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Committee on Payments and Market
Infrastructures
Secretariat

International Organization of Securities
Commissions
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Consultative Report Harmonisation of the Unique Product Identifier

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 the Unique Product Identifier' published by the Committee on Payments and Market Infrastructures (CPMI) in December 2015.

Our letter will limit its comments specifically to GLEIF's views on the use of Legal Entity Identifier's (LEI)'s in regard to the topic of UPI as the subject of 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 in regard to UPIs.

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 consideration of the CPMI-ISOCO Harmonisation Group for the harmonisation of key OTC derivatives data elements concerning the use of LEIs in its work.

Included here please find the comments provided on behalf of GLEIF with regard to a specific proposal relevant to the use of LEIs in regard to UPIs.

For instruments and products that are based on underliers with issuing entities, such as fixed income securities for credit default swaps, the report suggests use of an Underlier ID. Use of the LEI in the UPI data record, in addition to the Underlier ID in this case, to identify the issuing entity of the Underlier is not proposed in the consultative report in either of the two approaches outlined in the report for the UPI classification system.

GLEIF would like to propose that the LEI, in addition to the Underlier ID data element, be added to the product data record. The addition of the LEI to this data record would support aggregation, sorting and analysis of OTC derivatives by particular issuing entities of underliers in addition to the identifier for underliers of these OTC derivatives instruments/products.

GLEIF proposes to support the mapping of the LEI to financial instrument, party identifiers and other relevant reference data that would be useful to regulators and the industry.

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

Sincerely,

Stephan Wolf
CEO