

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Securities and Exchange Commission on Money Market Fund Reforms

April 2022

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Securities and Exchange Commission (Commission) on proposed rules for money market funds reforms.

First, some background information on the LEI and GLEIF.

The Legal Entity Identifier (LEI) itself is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The code connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions including their ownership structure. The LEI is the only global standard for legal entity identification and its associated reference data are accessible to all as open, public data.

The scope of the ISO 17442 standard specifies “all entities that trade stock or debt; investment vehicles, including mutual funds, pension funds and alternative investment vehicles constituted as corporate entities or collective investment agreements (including umbrella funds as well as funds under an umbrella structure, hedge funds, private equity funds);” are eligible for an LEI.

Established by the Financial Stability Board in June 2014 under the mission of improving financial stability and transparency due to the aftermath of the financial crisis, GLEIF is tasked to support the implementation and use of the LEI. Even though the primary and initial usage and adoption of the LEI predominantly was in financial markets and financial instruments, the LEI is use agnostic and therefore has been embraced by different industry sectors and regulators since its introduction by the Regulatory Oversight Committee, where the Commission is an active member, and the Financial Stability Board in 2012. Further details on the use of the LEI in regulatory initiatives is provided [here](#).

GLEIF would like to provide combined comments to Question 113, 138 and 139:

113. Should we require reporting of registrant name, series name, and LEIs for the registrant and series on Form N-CR, as proposed? Is there other identifying information we should require?

GLEIF supports including the LEI for the registrant and series on Form-CR.

Use of the LEI in U.S. regulation continues to increase. There have been several recent consultations that specifically mention the LEI from [Bureau of Consumer Financial Protection](#), [Financial Crimes Enforcement Network](#), [Treasury](#), [U.S. Customs and Board Protection](#), in addition to the Commission’s recent proposed rules on security-based swaps and securities lending earlier this year.

The value proposition of LEI has also been recognized by several U.S. regulators including the Commodities Future Trading Commission (CFTC), Federal Reserve, Consumer Financial Protection Bureau, National Association of Insurance Commissioners and U.S. Treasury. The LEI currently exists in 29 various U.S. laws and regulations and globally the LEI exists in 126 laws and regulations, inclusive of

the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), which is mentioned in the Proposed Rule summary.

The Commission already has made several amendments to include the LEI as well, specifically as it relates to the funds industry, Form PF, Form ADV, Form N-MFP, Form N-CEN and Form N-PORT. By implementing the LEI more comprehensively within all fund investment related filings, the Commission would comprehensively set forth a consistent identification scheme highlighted by the LEI. Consultations and amendments to existing requirements are opportunities to re-consider existing identifier schemes with longer term vision for a broader, standardized, and consistent use of global standards and open sharing across US agencies.

138. Should we require funds to provide both the name and LEI for the registrant and the series and the full name of the class of the series, as proposed? Is there other identifying information about the registrant, series, or class that would be helpful?

GLEIF supports the expansion of the LEI for Form N-MFP to also include the identification of a series of a fund. The proposed rule change to require LEIs for the registrant and series aligns Form N-MFP with Form N-CEN, from question 113 above, which require LEI reporting for the registrant and series. As also previously noted, the inclusion of the LEI for the series also supports the expansion of the LEI within Form types relating the fund industry. The Commission could also make use of the legal name which can be found referentially in LEI data records using the [GLEIF API](#). When the LEI is available the Commission could use the LEI legal name to fill in the registrant name or for comparative purposes.

In terms of the portfolio included in Form N-MFP, GLEIF appreciates the current inclusion of the LEI to identify issuers of instruments included in the portfolio. GLEIF would like to emphasize that the inclusion of the LEI as a persistent code creates reporting consistencies for the Commission. Instrument level identifiers, which are also included, do change as a result of corporate actions. This creates an increase in costs and resources, both human and machine, to manage the ongoing inventory of changes. Moreover, money market funds experience frequent portfolio turnover due to the inclusion of short-term instruments, like commercial paper, maturing at various frequencies. However, they are often replaced by other short-term instruments from the same issuer, which allows the Commission to key off the LEI as a persistent code within the Form. Knowing the exposure of a fund to an issuer, from a credit perspective, compared to the exposure of a short-term instrument may be of higher value.

139. As proposed, should we amend the definition of LEI in the form and provide a separate item for providing an RSSD ID as a securities identifier, as applicable?

GLEIF agrees that the LEI field in the Form should strictly be used for an LEI, not an RSSD ID, and therefore supports the creation of a separate field for the RSSD, while designating “Not Available”, when necessary, in the LEI field as indicated in the proposed rule.

Other Relevant Identifying Information:

GLEIF suggests that the Committee could also include the LEI in primary registration forms for funds, for example Form N-1A. The Commission could consider requiring the LEI when funds are initially registered and then subsequent filings, as mentioned throughout this response, would all contain the LEI. This would eliminate the option of “if available” and would allow the Commission to use the LEI more consistently and comprehensively.

GLEIF would also like to inform the Commission about progress related to funds. The Global LEI System continues to expand through the implementation of policies from the Regulatory Oversight Committee. One of these policies relates to the expanded collection of [funds relationship data](#) and includes three new relationship types for fund LEI records: Fund Management Entity, Umbrella Structure, Master Feeder. The Commission could consider making of these new fields within Form types relating to the fund industry, beginning with Form N-MPH and Form N-CR.

The ROC also released a new policy on [government entities](#). The policy will allow certain legal entities to be classified as “Resident Government Entities” or “International Organizations”. For the former, sub-categories will be created and filled in as optional. The sub-categories are subsectors defined in the System on National Accounts 200813. They are “Central Government”, “State Government”, “Local Government” and “Social Security”. These sub-categories could be useful to the Commission for consideration in N-MPH filings for money market holdings that include government issued instruments.

GLEIF also suggests that the Commission could make further use of the XBRL reporting capability, which includes a LEI taxonomy that can be used in conjunction with any inline XBRL taxonomy. XBRL US is a nonprofit standards organization. The mission of XBRL US is to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical XBRL specification, which is a free and open data standard widely used around the world for reporting by public and private companies, as well as government entities. The Commission could both leverage existing standards, in this case XBRL in tandem with the LEI, to create more transparency, improve reporting and the quality of data included therein.

GLEIF would be happy to engage further in conversations with the Commission regarding these new policies or other remarks included herein.