



GLEIF

Simplifying
Global Legal Entity
Identification
in the Digital Age

Global Legal Entity Identifier Foundation Annual Report 2019

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GLEIF simplifies global legal entity identification in the digital age.

Basel-Stadt, Switzerland,
domicile of GLEIF

Get to Know GLEIF

Established by the Financial Stability Board (FSB) in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI). GLEIF is headquartered in Basel, Switzerland.

GLEIF services ensure the operational integrity of the Global LEI System. GLEIF also makes available the technical infrastructure to provide, via an open data license, access to the full global LEI repository free of charge to users.

The organization is overseen by the LEI Regulatory Oversight Committee (LEI ROC), which is made up of representatives of public authorities from across the globe. The responsibility for governance lies with the GLEIF Board of Directors, which is comprised of 18 independent directors.

GLEIF operates the Global LEI System in conjunction with LEI issuing organizations, which were established to verify business information, such as an entity's ownership structure.

Only organizations accredited by GLEIF can issue LEIs.

GLEIF

Simplifying
Global Legal Entity
Identification
in the Digital Age

GLEIF

- Endorsed by the G20
- Governance: oversight by regulators
- Not-for-profit with no commercial agenda
- Global and local expertise
- Leader in entity identification

GLEIF believes in the power of the LEI as a global standard to enable trusted legal entity identification, responding to the needs of the digital age.

Get to Know GLEIF

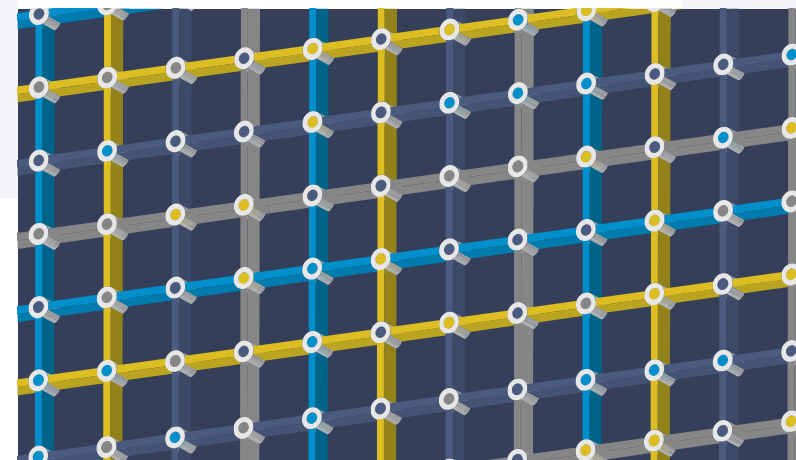
GLEIF enables smarter, less costly and more reliable decisions about who to do business with.

GLEIF does this by supporting the implementation of the LEI and by making available the Global LEI Index. This is the only global online source that provides open, standardized and high-quality legal entity reference data. The Global LEI Index contains historical and current LEI records including related reference data in one authoritative, central repository. The reference data represents the information on a legal entity identifiable with an LEI.

The Global LEI Index brings efficiency, transparency and trust to legal entity identification. Backed by the LEI Regulatory Oversight Committee (LEI ROC), it is the only online source with the potential to capture any entity engaging in financial transactions globally, regardless of who generates these transactions. In partnership with the LEI issuing organizations, GLEIF provides in-depth knowledge of local markets and can be relied on to make the correct information available year after year.

Any interested party can access and search the complete LEI data pool free of charge and without the need to register.

The Global LEI Index is of direct benefit to participants of the global business community, including data suppliers and their customers, software providers, vendors and fintech organizations. It removes efforts associated with the maintenance of entity reference data and empowers market participants to cut costs, simplify and accelerate operations, and gain a deeper insight into the global marketplace.



Global LEI Index:

A free global directory to promote transparency

Global LEI Index

- Adheres to Open Data Charter
- Free of charge access with no registration required
- Accurate, up-to-date reference and ownership data
- High data quality, validated and verified
- Data file downloads, API access
- Maps to other identifiers

Get to Know GLEIF

Vision

GLEIF believes that each business worldwide should have only one global identity, which can support participation in an increasingly digital economy. LEIs can realize this objective.

GLEIF is on a journey to increase the rate of LEI adoption so, in the future, the Global LEI Index will capture an increasing number of entities engaging in financial transactions globally, providing a 360-degree view.

Mission

GLEIF's mission is to provide trusted services and open, reliable data for unique legal entity identification worldwide. It does this by managing a network of partners, known as the LEI issuing organizations, ensuring the integrity of the Global LEI System.

GLEIF promotes broad LEI adoption in the private sector to generate significant advantages for the wider business community.

Legal Entity Identifier: A Global ID for businesses

The LEI is a 20-character, alphanumeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The LEI uniquely identifies legal entities that engage in financial transactions, thereby helping to create greater transparency in the marketplace. Each LEI contains information about an entity's ownership structure, answering the questions of "who is who" and "who owns whom". It provides a universally recognized identifier paired with essential entity data, rigorous verification processes and high data quality. The LEI is a reporting requirement for several market regulatory organizations globally.

One global identity for every business

LEI is the linchpin that connects the dots across the universe of entity identification.



LEI

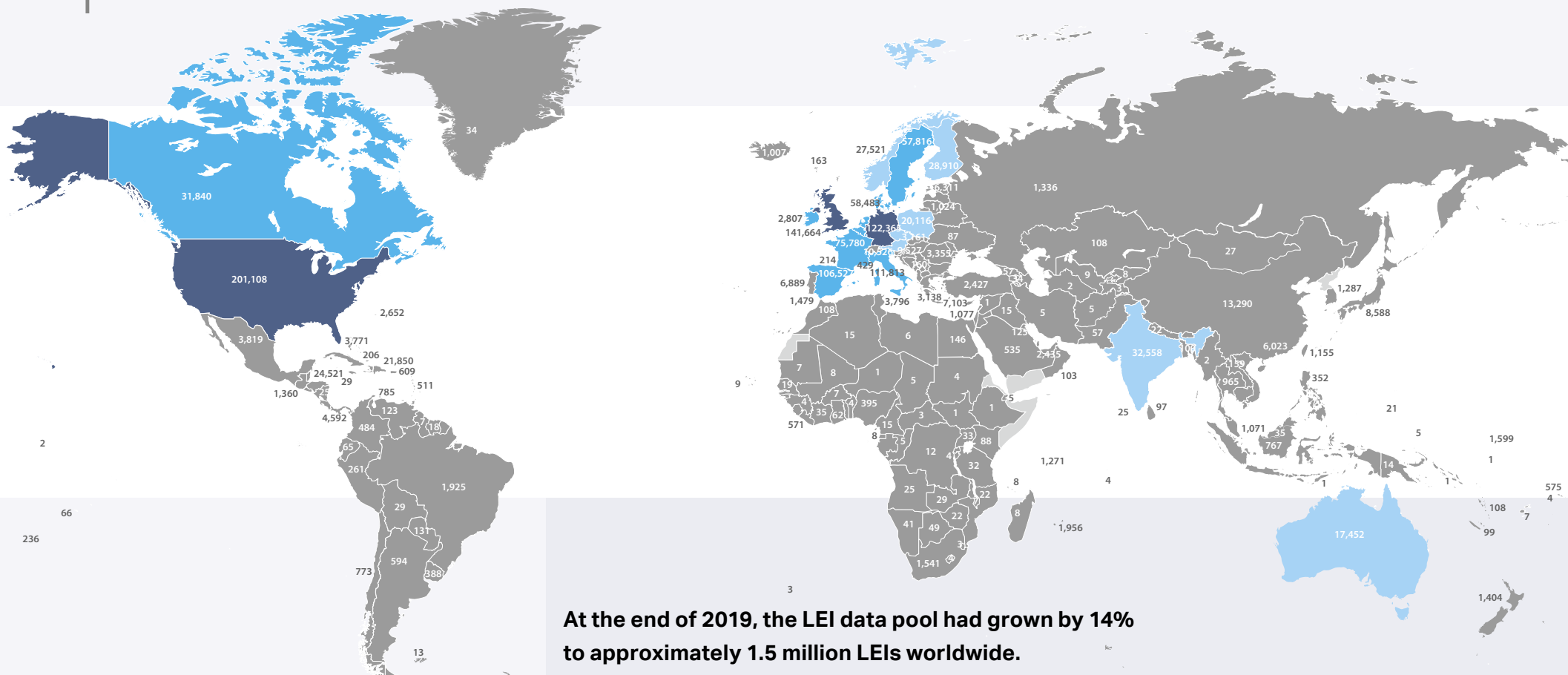
- Unique to each organization
- Global ISO standard
- Broad public good for use in the public and private sectors
- Robust data quality management
- Provides transparency in financial transactions

LEIs Worldwide

Stable growth of the Global LEI System



Backed by a strong governance system, GLEIF enables trusted global identification of legal entities in an increasingly digital world, through the Global LEI System.



This map shows the total number of active LEIs by jurisdiction in the Global LEI System on 31 December 2019.

At the end of 2019, the LEI data pool had grown by 14% to approximately 1.5 million LEIs worldwide.

This translates to the Global LEI Index containing accurate and up-to-date reference and ownership data on approximately 1.5 million companies and organizations in over 250 countries and territories worldwide.

Visit the GLEIF website to access information on the number of LEIs issued by country <https://www.gleif.org/en/lei-data/global-lei-index/lei-statistics/>

2019 Highlights

GLEIF in numbers

~1.5 million

legal entities with an LEI worldwide

+14%

growth of LEI
data pool

250+

countries and
territories*
with LEI service
availability

34

accredited
LEI issuing
organizations
ensure data is
verified and
accurate

>99%

LEI data quality
score

29

GLEIF responses
to public
consultations

42

staff members
from

21

countries

410

data quality
reports issued

3,110

data challenges
managed

+17%

growth of
relationship data

**14.5
million**

revenue

2,109

service desk
inquiries
managed

~1,500

daily file downloads
(golden copy and
concatenated file)

1,744

processed
requests
in data quality

*Based on the ISO 3166-2
standard for country codes.

2019 Highlights

GLEIF's core services

8

NEW

Certification of LEI Mapping Service

Provides users with accurate cross-referencing of key entity identifiers, free of charge.

- BIC-to-LEI mapping
- ISIN-to-LEI mapping

LEI Business Statistics

Access to key facts and figures on the global LEI population.

LEI Look-up API

Provides users with faster, customized and automated access to the legal entity identifier data pool in real time.

Accreditation Certification Service

Ensuring quality and performance standards for LEI services.

Golden Copy File

Data users obtain frequently updated information on LEIs and related reference data in a ready-to-use format.

Free Level 2 Ownership Data: "Who Owns Whom"

Users have access to the only free global ownership data source connecting the corporate dots based on open, standardized and high-quality LEI data.

NEW

LEI Search 2.0

Enhanced functionality enables identification of corporate ownership structures and pinpoints other identifiers that are mapped to an LEI.

Data Quality Management Program

Monitoring and ensuring high-quality data for users.

Regulatory Use of the LEI Worldwide

Providing an overview of regulatory activities globally, including the use of the LEI.

Annual Accreditation Verification

Process of re-verification of the LEI issuing organization's compliance with expected internal controls within its LEI operations.

Global Registration Authority List

Reference to over 700 (business) registers. Users of the LEI data can identify the authoritative source associated with a legal entity, thus making the LEI data more reliable and usable.

NEW

First Entity Legal Forms Code List

Enhanced to over 2,100 entity legal forms and 90 jurisdictions: richer data provides an improved user experience and more global marketplace insight.

Chairman's Statement

Dear Stakeholder,

Six years ago, our journey began when I was appointed Chairman of GLEIF's Board of Directors by the Financial Stability Board (FSB). We started with little and we have achieved a lot with our partners to be proud of, particularly in a changing regulatory and technological environment. Today, the LEI is a recognized global standard for business processes and for reporting purposes in many jurisdictions. Guided by the mandate of our Foundation to implement the LEI as a broad public good, our users benefit from a rich data repository. Our GLEIF services span across 250 countries and territories. Over that period, GLEIF has been transformed into a strong and agile organization. Our governance and oversight are solid and unique. LEI use cases for market participants and for public agencies are many and varied, including for new technologies such as blockchain.

GLEIF continued to develop the areas highlighted in our strategy, namely developing tangible LEI use cases for the financial sector, the digital economy and the supply chain. I welcome GLEIF's increased engagement with stakeholders across industries and with users of the public sector.

I would like to highlight three milestones GLEIF and our partners accomplished during 2019.

A breakthrough for market participants is definitely the new ISIN-to-LEI mapping. GLEIF and ANNA (Association of National Numbering Agencies) joined forces to link both their ISO standards in a certified mapping



Gerard Hartsink

service, thus providing investors and other users with a clear view of the securities exposure of a given issuer and its related entities, and this service is provided free of charge.

In 2019, our Board of Directors approved the GLEIS 2.0 project to help banks to reduce costs and respond to KYC challenges associated with their business processes. This is an opportunity to use the LEI holistically as a tool to support many bank functions, such as data aggregation for risk management, client onboarding, compliance needs, banks' correspondent bank relations and cash management services for their clients, to name just a few. GLEIS 2.0 is not only focused on the use of the LEI by the financial industry, but by all businesses to help achieve the further digitalization of processes in the global supply chain. I expect to see these developments bear fruits in the coming years.

The Global LEI System peer review, published in May 2019 by our founder, the FSB, took stock of the implementation of the LEI in the aftermath of the global financial crisis. Today, over 100 rules refer to the use of the LEI. The FSB mentioned that more needs to be done.

"Financial institutions are well aware of the potential cost savings associated with a universal identification system."

— Gerard Hartsink, Chairman of the Board of Directors

This encourages us, in cooperation with other stakeholders in the global business community, to step up efforts to increase global LEI adoption in order to meet the G20's objectives and GLEIF's mandate to develop and maintain the Global LEI System.

I am pleased to see much support for LEI adoption in the payment industry. The migration to ISO 20022 of some RTG systems and several payment schemes provides the right opportunity for the industry to include the LEI into end-to-end payment messages supported by infrastructures in a low-cost and efficient manner in order to manage the KYC challenges better and for payment reconciliation purposes.

The industry faces shifting regulatory requirements in a global economy. Firms are migrating to increasingly digitalized business processes. This requires a stronger global system for the identification of trading partners. The LEI is a promising candidate because it is a high-quality identifier for legal entities, provided free of charge to any user, without any requirement to register.

The LEI helps not only to connect the B2B businesses and the B2G reporting to public agencies but will also create value for the costumers for their purchases (C2B) via web merchants over time. In a data-driven economy everyone needs standards to rely on. The future is in the hands of those who manage and use their data in the best way.

This is much easier with a standard that is open, governed and quality-assured, making it suitable for any cross-border activity in a global economy. The Global LEI System provides trust in entity identification that we need more and more nowadays.

As Chairman, I would like to thank my fellow Directors who retired in 2019, Bo Chen, Ravi Mathur, Bruno Schütterle and Christopher Taggart and my fellow Directors who will retire in 2020, Nabil Al-Mubarak, Jefferson Braswell, Robin Doyle and Wolfgang König, who have all been members of our Board of Directors since the establishment of GLEIF in June 2014, for their stewardship of the organization over the last six years. We should be proud of managing the transition well for the Board of Directors including my own succession.

Throughout my time serving on our Board of Directors, I was always enthused by the passion and dedication of our organization's people and stakeholders. I want to thank my fellow Board Members for many years of working together as well as the CEO, LEI ROC members, LEI issuer managers and the GLEIF staff who collectively make GLEIF the unique organization it is today. We create a strong Global LEI System by working together to jointly achieve the objectives of the Foundation – making the LEI a broad public good for the benefit of any user.

Thank you for your trust and commitment over the past years and all the best for the future.



Gerard Hartsink

Chairman of the Board of Directors

CEO's Statement

Important advances were made by GLEIF in 2019. With the continued growth of the Global LEI System and increasing LEI issuance volumes, our priority last year was ensuring the stability of operations and service provision. To support this, significant emphasis was placed by GLEIF on improving data quality and strengthening data management processes. Furthermore, the organization invested heavily in the pursuit of best practice within every aspect of the GLEIF service management framework. I'm pleased to acknowledge organizational success on these fronts.

Celebrating data quality enhancements and stability

GLEIF recognizes that LEI data accuracy is critical to users. As a result, we prioritize the provision of high-quality reference data within the Global LEI Index. Last year, together with the LEI issuing organizations, we focused on developing better technology to support this commitment. GLEIF additionally implemented a number of successful initiatives to enhance the overall quality of data in the Global LEI System. We will maintain our focus on data quality control to fully align with both market priorities and GLEIF's dedication to pursuing excellence in this area.

GLEIF also achieved the ISO 20000 certification in 2019, covering operational stability and service management. Realizing this level of certification took four years of preparation and involved GLEIF's processes, services, people and operations being successfully audited. I offer sincere thanks and heartfelt congratulations to all GLEIF colleagues for the commitment and professionalism demonstrated to earn this recognition. This showcases GLEIF's dedication to the highest quality of service provision.



Stephan Wolf

Championing further LEI adoption

With this operational stability, GLEIF has set a strong foundation from which to foster further adoption of the LEI. Regulatory requirements within capital markets globally helped to push the volume of LEIs issued to 1.5 million by the end of 2019, yet issuance on these terms is now reaching maturity. To materialize universal benefits of LEIs among all participants of the digital economy, LEI volumes must continue to increase substantially. The value of the LEI grows as LEI usage becomes more ubiquitous. Voluntary adoption is now critical if we are to collectively welcome the economic benefits that mass LEI issuance can deliver.

Last year, this important driver led GLEIF to begin testing ideas for reshaping the Global LEI System to support wider voluntary LEI adoption across the private sector. We entered into dialogue with industry on this subject at the GLEIF Forum in Washington D.C. in October and found strong advocacy for voluntary adoption and the benefits LEIs can deliver beyond existing regulatory requirements. We also published a joint report with McKinsey & Company which revealed the potential for compelling efficiencies for the global banking sector if LEI usage is more widespread across customer management lifecycle use cases.

CEO's Statement

LEIs: Supporting digital transformation of the global economy

As the world in which we live and work becomes increasingly digital, the LEI offers a compelling and unique value proposition: LEI usage delivers enhanced trust while enabling digital identification management processes. Digitalization of the economy requires more integrated, streamlined workflows for identity management than we've ever seen before. It is forcing existing workflows to be scrutinized, taken apart and put back together in a more digitally coherent way – this offers vast opportunities for the LEI to be embedded into digital identity schemes.

GLEIF advanced two concrete use cases in 2019 to show how LEIs can be used innovatively in emerging technologies to support the evolution of a trusted digital identity ecosystem.

In May 2019, in partnership with XBRL.org, we pioneered the inclusion of LEIs in machine-readable (iXBRL) financial reports with the publication of our 2018 annual report – a move we have repeated for a second time with this 2019 annual report. This automatically links the filing entity to its verified LEI reference data held within the Global LEI Index. Additionally, we embedded GLEIF's LEI within the digital certificates of GLEIF's signing executive officers, allowing the role of the signatory to be linked to an organization for the first time to verify that the filed document and the signatories represent the same organization. This development has been highly regarded by the market and sets a precedent for all other entities with electronic financial reporting responsibilities in the future.

Closely linked to this, we've also been working on proof-of-concepts using distributed ledger technology to demonstrate how LEIs can help identity verification of entities with LEIs, and natural persons acting

in an official capacity on behalf of an entity with an LEI. By integrating LEIs into digital Verifiable Credentials (VCs) used for automated and decentralized issuance and verification of these parties, identity can be proven with the LEI and cryptographically recorded on a distributed ledger (blockchain) so that the proof is both immutable and secure. We look forward to further advancing this work with proof-of-concept partners in 2020. By carrying out this work, we aim to extend the value of the LEI beyond answering the important questions of "who is who" and "who owns whom", to additionally answer "who represents whom". This could be a vital step in the LEI enabling transformation within the future digital economy.

Without the passion of our people and the continuous engagement of our stakeholders we would not be here where we are today. I want to thank our outgoing Chairman, Gerard Hartsink, who steps down in June 2020, for his support and guidance over the last six years. Under his leadership, GLEIF has been transformed into a much stronger and more visible organization across various industries and sectors. I also want to thank our outgoing Directors Robin Doyle, Jefferson Braswell, Wolfgang König and Nabil Al-Mubarak for their support and trust over the past six years. In particular, I would like to thank the LEI issuers for their contribution and commitment to continuous improvement. I am also grateful to the Board of Directors and the LEI ROC for their guidance and trust.



Stephan Wolf

CEO GLEIF

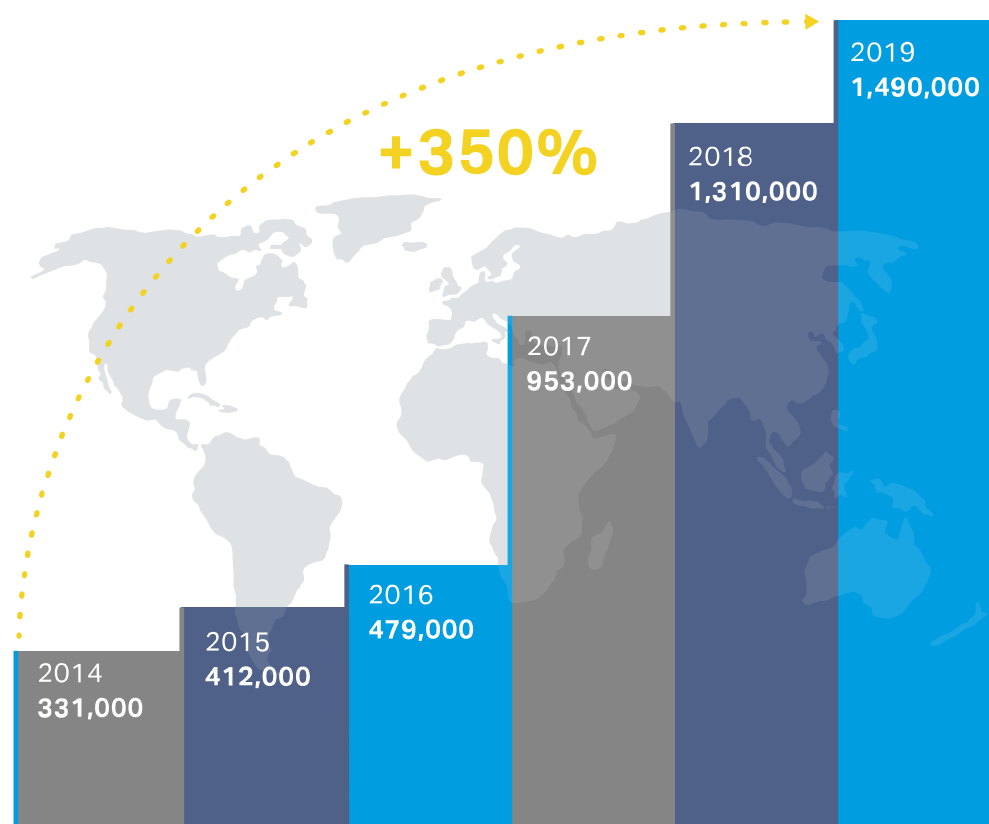
Performance



Growth of LEI data volume

Meeting targets: At the end of 2019, the LEI data pool grew to approximately 1.5 million LEIs worldwide.

Since GLEIF was established in 2014, the LEI data pool has increased by 350%. This is expected to increase further as a growing number of public and private sector organizations recognize the value of the LEI as a trusted global standard.



Accepted as standard for global use, the LEI has become a reporting requirement for several market regulatory organizations.

In many jurisdictions around the globe, public authorities rely on the LEI to improve the accuracy of financial data and evaluate risk to prevent market abuse. It is the prerogative of the authorities acting in individual jurisdictions to mandate the use of LEIs.

In 2019, LEIs were mandated by regulation in capital and money markets, especially for counterparty identification. As an example, Turkey mandated LEIs for securities issuers as part of the ISIN-to-LEI mapping project. In China, credit rating agencies are required to report LEIs with their company registration and in India, LEIs are required for companies' participation in non-derivative markets with a net worth between US\$ 28 million and US\$ 141 million and more.

GLEIF closely monitors initiatives which are relevant to legal entity identification in regulatory reporting and supervision.

Financial Stability Board's commitment to the wider use of the LEI globally

On 28 May 2019, the Financial Stability Board (FSB) published the Thematic Review on Implementation of the Legal Entity Identifier Peer Review Report. The FSB expresses a continued commitment to the wider use of the LEI globally and formulated recommendations on how to accomplish the G20's objective for broader LEI adoption. The FSB recommendations have a direct or indirect impact on several functions of central banks.

Creating transparency in financial markets

Voices from the public sector #LEI for regulatory reporting

"Adoption of global best practices to improve market integrity is another important aspect of regulation. In the last couple of years, the Legal Entity Identifier (LEI) system has been implemented in a phased manner in all financial markets, including derivative markets regulated by the Reserve Bank, as well as for bank loans. We believe transparency of financial markets will greatly improve once the LEI system is used widely."

**— Shaktikanta Das, Governor,
Reserve Bank of India**

"In today's financial and business worlds, the LEI can strengthen institutions for more competitive and reliable markets. Unlike other tools aimed at ameliorating tensions between trustworthiness and market breadth, the LEI is both comparatively simple and comparatively cheap. In fact, its simplicity makes it easy to overlook from a regulatory and even business perspective."

**— Dino Falaschetti, Director,
Office of Financial Research,
United States Department
of the Treasury**

(Speech at GLEIF Forum on "Accelerating into a Digital Future: Simplifying Entity Identification for the Digital Age", 24 October, 2019)

"(...) we will continue to champion the Legal Entity Identifier (LEI) as a globally recognised and unique identifier for all businesses. The global LEI system contributes to many financial stability objectives such as improved risk management in firms, better assessment of micro and macro prudential risks, facilitation of orderly resolution, and enables higher quality and accuracy of financial data overall.

In addition to financial stability benefits, LEIs provide valuable data and support anti-money laundering and combating the financing of terrorism efforts. They could, if linked to portable credit files, improve access to the domestic and global financial system, support greater choice and competition for business finance. The LEI could also act as the unique identifier for a digital ID, which could help the two-step verification process required for a more secure system. For all these reasons, the Bank is supporting the specific recommendation on the use of LEI in payment messages made by the Financial Stability Board in its May 2019 report on LEI implementation."

**— Victoria Cleland, Executive Director,
Bank of England**

(Speech at SIBOS, Banking, Payments & Innovation, London, 24 September, 2019)

GLEIF Strategy

Working together to achieve trusted global entity identification



LEIs for Capital and Money Markets

LEIs are used in capital and money markets globally, where many regulatory organizations have mandated their use for reporting over-the-counter derivatives transactions. Today there are over 100 rules and regulations referring to the LEI in capital and money markets such as in securities reporting and credit reporting.



LEIs for Banking

LEIs are already used by many financial institutions worldwide to meet compliance requirements. Research conducted by McKinsey & Company on behalf of GLEIF in 2019, however, makes it clear that the ability of LEIs to simplify entity identification in the digital age has the potential to unlock substantially more quantifiable value for banks in the near to mid-term.

To realize this value, banks could use LEIs to support all stages of client lifecycle management, not just in capital markets but across all banking business lines, such as trade financing, corporate banking and payments.

LEI benefits are based on network effects. The more firms and public organizations use LEIs, the more valuable the use of LEIs becomes for organizations, both in the public and private sectors.

LEI creates interconnectedness of different ecosystems.

GLEIF's collective strategy encourages LEI adoption in the following areas:

- **Capital and Money Markets**
- **Banking Sector**
- **Supply Chain**
- **Digital Economy**

GLEIF Strategy

Working together to achieve global entity identification



LEIs for Supply Chain

Supply chains are increasingly complex, impacted by global regulation and an evolving digital landscape. Strong identification management processes are required to provide businesses and the broader public with a means to verify trading partners. As a high-quality identifier for legal entities, which is provided free of charge and with no need to register for any user, the LEI has enormous relevance in supply chain use cases.

By displaying LEI details on the payment page of their website, merchants can facilitate the Know Your Supplier requirements of customers. All businesses within the supply chain could reduce operational risk by using the LEI of trading partners to reduce the onboarding and maintenance costs of customers and suppliers.



LEIs for Digital Economy

The LEI is already delivering value in simplifying entity identification management in a global economy which is transforming through digitalization. Yet the LEI also has a vital role to play in enabling that transformation.

The world of work has been revolutionized by technology. The automation and digitization of many manual processes within and across organizations has led to considerable time and cost savings. In a globalized digital economy, a few clear challenges emerge. One of which is verifying the identity of customers, partners and suppliers which remains a time-consuming and costly process. The LEI offers a solution for trusted entity verification within emerging technologies including solutions based on digital certificates and blockchain technology.

"The broad adoption of the LEI will improve the transparency and compliance of the financial supply chain."

**— Olivier Paul, Director,
Finance for Development,
International Chamber of Commerce (ICC)**

Performance

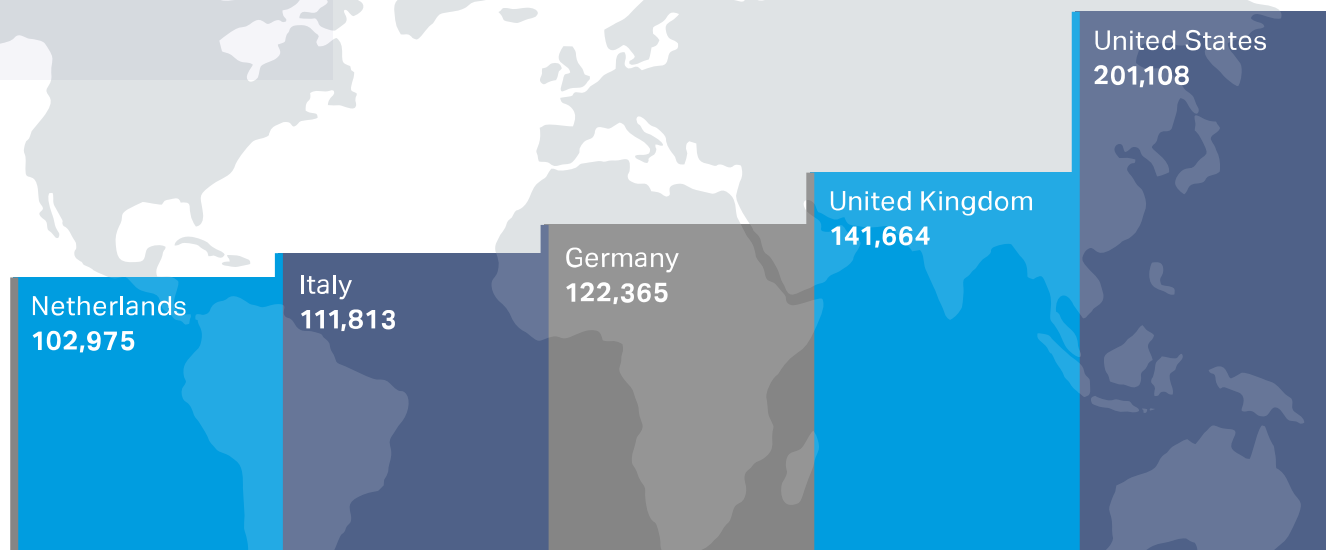


Facts and figures

Top 5 jurisdictions in LEI issuance

as of December 31, 2019

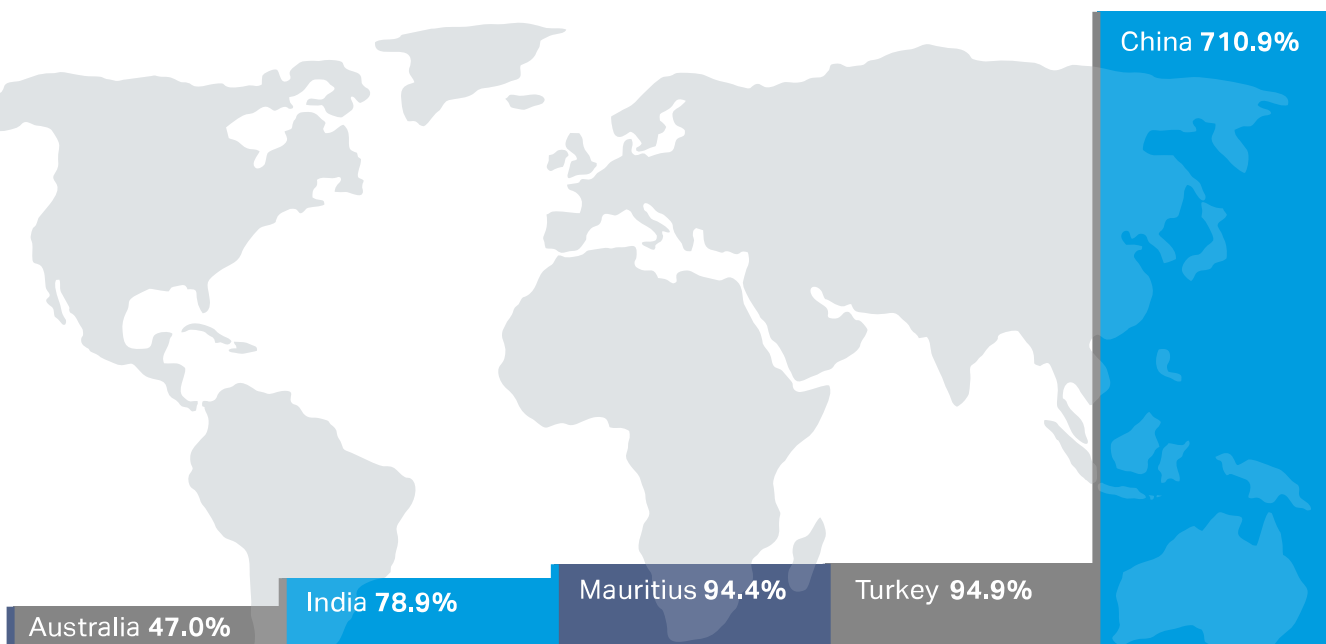
In 2019, the highest number of organizations with an LEI were in the United States and in jurisdictions in Europe.



Top 5 jurisdictions in growth of LEI issuance

as of December 31, 2019

In 2019, China saw a rise of 711% due to new regulatory initiatives, including new measures for credit rating agencies to submit their LEI within 30 days of approved registration.



Performance



Facts and figures

Competition in the Global LEI System

GLEIF evaluates the level of competition between LEI issuers operating in a jurisdiction. It is measured by the concentration score. The lower the concentration score, the stronger the competition in a jurisdiction.

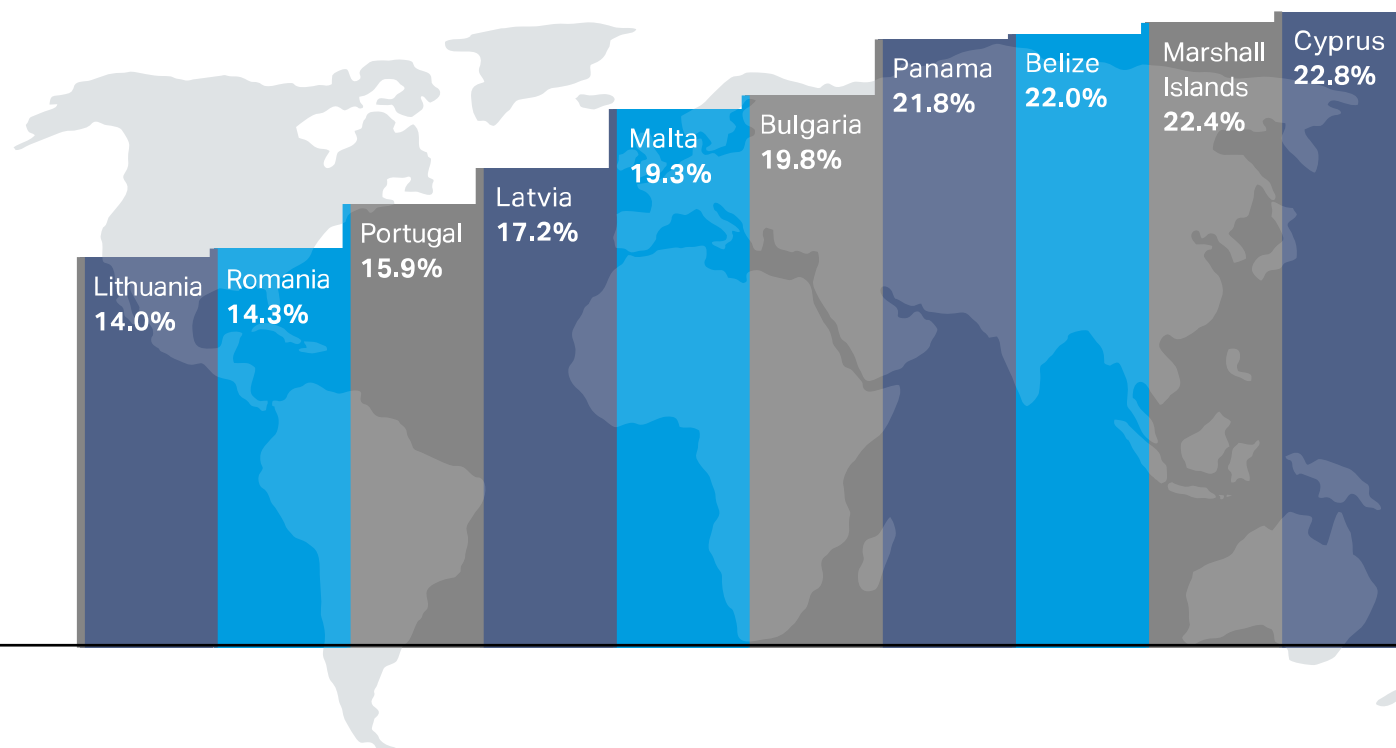
The chart below identifies the top 10 most competitive markets of LEI issuers with more than 1,000 LEIs at the end of 2019.

In 2019, many markets exhibited increasing competition among LEI issuing organizations. In particular, Austria, Australia, Canada, India, the Scandinavian countries (Sweden, Norway and Denmark) and the United States have shown more equal market shares among LEI issuing organizations operating in these jurisdictions.

Top 10 most competitive jurisdictions

as of December 31, 2019

Concentration scores of jurisdictions.
Most competitive (least concentrated)
markets from left to right.



Performance



Robustness of the Global LEI System

The role of the LEI issuing organizations

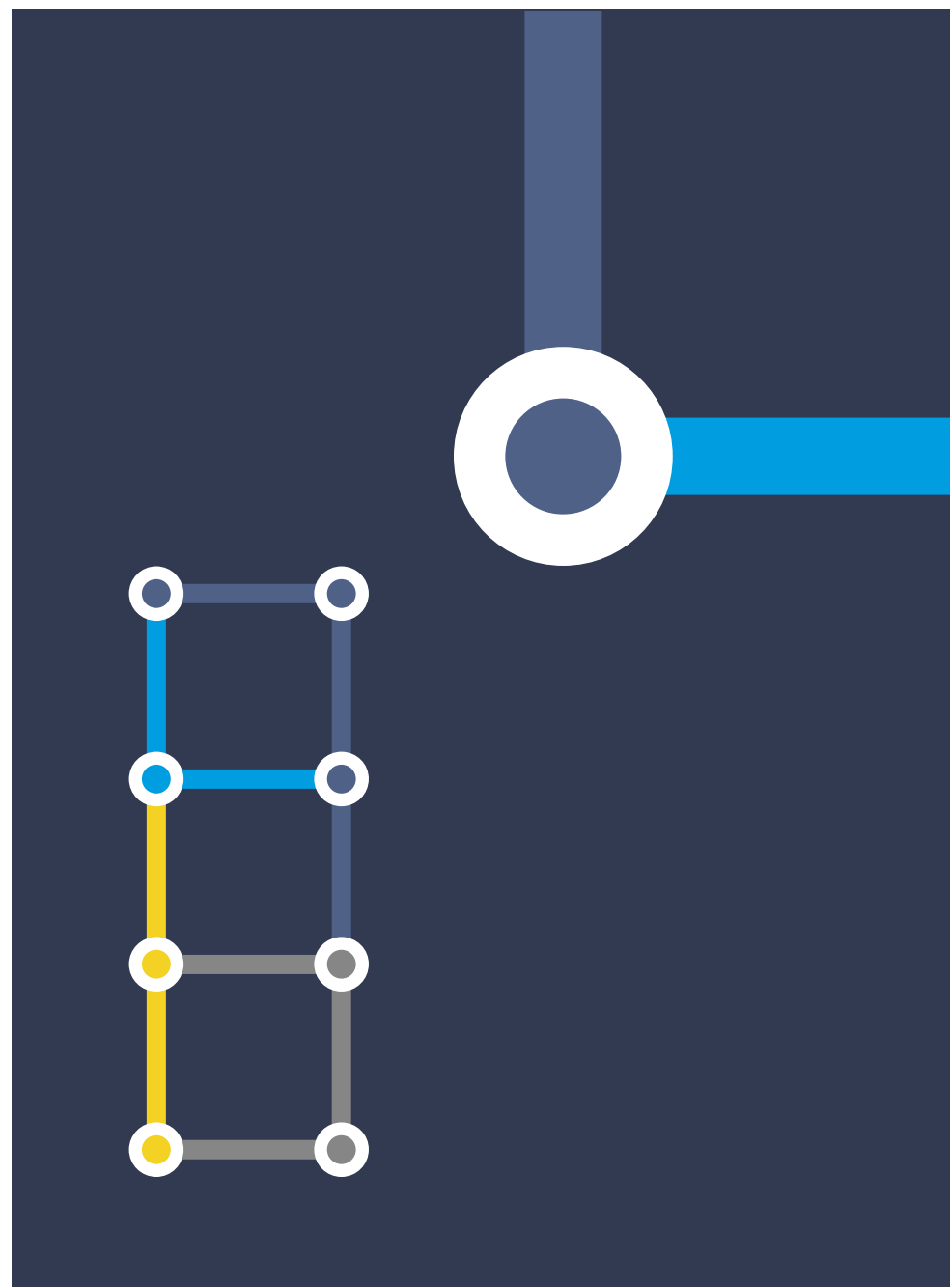
LEI issuers – also referred to as Local Operating Units (LOUs) – supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI. Only organizations duly accredited by GLEIF are authorized to issue LEIs. Accreditation is the process by which GLEIF evaluates the suitability of organizations seeking to operate within the Global LEI System as LEI issuers. At the end of 2019, GLEIF oversaw 34 LEI issuing organizations globally.

Accreditation ensures operational excellence

Becoming a member of the Global LEI System via GLEIF accreditation is a globally recognized designation of commitment to data quality and customer service. GLEIF focuses on further optimizing the quality, reliability and usability of LEI data, thus empowering market participants to benefit from the wealth of information available within the LEI population. GLEIF makes available monthly data quality reports specifying the overall level of data quality achieved in the Global LEI System as well as the data quality of individual LEI issuing organizations.

Annual Accreditation Verification program

The Annual Accreditation Verification program is a key component of GLEIF's oversight function and provides for a 360-degree review of LEI issuers' operational performance and financial health. Through this process, GLEIF ensures LEI issuers comply with the expected internal controls necessary to protect the integrity of the LEI reference data.



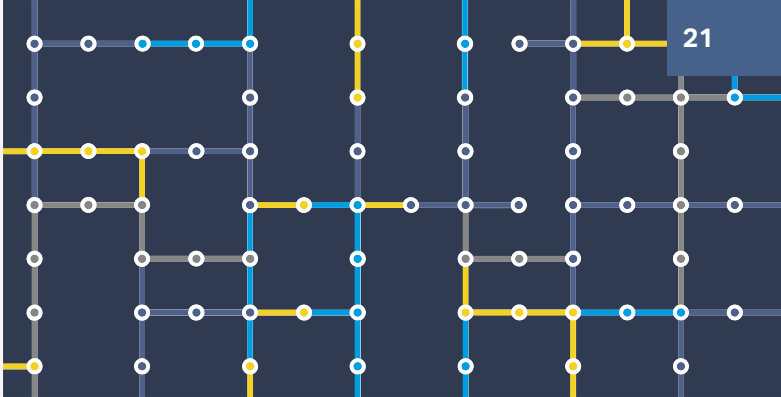
Growth of LEI volume per LEI issuer 2018–2019



The chart shows the growth of the number of LEIs issued by LEI issuer from 2018 to 2019.

	LEI Dec. 31, 2019	LEI Dec. 31, 2018
Business Entity Data B.V. (GMEI Utility a service of BED B.V.)	434,954	408,933
London Stock Exchange LEI Limited (London Stock Exchange)	169,895	162,829
Herausgebergemeinschaft WERTPAPIER-MITTEILUNGEN Keppler, Lehmann GmbH & Co.KG (WM Datenservice)	134,337	126,948
InfoCamere SCpA, Societa' Consortile di Informatica delle Camere di Commercio Italiane per Azioni (InfoCamere)	104,520	92,712
Colegio de Registradores de la Propiedad, Mercantiles y Bienes Muebles de España (CORPME)	99,382	87,660
Kamer van Koophandel (KvK; Netherlands Chamber of Commerce)	96,632	91,566
Bloomberg Finance L.P. (Bloomberg)	90,927	63,205
Institut national de la statistique et des études économiques (Insee)	67,559	60,663
EQS Group AG (EQS)	49,945	33,554
Bundesanzeiger Verlag GmbH (Bundesanzeiger Verlag)	41,104	36,333
GS1 AISBL	32,328	27,929
Patentti- ja Rekisterihallitus (Finnish Patent and Registration Office (PRH))	26,724	23,447
Legal Entity Identifier India Limited (LEIL)	24,159	15,238
Ubisecure Oy	23,331	2,575
Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)	18,931	15,992
Centrální depozitář cenných papírů a.s. (CSD Prague)	16,550	14,661
China Financial Standardization Technical Committee	13,354	1,419
The Irish Stock Exchange Plc (Irish Stock Exchange)	9,739	8,869
LuxCSD S.A (LuxCSD)	7,974	7,308
Tokyo Stock Exchange, Inc. (Japan Exchange Group/Tokyo Stock Exchange (JPX/TSE))	7,353	6,973
Office fédéral de la statistique (Federal Statistical Office)	6,771	5,987
KDD - Centralna klirinško depotna družba d.d. (Central Securities Clearing Corporation, Slovenia)	4,120	3,528
İstanbul Takas ve Saklama Bankası Anonim Şirketi (Takasbank)	2,123	960
Centrálny depozitár cenných papierov SR, a.s. (CSD Slovakia)	1,911	1,561
Asociación Mexicana de Estándares para el Comercio Electrónico A.C. (GS1 Mexico)	1,659	1,277
National Settlement Depository, Russia	1,125	1,082
Zagrebačka burza d.d. (Zagreb Stock Exchange, ZSE)	1,099	984
Korea Securities Depository (KSD)	877	651
Depozitarul Central SA (Romania)	627	10
Strate (Pty) Ltd (Strate)	564	396
Saudi Credit Bureau (SACB / Moa'rif)	470	320
Central Securities Clearing System Plc (CSCS Nigeria)	302	265
AJPES	112	51

LEI issuance by LEI issuer in 2019

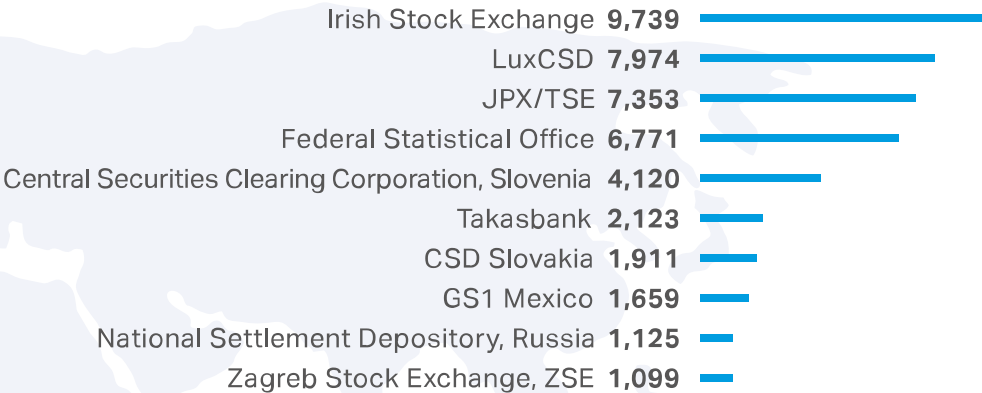


The chart shows the accumulated number of LEIs issued by LEI issuing organizations in the Global LEI System at the end of 2019.

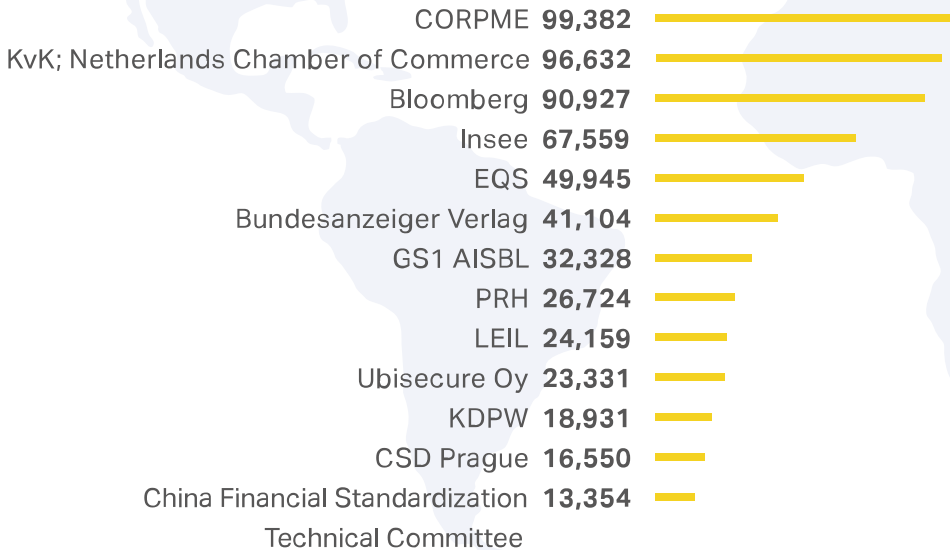
> 100,000 LEIs



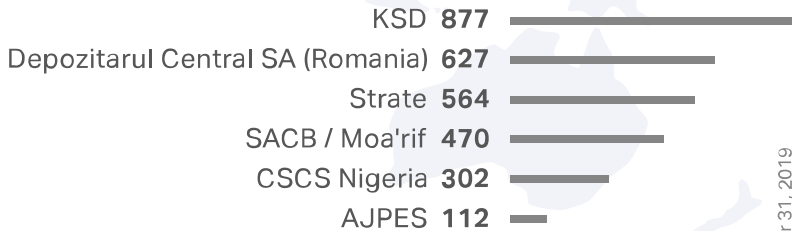
1,000–10,000 LEIs



10,000–100,000 LEIs



0–1,000 LEIs



Performance



Web-based search tool gives faster, easier access to LEI data

In a fast-moving digital economy, quick and easy access to open, standardized and high-quality Legal Entity Identifier (LEI) data in real time is fundamental to a number of LEI users across many sectors. Throughout 2019, GLEIF prioritized making its free data pool, with information on around 1.5 million organizations, more accessible and easier to use by launching a public beta version of its LEI “Look-up” Application Programming Interface (API).

The web-based LEI search tool allows users, including developers, to set up fast, customized and automated access to the Global LEI Index. It provides access to the entire LEI data search engine functionality, including filters, full-text and single-field searches for legal entity and ownership data. It also enables fuzzy matching of data fields, such as names and addresses. As a result, users can search for LEIs by entity names or by Business Identifier Codes (BICs), investigate corporate structures or pinpoint other identifiers that have been mapped to an LEI. It makes it even easier to take full advantage of the publicly available LEI data, thus supporting even more use cases and applications.

The results of feedback from the public beta testing will be reflected in a new GLEIF API, which will replace the existing GLEIF LEI Look-up API in 2020. Users will be able to leverage the full Global LEI Index reference and ownership data to obtain information and aggregated metrics.

The GLEIF API is based on the data found in the GLEIF Golden Copy.

More information on the GLEIF API beta version, as well as a demo application, are available at www.gleif.org.

Performance



LEI data mapping. Certified by GLEIF.

The GLEIF Certification of LEI Mapping Service provides LEI data users with certainty that alternative identifiers have been accurately mapped to LEI data in line with GLEIF's quality controls. Certification and the subsequent publication by GLEIF of publicly available, open-source relationship files, which match mapping partner identifiers to corresponding LEIs, simplifies the process of gathering, aggregating and reconciling counterparty information. This can be useful for many purposes, including: compliance; regulatory reporting; client relationship management; and due diligence. This service aligns with GLEIF's commitment to support the International Open Data Charter.

"We are delighted with the continued success of the ISIN-to-LEI mapping to help the industry improve transparency of exposure by linking the issuer and issuance of securities. We are working across all regions to make this ISIN-to-LEI mapping a truly global initiative."

— Dan Kuhnel, Chairman, Association of National Numbering Agencies (ANNA)

**One Business
Language. Simplifies.**

**Promoting standardization
supports harmony
in the financial industry.**

Performance



Global first free of charge ISIN-to-LEI mapping

In April 2019, GLEIF and the Association of National Numbering Agencies (ANNA) piloted the first daily open-source relationship file that maps newly issued International Securities Identification Numbers (ISINs) to their corresponding LEIs.

This pioneering global initiative brought two ISO standards together to improve the transparency of exposure by linking the issuer and issuance of securities. Enabling organizations to aggregate data improves the visibility of their securities exposure in relation to an individual issuer and its related entities.

The ISIN-to-LEI relationship files are built upon a mapping process established by ANNA that is in the process of being certified by GLEIF and the ISIN-to-LEI mapping table is publicly available on the GLEIF website.

Data vendors and other organizations can benefit significantly from mapping their applicable identifiers to the LEI, as this provides enhanced functionality to their customers; interoperability across parallel ID platforms, streamlines entity verification processes and reduces data management costs. This is highly relevant for client relationship management and due diligence for Know Your Customer (KYC) and Know Your Supplier (KYS) processes.

The ISIN-LEI initiative is proving popular with early adopters. As of December 2019, 16 National Numbering Agencies (NNAs) had signed up to the voluntary initiative, with ISIN coverage across 20 jurisdictions.

Connecting two important ISO standards

This is the second major GLEIF Certification of LEI Mapping scheme, following the established Business Identifier Code (BIC)-to-LEI mapping service launched with SWIFT in early 2018. Thanks to the ongoing success of this initiative, market participants can now link and cross-reference BIC and LEI identifiers free of charge. The BIC-to-LEI mapping service performed seamlessly during 2019.

GLEIF aims to replicate these successful cooperation models and unlock further opportunities for organizations with identifiers to benefit from the world's strictest regime of regular data verification. By mapping an alternative identifier to the LEI, a business automatically has access to the open and high-quality LEI reference data available free of charge with the Global LEI Index. This protects its investment in existing software and processes while providing added value based on the reliable and trusted LEI data. Consolidating information through LEI mapping makes legal entity identification more efficient, cuts costs and, at the same time, delivers market insight thanks to standardization across entity verification platforms. GLEIF's aim is to streamline data from multiple sources, such as applications, devices and databases, into one central repository which is free of charge to access – the Global LEI Index. This allows data users and data scientists globally to benefit from significant efficiencies, reduced costs and duplication efforts. A presence in the Global LEI Index will help businesses and other entities to stay relevant and visible in an increasingly digital global economy.

Performance



ISO 20000: Certification of best practice service management

ISO 20000 is an international standard for service management for IT and non-IT services published by the International Organization for Standardization (ISO). It specifies requirements for the service provider to plan, establish, implement, operate, monitor, review, maintain and improve a service management system. The requirements include the design, transition, delivery and improvement of services to fulfil agreed service requirements.

GLEIF underwent a rigorous examination of the Partnership Program Services provided to LEI issuing organizations in order to secure this certification. It demonstrates GLEIF's commitment to quality and the delivery of a consistent and reliable service that adds value for those who use it.

ISO 20000 provides a 360-degree view of services, including financial aspects, design, release and deployment of the services, service level management and business relationships with customers. It covers also risk and IT security management.

GLEIF pursued ISO/IEC 20000 certification to better respond to increasing service demands and deliver value for customers and users by providing consistent, reliable services. The best practice framework for service management makes sure that service requirements are integrated into business processes to provide ongoing control, greater efficiency and opportunities for continuing improvement. It aligns staff, service desk, service support, service delivery and operations teams and enables GLEIF to better assess, prevent and respond to risks.

Working with stakeholders, GLEIF regularly monitors, tests and improves its services and reviews processes to identify opportunities for improvement. Resilience is built throughout the supply chain. An ISO 20000 certified service lifecycle management system ensures that GLEIF's services remain current and add value.

**Operational excellence.
For our team.
For our partners.
For our future.**

In 2019, GLEIF achieved a key milestone by obtaining ISO/IEC 20000-1:2011 certification.

ISO 20000 provides a 360-degree view which will enable GLEIF to better assess, prevent and respond to risks.






Diversity and inclusion at the core

At GLEIF, the value of a diverse workplace is widely recognized and embraced. The organization strives for best practice in championing diversity and inclusion at all levels. GLEIF has had a strong commitment to female representation within its management team since it was founded and, 70% of GLEIF leadership roles are now held by women and 52% of all employees are female. The global scope of the organization is reflected well in its employee base: 21 nations are represented by 42 team members. Unique contributions are made every day by a diverse team which spans a wide age range – encompassing those early in their careers and others who are established in their professional fields – representing an almost equal gender split.

GLEIF genuinely believes that collaboration among people from different cultures and with varying perspectives, skills and experiences fosters creativity and innovation. At GLEIF, the sum is greater than any individual part and the organization is proud that unique individuals strengthen the team on its mission to realize one universal identifier for all businesses globally.



**If you would like to join the GLEIF team,
visit our website to take a look at the latest
career opportunities:**

**[https://www.gleif.org/en/contact/career-
opportunities](https://www.gleif.org/en/contact/career-opportunities).**

Performance



Championing access to trusted open data

GLEIF is committed to ensuring transparent and open data and is an active supporter of the International Open Data Charter. The charter aims to foster greater coherence and collaboration to promote the increased adoption and implementation of shared open data principles, standards and good practice across sectors globally.

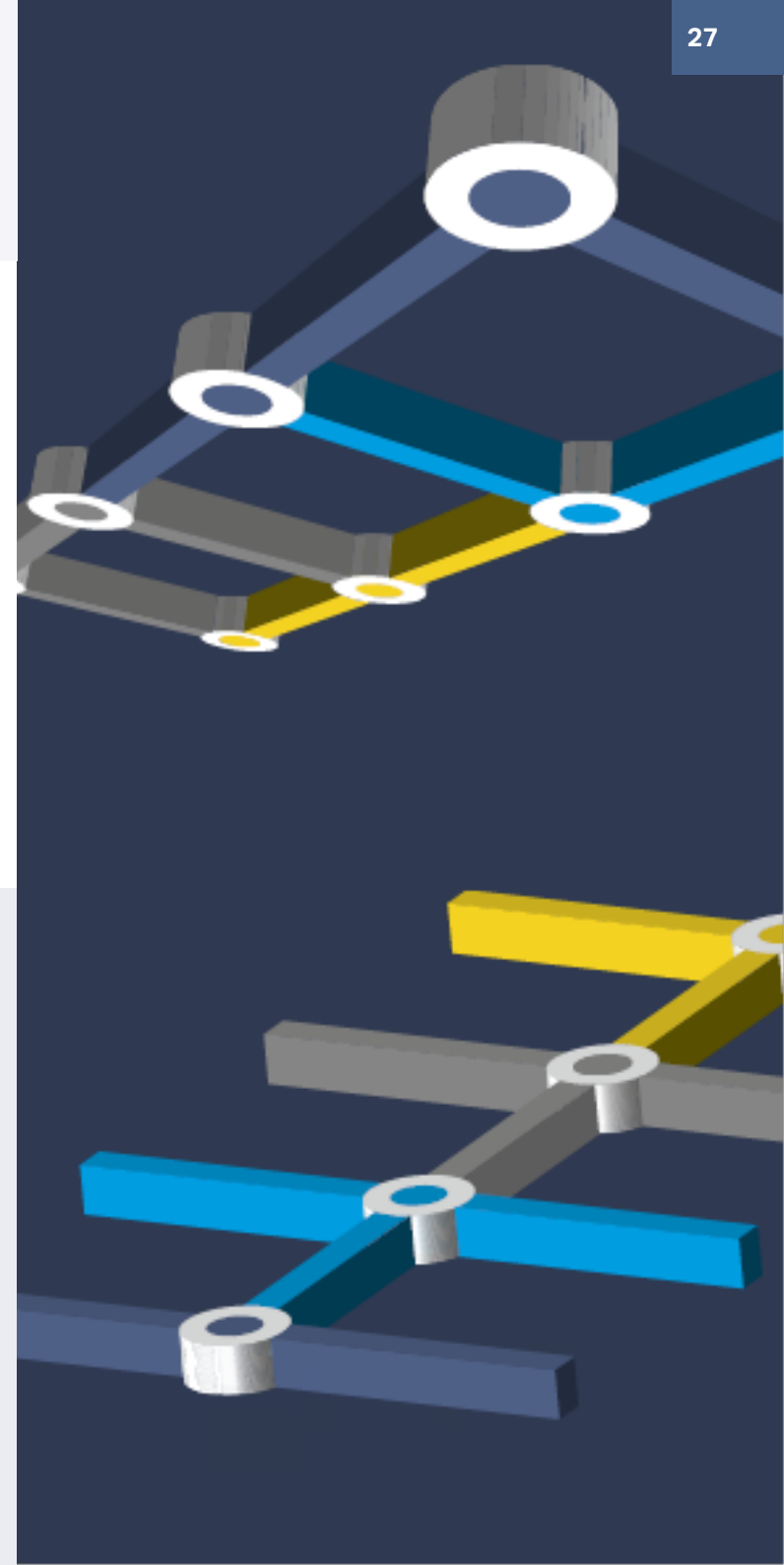
In line with its commitment, GLEIF applies uniform global operational standards and protocols that deliver global uniqueness of the LEI and easy, free of charge access with no restrictions to high-quality reference data for users.

Since the LEI is a broad public good, LEI data can be used by anyone with an Open Data License. There are no intellectual property or copyright restrictions and all data and related documents are published on www.gleif.org.

Promoting open source

GLEIF provides open source software to interested parties for use at their discretion. This provides transparency, aligns well with our open data philosophy and supports GLEIF's aim to work collaboratively with a network of partners.

Based on the CC0 license, users are free to use the provided software however they wish. In July 2019, GLEIF organized a Data Visualization Hackathon for which a Relationship Visualization Tool was created at the GLEIF offices in collaboration with a non-profit association of volunteering data scientists. The tool allows anyone to search for a legal entity and view the relationship graph, displaying the parents and children of this entity, in an easy-to-understand and user-friendly way. The software is open source and available on the GLEIF website.



An Update on GLEIF Forum 2019

Working together to achieve trusted global entity identification

GLEIF welcomes further engagement and collaboration with industry to exchange ideas on trusted entity identification in the digital age.

In October 2019, 160 participants from the regulatory, blockchain and technology, banking, academic, not-for-profit, and consulting community joined GLEIF in Washington D.C. for the annual GLEIF Forum. The event brings regulators and industry representatives together with leaders in technology to network and exchange ideas on trusted entity identification in the digital age.

The focus in 2019 was on LEI value creation in simplifying global legal entity identification.

Many valuable and insightful discussions took place on key topics which will inform and support the evolution of the Global LEI System. Topics on the agenda included:

- Applications of the LEI in blockchain and distributed ledger technology
- The role of the LEI in a global digital identity ecosystem
- Potential benefits of wider LEI adoption

GLEIF followed the event by publishing its research, conducted in partnership with McKinsey & Company, which demonstrated how wide adoption of LEIs could save financial institutions an estimated US\$ 2-4 billion per annum in client onboarding efficiencies alone.

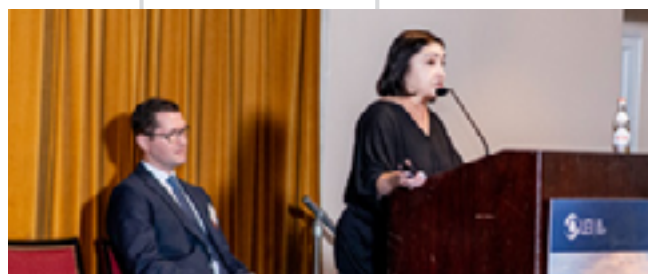
As a next step, GLEIF is evaluating the feasibility of changes proposed by the report, including an evolution of the Global LEI System. GLEIF will also assess actions it can take to encourage banks to voluntarily adopt LEIs



An Update on GLEIF Forum 2019

Working together to achieve trusted global entity identification

For further information on joining the
GLEIF GIFI Relationship Group, please email
info@gleif.org



more broadly, such as enhancing the value proposition of the LEI by making it a data connector which links to the most commonly used data sources.

To ensure that the future evolution of the Global LEI System is fully informed by, and in line with, the banking sector's requirements, GLEIF aims to conduct its assessment on the report's proposals with maximum engagement from the global banking community. To support that objective, financial institutions are strongly encouraged to join the GLEIF Globally Important Financial Institutions (GIFI) Relationship Group to participate in the discussion on the support needed for banks to integrate the LEI into client management processes.

The GLEIF GIFI Relationship Group facilitates communication between GLEIF, banks, financial institutions and other key LEI stakeholders, making it possible for members to express their views on LEI services and for GLEIF to understand the requirements of LEI data users.

GLEIF warmly welcomes all interaction with banks and other financial institutions on this topic and would urge those interested in learning more to join the GLEIF GIFI Relationship Group for deeper insight. GLEIF's priority at this stage is to support voluntary adoption of the LEI in banking use cases beyond regulatory reporting so that these benefits can be fully realized.

Performance



GLEIF's core data services

GLEIF services: Making LEI data publicly accessible

GLEIF offers a broad range of services to the public in cooperation with its partners, the LEI issuing organizations. These services enable people and businesses to make smarter, less costly and more reliable decisions about who to do business with.

Core services

Core services cover access to and the use of LEI data, including Level 1 data ("who is who") and Level 2 data ("who owns whom").

— Level 1 data "who is who":

Since the Global LEI System was endorsed by the G20 in 2012, approximately 1.5 million registrants in over 250 countries and territories have registered for an LEI. GLEIF publishes information on LEI issuance, together with key facts and figures on LEI Search and LEI Statistics.

— Level 2 data "who owns whom":

This GLEIF service delivers clarity on the direct and ultimate parents and children of a legal entity with an LEI. This is based on the International Financial Reporting Standards (IFRS) or the United States' Generally Accepted Accounting Principles (GAAP), as mandated by the LEI ROC policy.



Value-added data services

GLEIF provides the following data services to enhance accessibility to LEI data, making it easier for users to find the information they need:

- Publication of the GLEIF Registration Authorities List. This is an overview of more than 700 business registers and other relevant registration authority sources that assigns a unique code to each register on the list.
- The LEI-to-BIC ISO 9362 mapping service for all accepted legal jurisdictions.
- The LEI-to-ISIN ISO 6166 mapping service for shares and bonds, in cooperation with the Association of National Numbering Agencies (ANNA), published in April 2019.
- An overview of all legal forms within any country in their native language (such as limited liability companies (Ltd) based on the ISO 20275 ELF standard for entity legal forms – via the ISO 20275: Entity Legal Form Code List. Completed in 2019 by GLEIF, the Entity Legal Form Code List contains more than 2,100 entity legal forms across more than 90 jurisdictions. The ELF Code List assigns a unique code to each entity legal form.

Performance

Data Quality Management Program



GLEIF is uniquely positioned as a leading authority in entity identification

The quality of data held within the Global LEI Index is exceptionally high as a result of a stringent data quality management system which is a critical component of the Global LEI System.

GLEIF's Data Quality Management Program ensures that the LEI remains the global standard best suited to providing open and reliable data for unique legal entity identification management.

GLEIF is committed to delivering accurate, complete and up-to-date entity data to all users. Based on a set of clearly defined and openly published criteria, GLEIF's Data Quality Management Program ensures the quality of the LEI data pool is consistently monitored. Cooperation with the LEI issuing organizations, under the governing Master Agreement, enables GLEIF to maintain the highest standards of internal controls, data quality metrics and data validation requirements. This ensures that the LEI data pool contains trusted, open and reliable data.

Use of the LEI allows entities to simplify their own data governance processes, facilitating best practice, and can help them meet relevant compliance obligations.



Voices #LEI unique data

"The European Central Bank (ECB) supports the Global Legal Entity Identifier (LEI) System and is an intensive user of LEI data. The Global Legal Entity Identifier Foundation (GLEIF)'s continuing management of LEI data quality adds real value to our data operations, not only by allowing better linking of data and enhanced statistical analysis but by also bringing transparency to financial markets and the exercise of prudential supervision."

**— Werner Bier, Deputy Director General Statistics,
European Central Bank (ECB)**



A commitment to improving LEI data accuracy

GLEIF is committed to providing high-quality LEI reference data within the Global LEI Index. Last year, this drove efforts to strengthen and expand the Data Quality Management Program in collaboration with our partner LEI issuing organizations. A number of developments contributed to substantial progress in this area:

- GLEIF reinforced the importance of full data validation in its partnership with LEI issuers, by introducing new service level targets for data corroboration. These will support enhanced data quality standards and ensure that user expectations on validation are met.
- GLEIF successfully launched a new Data Governance Pre-Check Application Programming Interface (API), which can be used by LEI issuing organizations as a pre-issuance check to ensure the highest standards of data quality are kept for each record and potential issues are remediated before an LEI is issued, renewed or updated.

- An enhanced version of the “challenge” facility was made available in version 2.0 of the LEI Search function. Challenge management, which is a centralized and online service, is a critical part of the GLEIF Data Quality Management Program. It allows any LEI data user to query the exclusivity of an LEI or the completeness and accuracy of related reference data. The enhanced facility extends the challenge function beyond Level 1 business card data to Level 2 relationship data.
- GLEIF also ran a number of inaugural initiatives in 2019 intended to enhance the overall quality of data in the Global LEI System. GLEIF self-tested data in the system, covering topics such as relationship records without an LEI, outdated and lapsed data and the implementation of the standard for legal forms (ISO 20275). More than 56,000 challenges against questionable data entries were raised, prompting LEI issuing organizations to validate and update the data in question. To date, 81 percent of these challenged records have been accepted and the data has been updated. Eight percent have been closed without change and eleven percent are still in progress. This exercise has generated substantial data quality enhancements within the system.

GLEIF remains focused on ensuring robust quality and securing trust in the Global LEI System through data quality transparency. GLEIF's data quality score remains over 99%, and efforts will continue to increase this further.



LEI, a global standard with robust governance

Standards provide people and organizations with a basis for mutual understanding. They outline a universal approach. Standards are everywhere and play a critical role in the economy, especially in a world where many processes are becoming digital. GLEIF, as an impartial, not-for-profit organization with a G20-backed governance framework, facilitates collaboration across industries to help create common understanding and rules that benefit everyone. GLEIF is committed to driving deeper understanding and adoption of standardization within entity identity management. As new technologies emerge, standards are the key to unlocking new global use cases underpinned by trusted digital identities. They provide the foundation for the future digital transformation of the global economy.

GLEIF promotes open global standards to power a digital future

In 2019, the International Standards Organization (ISO) approved a revision of the ISO 17442 Financial services – Legal Entity Identifier (LEI) standard. As recommended by GLEIF, continuing work on a further revision of the standard will include a new part that describes the application of the LEI in digital certificates.

Digital certificates are relevant for any online transaction. They provide an electronic means of verifying identity. LEIs embedded in digital certificates provide additional certainty about a digital transaction partner's identity, providing a high level of security.

In 2019, the International Standards Organization (ISO) approved plans to develop the ISO 23897 Financial Services – Unique Transaction Identifier (UTI) technical standard, which contains the LEI as the mint of this identifier going forward. This is currently under development.

GLEIF believes in the power of standards to drive economies' digital transformation.



Performance

Standards



Voices #Standardization

"LEI is our core standard and is vital for society."

The Legal Entity Identifier, developed as an international standard with a robust governance structure in response to the 2008 credit crisis, is gaining traction in terms of adoption globally. The major benefit in using an ISO standard is global consistency across commerce and regulatory purposes. I see the LEI at the center of our TC 68 reference data and identifier standards. We have seen steady and incremental adoption of the LEI and integration with our existing identifiers, such as the ISIN (ISO 6166:2013) for financial identifiers and the Business Industry Code (BIC). From a TC 68 Chair perspective, we need to focus post-crisis on key issues of inequality and financial inclusion. The Legal Entity Identifier has the potential to create a much more efficient financial services industry that operates with much greater transparency and fairness."

— Jim Northey, Chair of the International Standards Organization (ISO)
Technical Committee, Financial services, TC 68



Directors' Report

The Board of Directors of the Global Legal Entity Identifier Foundation (GLEIF) takes great pleasure in presenting the Annual Report 2019 of the Foundation and the audited financial statements for the period of January 1 to December 31, 2019.

The financial statements are prepared in accordance with applicable laws and regulations. For the financial audit, the accounting standards are the International Financial Reporting Standards (IFRS).

GLEIF is a Swiss foundation. The GLEIF Board of Directors represents the governing body of the Foundation. The Board of Directors oversees the GLEIF strategy and activities, exercising its powers in the interest of achieving the purpose of the Foundation. GLEIF is subject to oversight by the LEI Regulatory Oversight Committee (LEI ROC).

Financial position

At the year-end closing, the financial state of the Foundation remains robust. GLEIF's revenue amounted to US\$ 14.5 million generated from fees of issued LEIs in 2019. GLEIF's LEI fee per issued LEI was kept unchanged at US\$ 11 for 2019. The Board of Directors decided to add the net surplus of US\$ 2.9 million to the organizational capital in line with GLEIF's purpose as a not-for-profit organization.

The Board of Directors believes it is critical that the organization's internal levels of cash reserves are managed in such a way as to ensure the sustainability of operations, respond to future risks and implement strategic programs that contribute to the purpose of GLEIF supporting the LEI use as a broad public good for the benefit of all users of the public and private sector.



Back row: Elemér Terták | Wolfgang König | Monica Singer | Jefferson Braswell | Robin Doyle | Changmin Chun | Sandra Boswell | Hiroshi Nakatake | Alfredo Reyes Krafft | Hany Choueiri | Kam Keung Tse

Front row: Daniel Cotti | Salil Kumar Jha | Nabil Al-Mubarak | Gerard Hartsink | Daniel Goroff | Zaiyue Xu | Henrique de Rezende Vergara



Directors' Report

In October 2019, the Board of Directors approved the GLEIF budget for 2020, including the LEI fee for GLEIF of US\$ 11 applicable for 2020. The Board of Directors approved the reinvestment of excess reserves and endorsed the GLEIS 2.0 project for 2020. This important strategic project aims to scale up LEI issuance globally. It also includes specific strategies and use cases for LEI expansion in the banking sector, the digital economy and the supply chain.

Board of Directors meetings

In 2019, the Board of Directors held seven meetings, of which four were held in person to ensure diligent oversight of the Foundation's operations and to facilitate dialogue between Directors and the CEO supported by his management team. Pursuant to Article 16 of the Statutes, ex officio Board members, namely the Chair and Vice Chairs of the LEI ROC, participated as observers in the Board of Directors meetings during the year.

The Board of Directors held two meetings with the LEI ROC Executive Committee. In addition, the GLEIF Chair and CEO were invited to report on the status of relevant activities in two LEI ROC Plenary meetings during 2019. The GLEIF Chair and the CEO had biweekly meetings with the LEI ROC Chair and Vice Chairs.



Directors' Report



Board of Directors

On December 31, 2019, the Board of Directors of the Foundation consisted of the following 18 Directors from four regions, as stipulated in article 13 of the Statutes, and 15 jurisdictions.

1. Gerard Hartsink, Chair (Netherlands): Term 2 | June 2017–June 2020
2. Nabil Al-Mubarak (Saudi Arabia): Term 2 | June 2018–June 2020
3. Sandra Boswell (Australia): Term 1 | June 2018–June 2021
4. Jefferson Braswell (United States): Term 2 | June 2017–June 2020
5. Hany Choueiri (United Kingdom): Term 1 | June 2019–June 2022
6. Changmin Chun (Korea): Term 1 | June 2018–June 2021
7. Robin Doyle (United States): Term 2 | June 2017–June 2020
8. Daniel Goroff (United States): Term 2 | June 2018–June 2021
9. Hiroshi Nakatake (Japan): Term 1 | June 2018–June 2021
10. Salil Kumar Jha (India): Term 1 | June 2019–June 2022
11. Wolfgang König (Germany): Term 2 | June 2017–June 2020
12. Alfredo Reyes Krafft (Mexico): Term 1 | June 2017–June 2020
13. Daniel Cotti (Switzerland): Term 1 | June 2019–June 2022
14. Monica Singer (South Africa): Term 1 | June 2018–June 2021
15. Elemér Terták (Hungary): Term 2 | June 2018–June 2021
16. Kam Keung Tse (Hong Kong, China): Term 2 | June 2018–June 2021
17. Henrique de Rezende Vergara (Brazil): Term 1 | June 2017–June 2020
18. Zaiyue Xu (China): Term 1 | June 2019–June 2022

Directors' Report

Retirement and appointment of Directors

Since the last report, the following changes took place in the Board of Directors of the Foundation.

Retirement

Pursuant to the provisions set out in the bylaws under II.8., the following Directors retired by rotation from the Board of Directors in June 2019 after their second term of office had ended:

1. Bo Chen (China)
2. Ravi Mathur (India)
3. Bruno Schütterle (Switzerland)
4. Christopher Taggart (United Kingdom)

The Board of Directors thanks all four Members for their service, passion and expertise over five years. They have served as founding Members since the creation of GLEIF in June 2014.



Appointment of Directors

Pursuant to Article 13 and 15 of the Statutes, the following Directors were appointed to the Board of Directors for a term of three years from June 2019 to June 2022:

1. Hany Choueiri (United Kingdom)
2. Daniel Cotti (Switzerland)
3. Salil Kumar Jha (India)
4. Zaiyue Xu (China)

Board Alumni Network

The Board of Directors established a Board Alumni Network to ensure the Foundation can continue to benefit from the knowledge and network of former Members of the Board of Directors.

An annual meeting was held with the members of the Board Alumni Network. The Board Alumni Network meetings are intended to give Board Alumni relevant information to continue to help GLEIF as ambassadors, promoting the LEI in their jurisdictions and/or industries in line with the GLEIF strategy.

Former Directors that choose to become a member of the Board Alumni Network sign an Alumni agreement with GLEIF. This way, they continue to comply with GLEIF's requirements such as the Conflict of Interest Policy. Board Alumni provide their services on an unpaid basis as required under Article 19 of the Statutes.

The Board of Directors attaches great importance to preserving the institutional memory of the Foundation and encourages retired Directors to continue to make themselves available for the promotion of the LEI in their jurisdiction and/or industries.

Directors' Report



Ensuring smooth succession

The Board of Directors praises the good work of the Governance Committee in continuing to ensure a well-managed succession and smooth transition of outgoing and incoming Members. This is of utmost importance in facilitating the effective oversight of the Foundation.

During the first half of 2019, an open Call for Applications was launched for the succession of four Directors who left the Board of Directors in June 2019, followed by an onboarding and training program for all new Directors.

A second open Call for Applications followed at the end of 2019 for the succession of five Directors leaving in June 2020, among them the Chairman of the Board of Directors.

Ensuring a successful transition of leadership, the Chairman of the Board of Directors, Gerard Hartsink, who steps down in June 2020, leaves behind a strong Board of Directors. In early 2020, the Board of Directors approved the appointment, after a comprehensive internal and external search, of a new Director who will be announced as the successor Chairman of the Board of Directors at the end of April 2020. The LEI ROC had given its "no objection declaration", as required in Article 31 of the Statutes, for all outgoing and incoming Directors approved by the Board of Directors.

Principal activities

In 2019, the Board of Directors focused its oversight on the core activities of the Foundation. These include the development of the strategy for the private sector, the budget and the use of resources and the internal control

Directors' Report



of operations and processes. The Board of Directors reviewed the implementation of relevant policies supported by the Audit and Finance Committee.

The Directors are of the opinion that GLEIF advanced important growth initiatives and value-added use cases to promote the LEI for trusted entity identification in the digital age.

The Board of Directors ensured that users from the public and private sectors were able to use the LEI data of the Global LEI Index free of charge. During the year, GLEIF oversaw 34 LEI issuing organizations globally. The Annual Accreditation Verification program is a key component of GLEIF's oversight function and provides for a 360-degree review of LEI issuers' operational performance and financial health. Through the Annual Accreditation Verification process, GLEIF ensures that LEI issuers comply with the internal controls necessary to protect the integrity of the LEI reference data.

The Board of Directors thanks the LEI issuing organizations for promoting LEI issuance services in over 250 countries and territories and for upholding the principles of the Global LEI System.

The Board of Directors welcomes the expansion of GLEIF's Certification of LEI Mapping Service by adding the ISIN-to-LEI mapping, which is of critical value for users.

GLEIF provides key services for trusted global legal entity identification. The Board of Directors believes GLEIF will further drive innovation by delivering solutions for the private sector and the demands of the digital age.



Strategic focus

During 2019, the Directors oversaw the developments for the vision and strategy of GLEIF for the next period. In early 2019, the Board of Directors approved a research project, conducted in cooperation with an external professional consultant to investigate ways in which to substantially increase LEI issuance within GLEIF's strategic areas: a. the Capital and Money Markets, b. Banking, c. the Supply Chain and d. the Digital Economy. In order to ensure an impartial approach, the Board of Directors created a research advisory committee comprised of senior experts from the public and private sectors to assess the milestones of the project.

The strategic plans for a scale up of private sector adoption in strategy GLEIS 2.0 for the banking sector, the digital economy and supply chain were approved by the Board of Directors. In October 2019, the key findings of the GLEIS 2.0 study were presented at the GLEIF Forum in Washington D.C., concluding that broader LEI adoption could save the global banking sector US\$ 2-4 billion annually in client onboarding costs alone.

The Board of Directors also approved establishing representation offices in the United States and Asia. This will help outreach and awareness of the LEI in different regions in line with GLEIF's strategy to promote the LEI as open standard.

Advocacy and cooperation

Continued advocacy is important at both the national and international levels and between the public and private sector institutions to implement the LEI mandate successfully.

The Board of Directors values the constructive dialogue with the LEI ROC Executive Committee. In 2019, the Board of Directors discussed important initiatives to implement the recommendations highlighted by the FSB in its LEI Peer Review Report – based on the implementation of the LEI in the 24 FSB countries. A dedicated Joint GLEIF-LEI-ROC Promotion Committee was established to ensure timely implementation of the FSB recommendation that encourages the LEI ROC and GLEIF to work with the industry and public sector to raise awareness of the benefits of the LEI.

Regulatory authorities play a key role in mandating the LEI for regulatory reporting, for supervisory and compliance purposes and for the use of the LEI by the public sector agencies in general. The Board of Directors welcomed the LEI ROC's initiative to formulate a vision and strategy for the use of the LEI by the public sector.

The Board of Directors looks forward to GLEIF's engagement with market participants across industries. The Board of Directors encourages GLEIF's engagement with the LEI ROC and the LEI issuers to promote high-quality, up-to-date LEI reference data as part of the mandatory annual LEI renewal process.

Directors' Report



Good management

The Board of Directors is satisfied that the Foundation promotes prudent management to ensure the best use of resources and sustainable funding. The Directors believe that the CEO and his team conducted relevant investments to improve the GLEIF services and keep data quality standards high.

Quality assurance and continuous improvement needs to stay at the heart of the activities of the Foundation. The Board of Directors is proud that GLEIF has been awarded with the ISO 20000 certificate demonstrating exceptional operational excellence.

Risk management, compliance and internal control

The Foundation is governed by the Statutes, including its annexes and policies. The Directors reviewed the Annual Compliance Report by the Chief Compliance Officer (CCO). The Board of Directors acknowledged the CCO's opinion that the overall compliance risk of GLEIF with respect to significant exceptions or omissions is low. The internal controls and financial controls were adequate and the systems in place ensured compliance with applicable laws.

The Board of Directors concluded that the creation of a Risk Committee for the Board of Directors will strengthen the oversight of risks the Foundation faces such as strategic risks, legal risks, financial risks and operational risks, including the requirement to deliver high-quality data, and will form a formal Risk Committee and Risk Appetite policy in 2020.

Going Concern

The Board of Directors approved the Annual Report including the Financial Statements for the financial year 2019. The Board of Directors is satisfied that the Annual Report 2019 gives a true and fair view of the state of affairs of GLEIF, its performance, business and financial condition. As far as the Directors are aware, there is no relevant audit information of which the auditors were unaware. The accounting policies were applied consistently. The Directors assess that GLEIF is in good financial health. GLEIF has the capacity to expand and grow performance within its chosen markets. The revenue shall be used exclusively to promote the Foundation's not-for-profit purpose. The Board of Directors recognizes the number of planned projects to strengthen services and LEI use cases. The Board of Directors views potential project risks as manageable and available funds adequate.

Thank you

The Board of Directors expresses its gratitude to its Chairman, Gerard Hartsink, and to the Chairs of three Board Committees: Jefferson Braswell (Technology and Operations Standards Committee), Robin Doyle (Audit and Finance Committee) and Wolfgang König (Business Development Committee), who step down in June 2020 after six years in their roles. Through their leadership and commitment over all those years, they leave behind a strong Board of Directors and a solid Foundation which reaches many stakeholders across markets. We will miss our founding Members who were key in contributing to the architecture of the Global LEI System and wish them well for the future.

By order of the Board of Directors

Chairman

LEI: The value of a unique counterparty ID

For companies of varying sizes across different industries, the LEI can enable cost savings, expedited payments and improved customer experience. While the value of LEI use is clear, the adoption of LEIs depends on achieving the network effect within industry subgroups. This effect can begin with further discussion among beneficiaries and other stakeholders. As new use cases for the LEI take hold and companies and the banking institutions financing their activities work with each other to encourage the adoption of the LEI, the benefits and business value will grow and easier counterparty identification will open the door to further automation and digitization of financial and commercial transactions around the globe.

McKinsey & Company and GLEIF white paper "The Legal Entity Identifier: The Value of the Unique Counterparty ID" (October 2017)

Governance Statement

GLEIF is a not-for-profit foundation under Swiss law. The Heads of State and Government of the Group of Twenty (G20) at the 2012 Los Cabos Summit endorsed the framework for the development of a Global LEI System for parties to financial transactions, with a global governance framework representing the public interest. Established by the Financial Stability Board (FSB) in June 2014, GLEIF is mandated to develop and maintain the Global LEI System. In this way, GLEIF facilitates the use of the LEI to globally drive forward transparency within global financial markets and for financial transactions.



Unique governance system

GLEIF's dedicated oversight system underscores its global dimension and expresses its unique global governance framework. GLEIF is overseen by the Legal Entity Identifier Regulatory Oversight Committee (LEI ROC) representing public authorities from around the globe. GLEIF is also under supervision of the Swiss Supervisory Board of Foundations.

The Board of Directors, the governing body of the Foundation, is responsible for the activities of the Foundation and delegates tasks with guidance to the CEO. The Board of Directors has 18 Directors from 15 jurisdictions, representing diverse industries of the private sector. GLEIF's governance reflects its mandate from the G20 and FSB to ensure that the LEI becomes a broad public good for the benefit of the users of the public and private sectors globally.

Oversight

The LEI ROC is a group of 71 public authorities and 19 observers from more than 50 countries around the globe. The LEI ROC was established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System. In its role as overseer of GLEIF, the LEI ROC ensures that GLEIF upholds the principles of the Global LEI System. In order to fulfil its role as overseer, two or more members of the LEI ROC act as observers of the GLEIF Board of Directors. These LEI ROC members have no voting rights in the meeting of the GLEIF Board of Directors. The members of the LEI ROC Plenary and their decisions are published at www.leiroc.org.

Governance Statement

GLEIF maintains an open and constructive dialogue with the LEI ROC. The cooperation model between the LEI ROC and GLEIF is laid out in the GLEIF Statutes. Both signed a Memorandum of Understanding, published on the GLEIF website, specifying the processes and responsibilities between GLEIF and the LEI ROC. The cooperation model includes not only the LEI ROC's oversight role but also the cooperation on policies and technical standards, promotion and awareness of the benefits of the LEI as requested by the FSB and cooperation on the user role of LEI ROC members.

LEI Issuers

GLEIF operates the Global LEI System in conjunction with the LEI issuers. All LEI issuers must be accredited by GLEIF in order to be able to issue LEIs. Under the governing Master Agreement, GLEIF supports and oversees the LEI issuers' operations, ensuring that internal controls, data quality metrics, data validation and cost-recovery requirements are performed. GLEIF's management and the LEI issuers hold monthly meetings to progress and expand current services for the Global LEI System.

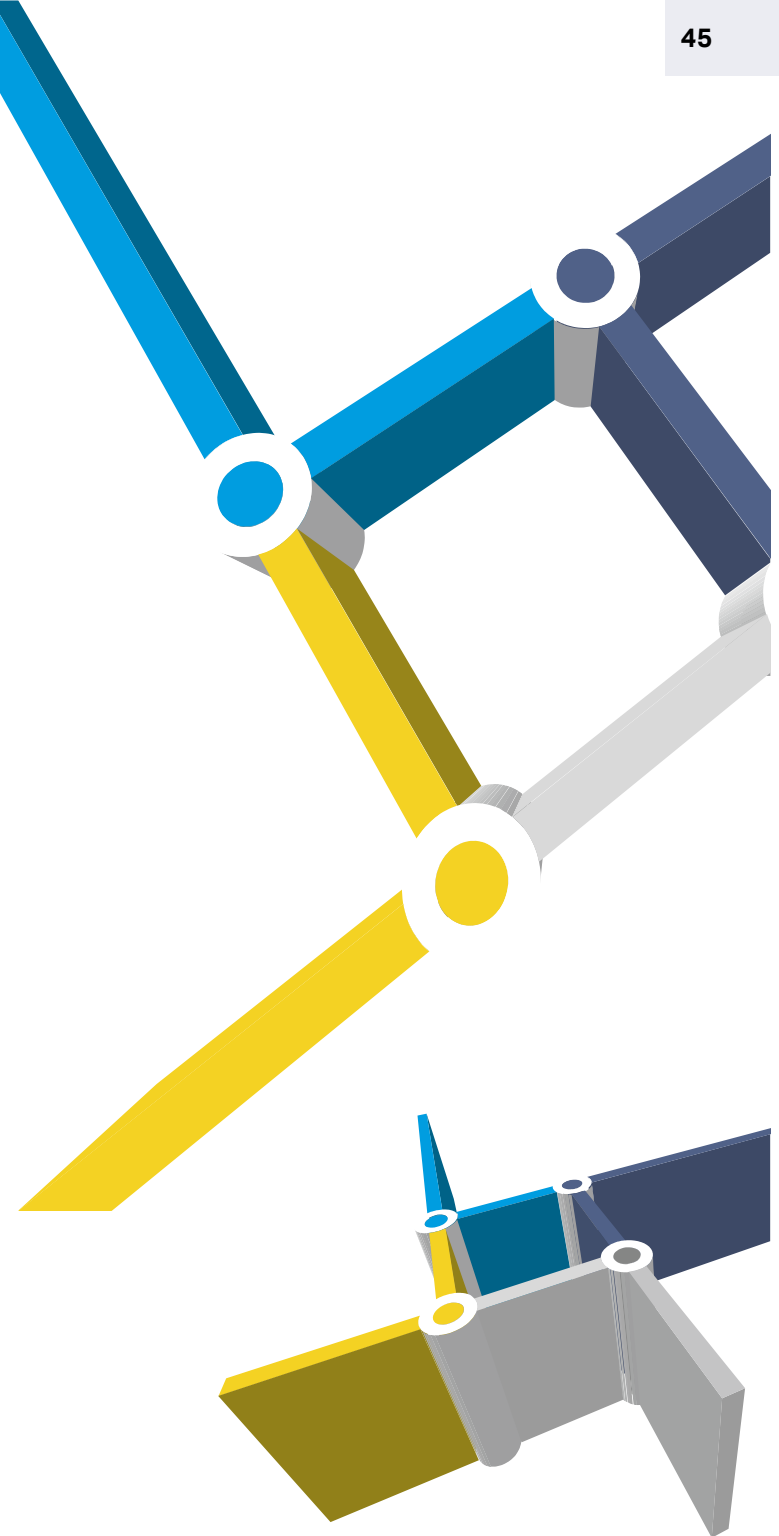
Neutrality and transparency

GLEIF is, by its Statutes, agnostic to any commercial or political interests. Guided by the High Level Principles laid out in the GLEIF Statutes and Annexes, GLEIF continues its commitment to high standards of governance throughout the organization and the integrity of its operation and interaction with stakeholders. This will ensure that GLEIF remains an important foundation, trusted by market participants, and realizes its purpose for the Global LEI System.

GLEIF is committed to transparency and delivering open data services for all users of the public and private sectors. GLEIF upholds the principles of transparency in accordance with Article 6 of the Statutes and publishes all the relevant information on its website. GLEIF applies uniform global operational standards and protocols that deliver global uniqueness of the LEI data and seamless access to high-quality reference data for users.

Decision-making by the Board of Directors

The Board of Directors is the supreme governing body of the Foundation. It oversees GLEIF while exercising its powers in the best



Governance Statement

Frankfurt am Main, Germany

interest of the Foundation. The Board of Directors makes decisions independently and on its own authority and judgment. The Board of Directors determines the Foundation's policies, controls and implementation of the approved strategy and evaluates the short, medium and long-term balance between goals and resources.

The Board of Directors held seven meetings in 2019. The LEI ROC observers participated in all Board of Directors meetings during 2019. The minutes of the Board meetings are published on the GLEIF website.

Composition of the Board of Directors

In line with GLEIF's mandate from the G20 and Financial Stability Board (FSB), the Board of Directors has a global, multi-sector composition. Guided by Article 13 of the Statutes, the Board of Directors is determined to represent all regions of the world while following a specific formula of geographic, sector and skills representation. In this way, the Board of Directors ensures the right skill mix for diligent decision-making. The diversity of the Board of Directors allows for multiple perspectives, thus creating a dynamic that generates comprehensive oversight of management. Directors support the Foundation

Governance Statement

as ambassadors in promoting the implementation of the LEI program in their jurisdiction and/or sector.

The Board of Directors may be composed of up to 25 independent Directors, who govern the Foundation and oversee management.

Director nominations

Directors are nominated within an open and transparent process. According to Article 15 of the Statutes, the nomination procedure is coordinated by the Chair, who is supported by the Governance Committee. Newly appointed Directors are subject to a “no objection declaration” of the LEI ROC as required in Article 31 of the Statutes. Pursuant to Article 17 of the Statutes, Directors are eligible to hold their position for a three-year term, renewable for an additional term of three years.

The Board of Directors nominates a Chair and Vice Chair of the Board of Directors and the Board Committees.

In its recruitment practice, the Board of Directors is committed to anti-discrimination in all categories of diversity including gender, ethnicity, disability and sexual orientation.

Director service

Directors serve on an unpaid basis according to Article 19 of the Statutes. They are reimbursed for travel costs incurred in the performance of their duties. Each Member signs a Director's Agreement for his/her services to the Board of Directors and acknowledges his/her responsibilities under the GLEIF Conflict of Interest Policy on an annual basis.

Committees of the Board of Directors

The Board of Directors had five specialized Committees in 2019. The Committees meet at least four times a year and as deemed necessary. The Committees provide recommendations to the Board of Directors and review the implementation of relevant projects in their respective areas. The Chairs of the Committees actively report their findings and recommendations in each meeting of the Board of Directors.

Committee of Chairs (CoC)

The CoC supports the preparation of agendas for the Board of Directors and provides advice to the Chair and the CEO. The CoC also assesses the annual remuneration of

GLEIF's management and oversees the policy positions of GLEIF.

Audit and Finance Committee (AFC)

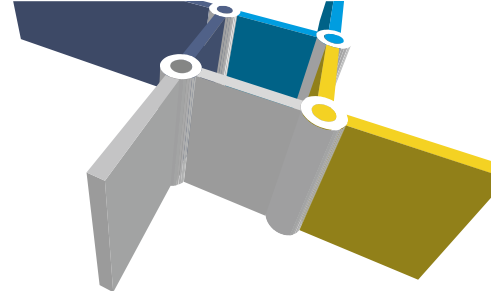
The AFC's main role is to oversee all material aspects of the Foundation's financial reporting, budget and financial planning, accounting policies, internal controls and internal audit that promote good financial stewardship. The AFC assesses the external auditor's independence and reviews the annual Financial Statements for recommendation to the Board of Directors.

Governance Committee (GC)

The GC provides counsel to the Chair of the Board of Directors to support the proper governance of GLEIF, in particular with respect to compliance with applicable policies, Statutes and bylaws. The GC also recommends succession plans for Directors and ensures that the Board of Directors and its Committees have an appropriate composition.

Business Development Committee (BDC)

The BDC oversees GLEIF's strategic objectives and monitors the implementation



Governance Statement

of its strategy. The BDC also makes recommendations with regard to GLEIF promotion plans and the Board of Directors' ambassador program.

Technology and Operations Standards Committee (TOPS Committee)

The TOPS Committee provides oversight and counsel for the technical and operational standards and architecture of the Global LEI System. The TOPS Committee also delivers guidance with regard to GLEIF's technology strategy and major technical projects and reviews the security and resilience of the core platform.

Self-assessment

The Board of Directors undertakes a periodic review of its performance by self-assessment. In the second quarter of 2019, an external review of the Board of Directors' Governance Program was conducted by an independent advisory firm.

The independent advisory firm identified no significant discrepancy or omissions with regard to the Board of Directors' governance framework and practice, in particular relating to:

- Requirements of Swiss foundation law
- Best practices of governance
- PFMI principles and in particular number 2 related to governance

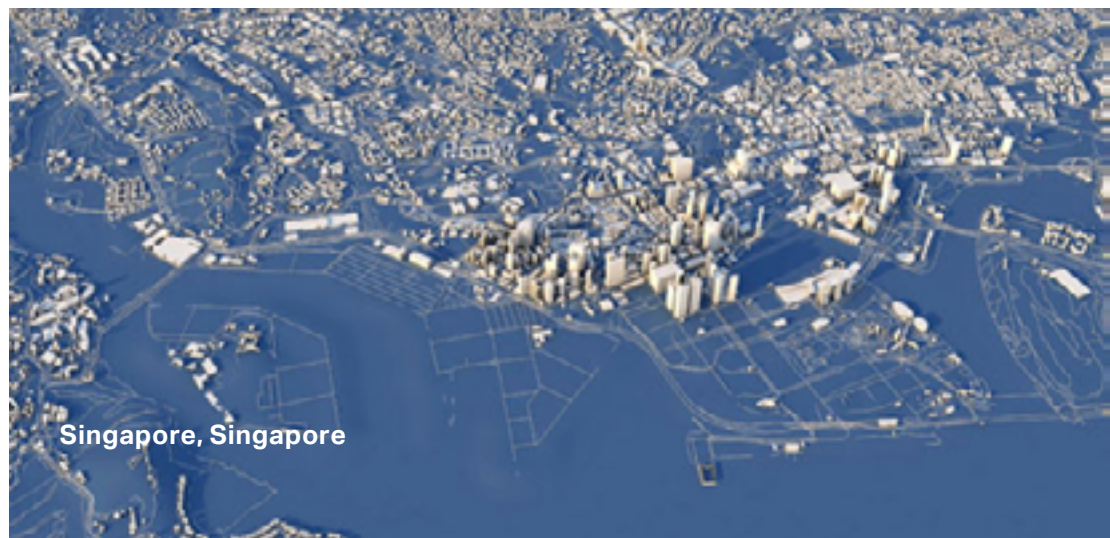
The Board of Directors implemented relevant recommendations made to improve the effectiveness and efficiency of the Board of Directors' Board processes. The results ensure the GLEIF governance system remains strong.

External audit process

The annual Financial Statements of GLEIF are prepared in accordance with the International Financial Reporting Standards (IFRS). As a Swiss foundation, GLEIF is also obliged to prepare the annual Financial Statements in accordance with the Swiss Code of Obligations (CO) that are filed with the Swiss Supervisory Board of Foundations. Both include the independent auditor's report with an unqualified opinion.

With the recommendation of the Audit and Finance Committee, the Board of Directors approves the terms of engagement including the engagement letter and scope of the financial audit for each calendar year.

The Audit and Finance Committee reviews the findings of the external auditor before the Board of Directors adopts the annual Financial Statements. The external auditor is present during the Board of Directors meeting when the annual Financial Statements or audit opinions are discussed and when deemed appropriate.



LEI for Business Value

Using state-of-the-art technology

Trusted global legal entity identification for the digital age

GLEIF provides an ecosystem in which legal entity identification can be assured, in an open, interoperable and instant digital format. The result? Stakeholders are empowered to carry out transactions with far greater confidence.

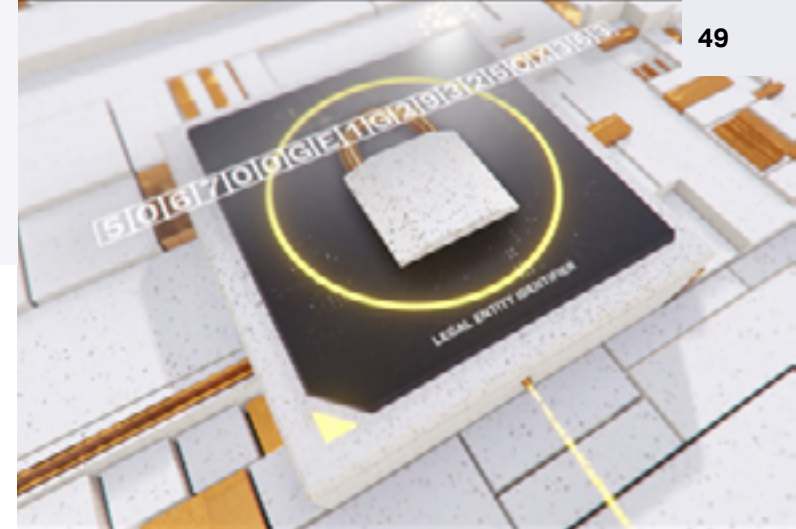
LEIs deliver enhanced trust while enabling digital identification management.

In the past twelve months, GLEIF has entered into dialogue with private and public sector representatives to discuss the benefits offered by the LEI as a global standard for digital identity management in relation to emerging technologies.

Use of the LEI can ensure unambiguous verification of identity, generating many benefits for all parties and creating more trust in digital processes.

The LEI is technology-agnostic. Whether used in digital certificates or blockchain applications, LEIs offer a unique global identity which generates significant efficiencies.

The LEI provides market participants with a one-stop-shop approach to identifying legal entities based on open, high-quality and standardized reference data. Broad LEI adoption therefore has the potential to take the complexity of counterparty authentication out of business transactions. Integrating the LEI into other entity verification methods, including solutions based on digital certificates and blockchain technology, will allow anyone to easily connect all records associated with an organization, and identify “who owns whom”. By becoming the common link, the LEI will provide certainty of identity in any digital signing of records and in online interaction, making it easier for everyone to participate in the global digital marketplace.



Modern standards make paper or non-machine-readable reporting a thing of the past:

LEI embedded in a digital certificate for business reporting

- **Using the LEI in the report as well as the digital signature connects content and organizations for improved security and trust.**
- **Provides lifetime trust and (technically) non-repudiation.**
- **Easy verification of the filing entity's identity based on its LEI, resulting in greater end-user trust in the authenticity and integrity of the documents.**
- **Automated access to aggregated data on the filing entity, its affiliates and parent companies in their machine-readable reports.**

LEI for Business Value

The power of combining standards with technology

Driving forward digital entity identification and business reporting

Pioneering the inclusion of LEIs in machine-readable financial reports.

In May 2019, GLEIF pioneered the inclusion of LEIs in digital, machine-readable financial reports. In partnership with the standard setting organization, XBRL International, GLEIF published its 2018 annual report in human and machine-readable Inline XBRL and HTML format, with GLEIF's LEI embedded into the financial information for the first time. It became the first official business report in the world to automatically link the filing entity to its verified LEI reference data held within the Global LEI Index.

Integrating the LEI into digital business reports enhances trust through identity verification and easy online data aggregation.

Through this innovative use case, GLEIF demonstrated its commitment to open data by combining three open standards: LEI, iXBRL and digital certificates.

The process of using these open standards collectively can generate significant industry-wide benefits in the process of reporting of regulatory filings globally: increased trust, enhanced data check methods and reduced fraud.

#1 LEI use case for digital transformation

How it works:



LEI uniquely associates the annual report to the organization (GLEIF) from which the report is derived.

iXBRL



iXBRL is a machine-readable format of the XBRL taxonomy which is mandatory for all listed companies in the EU for their financial statements reporting from January 2020.



Digital
Certificates

Digital certificates are used so that the Chair, CEO and external auditor of GLEIF sign and thereby confirm the validity of the report.

LEI for Business Value

LEI in digital certificates

#1 LEI use case for digital transformation

Voices #LEI for Innovation

"The developments within GLEIF and the Global LEI System have been remarkable. We have been delighted to be able to work with the team to help demonstrate the way that an "LEI Cert", or rather, a digital certificate with an LEI embedded in it, can suddenly change the way that reports can be trusted and recognized.

It works extremely well for digital business reporting with Inline XBRL and the web version of GLEIF's annual report demonstrates that. Sometimes the best innovation involves combining existing technologies and standards. We think this is a great example of exactly that."

— John Turner, CEO, XBRL International

"DigiCert has a long history of commitment to confirming identity for digital interactions. Embedding the LEI in certificates is the logical next step for increased trust among business partners and government agencies. DigiCert is excited to work with GLEIF to explore how LEIs can have a positive impact for our customers and their end-users."

— Roman Brunner, Managing Director,
DigiCert QuoVadis

"The work that GLEIF does on the LEI standard and in advocacy for its mandatory use as machine-readable XBRL is extremely important for the standardization of identity verification in financial reporting. data.world has partnered with GLEIF to extend that work with the specification and development of an RDF ontology for representing LEI data, and on publishing the entire LEI dataset as a linked RDF database, suitable for discovery with standard RDF and SPARQL tools, and for integration into other linked datasets. This will increase the scope of use for this important data resource, and allow for LEIs to serve the broader linked open data community as strong identifiers for legal entities. GLEIF has been a great partner in this work, and we at data.world are proud to be a part of it."

— Brett Hurt, CEO and Co-founder, data.world

LEI for Business Value

Using state-of-the-art technologies

LEIs support verification using distributed ledger technology/a blockchain

In November 2019, GLEIF & ConsenSys worked together to test verifiable credentials for authentication in financial and commercial transactions. ConsenSys' digital identity platform uPORT, anchored on the Ethereum blockchain, enabled permissioned issuance and verification of digitally verifiable credentials using LEIs. GLEIF also partnered with Evernym/Sovrin to develop a Hyperledger Indy based Self-Sovereign-Identity solution. Together with several public and private sector partners, the proof-of-concept was developed and successfully presented in the fourth quarter of 2019.

Both proof-of-concepts use cases show how the LEI can support the process of exchanging verified credentials used in financial, commercial and regulatory transactions such as signed regulatory filings. GLEIF is continuing to test how businesses can leverage the identity system to increase the efficiency of verifying business identities and persons acting on an entity's behalf within the LEI ecosystem.

#2 LEI use case for innovation

LEI in blockchain

Use of digital Verifiable Credentials (VCs) in accordance with W3C standards results in:

- Clear identification of the legal entity using a global, persistent and open identifier (the LEI).
- Interoperability of digital VCs: identification and verification possible with different distributed ledger technologies.
- Control by the legal entity to establish an organizational wallet of digital VCs of persons authorized to act in an official capacity on its behalf. The legal entity provides credentials to those persons within its organization who have the required roles associated with a particular filing matter.
- Benefits that come with decentralized identification management and verification: eliminating the single point of failure concept, privacy issues and lack of personal control associated with centralized databases.



LEI for Business Value

Using state-of-the-art technologies

#2 LEI use case for innovation

LEI in blockchain

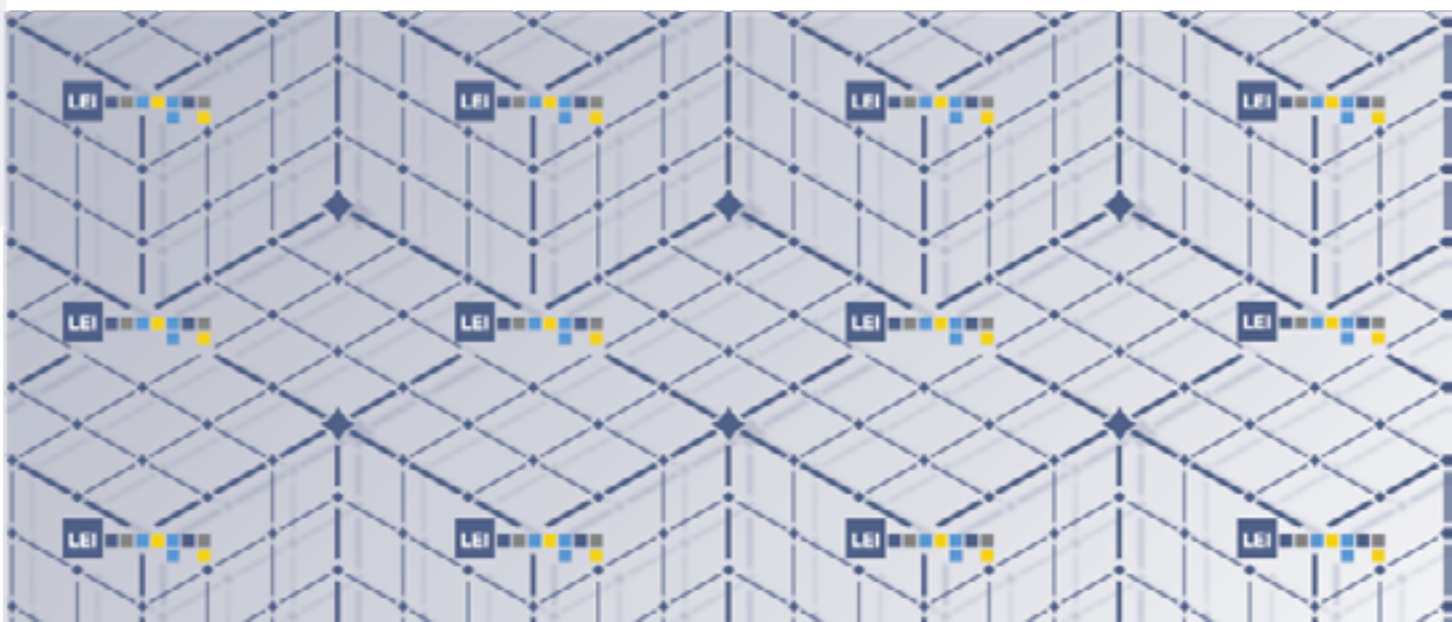
Voices #LEI for innovation

"Self-Sovereign Identity (SSI) is regarded as one of the most promising infrastructures for the global digital economy. The LEI adds tremendous transparency for corporates, their customers and suppliers they are doing business with. Binding the LEI cryptographically to corporate officers representing the business on an SSI infrastructure such as Sovrin closes a gap in SSI. Sovrin and GLEIF have demonstrated this effectively in a proof-of-concept."

— Drummon Reed, Chief Trust Officer,
Evernym

In proofs-of-concepts, GLEIF challenged self-sovereign identity providers to extend the basic concept and to create "organizational wallets". In these wallets, the basis for identity would be the organization's LEI and the credentials issued to persons in their official roles within or in relation to the legal entity would be tied to the organization and its LEI. Critical to this is the fact that the contents of digital VCs, in the form of digital schema, can be designed by each organization to cover the particular identification and verification needs that the organization may have.

Decentralized identity management systems offer an alternative to centralized identity management. Leveraging digital VCs in a reporting scenario such as this secures both the interaction between and among the actors in addition to the content of the filings themselves.



LEI for Business Value

LEIs and client lifecycle management in banking

Research conducted by McKinsey & Company on behalf of GLEIF in 2019 concluded that broader adoption of LEIs could save the global banking sector US\$ 2-4 billion opportunity annually in client onboarding costs alone. This represents a saving of between 5 and 10 percent of the industry's US\$ 40 billion annual overall spend on the practice.

Client onboarding is just one banking business activity of many in which the LEI has the potential to generate efficiencies, indicating that the potential US\$ 2-4 billion savings which have been identified is just the beginning. As a key global sector which relies on counterparty identification and verification, the banking industry could benefit from substantial and quantifiable value in the near to mid-term by scaling adoption of the LEI.

If banks around the world broaden their utilization of LEIs beyond regulatory reporting in capital markets to other banking business lines, such as trade financing, corporate banking and payments, resulting efficiencies would generate significant cost and time savings.

Taking client lifecycle management as one use case, LEIs can dramatically simplify entity identification across different lifecycle stages, such as onboarding, transacting, compliance reporting and risk monitoring.

An eBook published by GLEIF explores conclusions from the joint GLEIF and McKinsey & Company study in the context of specific use cases and pain points experienced by banks when performing client identification and verification. It also provides a brief overview of other benefits banks can realize through expanded LEI usage, including reduced time-to-revenue, improved customer retention and the delivery of a better, more efficient customer experience.

#3 LEI use case for banking

Taking advantage of a unique global identifier system for banking

The US\$ 2-4 billion opportunity.

Download the GLEIF eBook here:

<https://www.gleif.org/en/lei-solutions/mckinsey-company-and-gleif-leis-and-client-lifecycle-management-in-banking-a-us-4-billion-beginning>



LEI for Business Value

Removing frictions and creating efficiencies for banking processes

#3 LEI use case for banking

Taking advantage of a unique global identifier system for banking

McKinsey & Company conducted a voice of the customer exercise involving interviews with over 70 stakeholders, including market participants across more than five sectors.

Voices #LEI for banking innovation

"The interviews surfaced four key pain points that banks experience in relation to client identification and verification: manual linking of entity data from disparate internal and external sources; difficulties in assessing entities' legal ownership structure; limited transparency into entities' key officers, such as authorized signatories; and poor customer experience due to multiple round trips to gather client data and documents. If an LEI was obtained at the start of onboarding, many of these challenges could be resolved, with the net effect being expedited counterparty identification and verification processes. Know-Your-Customer compliance may also be expedited."

— Gabriela Skouloudi, Partner and Co-head of Corporate and Investment Banking in the Americas, McKinsey & Company

"The banking industry needs to be a leader in exploring ways to eliminate the hurdles in today's environment to making LEI's the ubiquitous, cross-border digital birth certificate for legal entities."

— George Brandman, Managing Director, JPMorgan Chase & Co

Partnerships

GLEIF's work with partners all over the world



Bringing stakeholders together: Debating topics of interest to all parties

GLEIF participated at several conferences and roundtables across industries during 2019. GLEIF believes in the value of having an open dialogue with many stakeholders interested in the LEI as a global standard all over the world. In this way, GLEIF can obtain the best possible understanding of market needs. Also, the continuous exchange of views helps to develop use cases for the best possible application of the LEI for for trusted identification management. During 2019, GLEIF continued to engage with its stakeholder groups, including data and technology vendors, large statistical users and the Globally Important Financial Institutions (GIFI). GLEIF also worked more closely with partners in the area of payments, the digital economy and the supply chain.

GLEIF's Stakeholder Groups: Fostering cooperation

GLEIF maintains three stakeholder groups to ensure regular dialogue and exchange of information with specific market segments.

These include:

- GLEIF Vendor Relationship Group
- GLEIF Globally Important Financial Institution Relationship Group
- LEI issuing organizations

GLEIF hosts quarterly phone meetings with each group and meets with each group in person once a year.

Partnerships

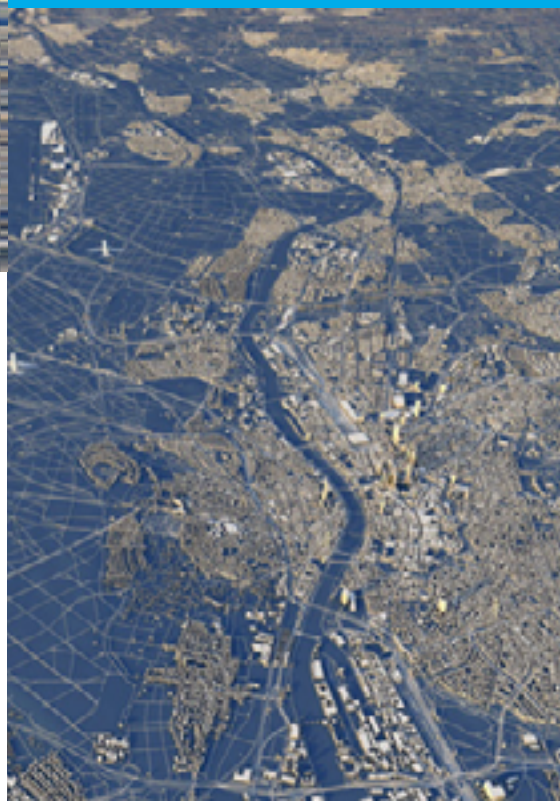
GLEIF's global work

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Basel, Switzerland
2019-09-11 | Board of Directors meeting

Frankfurt am Main, Germany
2019-05-23 | Board of Directors meeting
2019-05-22 | Joint meeting of the LEI ROC Executive Committee and the Board of Directors



Singapore, Singapore
2019-02-28 | Board of Directors meeting



Washington D.C., United States
2019-10-23 | Board of Directors meeting
2019-10-24 | Joint meeting of the LEI ROC Executive Committee and the Board of Directors

2019-10-24 | GLEIF Forum
The annual GLEIF Forum brings together representatives from the regulatory and industry community, including technology leaders, to exchange ideas on trusted entity identification in the digital age.



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Global Legal Entity Identifier Foundation

Basel, Switzerland

Financial Statements 2019

for the Period from January 1 to December 31, 2019

Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US\$	US\$
Fee revenue	3.1	14,516,715	17,555,899
Wages and salaries		-4,616,880	-4,288,884
Social contributions and expenses for pensions and care		-543,684	-618,341
Personnel expenses	3.2	-5,160,564	-4,907,225
Other operating expenses	3.3	-5,561,990	-4,054,185
Other operating income	3.4	181,344	384,703
Amortization and depreciation expense	4.5/4.6/4.7	-873,846	-344,735
Operating surplus		3,101,659	8,634,457
Subsidies and donations	3.5	25,368	40,482
Financial income / expense	3.6	-234,837	-325,544
Net surplus		2,892,190	8,349,395
Changes of components of net equity from actuarial gains and losses in pension and similar obligations	3.2	-11,410	3,312
Items that will not be reclassified to net surplus		-11,410	3,312
Other comprehensive income		-11,410	3,312
Total comprehensive income		2,880,780	8,352,707

Balance Sheet

as of December 31, 2019

Assets	Notes	Dec. 31, 2019	Dec. 31, 2018
		US\$	US\$
Receivables from LEI issuers	4.1	1,515,978	2,204,883
Current financial assets	4.2	33,101	14,780
Other assets	4.3	296,047	479,660
Cash and cash equivalents	4.4	13,255,924	9,833,545
Current assets		15,101,050	12,532,868
Intangible fixed assets	4.5	1,158,440	703,028
Tangible assets	4.6	235,044	256,965
Financial assets	4.2	143,795	118,376
Right-of-use assets	4.7	3,779,781	0
Non-current assets		5,317,060	1,078,369
		20,418,110	13,611,237
Liabilities and equity			
Payables due to vendors	4.8	967,842	943,989
Liabilities due to Board Directors	6.1	18,955	20,489
Other financial liabilities	4.9	554,670	70,199
Other payables	4.10	1,175,099	1,145,425
Current liabilities		2,716,566	2,180,102
Provision for pension costs	3.2	34,009	20,693
Payables due to vendors	4.8	0	32,475
Financial liabilities	4.9	3,437,706	3,550
Deferred subsidies	3.5	43,249	68,617
Non-current liabilities		3,514,964	125,335
Paid-in Foundation capital		55,927	55,927
Other reserves		21,416	32,826
Retained surplus		14,109,237	11,217,047
Organizational capital	4.11	14,186,580	11,305,800
		20,418,110	13,611,237

Cash Flow Statement

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US\$	US\$
Surplus		2,892,190	8,349,395
Amortization and depreciation expense		873,846	344,735
Increase (decrease) of provisions		1,277	1,686
(Gains) / Losses from the disposal of fixed assets		50	-17,061
Financial income / expense		23,974	-12,470
Other non-cash expenses and income		210,645	336,162
Decrease / increase of receivables and other current assets		856,671	2,305,145
Increase / decrease of liabilities to vendors and other operating liabilities		-23,344	-4,007,682
Interest received		19,118	13,635
Cash flow from operating activities		4,854,427	7,313,545
Receipts from the disposal of intangible and tangible fixed assets		266	26,194
Acquisition of intangible and tangible fixed assets	4.5/4.6	-793,219	-519,780
Acquisition / settlement of financial assets	4.2	-40,087	0
Cash flow from investing activities		-833,040	-493,586
Repayment of finance lease liabilities		-438,783	-4,242
Proceeds from other financing liabilities		61,383	-9,124
Interest paid		-34,622	-1,238
Cash flow from financing activities		-412,022	-14,604
Total cash flow effects on cash and cash equivalents		3,609,365	6,805,355
Effect of changes in exchange rates on cash and cash equivalents		-186,986	-295,553
Cash and cash equivalents at beginning of period		9,833,545	3,323,743
Cash and cash equivalents at end of period	4.4	13,255,924	9,833,545

Statement of Changes in Organizational Capital

	Paid-in Foundation capital	Other reserves, actuarial gains and losses from pension obligations	Retained surplus	Organizational capital
	US\$	US\$	US\$	US\$
Balance as of December 31, 2017	55,927	29,514	2,867,652	2,953,093
Net surplus		0	8,349,395	8,349,395
Other comprehensive income		3,312	0	3,312
Total comprehensive income		3,312	8,349,395	8,352,707
Balance as of December 31, 2018	55,927	32,826	11,217,047	11,305,800
Net surplus		0	2,892,190	2,892,190
Other comprehensive income		-11,410	0	-11,410
Total comprehensive income		-11,410	2,892,190	2,880,780
Balance as of December 31, 2019	55,927	21,416	14,109,237	14,186,580

Notes to the Financial Statements

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 St. Alban-Vorstadt 5, 4002 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 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 ("Global LEI System"), 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 ("LEI ROC"), which had set forth requirements for the structure of the Global LEI System and for the managing, monitoring, and standard-setting functions, as well as the internal structure and the funding of GLEIF. The LEI ROC has, as stipulated in Article 4 of the GLEIF Statutes, the regulatory oversight of the Global LEI System, including the activities of GLEIF in the broad public interest.

GLEIF is under supervision of the Swiss Supervisory Board of Foundations since the establishment of GLEIF in June 2014.

The financial statements were authorized for publication by the Board of Directors on April 22, 2020.

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 U.S. 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.

In contrast to the prior year, GLEIF no longer reports currency translation gains / losses on a gross basis within other operating income / expense, but instead now shows the net amount within financial income / expense to refine the presentation within the statement of comprehensive income. The prior year figures have been restated accordingly. The comparison of restated and previous figures is shown in the table below.

	Jan. to Dec. 2018 reported	Amendments	Jan. to Dec. 2018 restated
	US\$	US\$	US\$
Other operating expenses	-4,779,514	725,329	-4,054,185
Other operating income	772,018	-387,315	384,703
Operating surplus	8,296,443	338,014	8,634,457
Financial income / expense	12,470	-338,014	-325,544
Net surplus	8,349,395	0	8,349,395

Apart from the above-mentioned change and the changes due to IFRS 16 described in section 2.11, the accounting policies set out below are unchanged from the prior period and have been applied consistently throughout both periods.

2.1 Foreign currency

The functional currency of GLEIF is the U.S. dollar, as the Foundation generates its revenues and receives almost all cash flows from the LEI issuers (also referred to as Local Operating Units ("LOUs") in this currency).

Transactions that are denominated in a currency other than U.S. dollar are recorded at the spot exchange rate on 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 U.S. dollars, applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in financial income / expense.

The exchange rates of the most significant foreign currencies are:

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Swiss franc to U.S. dollar	1.0350	1.0161
Euro to U.S. dollar	1.1234	1.1450

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 LEI issuers to pay to GLEIF a fixed service fee for each LEI issued and served by the respective issuer.

The license period of an LEI is one year from the date of issuance or renewal. During this period, the LEI issuers are responsible for managing and maintaining the integrity and accuracy of the LEI entry data and of the associated changes. The services provided by GLEIF to the LEI issuers relate to quality assurance, standardization, and certain other work with regard to the LEI issuers' 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 LEI issuers and the LEI users, and defers the revenue that 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 LEI issuer.

Under the "master agreement" arrangement, the LEI issuer pays a quarterly service fee based on all active LEIs under its management at the end of the quarter. For service fees under this agreement, GLEIF only reflects in the balance sheet and as revenue 50% of the quarterly service fee for new / renewed LEIs during the quarter. The remaining 50% that has neither been earned nor billed at the end of the quarter is not shown in the balance sheet and only recognized in the subsequent quarter.

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 Global LEI System are free from corporate and trade tax on income by law.

2.6 Provisions

A provision is recognized in the balance sheet that 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

Leases are accounted for as described in section 2.11.

2.8 Tangible fixed assets

GLEIF tangible fixed asset items 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 intangible fixed asset items 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 fixed assets are as follows:

Software	3 to 5 years
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As at the end of current financial year, GLEIF did not have intangible fixed 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 LEI issuers' 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 market place 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, 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 to be cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value and have less than three months maturity from the date of acquisition. 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 that are effective for this reporting period. The Foundation has not adopted any standards that have already been issued but that are not yet effective for this reporting period.

IFRS 16

In January 2016, the IASB issued IFRS 16, Leases. It supersedes IAS 17 and related interpretations. For lessees, 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. With the new standard, the lessee is requested to report all of lease contracts and related liabilities on the balance sheet, with minor exceptions. Simultaneously, the lessee is also required to recognize an asset for the right to use the leased item equal to the present value of future lease payments and other directly related costs. For short-term leases and / or low-value underlying assets, exceptions in the accounting methodology can be applied.

GLEIF applied IFRS 16 for the first time on January 1, 2019, retrospectively without restating the prior-year figures. For contracts previously classified as operating leases, GLEIF measured the lease liabilities as of the date of first-time application of IFRS at the present value of the outstanding lease payments. The incremental borrowing rate as of that date (2.4%) was used as the discount rate. Right-of-use assets were measured at the amount of the lease liability, adjusted by the amounts of provisions for lease liabilities recognized in the balance sheet as of December 31, 2018. The right-of-use asset is amortised on a straight-line basis over the shorter of the useful life of the leased asset and the expected term of the lease agreement.

Short-term leases and low-value leases are recognized as expenses on a straight-line basis. Lease arrangements with a residual lease term under 12 months on the date of initial application are treated as short-term leases.

Further details on the adoption of IFRS 16 are presented in section 4.7 and 4.9.

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:

Pronouncement	Description	Mandatory application	Anticipated effect
Framework	Amendments to the Conceptual Framework in IFRS Standards	Jan. 1, 2020	no material effect expected
IFRS 3	Definition of a business operation	Jan. 1, 2020	no material effect expected
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform	Jan. 1, 2020	no material effect expected
IAS 1, IAS 8	Definition of material	Jan. 1, 2020	no material effect expected

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. Some of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions. Some of these assumptions 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 LEI issuers to the appropriate accounting periods is based on reasonable estimates of the timing of the underlying LEI service contracts between the LEI issuers and the LEI users. The Foundation receives quarterly reports from the LEI issuers detailing the number of LEIs renewed or newly issued by the LEI issuers. GLEIF has applied estimates, assuming that the issuance and renewal of each LEI, as well as the related start of a standard one-year service period, are distributed on a straight-line basis within the reported quarters. Changes in these estimates may lead to an increase or decrease of revenue.

Incremental borrowing rate

The estimate of the incremental borrowing rate is based on an assessment by one of GLEIF's main banks. The basis of the estimate is an interest rate for a loan over the term of the liability, depending on the financial situation of the Foundation. The management chose 2.4% as a reasonable estimate for the incremental borrowing rate.

Further details are provided in section 2.11.

3. Statement of comprehensive income

3.1 Fee revenue

The revenues split into regions (based on the legal seat of the LEI issuers) as follows:

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Europe	13,026,947	16,204,315
Asia	468,104	311,716
North and South America	926,070	956,137
Other regions	95,594	83,731
Fee revenues	14,516,715	17,555,899

While a significant portion of the overall GLEIF fees are from LEI issuers with a legal seat in Europe, the underlying cash flows of GLEIF are generated by a very geographically diverse population of LEI registrants. Within Europe, 52% of the revenue is concentrated on three LEI issuers.

3.2 Personnel expenses

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Wages and salaries	4,616,880	4,288,884
Social contributions and expenses for pension and care	543,684	618,341
Personnel expenses	5,160,564	4,907,225

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 2019, GLEIF employed 40 (2018: 36) employees. The average headcount for 2019 is 38 (2018: 35) employees.

Pension plan

Under Swiss law, GLEIF has to arrange for an affiliation contract with a pension fund for the Swiss employees to comply with legal requirements. The pension fund has to provide at least occupational benefits according to law.

In 2015, GLEIF set up a pension plan in Switzerland with AXA Vorsorgestiftung as a collective foundation. Based on the plan rules and pension law in Switzerland, the plan qualifies as a defined benefit scheme under IFRS. The insurance plan is contribution-based and

contains a cash balance benefit formula. Under Swiss law, the pension fund guarantees the vested benefit amount as confirmed annually to members.

The collective foundation of AXA guarantees a 40% coverage of the retirement accounts covered by an insurance policy. The other assets are pooled for all affiliated companies. The collective foundation can adjust risk and cost contributions according to the circumstances. The employer has to cover at least half of all contributions. The collective foundation is able to withdraw from the contract with the employer. In that case, the company needs to affiliate with another pension institution.

GLEIF recognized pension cost of US\$ 8,098 (2018: US\$ 9,845) within personnel expenses and net interest expenses of US\$ 201 (2018: US\$ 163), and paid employer and employee contributions of US\$ 7,015 (2018: US\$ 8,103) to the scheme.

Actuarial losses of US\$ 9,608 (2018: actuarial gains of US\$ 8,679) from the defined benefit obligation plus US\$ 1,802 losses (2018: net of US\$ 5,367 losses) from the return on plan assets have been recognized as other comprehensive income.

The defined benefit obligation amounted to US\$ 82,942 on December 31, 2019 (December 31, 2018: US\$ 56,301), net of the plan assets of US\$ 48,933 (December 31, 2018: US\$ 35,608). A net pension liability of US\$ 34,009 (December 31, 2018: US\$ 20,693) was recognized in the balance sheet as of December 31, 2019.

The weighted average duration of the obligation is 19.0 (2018: 17.2) years. The employee and employer contributions expected for the next fiscal year are US\$ 7,027 each.

For the calculation of the defined benefit obligation, a discount rate of 0.3% (2018: 1.0%) and a long-term salary increase rate of 1.0% (2018: 1.0%) is used. Mortality, risk of disability, and turnover rates are set in accordance with the statistical database BVG 2015.

A sensitivity analysis was performed for the most important parameters that influence the pension obligation of the employer. The discount rate and the assumption for salary increases are modified by a certain percentage. Sensitivity on mortality is calculated by changing the mortality with a constant factor for all age groups, resulting in a change of the longevity for the ages by one year longer or shorter as the baseline value. The sensitivity analysis results are as follows:

	Dec. 31, 2019	Dec. 31, 2019
	US\$	US\$
Defined benefit obligation with a change of		
Discounting rate by +0.25% / -0.25%	79,114	87,159
Future salary increases by -0.25% / +0.25%	82,806	83,081
Life expectancy -1 year / +1 year	82,114	83,773

Investment of assets is carried out by the governing bodies of AXA Vorsorgestiftung or by mandated parties. The structure of the plan assets by classes is as follows:

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Cash and cash equivalents	925	356
Equity instruments	11,484	8,902
Debt instruments	4,810	5,341
Real estate	7,335	3,561
Other	5,535	3,205
Total plan assets at fair value (quoted market price)	30,089	21,365
Total plan assets at fair value (non-quoted market price)	18,844	14,243
Plan assets	48,933	35,608

3.3 Other operating expenses

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Rental	148,741	491,806
Contractors	248,824	462,414
Travel and entertainment	726,448	836,886
IT consulting and development	373,011	191,422
IT service and maintenance	345,660	363,857
Website translation expenses	221,946	338,501
Telephone and communication, office expenses	122,483	106,349
Consulting and advice	2,533,670	655,940
Legal advice	378,025	255,473
Tax advice, accounting and audit	288,304	218,690
Staff training expenses	24,035	47,126
Insurance premiums	22,291	20,402
Other	128,553	65,318
Other operating expenses	5,561,990	4,054,185

The consulting and advice item includes US\$ 1,190,000 (2018: US\$ 131,711) of research costs.

3.4 Other operating income

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Release of prior year liabilities	126,652	319,627
Refunds and reimbursements	22,468	52,619
Other	32,224	12,457
Other operating income	181,344	384,703

Within the other operating income, the release of US\$ 24,032 accrual for incidental costs is included as a one-off occurrence. In addition, the release of an accrual of US\$ 25,763 for operating expenses was reversed, which, retrospectively, had to be reclassified as an intangible asset.

3.5 Subsidies and donations

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Subsidy granted in 2015	6,597	15,656
Subsidy granted in 2016	18,771	24,826
Income from subsidies and donations	25,368	40,482

In 2016 and 2015, GLEIF received assistance from a government authority of the region of Hesse, Germany ("Hessisches Ministerium für Wirtschaft, Verkehr und Landesentwicklung"). The assistance was limited to a maximum of EUR 250,000 each year. In order to receive the assistance, GLEIF was required to incur certain qualifying expenditures. GLEIF complied fully with the terms of the subsidy and in turn received the full amount of EUR 250,000 (US\$ 260,725 in 2016 and US\$ 274,400 in 2015). GLEIF has not benefited from any other form of government assistance. No unfulfilled conditions or other contingencies attached to government assistance have been recognized.

The portions of the subsidies attributable to capital expenditures (tangible and intangible fixed assets), advance payments, and deferred expenses have been deferred and are amortized over the useful life of the associated fixed assets.

3.6 Financial income / expense

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Interest income	18,995	13,461
Interest expense	-42,969	-991
Currency translation gains	771,130	387,315
Currency translation losses	-981,993	-725,329
Financial result	-234,837	-325,544

The net currency translation losses result from payment of invoices in foreign currency as well as the translation of monetary balances as at the end of 2019.

4. Balance sheets

4.1 Receivables from LEI issuers' fees

As in the prior year, all receivables from LEI issuers' fees are due after the balance sheet date. As of the balance sheet date, there are no indications that the receivables will not be settled and thus, allowances are not considered material and therefore not recorded.

4.2 Current and non-current financial assets

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Security deposits due within one year	4,887	4,981
Receivables due from vendors	5,746	9,799
Other current financial assets	22,468	0
Current financial assets	33,101	14,780

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Deposit due later than one year		
office premises	143,795	118,376
Non-current financial assets	143,795	118,376

The balance outstanding as of December 31, 2019, relates to security deposits for the lease contracts that the Foundation entered into in 2015.

The outstanding deposits receivable analysis is as follows:

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Deposits receivable not later than one year	4,887	4,981
Deposits receivable later than one year and not later than five years	0	118,376
Deposits receivable later than five years	143,795	0
Total deposits receivable	148,682	123,357

GLEIF management has assessed the fair value of the security deposit balances to be equal to their carrying amounts, as the market deposit rates are as low as 0%.

4.3 Other current assets

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
VAT refunds		
Germany	70,189	362,608
Switzerland	23,080	7,893
Prepaid IT licenses and maintenance	92,508	43,984
Annual newsletter subscriptions	26,738	8,442
Prepaid insurances	16,353	11,193
Prepaid travel expenses	31,886	25,610
Other prepaid expenses	5,714	2,529
Receivables due from employees	12,930	9,212
Receivables due to Board Directors	10,693	0
Reimbursements due from social organizations	5,954	8,189
Other current assets	296,047	479,660

4.4 Cash and cash equivalents

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

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
UBS Group AG	3,708,876	1,653,717
Sparkasse Langen-Seligenstadt	9,547,006	8,179,738
Cash on hand	41	90
Cash and cash equivalents	13,255,924	9,833,545

4.5 Intangible fixed assets

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

The Global LEI System IT solutions contain specific developed software for the maintenance and quality assurance of the Global LEI System databases as well as data exchange tools for the communication between GLEIF and the LEI issuers.

The other intangible assets contain standard software licenses and the ERP system.

All intangible fixed assets stem from external developments or purchases.

	Global LEI System IT Solutions	Other intangible assets	Prepayments	Total
	US\$	US\$	US\$	US\$
2018				
Accumulated cost	730,662	211,795	18,732	961,189
Accumulated depreciation	-206,992	-51,169	0	-258,161
Carrying amount as of Dec. 31, 2018	523,670	160,626	18,732	703,028
Reconciliation				
Carrying amount as of Jan. 1, 2018	306,564	7,906	82,867	397,337
Additions	346,197	112,496	18,732	477,425
Transfer – Accumulated cost	0	82,867	-82,867	0
Disposal – Accumulated cost	0	-3,621	0	-3,621
Depreciation	-129,091	-42,643	0	-171,734
Disposal – Accumulated depreciation	0	3,621	0	3,621
Carrying amount as of Dec. 31, 2018	523,670	160,626	18,732	703,028
2019				
Accumulated cost	1,081,313	272,629	395,375	1,749,317
Accumulated depreciation	-459,948	-130,929	0	-590,877
Carrying amount as of Dec. 31, 2019	621,365	141,700	395,375	1,158,440
Reconciliation				
Carrying amount as of Jan. 1, 2019	523,670	160,626	18,732	703,028
Additions	323,846	60,834	403,448	788,128
Transfer – Accumulated cost	26,805	0	-26,805	0
Depreciation	-252,956	-57,292	0	-310,248
Impairment	0	-22,468	0	-22,468
Carrying amount as of Dec. 31, 2019	621,365	141,700	395,375	1,158,440

4.6 Tangible fixed assets

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

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.

	Technical and computer equipment	Office equipment	Apartment equipment	Motor vehicles	Finance lease assets	Total
	US\$	US\$	US\$	US\$	US\$	US\$
2018						
Accumulated cost	394,148	218,332	4,497	70,466	19,657	707,100
Accumulated depreciation	-282,353	-85,737	-4,126	-65,466	-12,453	-450,135
Carrying amount as of Dec. 31, 2018	111,795	132,595	371	5,000	7,204	256,965
Reconciliation						
Carrying amount as of Jan. 1, 2018	156,588	155,611	1,390	41,098	11,131	365,818
Additions	59,882	13,399	0	0	0	73,281
Disposal – Accumulated cost	-49,388	-56,601	-6,754	0	0	-112,743
Depreciation	-95,542	-36,415	-1,019	-11,742	-3,927	-148,645
Disposal – Accumulated depreciation	40,255	56,601	6,754	0	0	103,610
Impairment	0	0	0	-24,356	0	-24,356
Carrying amount as of Dec. 31, 2018	111,795	132,595	371	5,000	7,204	256,965
2019						
Accumulated cost	455,705	220,645	0	70,466	0	746,816
Accumulated depreciation	-344,572	-114,348	0	-52,852	0	-511,772
Carrying amount as of Dec. 31, 2019	111,133	106,297	0	17,614	0	235,044
Reconciliation						
Carrying amount as of Jan. 1, 2019	111,795	132,595	371	5,000	7,204	256,965
Additions	68,553	2,313	0	0	0	70,866
Disposal – Accumulated cost	-6,996	0	-4,497	0	0	-11,493
Transfer – Accumulated cost	0	0	0	0	-19,657	-19,657
Depreciation	-69,215	-28,611	-55	-11,742	0	-109,623
Disposal – Accumulated depreciation	6,996	0	4,181	0	0	11,177
Transfer – Accumulated depreciation	0	0	0	0	12,453	12,453
Write-up	0	0	0	24,356	0	24,356
Carrying amount as of Dec. 31, 2019	111,133	106,297	0	17,614	0	235,044

4.7 Leases

Leases are accounted for as described in section 2.11. As a lessee, GLEIF has concluded contracts for real estate and technical and computer equipment.

The carrying amounts of all right-of-use assets are as follows:

	Land and buildings	Technical and computer equipment	Total
	US\$	US\$	US\$
2019			
Accumulated cost	3,978,110	245,631	4,223,741
Accumulated depreciation	-321,515	-122,445	-443,960
Carrying amount as of Dec. 31, 2019	3,656,595	123,186	3,779,781
Reconciliation			
Additions Jan. 1, 2019 (First-time adoption of IFRS 16)	572,372	128,306	700,678
Additions	3,405,738	117,325	3,523,063
Additions Jan. 1, 2019 – Accumulated depreciation	0	-12,453	-12,453
Depreciation	-321,515	-109,992	-431,507
Carrying amount as of Dec. 31, 2019	3,656,595	123,186	3,779,781

In October 2019, GLEIF agreed to an adjustment of the rental contract with the lessor of the office premises. The new minimum lease term runs until December 2025. An option to extend the lease term until December 2030 was agreed upon. GLEIF considers it as highly probable that this option will be used by GLEIF.

The outstanding discounted lease payments have the following maturities:

	Dec. 31, 2019	Dec. 31, 2019
	US\$	US\$
	Land and buildings	Technical and computer equipment
Maturities of discounted lease payments		
Not later than one year	322,962	110,921
Later than one year and not later than five years	1,464,350	21,694
Later than five years	1,951,662	0
Total discounted lease payments	3,738,974	132,615

In addition, the following amounts were recognized in the statement of comprehensive income in 2019:

	Jan. to Dec. 2019	Jan. to Dec. 2019
	US\$	US\$
	Land and buildings	Technical and computer equipment
Impact on the Statement of Comprehensive Income		
Interest expense	-24,155	-2,330
Expenses for variable lease payments	-101,036	-1,219
Expenses for short-term leases	-7,655	0
Total	-132,846	-3,549

Cash outflows related to lessee activities in 2019 amounted to US\$ 546,300.

The reconciliation from the finance lease liabilities and the operating lease commitments as of December 31, 2018, to the leasing liabilities initially recognized under IFRS 16 as of January 1, 2019, is shown in the table below:

	Land and buildings	Technical and computer equipment	Total
	US\$	US\$	US\$
Minimum operate lease payments Dec. 31, 2018	663,246	0	663,246
Discount by 2.4% p.a.	-13,573	0	-13,573
Finance lease liabilities as of Dec. 31, 2018	0	7,731	7,731
Subtotal	649,673	7,731	657,404
Leasing arrangements with a residual term below 12 months	-5,906	0	-5,906
Leasing arrangements recognized at date of IFRS 16 application	0	116,793	116,793
Leasing liability as of Jan. 1, 2019	643,767	124,524	768,291

4.8 Payables to vendors

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.

4.9 Financial liabilities

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Leasing liabilities falling due later than one year and not later than five years	1,486,044	3,550
Leasing liabilities falling due later than five years	1,951,662	0
Long-term financial liabilities	3,437,706	3,550
Leasing liability portion falling due within one year after the balance sheet date	433,883	4,182
Short-term bank liabilities	71,590	10,977
Liabilities due to LEI issuers	49,197	55,040
Current financial liabilities	554,670	70,199
Total financial liabilities	3,992,376	73,749

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

The liabilities due to LEI issuers arise from the annual true up of the volume of LEIs managed by the LEI issuers. If the effective annual fee is lower than the amounts paid in advance, GLEIF issues a credit for such an overpayment.

The increase in lease liabilities in 2019 is due to the change in accounting for leases following the first-time application of IFRS 16. Further details of lease liabilities are provided in section 4.7.

The reconciliation of the changes in liabilities arising from financing activities with the related cash flows is shown in the following table:

	Jan. to Dec. 2019			Jan. to Dec. 2018		
	Leasing liabilities	Short-term bank liabilities	Liabilities from financing activities	Leasing liabilities	Short-term bank liabilities	Liabilities from financing activities
	US\$	US\$	US\$	US\$	US\$	US\$
Carrying amount as of Jan. 1	7,731	10,977	18,708	12,392	20,449	32,841
Additions (first-time adoption IFRS 16)	760,560	0	760,560	0	0	0
Additions	3,520,952	0	3,520,952	0	0	0
Changes from financing cash flows	-463,158	61,383	-401,775	-4,241	-9,124	-13,365
Interest accrued	26,487	0	26,487	0	0	0
Currency revaluation	19,017	-770	18,247	-420	-348	-768
Carrying amount as of Dec. 31	3,871,589	71,590	3,943,179	7,731	10,977	18,708

4.10 Other payables

	Dec. 31, 2019	Dec. 31, 2018
	US\$	US\$
Wage and church tax payables	73,015	71,512
Social security liabilities	33,784	25,553
Outstanding vacation	96,373	121,382
VAT payable		
Russia	717	467
Variable salary	442,438	405,955
Bonuses	507,820	480,900
Other liabilities due to employees	20,952	33,259
Other	0	6,397
Other payables	1,175,099	1,145,425

The variable remuneration to GLEIF employees is accrued for in 2019 in accordance with the employment contracts. The bonuses to employees are accrued in accordance with board and management decisions.

The outstanding vacation liability in 2019 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 the 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 2019 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.

Together with the retained surplus and other reserves, the total organizational capital is US\$ 14,186,580. 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 of Directors and GLEIF 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 carrying amounts of each category of financial assets and financial liabilities:

	Dec. 31, 2019	Dec. 31, 2018
	Carrying amount	Carrying amount
	US\$	US\$
Financial assets measured at cost or amortized cost		
Long-term security deposits	143,795	118,376
Receivables from LEI issuers fees	1,515,978	2,204,883
Cash and cash equivalents	13,255,924	9,833,545
Receivables due to vendors	5,746	9,799
Other non-derivative financial assets	27,355	4,981
	14,948,798	12,171,584
Financial liabilities measured at cost or amortized cost		
Payables due to vendors	967,842	976,464
Liabilities due to Board Directors	18,955	20,489
Leasing liabilities	3,871,589	7,732
Liabilities due to banks	71,590	10,977
Liabilities due to LEI issuers	49,197	55,040
	4,979,173	1,070,702

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

The carrying amounts of cash and cash equivalents, LEI issuers' fee and other receivables, and vendor payables with a remaining term of up to twelve months, other current financial assets and liabilities represent 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%.

The realization and valuation of the financial assets and liabilities mentioned above generated a net foreign currency loss of US\$ 213,288.

Total interest income / expense and bank transaction expenses from financial instruments are:

	Jan. to Dec. 2019	Jan. to Dec. 2018
	US\$	US\$
Total interest income	18,273	12,274
Total interest expense	34,621	750
Total bank transaction expenses	5,517	4,881

The bank transaction expenses are presented under 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. GLEIF identifies, analyzes, and manages the associated market risks in order to optimize the allocation of the financial resources. 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 U.S. 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 expenses.

IFRS 7 requires the 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	14,182	14,182
Euro	552,684	552,684
	566,867	566,867
10% decrease of transaction currency		
Swiss franc	-14,182	-14,182
Euro	-552,684	-552,684
	-566,867	-566,867

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. The interest rate risk exposure of GLEIF is low due to the short-term structure of a majority of financial assets and liabilities in the balance sheet as of December 31, 2019.

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.

The GLEIF management is able to mitigate liquidity risks due to the quarterly installments and quarterly invoicing agreed in both kinds of arrangements with the LEI issuers and the repeating cash structure of the most operating expenses.

Credit 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 an LEI issuer 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.

GLEIF has two major banking relationships. The majority of its cash holdings is concentrated within one of these banks.

6. Other information and disclosures

6.1 Related party transactions

Related individuals of GLEIF include the members of the Board of Directors, the Chief Executive Officer and the senior management, as well as 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 payables due by December 31, 2019, and December 31, 2018:

	Jan. to Dec. 2019	Dec. 31, 2019	Jan. to Dec. 2018	Dec. 31, 2018
	Expenses	Liabilities	Expenses	Liabilities
	US\$	US\$	US\$	US\$
Board Directors				
Travel expense reimbursement	277,635	8,262	356,382	20,489
Key management personnel				
Fixed remuneration	878,685	0	937,509	0
Variable remuneration and bonus	364,067	368,323	343,650	339,047
Travel expense reimbursement	117,037	2,088	125,501	15,073
Other related parties				
Remuneration	45,000	45,000	0	0
Travel expense reimbursement	11,935	11,935	0	0
	1,694,359	435,608	1,763,042	374,609

The Directors did not receive remuneration for their services as Directors of the GLEIF Board, with the exception of the reimbursement of their travel costs.

The 2019 and 2018 travel reimbursement expenses and liabilities for the Board Directors include claimed expenses as well as accrued expenses for outstanding reimbursement. In 2019, US\$ 19,000 accrued liabilities for 2018 Board travel expenses were released.

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 were US\$ 8,098 (2018: US\$ 9,845).

Other related parties consist of a U.S. consulting firm which provides consulting services to GLEIF. The owner and managing director is a member of the Board of Directors.

6.2 Observance of the GLEIF Statutes' requirements

The purpose of GLEIF is to act as the operational arm of a Global Legal Entity Identifier System and thereby to support on a not-for-profit basis the implementation of a global Legal Entity Identifier in the form of a reference code to identify uniquely 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 Auditor fees

US\$ 40,506 audit fees related to professional services rendered by the Foundation's independent auditors, Ernst & Young Ltd, Zurich, Switzerland, were accrued for fiscal year 2019.

6.4 Subsequent events

This report was written during the first 6 weeks of the Corona crisis in Germany. Corresponding to the pandemic plan the whole organization worked from home and the business could run as usual without any issues. The financial impact cannot be estimated yet, although the first quarter has shown favorable numbers versus the Budget 2020 and is not representative for the remaining rest of the year.

7. Board of Directors, Secretary and Chief Executive Officer

The Board of Directors consisted of the following individuals during the fiscal year 2019:

Gerard Hartsink (Chair of the Board)	Hilversum, The Netherlands	
Nabil Al-Mubarak	Riyadh, Saudi Arabia	
Sandra Boswell	Sydney, Australia	
Jefferson Braswell	San Francisco, United States of America	
Bo Chen	Beijing, China	resigned in June 2019
Hany Choueiri	Hampton, United Kingdom	
Changmin Chun	Goyangsi, South Korea	
Daniel Cotti	Surses, Switzerland	
Robin Doyle	New York, United States of America	
Daniel Goroff	New York, United States of America	
Salil Kumar Jha	New Delhi, India	
Wolfgang König	Gelnhausen, Germany	
Alfredo Reyes Krafft	Mexico City, Mexico	
Ravi Mathur	New Delhi, India	resigned in June 2019
Hiroshi Nakatake	Tokyo, Japan	
Bruno Schütterle	Bad Ragaz, Switzerland	resigned in June 2019
Monica Singer	Cape Town, South Africa	
Christopher Taggart	London, United Kingdom	resigned in June 2019
Elemér Terták	Brussels, Belgium	
Kam Keung Tse	Hong Kong, China	
Henrique de Rezende Vergara	São Paulo, Brazil	
Zaiyue Xu	Shanghai, China	

The first 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. Article 17 of the GLEIF Statutes stipulates that Directors are eligible for a term of three years, renewable (with consent of the Board of Directors) for an additional term of three years.

The nomination procedure for new Members of the Board of Directors is coordinated by the Chairman of the Board. Irrespective of this procedure, the Founder has the right to remove or nominate a Director of the Board based on a recommendation of the LEI ROC, as defined in Article 15 of the GLEIF Statutes.

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

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

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

Basel, April 22, 2020

Independent Auditor's Report



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To the Board of Directors of
Global Legal Entity Identifier Foundation, Basel

Basel, 22 April 2020

Independent auditor's report on the audit of the financial statements

Opinion

In accordance with the terms of our engagement, we have audited the financial statements of the Global Legal Entity Identifier Foundation (GLEIF), which comprise the statement of financial position as of 31 December 2019 and the statement of comprehensive income, statement of changes in organizational capital and statement of cash flows for the year then ended 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the GLEIF as of 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the GLEIF in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the GLEIF's 2019 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the GLEIF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GLEIF's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the GLEIF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the GLEIF to cease to continue as a going concern.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Ltd

 John Alton
(Qualified
Signature)

Licensed audit expert
(Auditor in charge)

 Armin Imoberdorf
(Qualified
Signature)

Licensed audit expert

Enclosure

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

Board of Directors, CEO and LEI ROC Chairs

As of December 31, 2019, the Board of Directors was comprised of 18 Directors of which the Chair and eight Directors were appointed by the FSB on a recommendation of the LEI ROC from industry and regulatory organizations who bring their expertise and experience to GLEIF.

All Members of the Board of Directors serve the Global LEI System 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 of Directors Expense Policy.

Composition of the Board of Directors and Committees as of December 31, 2019.

GLEIF Board Directors	Board of Directors	Committee of Chairs	Audit and Finance Committee	Governance Committee	Technology and Operations Standards Committee	Business Development Committee
Gerard Hartsink	Chair	Chair				
Nabil Al-Mubarak			Vice Chair			
Sandra Boswell						
Jefferson Braswell					Chair	
Hany Choueiri						
Changmin Chun						
Daniel Cotti						
Robin Doyle			Chair	Vice Chair		
Daniel Goroff						Vice Chair
Salil Kumar Jha						
Wolfgang König	Vice Chair	Vice Chair				Chair
Alfredo Reyes Krafft						
Hiroshi Nakatake						
Monica Singer						
Elemér Terták						
Kam Keung Tse						
Henrique de Rezende Vergara				Chair		
Zaiyue Xu						

Members of the Board of Directors

as of December 31, 2019



Director:
Gerard Hartsink
Role: Chairman



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



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



Director:
Salil Kumar Jha
Affiliation: Indian Bank
Role: Independent Director



Director:
Changmin Chun
Affiliation: Seoul National University of Science and Technology, College of Business and Technology, Department of Business Administration (GTM Program)
Role: Professor at Law



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



Director:
Elemér Terták
Affiliation: DG FISMA, European Commission
Role: Former Principal Adviser



Director:
Nabil Al-Mubarak
Affiliation: SIMAH Rating Agency (Tassnief)
Role: Vice Chairman & CEO



Director:
Alfredo Reyes Krafft
Affiliation: Lex Informática Abogados
Role: Founding Partner and Chairman

Members of the Board of Directors

as of December 31, 2019



Director:
Sandra Boswell
Affiliation: Glasshouse Advisory
Role: Director and National Leader of
 Innovation and Incentives



Director:
Zaiyue Xu
Affiliation: China International Payment
 Service Corp. (CIPS)
Role: Chief Executive Officer



Director:
Kam Keung Tse
Affiliation: Tradelink Electronic
 Commerce Limited
Role: Chief Executive Officer



Director:
Monica Singer
Affiliation: ConsenSys
Role: Creator
 of Opportunities



Director:
Daniel Cotti
Affiliation: TradelIX, Center of Excellence,
 Banking & Trade, Marco Polo Network
Role: Managing Director



Director:
Hiroshi Nakatake
Affiliation: Transaction Banking Division,
 MUFG Bank
Role: Managing Director



Director:
Daniel Goroff
Affiliation: Alfred P. Sloan Foundation
Role: Vice President and Program Director



Director:
Hany Choueiri
Affiliation: Aldermore Bank
Role: Chief Data Officer



Director:
Henrique de Rezende Vergara
Affiliation: HVergara Advocacia
Role: Sole Partner



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

Chief Executive Officer



Stephan Wolf
CEO – GLEIF

LEI ROC Chairs

Observers



LEI ROC Chair:
Alan Deaton
Federal Deposit Insurance Corporation (U.S.)
Role: Associate Director in the Division of Insurance and Research



LEI ROC Vice Chair:
Jurgén A. Boyd
Affiliation: Financial Sector Conduct Authority of South Africa
Role: Deputy Executive Officer



LEI ROC Vice Chair:
François Laurent
Affiliation: European Central Bank (ECB)
Role: Principal Adviser Directorate General Statistics



LEI ROC Vice Chair:
P. Vasudevan
Affiliation: Reserve Bank of India (RBI)
Role: Chief General Manager

Overview of Professional Advisors

Advisor	Country of origin	Type of service
Adm In Swiss Sarl	Switzerland	Payroll services
CMS von Erlach Poncet Ltd.	Switzerland	Legal services trademark LEI issuer contracts
Ernst & Young Ltd (EY)	Switzerland	Statutory audit
Joanknecht BV	The Netherlands	Payroll services
mediadefine GmbH	Germany	GLEIF's Data Protection Officer
Niederer, Kraft & Frey AG	Switzerland	Legal services Board Secretary
Treureva AG	Switzerland	Payroll services
White & Case LLP	USA	Legal and tax advice
WP StB Christian Hecht	Germany	Accounting & tax services

Partners

GLEIF thanks its partners for their support.

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GLEIF

Simplifying
Global Legal Entity
Identification
in the Digital Age

Global Legal Entity Identifier Foundation (GLEIF)

LEI 506700GE1G29325QX363

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