

GLEIF
Bäumleingasse 22
4051 Basel
Switzerland

9th October 2015

Committee on Payments and Market Infrastructures
Secretariat

International Organization of Securities Commissions
Secretariat

By email:
cpmi@bis.org
uti@iosco.org

Re: Harmonisation of key OTC derivatives data elements (other than UTI and UPI) –first batch-consultative report

Dear Madam, Sir:

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the consultative report, entitled 'Harmonisation of key OTC derivatives data elements' published by the Committee on Payments and Market Infrastructures (CPMI) and the Board of the International Organization of Securities Commissions in September 2015.

Our letter will limit its comments specifically to the GLEIF's views on the use of Legal Entity Identifier's (LEI)'s in the report. The GLEIF has been established **to act in the public and private interest as the operational arm of the Global LEI System**. Consequently, we appreciate the opportunity to provide comments on the possible use of LEIs as described in the report.

The GLEIF has a very strong interest in ensuring there is a good understanding by rule makers of the significant benefits to the public and private sectors that derive from the widespread use of LEIs for entity identification in regulatory reporting and supervision. Following the 2008 financial crisis, the importance and benefit of a universal LEI became clear. Regulators worldwide acknowledged their inability to identify parties to transactions across markets, products, and regions. This hindered the ability to evaluate systemic and emerging risk, to identify trends, and to take corrective steps. Recognizing this gap, authorities, working with the private sector, have developed the framework of a Global LEI System that will, through the issuance of unique LEIs, unambiguously identify entities engaged in financial transactions

Regulators globally, therefore, play a key role in facilitating the expansion of the LEI system and its related benefits by requiring LEIs to be used broadly in regulatory reporting and other supervisory practices.

Consequently, we welcome the considerations of the CPMI-IOSCO Harmonization Group concerning the use of LEIs with its consultative report on the first batch of key OTC derivatives data elements.

Included here please find the comments provided on behalf of GLEIF with regard to the specific questions relevant to the use of LEIs raised in the report.

Data elements, ID of the primary obligor 1 and obligor 2, respectively, (of an OTC derivatives contract) in sections 3.1.5 and 3.1.6 and the data element, Direct Payer of Payment Streams (as alternative #2 for identifying this party) in section 3.2.2, of the consultative paper are specified with the format Varchar30, which means 'up to 30 alphanumeric characters' with the LEI suggested as the sole identifier for the identification of these parties.

The GLEIF suggests that the format of these elements should match the format of the LEI which is a fixed length of 20 alphanumeric characters. Having the format option length equal to the length of an LEI will prevent use of other identifiers for these data elements and will support the use of valid LEIs for these data elements.

In conclusion, we would like to reiterate that the Global LEI System in place today supports also the objectives of the CPMI and IOSCO in the area of harmonization of key OTC derivatives data elements. We therefore, encourage the CPMI and IOSCO to progress the considerations regarding the use of LEI set out in its consultative report.

Sincerely,

Stephan Wolf CEO
GLEIF