

GLEIF | Bäumleingasse 22 | 4051 Basel | Switzerland

Australian Prudential Regulatory Authority
GPO Box 9836
Sydney NSW 2001

Attn: Manager, Standard Data Collections

via e-mail: statistics@apra.gov.au

Contact person
Stephan Wolf

Phone +41 61 50870 45

E-mail stephan.wolf@gleif.org

Basel

March 2, 2017

Australian Prudential Regulation Authority (APRA EFA) Discussion Paper on Economic and Financial Statistics

Dear Manager, Standard Data Collections:

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the Discussion Paper, entitled 'Economic and financial statistics' published by the Australian Prudential Regulatory Authority (APRA EFS) in January 2017.

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 economic and financial statistics as the subject of the document. The GLEIF has been established to act in the public and private interest as the operational arm of the Global LEI System.

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.

GLEIF is pleased to be able to provide feedback to the Discussion Paper on the topic of Economic and Financial Statistics on proposed changes aimed at modernizing the collection of economic and financial statistics. Consequently, we appreciate the opportunity to provide comments on the possible use of LEIs for identifications purposes within the collection of data for economics and financial statistics.

Since the data collection is meant to cover reporting domestically and link to international reporting, the modernization of the data collection for economic and financial statistics would benefit from using the LEI for identity and identification management. The use of the LEI would allow standard identification of legal entities supporting the desired outcomes to deliver improvements in data quality, reporting consistency, ease of verification and reconciliation.

The LEI data record includes the elements that are specified in the required list of minimum information to be obtained in verifying the identity of a legal entity. This data is available to all users in an open system for public access to LEIs and their related data records, eliminates the duplication of effort in the collection, validation and maintenance of data on legal entities. The Discussion Paper makes reference to the need to satisfy reporting obligations to international agencies, including the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD) and the Bank for International Settlements (BIS). The Financial Stability Board (FSB) recognizes the benefits brought and the progress made in the use of common global identifiers, specifically the LEI, to both the private sector and to policymakers such as the FSB itself and the authorities working under the FSB, most notably the Committee on Payments and Market Infrastructures (CPMI). The role of common identifiers has been specified by the FSB as key in the linking of different data sets to support aggregation and a global view. In addition to the LEI, use of other common global identifiers and open standards must be part of the solution for modernising the collection of data.

The Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) in the EU also advocates the LEI for the same principles and goals.

The benefits of leveraging international standard data elements, most importantly the LEI, would be realized by both the private sector participants as well as domestic regulatory authorities and international agencies who will be able to devote their time conducting substantive analysis rather than reconciling different data sets.

In conclusion, we would like to reiterate that the Global LEI System in place today supports also the objectives of APRA EFA in the area of modernising economic and financial statistics. We therefore, encourage the APRA EFS to progress the considerations regarding the use of LEI in the context of this Discussion Paper.

Sincerely,

Stephan Wolf
CEO