

Global Financial Markets Association
ICI Global
ISITC Europe
Investment Company Institute
Investment Industry Association of Canada
UK Investment Management Association

January 16, 2014

By electronic submission
TR@seccom.com.my

**Re: Joint Public Consultation Paper: Trade Repository Reporting
Requirement for Over-the-Counter Derivatives (NO. 1/2013)**

Dear Sir/Madam:

The LEI Trade Association Group (the “Trade Associations”), a coalition of financial services firms and trade associations, welcomes the opportunity to comment on the Joint Public Consultation Paper: Trade Repository Reporting Requirement for Over-the-Counter Derivatives (NO. 1/2013, November 20, 2013) published by the Securities Commission Malaysia (SC), Bank Negara Malaysia (the Bank), and Perbadanan Insurans Deposit Malaysia (PIDM) (“Regulatory Agencies”). Our comments focus on the Regulatory Agencies choice of codes to be used for identifying counterparties, brokers, reporting agents, etc., (“Parties¹”) in the reporting of over-the-counter (OTC) derivatives.

The Trade Associations strongly encourage the Regulatory Agencies to reconsider the use of the SWIFT code or company registration number for identifying Parties in trade reporting. Instead, we respectfully propose the adoption of the legal entity identifiers (LEIs) that are available through the Global Legal Entity Identification System (GLEIS) towards this purpose. The GLEIS, developed under the auspices of the Financial Stability Board (FSB) and endorsed by the G20, is aimed at achieving a unique, unified global system of identification of parties to financial transactions.

The global financial services industry and regulatory community agree that the LEI is a key enabler to significantly improve systemic risk analysis and have worked together collaboratively to develop the GLEIS. Regulators globally will play a key role in facilitating the expansion of the Global LEI System and its related benefits by requiring LEIs to be used broadly in regulatory reporting and other supervisory practices.

¹ In the proposed data set, “Parties” requiring identification include Counterparty, Broker, Reporting Agent, Settlement Agent, and Fixed and Floating Rate Payor. The global LEI can be used for identification of all such parties.

International regulators have already recognized the importance of the legal-entity identifier as a key component of necessary improvements in financial data systems. To date, the LEI Regulatory Oversight Committee (ROC) has “endorsed” 10 pre-Local Operating units from around the globe to issue LEIs. Many of these regulators are currently leveraging the LEI standard for required regulatory reporting. For example, in the United States, the CFTC has required the use of the LEI for identifying counterparties since OTC derivatives trade reporting began in August 2012. The Hong Kong Monetary Authority and Singapore MAS both incorporated use of the LEI in its OTC derivatives trade reporting, while ASIC will be incorporating the use of the LEI in its market integrity rules. In Europe, trade reporting under the EMIR regulation, incorporating use of the LEI, will begin in February 2014. This month, the Reserve Bank of India announced that the Clearing Corporation of India will begin issuing LEIs, and once the infrastructure is developed, the use of legal entity identifier numbers could be mandated for over-the-counter derivative transactions as well as by large borrowers.

The industry is strongly supportive of the GLEIS and the benefits to risk management and financial stability that it would provide and is very pleased that widespread use of the LEI for entity identification is emerging. Divergences from use of the LEI as the authoritative identifier run the risk of making data aggregation and systemic risk analysis more difficult and less accurate for market participants, as well as regulators and supervisors. As a result, we strongly encourage the Regulatory Agencies to take advantage of the opportunity to leverage this emerging authoritative tool for unambiguous identification of parties in its proposed trade repository reporting. Detailed information for the GLEIS can be found at the LEI ROC website, www.leiroc.org.

We would be happy to respond to any questions the Agencies have or to meet and discuss further the benefits of using of LEI in regulatory reporting. If you have any questions, please feel free to contact any of the undersigned.

Sincerely,

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