

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Securities and Exchange Commission Nigeria on the new rules on the Regulation of Derivatives Trading

September 2018

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Securities and Exchange Commission Nigeria on proposed new rules on Regulation of Derivatives Trading. GLEIF will focus its comments on the usage of the Legal Entity Identifier (LEI) in the context of the new rules.

GLEIF would like to thank Securities and Exchange Commission of Nigeria for the proposal to mandate the use of the LEI in all Exchange Traded Derivatives Contracts.

Besides requiring use of the LEI in all Exchange Traded Derivatives Contracts, GLEIF kindly suggests that the Commission consider adding the LEI as a mandatory data element in all derivative regulatory reporting framework, including OTC derivatives, defined under “17. Reporting of OTC Derivatives”.

Including the LEI as a standard, structured data element in all data collections related to derivatives will allow the Commission to better understand derivative market participants’ exposures and improve risk assessment capabilities.

Both the quality and accuracy of LEI data will be maintained as reporting entities renew and keep current their LEI entity and relationship data. GLEIF expects that over time the LEI will be used for multiple public and private purposes and for that reason only valid and renewed LEIs will ensure that the LEI becomes a broad public good as expected by the Financial Stability Board (FSB). Therefore, GLEIF also would like to propose that the Commission consider requiring that only LEIs that are maintained, meaning duly renewed to satisfy the reporting obligation.