

Response of GLEIF to the Eurosystem/European Central Bank (ECB) on the consultative report: Eurosystem's vision for the future of Europe's financial market infrastructure.

April 2016

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the consultation, entitled 'Eurosystem's vision for the future of Europe's financial market infrastructure', published by the ECB in February 2016.

GLEIF will limit its comments specifically to the GLEIF's views on the use of Legal Entity Identifier (LEI) in the consultation.

Section 2 - Functional opportunities

1. Should the Eurosystem harmonize the user interface for Eurosystem services? If so, what would you identify as the specific benefits to your institution? If not, what would be your reason for not harmonizing the user interface?

GLEIF believes that the use of the LEI will contribute to improved risk management and increased operational efficiency for the Central Banks of the Eurosystem and for the participants (banks and FMIs) of TARGET2 and T2S Platforms in case the ECB (Eurosystem) would decide to make the LEI a mandatory data element of the user interface.

2. Are there further considerations that the Eurosystem should take into account in deciding whether or not to harmonize the user interface?

GLEIF believes that a decision of the Eurosystem to make the LEI a mandatory data element of the user interface will have a positive network effect for the adoption of the LEI as a broad public good for improved risk management and operational efficiency for the benefit of the public and the private sectors. It is to be expected that the LEI will not only be used by the 80 FMIs and their participants to settle their participants' positions on the TARGET2 accounts. This network effect will lead to improved risk management for the ECB (Eurosystem), the 80 FMIs and their participants.

3. Do you agree with the listed findings on the provision of multi-currency RTGS services? If not, please explain.

Not applicable for GLEIF.

4. Would you expect your institution to use multi-currency RTGS services?

Not applicable for GLEIF.

5. Would you expect your institution to use the additional fields that ISO 20022 payment messages support? If so, please describe the types of additional payment fields, and the purpose for which they would be used.

GLEIF thanks the ECB for including the LEI as a key payment data element and GLEIF agrees with the remark made in point 2.3 that the LEI could be used for manifold purposes such as STP processing, data analytics and regulatory compliance such as AML and CTF. GLEIF is not (and will not be) a participant of TARGET2 or T2S. GLEIF knows however from experience that the LEI could easily be included in ISO 20022 payment messages.

6. Do you agree with the Eurosystem's expectations in terms of participants' accounts management?

Not applicable for GLEIF.

7. Could you indicate which services TARGET2 must retain or enhance regardless of their usage?

Not applicable for GLEIF.

8. Conversely, could you indicate which services should be reassessed or not be considered in the context of the Eurosystem's vision?

Not applicable for GLEIF.

9. Which of the current liquidity management tools does your institution currently use?

Not applicable for GLEIF.

10. Which of the current liquidity management tools does your institution intend to use in the future?

Not applicable for GLEIF.

11. Would your institution require RTGS services that are not listed as potential enhancements?

Not applicable for GLEIF.

12. Does your institution have a requirement of extended opening hours for RTGS services? If so, for what purpose would the extended opening hours be required? What would be the required extended opening hours?

Not applicable for GLEIF.

14. Are there services that the Eurosystem should provide as part of its RTGS services to support the compliance of your institution with regulatory requirements? If so, please list them. If not, are there specific reasons that such services could not be provided?

Not applicable for GLEIF.

15. Have you identified an additional functionality that the settlement procedures for ancillary systems should cater for? If so, please describe.

Not applicable for GLEIF.

16. Are there additional optional services that the Eurosystem should provide for ancillary systems?

Not applicable for GLEIF.