

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the European Insurance and Occupational Pensions Authority (EIOPA) on the Consultation Paper on Proposals for Solvency II 2020 Review Package on Supervisory Reporting and Public Disclosure

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The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Insurance and Occupational Pensions Authority (EIOPA) on the Consultation Paper on Proposals for Solvency II 2020 Review Package on Supervisory Reporting and Public Disclosure. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

First of all, GLEIF would like to support EIOPA's proposal to mandate the LEI in Template S.01.02 – Basic Information. As already highlighted by EIOPA, introducing the LEI, a global standard for unique identification of entities, as a mandatory field in the template would help to the simplification of the template, higher standardization and consistency with other regulations.

The LEI code connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions including their ownership structure. Moreover, the LEI provides freely accessible look up (identification) of the parties to transactions. The complete database of LEIs and the associated LEI reference data is available free of any charge or barrier to anyone on the web. GLEIF operates under the Open Data Charter terms, which means the data can be used by all users without limitations.

GLEIF welcomes EIOPA's proposal to add a new data item "Custodian Code", requiring the report of the LEI of the custodian. GLEIF is of the opinion that indeed this new data field would help to facilitate aggregate risk analysis.

EIOPA asks for stakeholders' views on the possibility of having a mandatory report of the item "Fund number" and highlights that being a unique number (or code) assigned to each fund, used consistently over time, would allow linking the information on assets, derivatives, look-through and the fund number reported in S.14.01. GLEIF strongly supports this proposal and suggests for LEI to be reported for the unique identification of each fund in question. Since the financial crisis, regulators increasingly have scrutinized the fund industry, which has meant new regulation such as the European Union Directive on Alternative Investment Fund Managers (AIFMD), Money Market Funds (MMF) Regulation and the Undertakings for Collective Investment in Transferable Securities (UCITS) V Directive, all aimed at better fund regulation and reporting.

The LEI Regulatory Oversight Committee (LEI ROC) published the *“Policy on Fund Relationships and Guidelines for the registration of Investment Funds in the Global LEI System”* in May 2019. The policy paper focuses on properly recording relationships affecting investment funds in the Global LEI System and facilitating the standardized collection of fund relationship information at the global level. Given the implementation of this policy is expected to start in November 2020, GLEIF would like to note that EIOPA could find beneficial the full picture of funds with relationship information and consistent and standardized use of LEI.

Lastly, GLEIF would like to comment on the Template S.08.01 - Open derivatives, where EIOPA suggests that items “Counterparty code” and “Counterparty Group code” are always reported, even when a LEI code is not available, reporting a code attributed by the undertaking.

Given the LEI supports all legal forms, the LEI code always can be available for an undertaking. Hence, GLEIF would like to highlight the importance of identifying all concerned legal entities by their LEIs and avoid an “if available” option for the LEI as the standardized and consistent use of LEI could greatly improve data quality and transparency as well as enhance supervisory capabilities of the EIOPA.