

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the U.S. Department of the Treasury Office of Financial Research Ongoing Data Collection of Centrally Cleared Transactions in the U.S. Repurchase Agreement Market Request for Comment

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The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the U.S. Department of the Treasury Office of Financial Research Ongoing Data Collection of Centrally Cleared Transactions in the U.S. Repurchase Agreement Market Request for Comment. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI).

Specifically, GLEIF would like to respond to Question 2:

To what extent may collecting counterparty information improve financial stability monitoring?

GLEIF would like to thank the U.S. Department of the Treasury Office of Financial Research (Office) for the comprehensive proposal to use properly maintained LEIs for the counterparties reported in the GFC repo data collection. Identification of the entities involved in a covered repo transaction is important to ensure the ability of the Financial Stability Oversight Council (Council), the Office and member agencies to identify and monitor risks to U.S. financial stability by allowing them to understand repo market participants' exposures, concentrations and network structures.

Use of specific data fields for the rate calculation, most notably, the identity of transaction counterparties is important for the planned alternative rate calculation as this will allow the calculation agent to identify and, as appropriate, exclude, transactions (e.g., affiliate transactions) that may not be representative of market activity.

In addition to stating that the data from this proposed collection will be made available to the Council and member agencies to support their regulatory responsibilities, the request for comment also states that the data from this data collection will be used in conjunction with other data available to the Council, the Office and member agencies to obtain a clearer understanding of collateral flows in securities markets and potential financial stability risks.

Since the data collections on repo transactions will be shared among the Council, the Office and member agencies, ideally the LEI should be added to identify the relevant parties for the other types of repos, currently collected on behalf of the Federal Reserve Board by the FRBNY. Including the LEI as a standard, structured data element in all data collections of repos will allow U.S. regulators to be able to understand repo market participants' exposures, concentrations and network structures across the different data sets collected for repos.