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GLEIF response to the Financial Stability Board (FSB) Proposed governance arrangements for the unique transaction identifier (UTI) Consultation document

Dear Financial Stability Board,

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the consultative document, entitled 'Proposed governance arrangements for the unique transaction identifier (UTI) Consultation document' published by the Financial Stability Board in March 2017.

The GLEIF, established to act in the public and private interest as the operational arm of the Global LEI System, appreciate the opportunity to provide comments on the possible use of LEIs in regard to the guidance on central counterparty resolution and resolution planning.

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. Recognizing this, the FSB and global regulatory authorities, working with the private sector, 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 specifically will provide responses to Questions 12 and 13 of the consultation.

For the first part of question 12, Can you identify any relevant lessons from the LEI governance or other standards in use in the financial community?:

Learning from the experience of the implementation of the LEI, GLEIF suggests that the FSB consider including an organization dedicated to the handling of the tactical aspects of implementation, supporting the role of the Authorities for Area 2. At a minimum, this organization could answer questions and provide clarification on the UTI Technical Guidance, at least during the initial implementation of the UTI.

For question 13, (i) Do you see any other advantages and disadvantages of seeking ISO's assistance in this governance function? (ii) Should the assistance of ISO be sought from the outset or rather in a subsequent step, following implementation of the UTI?:

GLEIF agrees with the proposed approach of the FSB for Area 1 to rely on ISO to develop an UTI as an ISO Data Standard. GLEIF see the value for the UTI also to be developed and maintained as a ISO Data Standard especially as the LEI already is defined in an ISO Data Standard. Having the UTI itself as well as the LEI as the Mint of the UTI as ISO Data Standards effectively addresses the necessary governance for both the standard component of the UTI and the UTI itself.

Based on this, GLEIF proposes that the assistance of ISO be sought from the outset.

In conclusion, we would like to reiterate that the Global LEI System supports the objectives of the FSB in the area of Technical Guidance as the MINT for the UTI and is pleased to offer these comments in regard to the proposed governance arrangements for the UTI.

Sincerely,

Stephan Wolf
CEO