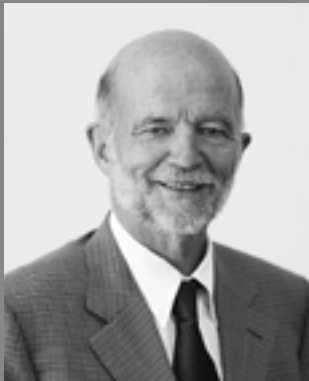
Director: Arthur Cousins  
Affiliation: International Payments Framework  
Role: Chief Executive Officer



Director: Hiroshi Kawagoe  
Affiliation: Sumitomo Bank  
Role: General Manager



Director: Wolfgang König  
Affiliation: Johann Wolfgang Goethe University Frankfurt am Main  
Role: Chair of Business Administration in the Institute for Information Systems



Director: Bruno Schütterle  
Affiliation: Independent  
Role: Independent Consultant



Director: Hyoung-Seok Lim  
Affiliation: Korea Institute of Finance  
Role: Research Fellow



Director: Timothy P. Smucker  
Affiliation: JM Smucker Company  
Role: Chairman of the Board



Director: Nabil Al-Mubarak  
Affiliation: Saudi Credit Bureau  
Role: Chief Executive Officer



Director: Chris Taggart  
Affiliation: OpenCorporates Association  
Role: Co-Founder & Chief Executive Officer



Director: Ravi Mathur  
Affiliation: GS1 India  
Role: Chief Executive Officer



Secretary of the Board: Thomas Sprecher  
Affiliation: Niederer, Kraft & Frey AG  
Role: Partner



Chief Executive Officer



Stephan Wolf  
Chief Executive Officer – GLEIF

Ex Officio Board Members  
Article 16 of the GLEIF Statutes



Matt Reed  
Chairman of the ROC  
Affiliation: Office of Financial  
Research,  
U.S. Treasury, USA  
Role: Chief Legal Counsel

Bertrand Couillault  
Vice Chairman of the ROC  
Affiliation: Banque de France,  
France  
Role: Deputy Director,  
Statistical and IT  
Engineering Division

Jun Mizuguchi  
Vice Chairman of the ROC  
Affiliation: Securities and  
Exchanges Surveillance  
Commission, Financial  
Services Agency, Japan  
Role: Director, Strategy and  
Policy Coordination  
Division

Overview of Professional Advisors

Advisor	Country of Origin	Type of Service
Niederer, Kraft & Frey AG	Switzerland	Legal Services Board Secretary
CMS von Erlach Poncet Ltd.	Switzerland	Legal Services Trademark LOU Contracts
WP StB Christian Hecht	Germany	Accounting & Tax Services
Format A AG	Switzerland	Invoicing Tax Services Payroll
Ernst & Young Ltd (EY)	Switzerland	Statutory Audit
Spencer Stuart	US, UK, Germany	CEO Search

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Swiss Federal Supervisory Authority  
for Foundations, Bern

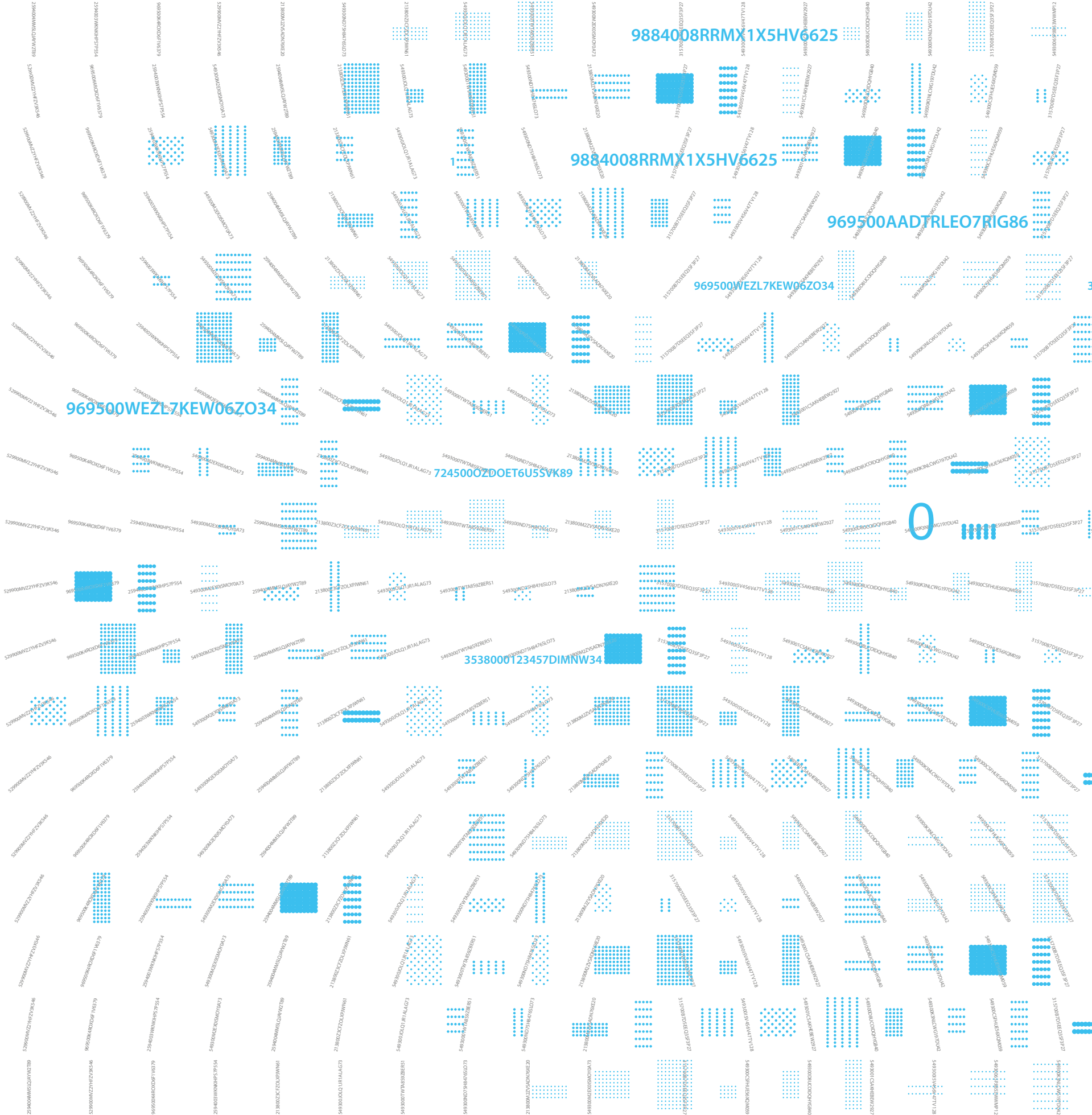
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