

Version 1.1

## Press Release

### **Global Legal Entity Identifier Foundation Commences Accreditation of Legal Entity Identifier Issuing Organizations**

**In its role as accreditation agency, the Global Legal Entity Identifier Foundation evaluates the suitability of organizations seeking to operate as issuers of Legal Entity Identifiers**

7 October 2015 – Basel – The Global Legal Entity Identifier Foundation (GLEIF) today launched the accreditation program that confirms the suitability of organizations issuing Legal Entity Identifiers (LEIs) to legal entities engaging in financial transactions. LEIs enable clear and unique identification of these entities. Organizations currently issuing LEIs based on previous authorization procedures must become GLEIF accredited, as must any organization wishing to issue LEIs in the future.

Accreditation is a rigorous evaluation process carried out by GLEIF. Candidate organizations must meet the requirements set out in the Master Agreement, which is the contractual framework governing the relationship between GLEIF and LEI issuing organizations. The Master Agreement was finalized following an in-depth review process involving GLEIF, representatives of existing LEI issuing organizations and the LEI Regulatory Oversight Committee (ROC). The LEI ROC is a group of over 60 public authorities from more than 40 countries established in January 2013 to coordinate and oversee the Global LEI System.

Before the launch of the GLEIF accreditation program, the LEI ROC was responsible for endorsing organizations as LEI issuers. GLEIF assumed the responsibility of evaluating candidate organizations with the conclusion of a Memorandum of Understanding between the LEI ROC and GLEIF. GLEIF published the Memorandum of Understanding, the Master Agreement and related accreditation documentation on its website at [www.gleif.org](http://www.gleif.org) on 7 October 2015.

The LEI ROC will not accept new applications for endorsement as LEI issuers. Each LEI issuer endorsed by the LEI ROC to date will apply to become GLEIF accredited. They will be subject to the same evaluation criteria as any new organization seeking accreditation. Only GLEIF accredited organizations will be authorized to issue LEIs.

Organizations currently operating based on LEI ROC endorsement will continue issuing LEIs while they undergo the GLEIF accreditation process. All LEIs issued remain valid regardless of whether the issuer succeeds in becoming GLEIF accredited or not. In the event that an organization currently issuing LEIs should fail to meet the requirements of GLEIF accreditation, the LEIs issued by that organization would be transferred to a GLEIF accredited issuer.

LEI issuers – also referred to as Local Operating Units (LOUs) – supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI. A legal entity is not limited to using an LEI issuer in its own country; instead, it can use the

registration services of any LOU that is accredited and qualified to validate LEI registrations within its jurisdiction.

GLEIF will verify annually whether organizations accredited to issue and maintain LEIs continue to meet the requirements with regard to service orientation and quality set out in the Master Agreement.

GLEIF CEO Stephan Wolf comments: “Implementation of the GLEIF accreditation program is the first of several GLEIF services rolling out in the next six months to support its partners in the Global LEI System in optimizing the quality, reliability and usability of LEI data.”

GLEIF Chairman Gerard Hartsink adds: “With the conclusion of the Memorandum of Understanding between GLEIF and the LEI ROC, GLEIF has taken on greater responsibility for ensuring that the LEI becomes a broad public good. Use of the LEI increases transparency and stability of financial markets. It also generates tangible benefits for businesses including reduced counterparty risks.”

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**Full resolution images and logos can be downloaded via this link:**

<https://www.gleif.org/en/newsroom/gleif-graphics>

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#### **Relevant link**

[www.gleif.org](http://www.gleif.org)

#### **Notes to Editors:**

#### **Glossary of terms**

- **Global Legal Entity Identifier Foundation (GLEIF):** see ‘About the Global Legal Entity Identifier Foundation’ below.
- **Legal Entity Identifier (LEI):** see ‘About the Legal Entity Identifier’ below.
- **Global LEI System:** see ‘History of the Global LEI System’ below.
- **Local Operating Units (LOUs):** this is the technical term used for organizations authorized to issue LEIs to legal entities engaging in financial transactions.

- **LEI Regulatory Oversight Committee (ROC):** the LEI ROC is a group of over 60 public authorities from more than 40 countries established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System. In its role as overseer of the Global Legal Entity Identifier Foundation (GLEIF), the LEI ROC ensures that the GLEIF upholds the principles of the Global LEI System. For more information, visit the LEI ROC website: <http://www.leiroc.org/>.

### **About the Global Legal Entity Identifier Foundation (GLEIF)**

Established by the Financial Stability Board in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI). GLEIF is headquartered in Basel, Switzerland.

GLEIF services ensure the operational integrity of the Global LEI System. GLEIF also makes available the technical infrastructure to provide, via an open data license, access to the full global LEI repository free of cost to users. GLEIF is supervised by the LEI Regulatory Oversight Committee, which is made up of representatives of public authorities from across the globe.

For more information, visit the GLEIF website at [www.gleif.org](http://www.gleif.org).

### **About the Legal Entity Identifier (LEI)**

The LEI is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization. It connects to key reference information that enables clear and unique identification of legal entities participating in global financial markets and/or in financial transactions.

The LEI is currently required in, among others, the United States and the European Union for the execution of transactions with, and reporting of, counterparties to over-the-counter derivative trades. Many other regulators around the world are implementing the LEI for financial market transactions and regulatory reporting or are considering doing so. Details of regulatory initiatives mandating LEI use are available on the Global Legal Entity Identifier Foundation (GLEIF) website: <https://www.gleif.org/en/lei-focus/rulemaking>.

### **History of the Global LEI System**

In 2011, the Group of Twenty (G20) called on the Financial Stability Board (FSB) to provide recommendations for a global Legal Entity Identifier (LEI) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. The FSB emphasized that global adoption of the LEI underpins multiple “financial stability objectives” and also offers “many benefits to the private sector”.

#### **Source:**

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