

Version 1.0

## Press Release

### **GLEIF and Five 'First Mover' LEI Issuers Successfully Conclude a Prototype Exercise to Identify Who Owns Whom in the Global LEI System**

**Starting in 2017, the publicly available LEI data pool will be gradually enhanced to include information on direct and ultimate parents of legal entities**

8 December 2016 – Basel – The Global Legal Entity Identifier Foundation (GLEIF), the body responsible for ensuring the operational integrity of the Global Legal Entity Identifier (LEI) System, and five 'first mover' LEI issuing organizations have successfully concluded a prototype exercise to test the end-to-end process of collecting and validating data on the direct and ultimate parents of legal entities that have an LEI. GLEIF will start publishing parent information in early 2017. Including this information in the publicly available LEI data pool will allow connecting the corporate dots globally with open, standardized and high quality LEI data.

The LEI issuers that participated in the prototype exercise, which was completed on 7 December 2016, are: Bundesanzeiger Verlag, Business Entity Data (DTCC's GMEI Utility), London Stock Exchange Plc, Saudi Arabia Credit Bureau and Unione Italiana per le Camere di Commercio, Industria, Artigianato e Agricoltura. LEI issuing organizations act as the primary interface for legal entities that have registered, or wish to obtain, an LEI.

The LEI connects to a set of reference data that enables clear and unique identification of legal entities participating in financial transactions. The information available with the legal entity reference data, to date, e.g. the official name of a legal entity and its registered address, provides the answer to the question of 'who is who'. In a next step, the LEI data pool will be gradually enhanced to include the information that will answer the question of 'who owns whom'.

With the prototype exercise, all aspects of the process, developed to collect, validate and eventually publish information on direct and ultimate parents of legal entities, were tested successfully. The participating LEI issuers worked with selected actual legal entities that have obtained an LEI to collect the parent information. The LEI issuers received accounting documents from the legal entities to validate the information and created data records using technical documentation developed by GLEIF. In addition, the participating LEI issuers uploaded the data records via an interface provided by GLEIF, using an encrypted transfer protocol, and electronically signed the files to ensure authenticity.

GLEIF performed checks to verify compliance of the sample files created by the LEI issuers with relevant technical documentation and business rules. The prototype exercise confirmed that a proven and robust process is now in place that facilitates the inclusion of parent information in the publicly available LEI data pool going forward.

In early 2017, GLEIF will start publishing, as a first step, data on direct and ultimate parents collected by the LEI issuing organizations participating in the prototype exercise. In a phased approach, parent information for legal entities that have obtained, or wish to get, an LEI will be

added to the LEI data pool. It is expected that parent information for the majority of the LEI population will be available at the latest at the start of 2018.

GLEIF CEO, Stephan Wolf, comments: “The 2008 financial crisis, and more recently, the leak of the Panama papers, has made apparent the importance of increasing transparency in the financial markets. Once parent information for the entire LEI population is available, GLEIF will provide a unique and free data source that allows corporate dots to be connected globally based on open, standardized and high quality LEI data.”

In March 2016, the LEI Regulatory Oversight Committee, representing public authorities from around the globe, published the policy document entitled ‘Collecting data on direct and ultimate parents of legal entities in the Global LEI System – Phase 1’. It sets out the principles governing the process of collecting, validating and publishing parent information in the Global LEI System.

**- ENDS -**

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

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

#### **Contact**

Meral Ruesing, GLEIF Head of Communications

Email: [meral.ruesing@gleif.org](mailto:meral.ruesing@gleif.org)

Phone: +49 69 9074999-0

Bleichstrasse 59, 60313, Frankfurt am Main, Germany

#### **Ioiana Luncheon, Octopus Group (PR UK)**

Email: [GLEIF@weareoctopusgroup.net](mailto:GLEIF@weareoctopusgroup.net)

Phone: +44 (0) 8453 707 024

Octopus Group, 222 Grays Inn Road, WC1X 8HB, London, England

#### **Relevant link**

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

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

#### **Glossary of terms**

#### **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 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. For more information, visit the GLEIF website at <https://www.gleif.org/en>.

### **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/about-lei/introducing-the-legal-entity-identifier-lei>.

### **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”.

### **LEI Regulatory Oversight Committee (LEI ROC)**




The LEI Regulatory Oversight Committee (LEI ROC) is a group of public authorities from across the globe 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 GLEIF upholds the principles of the Global LEI System. For more information, visit the LEI ROC website: <http://www.leiroc.org/>.

### **LEI issuing organizations – also referenced as Local Operating Units (LOUs)**

The organizations authorized to issue LEIs to legal entities engaging in financial transactions. For more information, visit the GLEIF website: <https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations>.

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Global Legal Entity Identifier Foundation, Bäumleingasse 22, CH-4051 Basel  
Chairman of the Board: Gerard Hartsink, CEO: Stephan Wolf  
Commercial-Register-No.: CHE-200.595.965, VAT-No.: CHE-200.595.965MWST

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