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**International Organisation of Securities Commissions
(IOSCO)**

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**Subject Regulatory Reporting and Public Transparency in the Secondary Corporate Bond
Markets Consultation Report**

Dear IOSCO,

The Global Legal Entity Identifier Foundation (GLEIF) would like to thank IOSCO for the opportunity to comment on the Consultation Report on Draft technical advice Regulatory Reporting and Public Transparency in the Secondary Corporate Bond Markets published in August 2017.

Established by the Financial Stability Board in June 2014, GLEIF is tasked to support the implementation of the Legal Entity Identifier (LEI). The foundation is backed and overseen by the LEI Regulatory Oversight Committee representing public authorities from around the globe that have come together to jointly drive forward transparency within the global financial markets. 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 and with usefulness and applicability beyond the banking and financial sector.

GLEIF is a supra-national not-for-profit organization making available the only global online source that provides open, standardized and high quality legal entity reference data. GLEIF is, by its statutes, agnostic to any particular commercial or political interests. GLEIF is uniquely positioned in the entity identification market. GLEIF is headquartered in Basel, Switzerland.

GLEIF will comment specifically on GLEIF's views on the use of Legal Entity Identifiers (LEIs) to support achieving the recommendations set forth by IOSCO in the consultation report.

In the consultation report, IOSCO has identified issues related to the ability of regulatory authorities to easily access, analyze and compare data across jurisdictions. Specific issues included disparity of regulatory data available and lack of consistency in standards across jurisdictions. The recommendations of the consultative report are made in respect of ordinary corporate bonds, both listed and unlisted (OTC), spanning the life-cycle processes pre-trade and post-trade.

GLEIF would like to focus on the LEI as central to achieving transparency for corporate bonds by means of the recommendations made.

The LEI to be key information to understand and analyze pre-trade and post-trade activity and transactions for corporate bonds. For example, in the EU, the inclusion of both the LEI and ISIN in the implementation of MiFID II/MiFIR requirements, building on the existing MiFID I regime,

insures consistency in the collection and use of data both for the EU level regulator as well as across jurisdictions.

Although the consultation paper focuses trading of corporate bonds, the inclusion and use of the LEI is effective and relevant starting with bond issuance, well before pre-trade and post-trade activity and transactions. Expanding the scope of mandatory application of LEI in addition to the proposal for corporate bonds would not impose a large regulatory burden on affected parties, because most of the financial services firms that provide post-trade services related to the processing of financial instruments transactions, namely, clearing, settlement, collateral management, securities financing, custody, asset servicing and reporting, that are performed after the execution of a trade, are already required by European law to apply LEI in reporting, particularly in the implementation of MiFID II in 2018.

Coupled with the ISIN to identify the financial instrument, inclusion of the LEI in the reference data of a corporate bond sets the foundation for data aggregation and consolidation across borders from the beginning of the lifecycle of a bond. This is demonstrated well by the requirement in the EU Prospectus Directive for both the LEI and ISIN when defining the specific information which must be included in a prospectus.

It may be observed that while the ISIN already is required and used in many regulatory regimes and frameworks, the adoption and inclusion of the LEI still is in progress. GLEIF places particular emphasis on determining how to best integrate the LEI into existing processes. In this effort, GLEIF is working with ANNA, the Association of National Numbering Agencies, that acts on behalf of ISO to register ISINs according to the ISO 6166 standard.

GLEIF and ANNA are working on an official mapping of LEIs and ISINs that would be published as a public good on gleif.org. This mapping could be used to determine the legal entity behind the issuance of corporate bonds, by relying on the presence of the ISIN. The planned official mapping of LEIs and ISINs, in addition to being a tool for data aggregation and consolidation across borders in the regulatory space, also will foster the transparency of non-regulatory provision of corporate bond information. The official mapping will be delivered as a public good based on license free distribution of identifiers and access to the associated reference data.

As use of the LEI expands, the benefits of using the LEI by both the public and private sectors will increase including for risk management by investors, banks, funds and for the data aggregation and collateral management for central banks and market infrastructures. In conclusion, GLEIF supports the intention and guidance outlined by IOSCO in the consultation paper regarding transparency in the corporate bond markets and hopes that the LEI will be seen as a tool to achieve these recommendations.

Sincerely,

Stephan Wolf
CEO GLEIF