

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the European Securities and Markets Authority Consultation Paper Guidelines for reporting under Article 4 and 12 SFTR

July 2019

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Securities and Markets Authority Consultation Paper Guidelines for reporting under Article 4 and 12 SFTR. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Securities and Markets Authority (ESMA) Consultation Paper Guidelines for reporting under Article 4 and 12 Securities Financing Transaction Regulation (SFTR).

First of all, GLEIF would like to thank ESMA for mandating the use of LEI for identification of sub-funds that are party to the SFT, as proposed by GLEIF in its response to the ESMA's SFTR Discussion Paper in 2016.

GLEIF also would like to express its support to ESMA for making LEI mandatory for counterparty fields, including for NFCs and respond to the *“Question 18: Do you agree with the approach for reporting by NFCs? Is there any additional aspect relating to reporting by NFCs that needs to be clarified? Please detail the reasons for your response.”*

GLEIF supports the SFTR requirement that counterparties and NFCs must be identified using LEIs in the SFTR reporting obligations. GLEIF thinks that these entities easily can obtain an LEI from 33 GLEIF accredited LEI Issuers prior to the reporting obligation which is to begin in January 2021.

Taking this opportunity, GLEIF also would like to provide a comment for the *“Question 69: Do you agree with the proposed approach for reporting fields Identification of security and LEI of issuer? Are you aware of the instances where securities provided as collateral do not have an ISIN? Please detail the reasons for your response.”* in the consultation paper.

GLEIF agrees with the proposed approach that the counterparties should ensure that there is correspondence between the ISIN and the LEI of issuer reported in accordance with the validation rules. As confirmed by ESMA, this approach also could be reinforced further with the GLEIF-ISIN Mapping project, which the daily ISIN-to-LEI relationship files are publicly available on the GLEIF website.