

Press Release

The Global Legal Entity Identifier Foundation Opens North America Office

New U.S. base supports GLEIF's drive to increase voluntary adoption of the Legal Entity Identifier across global financial institutions

23 June 2020, Basel - The Global Legal Entity Identifier Foundation (GLEIF), has opened an office in North America to extend its global reach. Established by the Financial Stability Board in 2014 and headquartered in Switzerland, GLEIF supports the implementation and use of the Legal Entity Identifier (LEI) to drive transparency within global financial markets. The new office is located in New Jersey, in close proximity to America's financial capital, and supports GLEIF's strategy to drive broad voluntary adoption of the LEI worldwide by banks and other financial institutions.

The New Jersey office, registered as GLEIF Americas, a New Jersey Nonprofit Corporation, is led by Karla McKenna, Managing Director. The team includes a newly appointed Business Development Manager, Peter Warms, who joins the organization formerly from Bloomberg. The focus of the North America team is twofold: to further the organization's 'on-the-ground' engagement and collaboration with U.S. financial institutions to educate on the value LEIs deliver beyond regulated use in capital markets; and to champion and support pilot programs for financial institutions wishing to use the LEI more broadly across all financial services business lines, such as trade financing, corporate banking and payments.

GLEIF has identified that the banking industry in particular can benefit immediately from scaling adoption of the LEI, for counterparty identification and verification purposes. Research published by GLEIF and McKinsey last year revealed that the wide adoption of LEIs could save the global banking community an estimated U.S.\$2-4 billion annually in client onboarding efficiencies alone. The benefits are greater when extrapolated across further potential customer management lifecycle use cases including know-your-customer, transacting and billing, compliance reporting and risk monitoring. In light of this, GLEIF's immediate priority is to support voluntary adoption of the LEI across all banking business activities so that these substantial efficiencies can be fully realized.

Stephan Wolf, GLEIF CEO, comments: "GLEIF is committed to working with the global banking community to ensure that the opportunities for efficiencies afforded by wider use of the LEI can be harnessed in the near to mid-term. The sector is on the edge of a transformation; banks and financial institutions already familiar with mandated LEI usage in capital markets now recognize the advantages of extending its use beyond regulatory reporting. There is a ground swell of interest and industry support in this area, fueled by compelling evidence that banks utilizing the LEI more widely will see huge benefits, such as significantly reduced costs, increased customer satisfaction, faster onboarding and regulatory compliance.

"GLEIF's new U.S. office brings us closer to our stakeholders in this important market at this critical time. LEI issuance in the U.S. is the highest across all countries globally, and we recognize the

importance of accessible and engaged GLEIF resources on the ground to help drive LEI issuance beyond regulation. This is especially important as we seek financial institutions globally to partner with us on pilot programs, to trial wider LEI adoption and to work with us in exploring how financial services firms can become active participants in LEI management. Our move into North America sends a clear message to our banking industry stakeholders in the region: GLEIF is here to help the sector benefit from broader LEI integration across business banking lines. We are here to assist you.”

Further to the publication of its joint report with McKinsey in October 2019, GLEIF has been evaluating the feasibility of changes proposed by the report, including an evolution of the Global LEI System. GLEIF will announce next steps later in 2020. To ensure that the future evolution of GLEIS aligns with the financial sector’s requirements, financial institutions worldwide are strongly encouraged to join the [GLEIF Globally Important Financial Institutions \(GIFI\) Relationship Group](#).

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Full resolution images and logos can be downloaded via this link

<https://www.gleif.org/en/newsroom/information-for-media/gleif-graphics-images#>

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Relevant link

<https://www.gleif.org/en>

Notes to Editors:

Glossary of terms

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The LEI connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. Each LEI contains information about an entity’s ownership structure, answering the questions of ‘who is who’ and ‘who owns whom’.

About the Global Legal Entity Identifier Foundation (GLEIF)

The Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization established by the Financial Stability Board in June 2014 to support the implementation and use of the Legal Entity Identifier (LEI) globally. 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 charge to users.

GLEIF is overseen by the LEI Regulatory Oversight Committee, which is made up of representatives of public authorities from across the globe. GLEIF has obtained the ISO/IEC 20000-1:2011 certification for its Partnership Program Services to the LEI issuing organizations (LOUs). GLEIF is headquartered in Basel, Switzerland. For more information, visit the GLEIF website at <https://www.gleif.org/en> and <https://www.gleif.org/annual-report>.

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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