

## **Response of GLEIF to European Banking Authority (EBA) Draft Regulatory Technical Standards on the information to be provided for the authorisation of credit institutions.**

**January 2017**

**The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments on the Request for information published by ORCID in September 2017.**

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

GLEIF first would like to thank the EBA for including the LEI in the process for authorisation of credit institutions. GLEIF also would like to provide a response to Question 2: do you have any comments on the proposed list of information to be provided for the authorisation of credit institutions?

GLEIF proposes that considering an approach that relies primarily on the provision of the LEI codes, rather than for the EBA to collect detailed itself, would be a much more efficient and effective approach for the EBA in implementing the authorisation of credit institutions process.

For example, in section 4.4, the authorisation form contains a section regarding legal persons or other entities with qualifying holdings with the following information required. For legal persons, using the process that is outlined in the consultation paper, the EBA would recreate a significant amount of information that is implemented or planned to be implemented within the GLEIS, including the name of the legal person or entity, registration in a central register, commercial register, companies register or similar public register, address of registered office, head office and principal place of business, as well as information regarding the organizational structures of the groups.

The EBA could consider a process in which the legal entity provides its LEI and the EBA could access already validated LEI data records within the GLEIS for the above-mentioned information for LEI registered entities.

The second of these two other areas is in section 4.3, Information regarding shareholders or members with qualifying holdings with the purpose of identifying persons or other entities with qualifying holdings and details of such holdings.

The shareholders or members could be regarded, in the context of LEI registration, as a form of individuals acting in a business capacity, although the EBA refers to them as 'natural persons'. Further, for shareholders and members, the authorization application asks for information regarding the 'Overview of the business activities of the person'. Both the elements required for a data record for this type of entity as well as requirements for linking of the businesses to the individual would be taken into account for the implementation of individuals acting in a business capacity.

Then, to realise fully the benefits of this alternative approach, provision of LEIs for the following types of entities – legal entities, shareholders or members – would be mandatory elements for the collection of data for the authorisation of credit institutions.

GLEIF would like to offer to volunteer to work with the EBA in a pilot to develop this proposed alternative process for authorisation of credit institutions.

Finally, though a small point in relation to the above areas, another element in the authorisation application is the Legal Form of applicant. As operating Maintenance Agency for the soon to be published ISO 20275 – Entity Legal Forms (ELF) , GLEIF proposes that entity legal form codes and supporting data records published for this standard could be used. The ELF codes and supporting data records should be operational by the time this regime would be implemented.