

## Minutes GLEIF Board of Directors Meeting

### Meeting Twenty-seventh Board of Directors Meeting

Date	2016-12-21	Time	13:00 – 15:00	Place	Conference Call
<b>Present</b>	<b>GLEIF Board of Directors</b>	<b>ROC Observers</b>			
	Gerard Hartsink (Chair)	Joseph Tracy			
	Wolfgang König (Vice Chair)	Michael Ritter			
	Nabil Al-Mubarak	Daisuke Yamazaki			
	Jefferson Braswell	<b>Other Attendees</b>			
	Bo Chen				
	Arthur Cousins	Stephan Wolf – CEO			
	Robin Doyle	Thomas Sprecher – Secretary of the Board			
	Daniel Goroff	Veronika Schoehl – Head of Board Secretariat			
	Hiroshi Kawagoe				
	Paul Kennedy	<b>Guests</b>			
	Alfredo Reyes Krafft	For item 3 – Report of the CEO			
	Hyoung-Seok Lim	Virginia Flynn – Head of Accreditation and Audit Services			
	Ravi Mathur	Clare Rowley – Head of Business Operations			
	Bruno Schütterle	Sven Schumacher – General Counsel			
	Christopher Taggart				
	Elemér Terták				
	Kam Keung Tse				
<b>Absent</b>	None				

No	Topics
<b>1</b>	<b>Opening</b>
	The Chair, Gerard Hartsink, determines the presence of a quorum. It is noted that the meeting was duly convened and that the agenda and documentation was provided to the members in advance. The members accept the agenda as recommended by the Committee of Chairs.
<b>2</b>	<b>Previous Meeting Minutes Approval</b>
	The members approve the minutes of the twenty-sixth Board meeting.
<b>3</b>	<b>Topics for information</b>
	<b>Report of the CEO</b>
	<ul style="list-style-type: none"> <li>▪ <b>Accreditation Update</b></li> </ul>
	The CEO, supported by the Head of Accreditation and Audit Services, updates the Board on the status of the accreditation of ROC-endorsed pre-LOUs and the new applicants.

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The Board is informed that one pre-LOU decided to stop its application to enter the system. The CEO informs that one pending signed Non-Disclosure Agreement (NDA) of a pre-LOU was already received and that another NDA is expected to be received soon.

The CEO informs that for three by the Board approved cases, accredited LOUs will receive a certificate now that the ROC has communicated that “the ROC did not identify any reason to recommend against the Board decision”. These three accreditations constitute a great accomplishment.

- **Internal Audit Plan 2017**

The Head of Accreditation and Audit Services presents the anticipated internal audit projects for 2017. One member asks for a comparison concerning the amount of project hours dedicated for 2017 as compared to 2016 and receives a clarification.

The AFC Chair, Robin Doyle, states that the AFC feels comfortable to recommend the internal audit plan for 2017 to the Board.

- **Master Agreement and Accreditation**

The members discuss different aspects regarding the Master Agreement (MA) and the embedded FSB Principles in relation to the accreditation process for LOUs such as the cost-recovery principle and financial viability of a LOU, the legal structure, the outsourcing of tasks and the competition in the GLEIS. It is underlined that LOUs should not generate profit based on the non-profit cost-recovery model as included in the FSB Recommendation 20. The members also discuss definitions and understandings where some Board members sought clarification.

The AFC Chair mentions it would be important to ensure the financial viability of the LOUs that enter the GLEIS to avoid associated reputational risks and that the AFC discussed this matter in its last meeting.

The CEO explains that often candidate LOUs have, besides LEI issuing services, other businesses to generate revenue. The Board is also informed that if GLEIF receives a notice that an organization is no longer interested to deliver LEI issuing services, the transition protocol allows the portability of LEIs to another LOU according to the MA. The CEO underlines that GLEIF needs always to ensure its compliance with the MA.

The Chair asks the members to give their feedback on the discussion paper on competition. The members agree the topic of competition should be addressed more in-depth by the Board. The Board agrees to establish a mandate for an ad hoc committee on competition for further clarification of the FSB Recommendation 6 on competition.

- **Operations Update**

The CEO highlights the most important points and accomplishments in the areas of Service Management, Data Quality, IT and Operations, Communications, Standards and Consultations. Among the highlights are the inclusion of the challenge service in the Quality Management report, a new GLEIF Service Performance Reporting and a new LOU SLA Reporting, and the GLEIF website relaunch.

A major success for the Level 2 program is that GLEIF together with five ‘first mover’ LEI issuing organizations and two large firms have successfully concluded a prototype exercise. The objective of this program was to test the end-to-end process of Level 2 data collection and validation on the direct and ultimate parents of legal entities that have an LEI. The

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content production cycle for Level 2 was in the focus here. GLEIF will start to publish parent information in early 2017. This information included in the publicly available LEI data pool will allow to connect the legal entities of a corporate (group) globally with open, standardized and high quality LEI relation data.

All technical formats are in place and available on the GLEIF website. The data vendors were informed about relevant technical changes so that they can incorporate the LEI relation data into their vendor products. The CEO, supported by the Head of Business Operations, highlights the performance of this pilot process together with the LOUs. The Board is informed that the FSB published an upgraded list of the 30 G-SIBs in November 2016.

The members discuss different aspects of this pilot process and challenges. Also the benefits of legal entities are outlined as well as other standards compared to the LEI that do not allow relationship data reporting.

The CEO informs that the Head of Finance and Business Administration resigned.

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### Report of the Chair

- **GLEIF strategy: notice to the ROC**

The Chair informs that the GLEIF strategy for the private sector, as approved by the Board, will be presented at the ROC Plenary in Hong Kong on 25 January, as required by art 31 of the Statutes.

- **Self-assessment**

It was decided during the last Board meeting that the Board will perform a self-assessment for 2016. The self-assessment questionnaires were reviewed by the Committee of Chairs and the Board Secretariat. The Directors are asked to complete the self-assessments for the Board and the Board Committees they participate in until the beginning of 2017.

- **Promotion**

The Chair and AFC Chair inform on current ambassador activities.

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## 4 Decision taken by the Board

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- **Competition**

The members unanimously agree that the GC Chair will formulate a mandate for an ad hoc committee on Competition. The mandate and composition will be recommended to the next Board meeting.

- **Self-assessment**

The members approve the revised self-assessment questionnaire and to respond early January 2017 on the questionnaires.

- **Recording of mail vote recommendations**

*Step 1 of the Accreditation process:*

- China Financial Standardization Technical Committee (CFSTC) (unanimous approval);
  - Zagreb Stock Exchange (ZSE) (16 in favour, 1 abstention, 0 objection);
  - InfoCamere (16 in favour, 1 abstention, 0 objection);
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- Takasbank (unanimous approval);
- Keler (16 in favour, 1 abstention, 0 objection).

*Step 2 of the Accreditation process:*

- LEIL (14 in favour, 3 abstentions, 0 objection);
  - KDPW (15 in favour, 2 abstentions, 0 objection);
  - GS1 Mexico (15 in favour, 2 abstentions, 0 objection).
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### 5 Reports of the Committee of Chairs

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- **Committee of Chairs**

The Chair, Gerard Hartsink, informs that the CoC prepared the Board meeting.

- **Technology and Operations Standards**

The Chair, Jefferson Braswell, informs about the intense work and projects accomplished in 2016. He had informed TOPS members that a summary of the main topics and accomplishments of the year 2016 and planned topics for 2017 has been distributed to the TOPS members while encouraging the members to inform on any items requests for discussion in 2017.

- **Audit and Finance**

The Chair, Robin Doyle, briefed under item 3 Internal Audit Plan, Report of the CEO.

- **Governance**

The GC Chair, Paul Kennedy, reiterates that necessary preparations, as decided above, will be done in the GC. A meeting will be planned for January 2017, as appropriate.

- **Business Development**

The BDC Chair, Kam Keung Tse, informs that the next BDC will be convened in February after the Hong Kong ROC Plenary, including the results thereof.

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### 6 AOB

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One Director suggests to have a framework strategy for pricing for bulk onboarding so GLEIF would be ready for mass onboarding of legal entities. The CEO informs the Board that the topic of pricing model was presented to the Board and ROC in April and could be addressed in the next in-person meeting in 2017.

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18 January 2017

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Gerard Hartsink  
Chairman of the Board

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Veronika Schoehl  
Secretary of the Meeting