



gfma



European Fund and Asset Management Association

The Legal Entity Identifier System

FEBRUARY 1 2017



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Agenda

Introduction/Overview

Robin Doyle, Board Member, GLEIF
Managing Director, JP Morgan, Office of Regulatory Affairs

Update from the LEI ROC

Joseph Tracy, Chair, LEI Regulatory Oversight Committee (ROC)
Executive Vice-President, Chief of Staff's Office, FRBNY

GLEIF – Current Initiatives

Stephan Wolf, CEO, GLEIF

MiFID II Transaction Reporting – LEI Requirements

Andrew Henderson, Partner, Eversheds

The Requirements to LEI in Regulatory Reporting: An Overview

Chris Johnson, Senior Product Manager, Market Data, HSBC



Joseph Tracy

Chair, LEI Regulatory Oversight Committee (ROC)

Executive Vice-President, Chief of Staff's Office, FRBNY



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- Accreditation of pre-LOUs
- Implementation of relationship data
- Expanded scope of eligibility for LEIs
- Capturing funds relationships
- Capturing corporate actions
- Regulatory efforts



Stephan Wolf
CEO, GLEIF



LEI

GLOBAL
LEGAL
ENTITY
IDENTIFIER
FOUNDATION

GFMA – GLEIF Webinar on LEI - Update

01 February 2017

Stephan Wolf – GLEIF CEO

GLEIF Unrestricted

Who is GLEIF



- The GLEIF is a Swiss foundation inaugurated in June 2014 and founded by the Financial Stability Board (FSB). It is overseen by 70 global regulators in the Regulatory Oversight Committee (ROC).
- GLEIF Board has 17 independent directors (Jan 2017) and is chaired by Gerard Hartsink.
- GLEIF in Numbers:
 - Revenue 2015 – 6,8M USD
 - Number of employees – 30 from 18 countries
 - Partners for LEI issuing (LOUs) – 28, and growing
 - Registered LEIs (Jan 2017) – 490.000



Agenda

1. Year 2016 Recap
2. GLEIF Strategy 2021
3. Update Level 2 Projects
4. Accreditation Update
5. Operations

1. Year 2016 Recap

GLEIF Achievements 2016



Accreditation



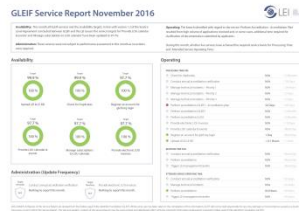
Intl. Website



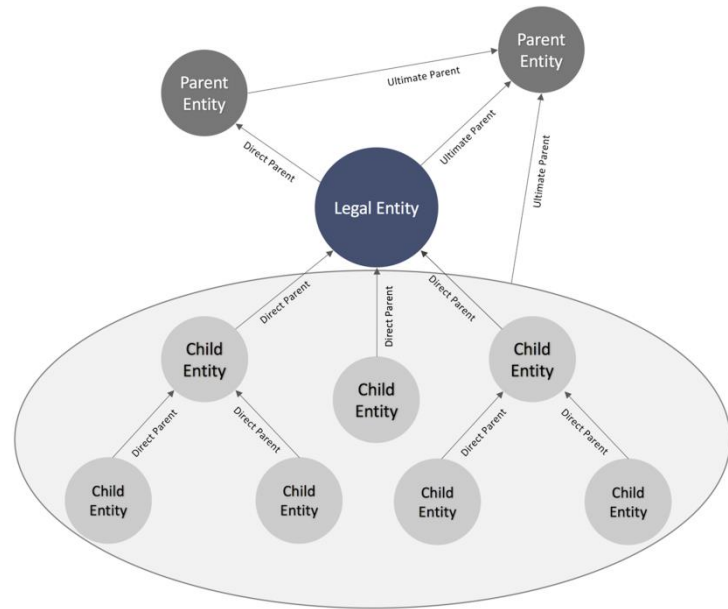
Monthly DQR



SLA Reporting



Level 2



2. GLEIF Strategy 2021

GLEIF Achievements 2016



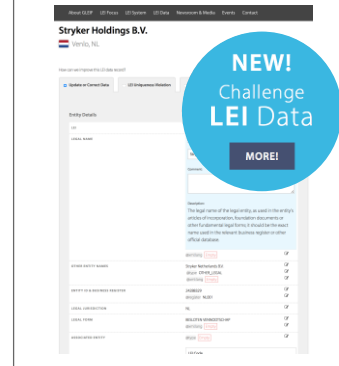
New Jurisdictions



Registration Authority List

Country	Registration Authority	LEI Issuance	LEI Validation	LEI Maintenance	LEI Deletion	LEI Archiving	LEI Reporting	LEI Monitoring	LEI Auditing	LEI Dispute Resolution	LEI Complaint Handling	LEI Information Provision	LEI Data Provision	LEI Data Access	LEI Data Export	LEI Data Import	LEI Data Backup	LEI Data Recovery	LEI Data Archiving	LEI Data Deletion	LEI Data Archiving	LEI Data Deletion
Algeria	Algerian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Armenia	Armenian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Australia	Australian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Austria	Austrian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bahrain	Bahrain Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bangladesh	Bangladesh Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Belgium	Belgian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Brazil	Brazilian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bulgaria	Bulgarian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Canada	Canadian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Chile	Chilean Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
China	China Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Colombia	Colombian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Costa Rica	Costa Rican Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Czechia	Czech Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Denmark	Danish Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Egypt	Egyptian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ecuador	Ecuadorian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Egypt	Egyptian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
France	French Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Germany	German Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ghana	Ghana Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Greece	Greek Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Guatemala	Guatemalan Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hong Kong	Hong Kong Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hungary	Hungarian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
India	Indian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Indonesia	Indonesian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Italy	Italian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jamaica	Jamaican Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Japan	Japanese Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Korea	Korean Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Latvia	Latvian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lithuania	Lithuanian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Luxembourg	Luxembourg Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Malaysia	Malaysian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mexico	Mexican Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Moldova	Moldovan Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Netherlands	Dutch Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nigeria	Nigerian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Poland	Polish Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Portugal	Portuguese Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Romania	Romanian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Russia	Russian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saudi Arabia	Saudi Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
South Africa	South African Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Spain	Spanish Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sri Lanka	Sri Lankan Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sudan	Sudanese Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sweden	Swedish Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Switzerland	Swiss Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Taiwan	Taiwanese Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tanzania	Tanzanian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Turkey	Turkish Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ukraine	Ukrainian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
USA	USA Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vietnam	Vietnamese Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Zambia	Zambian Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Zimbabwe	Zimbabwean Chamber of Commerce and Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Challenge Portal



Mapping Program



ISO BIC 9362

New Partner



New Partner



ISO ISIN 6166

Key Objectives for the Development of a GLEIF Strategy

- GLEIF will be responsible for the implementation of any ROC policy decision in terms of technical, legal, organizational and quality standards.
- GLEIF seeks to make the LEI relevant for LEI owners beyond regulation.
- The strategy will address markets, products, target groups and the business model.

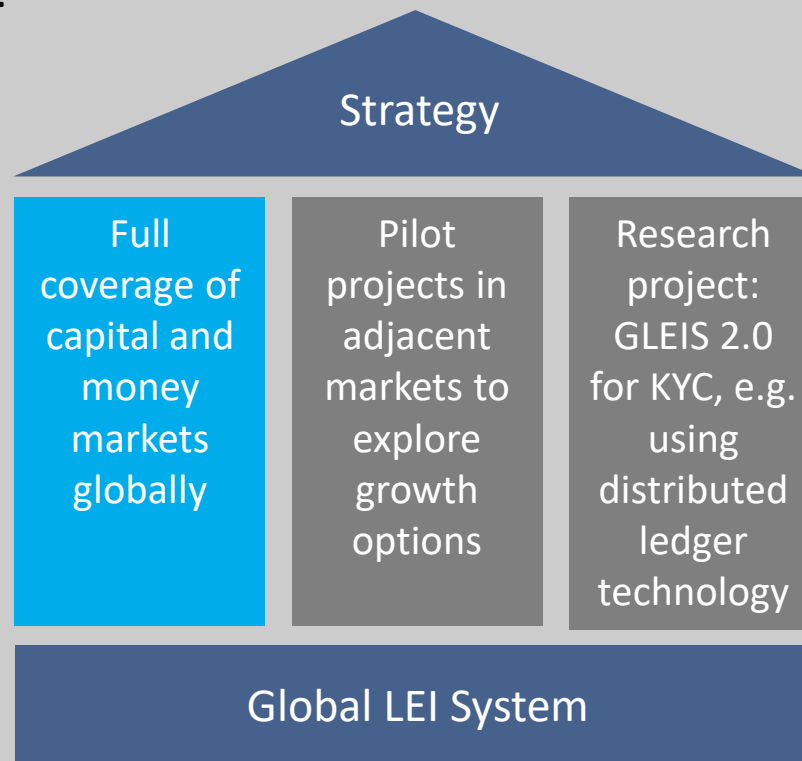
**Key focus
on
RELEVANCE**



GLEIF's strategy 2021 is geared towards substantially growing the number of LEIs.

It is addressing the private sector globally in multiple industries.

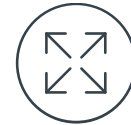
GLEIF's strategy is based on three pillars with focus on core financial markets:



Summary: Grow LEI Issuance in Capital Markets



- Deepen the LEI usage for derivatives reporting in Asia Pacific, Africa and South America.
- Implement new policies around ownership information and relationships.
- Support implementation of MiFID/MiFIR, Solvency II and Prospectus Regulation in Europe.
- Promote LEI usage for similar programs in North America and Asia.



3. Update Level 2 Project

Executive Summary

Status Level 2

Objective of Level 2 as defined by the ROC policy:

Establish technical standards and infrastructure in order to collect, validate and publish Level 2 data on “who owns whom”.

- Prototype exercise concluded on 7 December 2016 by GLEIF and five ‘first mover’ LOUs.
- GLEIF and LOUs have demonstrated that the file formats, state transition rules and validation rules as well as technical interfaces are fit for purpose.
- Project goal has been fully achieved.

Executive Summary

Level 2 next steps

- Onboarding of all LOUs to the technical standards and infrastructure by **1st May 2017**.
- Upgrade of GLEIF services to support Level 2:
 - LEI Download
 - LEI Search
 - LEI Statistics
 - Challenge Management
 - Data Quality Reports

2017



Level 2 Project Progress

Technical Standards completed



All technical standards required for Level 2 are completed and have been published on 1 Dec 2016:

- LEI Common Data File (LEI-CDF) Format 2.
- State Transition Rules for the LEI Common Data File Format (including Validation Rules)
- Relationship Record Common Data File (RR-CDF) Format
- State Transition Rules for the Relationship Record Common Data File Format (including Validation Rules)
- Reporting Exceptions Format
- Parent Reference Data Format for non-LEI parents

RelationshipData		
Header [1..1]		
ContentDate	LEIDateTimeProfile	[1..1]
Originator	LEIType	[0..1]
FileContent	FileContentEnum	[1..1]
DeltaStart	LEIDateTimeProfile	[0..1]
RecordCount	xs:nonNegativeInteger	[1..1]
Extension	ExtensionType	[0..1]
Record [0..*]		
Relationship [1..1]		
StartNode	NodeType	[1..1]
EndNode	NodeType	[1..1]
RelationshipType	RelationshipCategoryType	[1..1]
RelationshipPeriods	RelationshipPeriodsType	[0..1]
RelationshipStatus	RelationshipStatusEnum	[1..1]
RelationshipQualifiers	RelationshipQualifiersType	[0..*]
RelationshipQuantifiers	RelationshipQuantifiersType	[0..*]
Extension	ExtensionType	[0..1]
Registration [1..1]		
InitialRegistrationDate	LEIDateTimeProfile	[1..1]
LastUpdateDate	LEIDateTimeProfile	[1..1]
RegistrationStatus	RegistrationStatusEnum	[1..1]
NextRenewalDate	LEIDateTimeProfile	[0..1]
ManagingLOU	LEIType	[1..1]
ValidationSources	ValidationSourcesTypeEnum	[1..1]
ValidationDocuments	ValidationDocumentsTypeEnum	[1..1]
ValidationReference	xs:Tokenized500Type	[0..1]
Extension	ExtensionType	[0..1]
Extension [0..1]		

The Relationship Record Common Data File (RR-CDF) format

Level 2 Project Progress Published on Website



1. About GLEIF **About LEI** LEI System LEI Data News & Media Events

About LEI

Introducing the Legal Entity Identifier (LEI)
How to Get an LEI: Find LEI Issuing Organizations

- Registration Agents
- Regulatory Use of the LEI
- GLEIF Statement on ECON Report on New EU Prospectus Rules

ISO 17442: The LEI Code Structure

Common Data File Formats

The Common Data File (CDF) formats provide the ISO standard and the data which builds upon it in the CDF formats, where appropriate, to promote legal entity reference data is conducted daily by GLEIF.

The information available with the LEI reference data, including the entity and its registered address, is referred to as the question of 'who is who'. In a next step, the LEI data pool will be enhanced to include the 'Level 2' data that will answer the question of 'who owns whom'.

Level 1 and Level 2 data each have different formats, respectively:

- The **LEI-CDF format** defines how Level 1 data, i.e. the information on 'who is who', is reported.
- The **Relationship Record-CDF (RR-CDF) format** defines how Level 2 data, i.e. information on 'who owns whom', is reported for LEI registrants whose direct and ultimate parents have an LEI.
- The **Parent Reference Data format** defines how reference data for parent entities without an LEI is stored and transferred between LEI issuers and GLEIF.

Specific section on Level 2 Standards

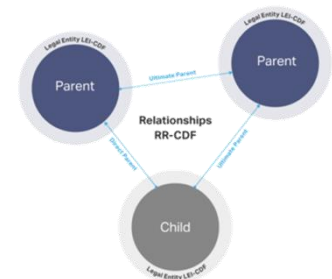
Direct link on new gleif.org start page

Level 2 Project Progress

End-to-end test successful

Actions performed by participating LEI issuers during prototype exercise

- Worked with selected actual legal entities that have obtained an LEI (their clients) to collect parent information ✓
- Received accounting documents from the legal entities to validate parent information ✓
- Created data records using technical documentation developed by GLEIF ✓
- Uploaded these data records via an interface provided by GLEIF, using an encrypted transfer protocol, and electronically signed the files to ensure authenticity ✓








Actions performed by GLEIF during prototype exercise

- Received the files including parent information from the ‘first mover’ LEI issuers ✓
- Checked files to ensure compliance with relevant technical documentation and business rules ✓
- Created sample files including parent information ✓

Level 2 Project Progress

End-to-end test successful

Pilot LOU	Data collected	Data validated	Files created*	Files uploaded	Files compliant with Level2 standards
	✓	✓	✓	✓	✓
	✓	✓	✓	in progress*	✓
	✓	✓	✓	in progress*	✓
	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓

* Files have also been received via email, which enabled GLEIF to check for compliance with Level 2 standards

Branches


LEI for branches - Timelines


- On 11 July 2016, the LEI ROC published the final version of its policy document on [„Including data on international/foreign branches in the Global LEI System“](#)
- By end of November 2016, GLEIF developed, together with Level 2 „Who owns whom“, technical formats and business rules based on above LEI ROC policy.
- On 10 February 2017, the consultation period with Local Operating Units (LOUs) and LEI ROC on these documents ends.
- By end of March 2017, GLEIF will then consolidate feedback received and publish final versions of the standards.

LEI for branches – Policy Requirements



- Requirements for branches based on the LEI ROC policy document:
 - The branch is a lead international branch or international branch network outside of the head office’s jurisdiction.
 - The branch is registered in a publicly accessible local business registry or local regulatory registry or tax registry.
 - The reference data of the branch in the LEI system always specifies that the entity is a branch, in a way that is easily accessible to users.
 - The head office (or headquarters) of the branch already has an LEI so that the LEI of the head office entity can always be associated with the LEI of the international branch in the GLEIS.

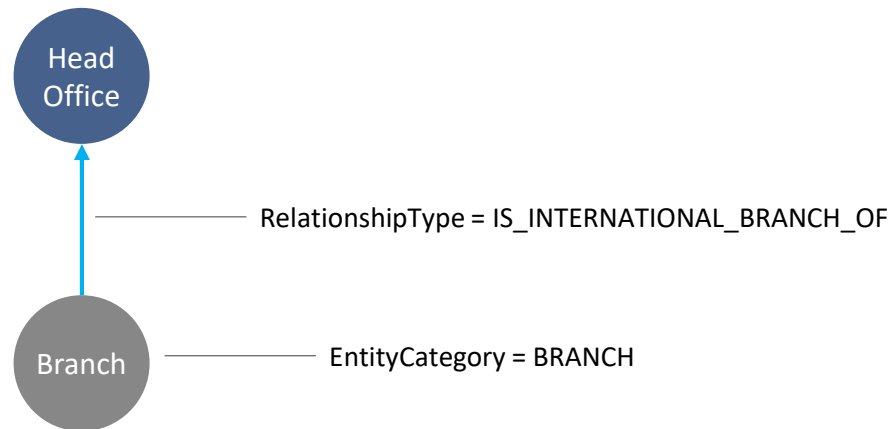
 Level 1
Entity
Information

 Level 2
Relationship
Information

LEI for branches

Implementation via Level 1 and Level 2

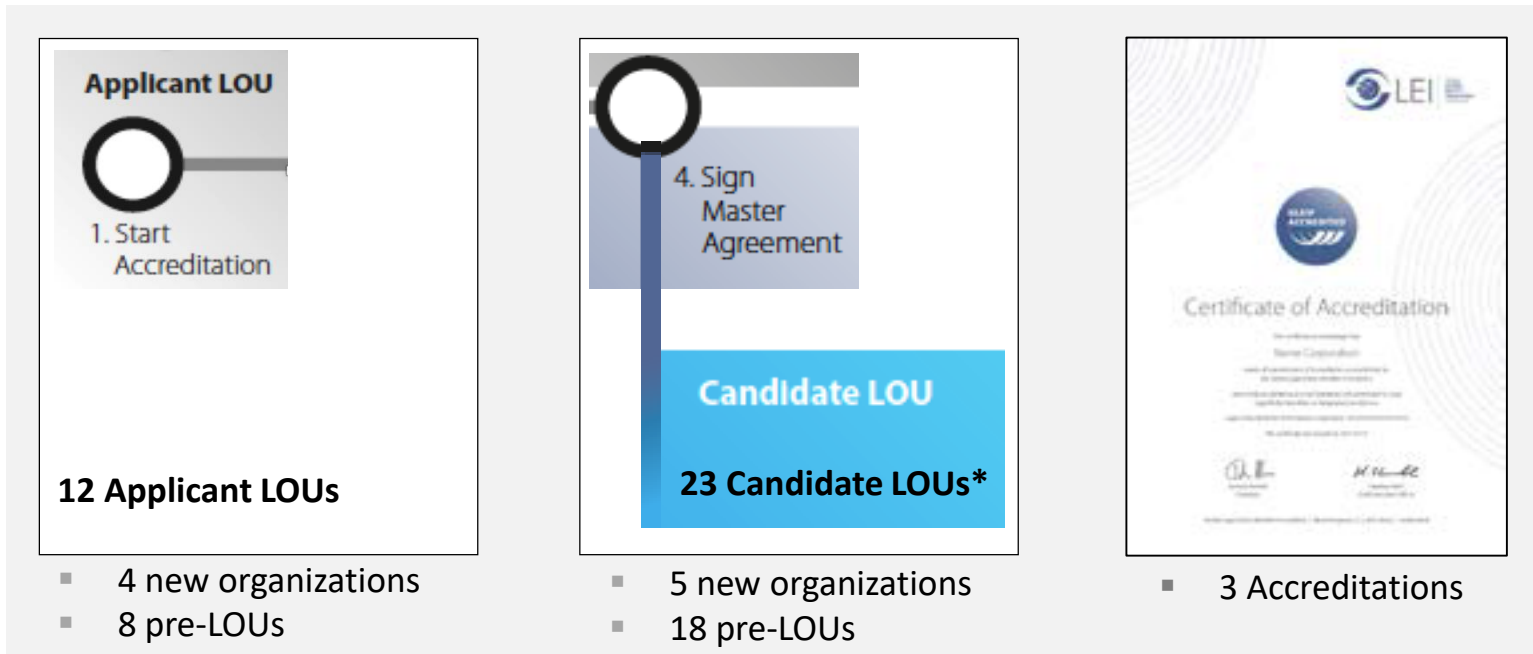
- Level 1 – Entity Information
In LEI Common Data File 2.0, there is a new field called „EntityCategory“ which takes the value „BRANCH“ to clearly identify branches within LEIs.
- Level 2 – Relationship Information
In Relationship Record Common Data File Format 1.0, there is a RelationshipType called „IS_INTERNATIONAL_BRANCH_OF“ to identify relationships between head offices and branches.



4. Accreditation Update

Accreditation status

(as of 31 Jan 2017)



Website	https://www.gleif.org/en/lei-system/gleif-accreditation-of-lei-issuers
Candidate LOUs	https://www.gleif.org/en/lei-system/gleif-accreditation-of-lei-issuers/current-candidates#
Applying for Accreditation	accreditationrequest@gleif.org

* Currently there are 4 candidate LOUs in the on-Boarding process.

5. Operations

Data Quality



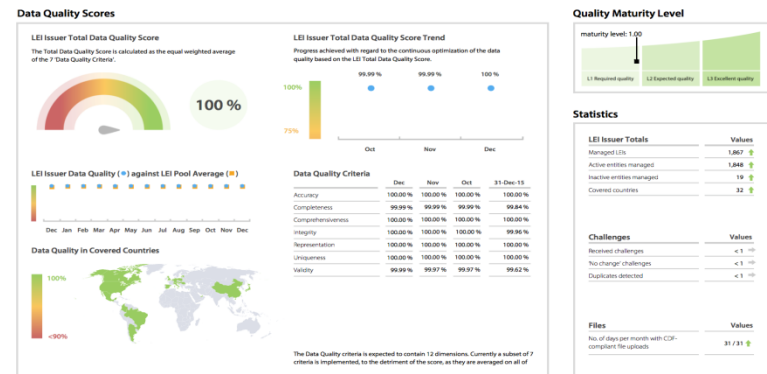
Monthly LOU Data Quality Reports

- First LOU Data Quality Reports will be published on February 03, 2017 for the month of January 2017.

Challenge Management

- 257 Challenges have been opened in 2016 (monthly average = 46)
- The average processing time is 12 days and therefore above the defined 10 business days as some LOUs have not processed their challenges
- Almost all (23 out of 29) LOUs received Challenges
- More than 40% of all Challenges resulted in changed entity information
- 9% of the Challenges identified and eliminated existing duplicates – occurring because of troubles with transfer management

Bundesanzeiger - Germany Data Quality Report | December



DISCLAIMER: All figures of this LEI Data Quality Report are derived from these sources: 1) Global Legal Entity Identifier Foundation (GLEIF) Consolidated end-of-month files for all months mentioned in this report and 2) Data Quality Reports for all aforementioned consolidated files based on the LEI Data Quality Check Specification v.1. While every care has been taken in the compilation of this information, GLEIF will not be held responsible for any loss, damage or impairment caused as a result of inaccuracy or error within the LEI Data Quality

Challenge Management	
No. of Challenges since July 13	257
Open Challenges as of January 10	4
No. of LOUs that received Challenges	23
No. of LOUs without Challenges	6
Challenge resolution	Total
Not yet closed	4
Entity Information Incorrect	105
No change	107
Registration Information Incorrect	17
Exclusivity Violation	19
Uniqueness Violation	5

Service Management



GLEIF Service Performance

- The GLEIF Service Performance Reports show GLEIF's SLA performance in accordance with the Master Agreement:

GLEIF Service Report December 2016



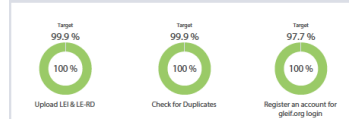
Availability: This month all GLEIF services met the availability targets.

Administration: The service to provide electronic invoices met the target where LOUs chose to have the quarterly invoice separate from the end of year invoices. The combined end of year and quarterly invoices are due to be delivered on 17 January 2017 to all other LOUs.

Operating: The breach identified with regard to the service 'Perform Accreditation - Accreditation Plan' resulted from high volume of applications received and, in some cases, additional time required for clarification of documentation submitted by applicants.

During this month the service Management Technical Incidents were five.

Availability



Operating

PROCESSING TIME FOR:	Target	Actual
Check for duplicates	< 0.1 Minute / 3 Minutes	N/A
Conduct annual accreditation verification	N/A	730 Days
Manage technical incidents - Priority 1	N/A	24 Hours
Manage technical incidents - Priority 2	N/A	2 Days
Manage technical incidents - Priority 3	N/A	3 Days
Perform accreditation (GLEIF) - Accreditation plan	74 Days	145 Days
Perform accreditation (GLEIF)	N/A	3 Months

GLEIF Service Report November 2016



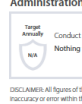
Availability: This month all GLEIF services met the availability targets. In line with version 1.2 of the Service Level Agreement concluded between GLEIF and the LEI issuers the service targets for 'Provide LOU calendar & events' and 'Manage subscriptions to LOU calendar' have been updated to 97.7%.

Administration: These services were not subject to performance assessment in this month as no actions were required.

Operating: The breach identified with regard to the service 'Perform Accreditation - Accreditation Plan' resulted from high volume of applications received and, in some cases, additional time required for clarification of documentation submitted by applicants.

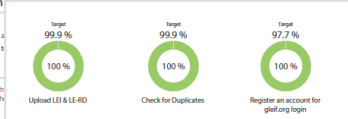
During this month, all other live services have achieved the required service levels for 'Processing Time' and 'Attended Service Operating Time'.

Administration



DISCLAIMER: All figures of this report are correct as of the date of publication.

Availability



Operating

PROCESSING TIME FOR:	Target	Actual
Check for duplicates	N/A	15 Minutes
Conduct annual accreditation verification	N/A	730 Days
Manage technical incidents - Priority 1	N/A	24 Hours
Manage technical incidents - Priority 2	N/A	2 Days
Manage technical incidents - Priority 3	N/A	3 Days
Perform accreditation (GLEIF) - Accreditation plan	52 Days	145 Days
Perform accreditation (GLEIF)	N/A	3 Months
Perform accreditation (LOU)	N/A	6 Months

GLEIF Service Report October 2016



Availability: All GLEIF services subject to the GLEIF performance assessment are now live. In October 2016 all GLEIF services met the availability targets.

Administration: Actions related to these services were not required in October 2016 and therefore these services were not subject to performance assessment in this month.

Operating: GLEIF has changed the display to traffic light symbols to improve ease of understanding on how services have performed at a glance.

GLEIF has achieved the targets of 'Processing Time' and 'Attended Service Operating Time' for all live services.

Administration (Update Frequency)



DISCLAIMER: All figures of this Service Report are correct as of the date of publication.

Availability



Operating

PROCESSING TIME FOR:	Target	Actual
Conduct annual accreditation verification	N/A	730 Days
Manage technical incidents - Priority 1	N/A	24 Hours
Manage technical incidents - Priority 2	N/A	2 Days
Manage technical incidents - Priority 3	N/A	3 Days
Perform accreditation (GLEIF)	N/A	3 Months
Perform accreditation (LOU)	N/A	6 Months
Provide electronic LOU invoices	N/A	730 Days
Provide LOU calendar & events	N/A	1 Hour Day
Register an account for gleif.org login	N/A	1 Hour Day
Upload LEI & LE-RD	< 0.1 Hours	1 Hour

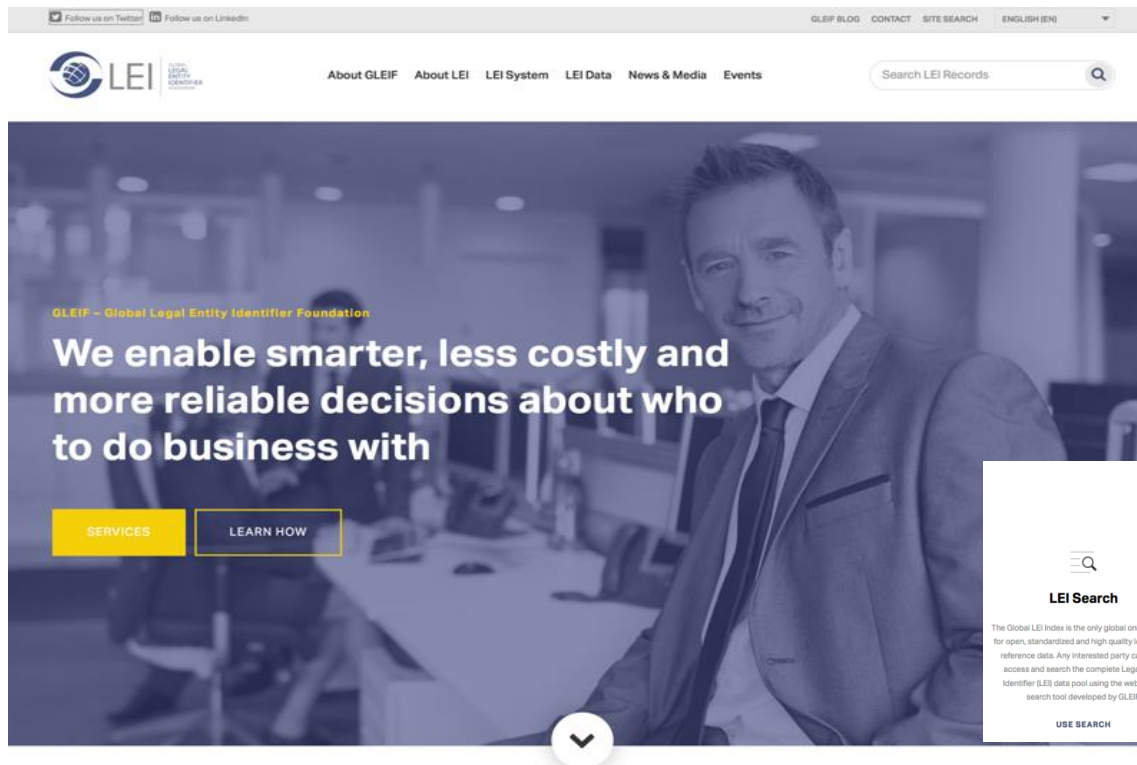
ATTENDED SERVICE OPERATING TIME:	Target	Actual
Conduct annual accreditation verification	N/A	730 Days
Manage technical incidents	N/A	24 Hours
Perform accreditation	8.0 Hours	24 Hours
Trigger LEI management transfer	N/A	24 Hours

DISCLAIMER: All figures of this Service Report are derived from the Global Legal Entity Identifier Foundation (GLEIF), while users can no longer claim to be responsible for any loss, damage or inconvenience caused as a result of inaccuracies or errors within the Service Report. The text and graphic content of the Service Report may be used, printed and distributed only with the copyright permission required by copyright holders under applicable laws.

GLEIF Communications

New Website, New Messaging

- Communications on collecting data on direct and ultimate parents
- Launch of revised GLEIF website



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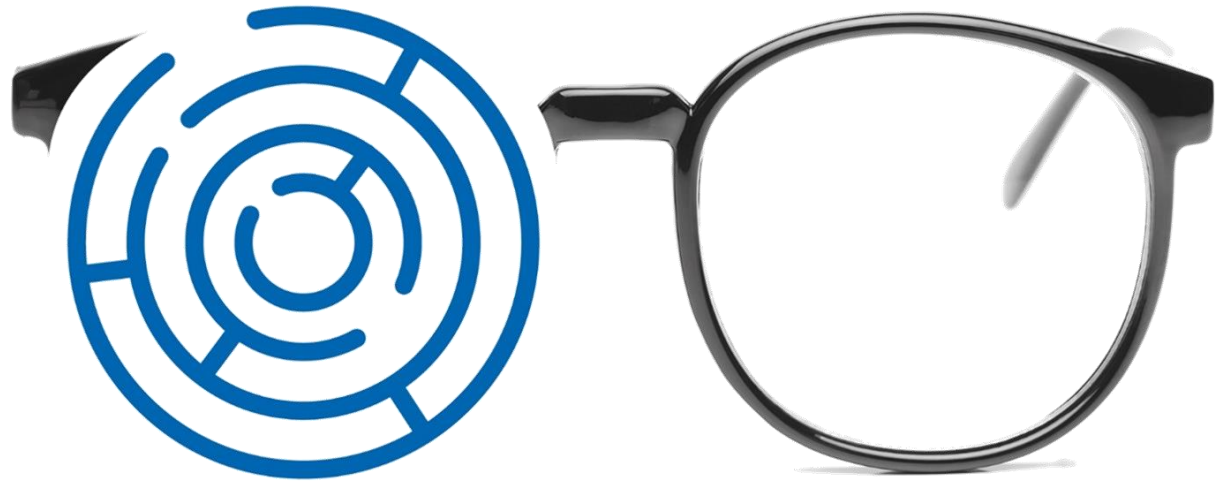


Andrew Henderson
Partner, Eversheds

LEIs under MiFID II

1 February 2017

Andrew Henderson
Partner



Agenda

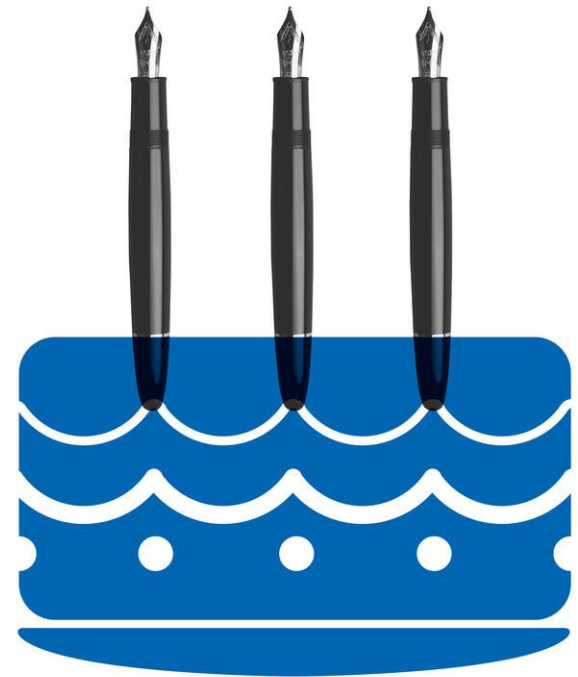
- Overview of transaction reporting under MiFID II
- The requirement for LEIs under the MiFID II transaction reporting regime: unless firm has an LEI it will not be able to trade directly or indirectly in European markets



What is MiFID II transaction reporting?

Article 26 MiFIR transaction reporting is:

- the **reporting of post-trade data**
- relating to **transactions in financial instruments**
- by investment firms and or trading venues (for non-MiFID firms) (or their delegees)
- **to the competent authorities** (via an ARM / trading venue / other system decided by ESMA)
- within **one working day of execution**



What is execution?



An investment firm executes a transaction where it:

- performs (1) **reception and transmission of orders** in relation to one or more financial instruments; (2) **execution of orders** on behalf of clients; or (3) **dealing on own account**
- **makes the investment decision** in accordance with a **discretionary mandate** given by a client, or
- **transfers financial instruments** to or from accounts

provided that in each case **such services or activities have resulted in a transaction**

Investment firms which are considered to have transmitted orders which result in transactions should not be considered as having executed those transactions - although they do not transaction report, their details are required by the executing broker and this must include the LEI

What is a transaction?

Covers:

- purchases and sales of reportable instruments
- other cases of acquisition or disposal of reportable instruments, particularly entering into or closing out derivative contracts
- increases / decreases in the notional amount of a derivative



The breadth of the LEI regime

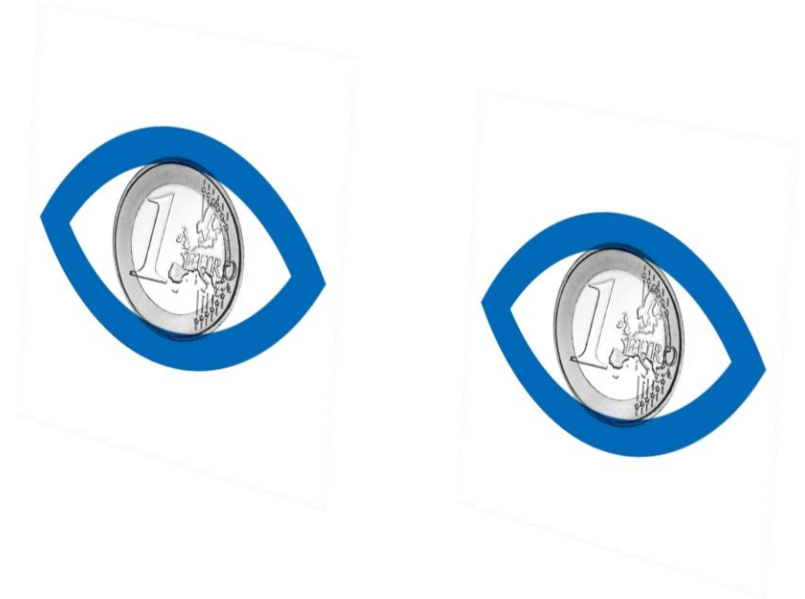
When do LEIs need to be reported?

FIELD	CONTENT TO BE REPORTED
Executing entity identification code	Code used to identify the entity executing the transaction
Submitting entity identification code	Code used to identify the entity submitting the transaction report to the competent authority
Buyer identification code	Code used to identify the acquirer of the financial instrument
Seller identification code	Code used to identify the disposer of the financial instrument
Buyer decision maker code	Code used to identify the person who makes the decision to acquire the financial instrument
Seller decision maker code	Code used to identify the person who makes the decision to dispose of the financial instrument
Transmitting firm identification code for the buyer	Code used to identify the firm transmitting the order
Transmitting firm identification code for the seller	Code used to identify the firm transmitting the order

Why are LEIs required?

LEIs are required to be provided in transaction reports to:

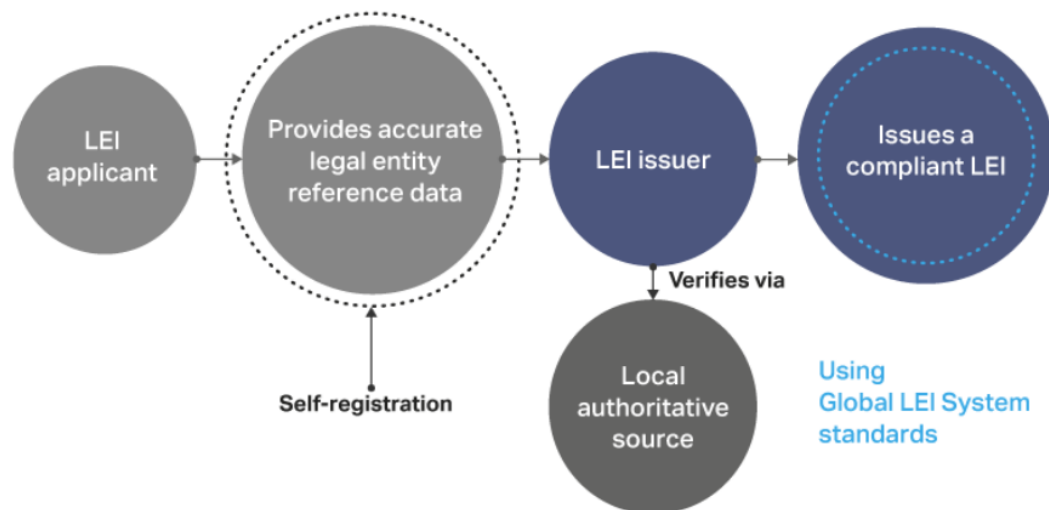
- ensure certain and efficient identification of investment firms responsible for execution of transactions
- safeguard the effectiveness of market abuse surveillance of legal persons, including by investment firms obtaining LEIs from their clients before providing services which would trigger reporting obligations
- facilitate market surveillance



How are LEIs acquired?

- LEIs are issued by Local Operating Units (“LOUs”), a list of which is available at: <https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations>
- Can use any LOU accredited and qualified to validate LEI registrations within its authorized jurisdiction(s)
- When registering, you need to supply accurate reference data, which the LEI issuing organization must then verify the reference data with local authoritative sources

Diagram of LEI acquisition process:

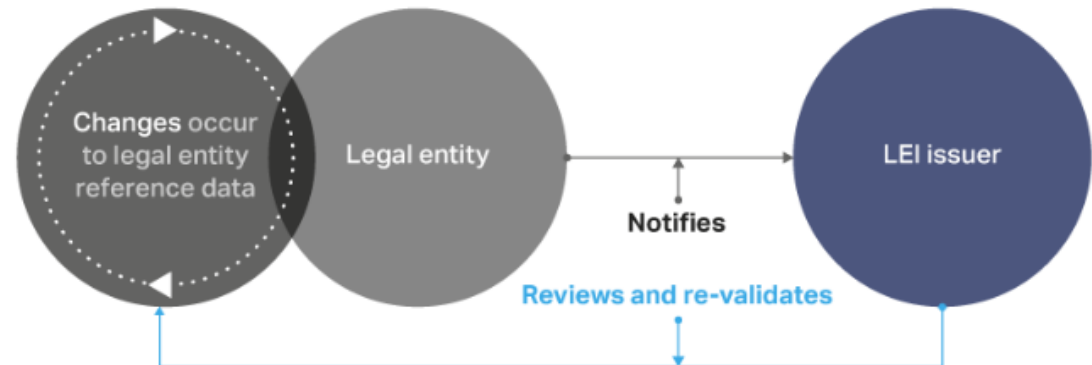


Source: the Global Legal Identifier Foundation

Maintaining data quality

- Once an LEI is acquired, it must be maintained to ensure data quality
- This is in part achieved through:
 - A requirement that the legal entity notify the LOU when changes occur to legal entity reference data
 - An annual renewal process whereby the legal entity and the LOU review and re-validate the legal entity reference data

Annual renewal process



Source: the Global Legal Identifier Foundation

Further information on transaction reporting

Briefing on transaction reporting under MiFID II generally:

http://www.eversheds.com/global/en/what/articles/index.page?ArticleID=en/Financial_services/transaction-reporting130117

Alternatively, please do contact us at: AndrewHenderson@eversheds.com



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Chris Johnson
Senior Product Manager, Market Data, HSBC



GFMA LEI webinar

The requirement for Legal Entity Identifiers in regulatory reporting: an overview

- **Date:** 1st February 2017
- **Prepared by:** Chris Johnson
- **HSBC Securities Services**

ESMA requirement for LEIs under MiFID II/MiFIR

Article 13(2) of ESMA RTS 22 MiFIR

Investment firms shall not provide a service that would trigger the obligation of an investment firm to submit transaction reports” under MIFIR “for a transaction entered into on behalf of a client who is eligible for the legal entity identifier code, prior to the LEI being obtained from that client”

Source: ESMA draft RTS 22 under Regulation EU 600/2014, published on 28 September 2015, available on ESMA website.

No LEI, no Trade

FCA LEI update December 2016

FCA MiFID II – Legal Entity Identifier (LEI) update

First published December 2nd 2016

How MiFID II impacts LEIs

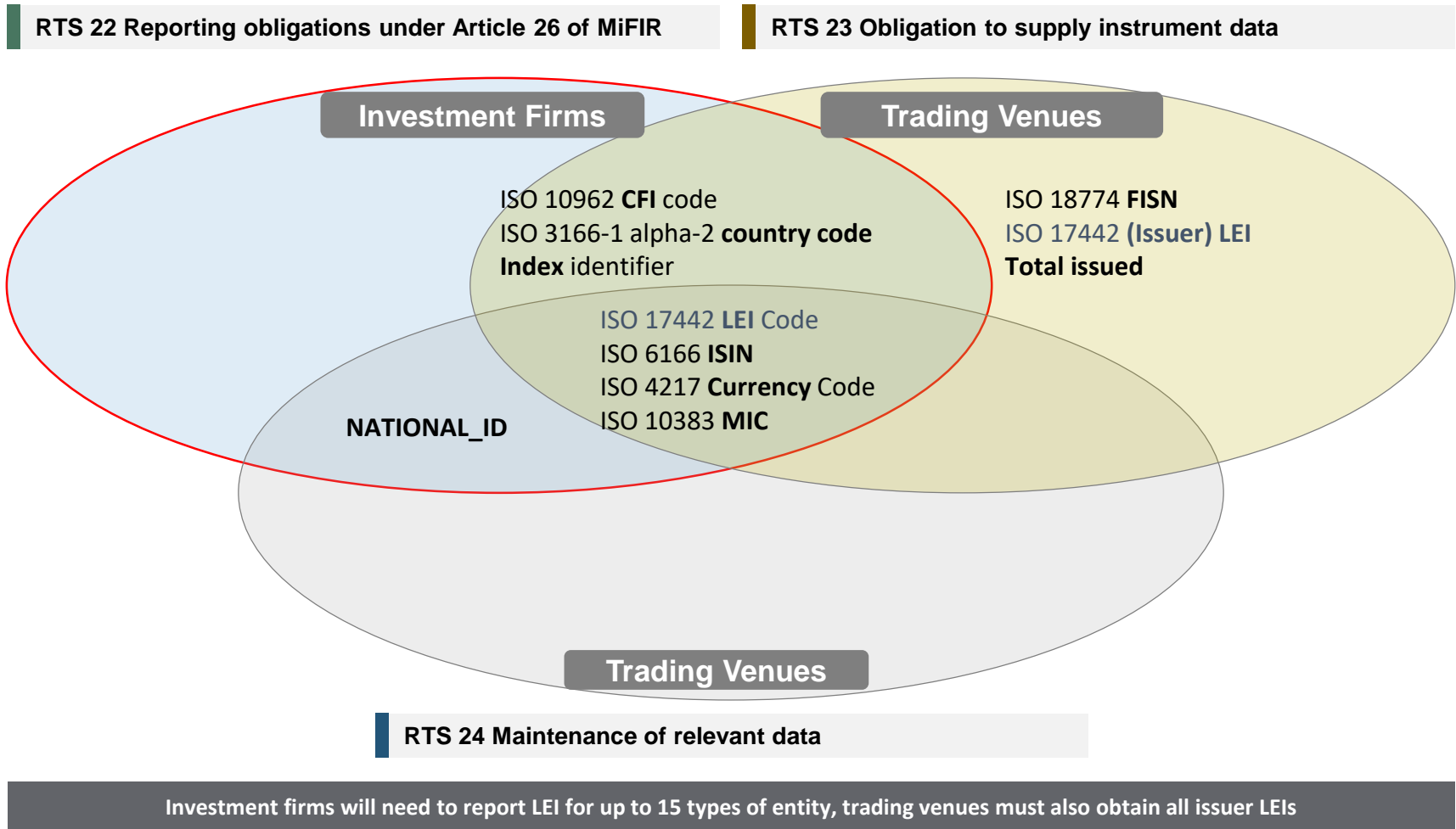
From 3 January 2018 firms subject to MiFID II transaction reporting obligations will not be able to execute a trade on behalf of a client who is eligible for a Legal Entity Identifier (LEI) and does not have one.

Source: <https://www.fca.org.uk/markets/mifid-ii/legal-entity-identifier-lei-update>

No LEI, no Trade

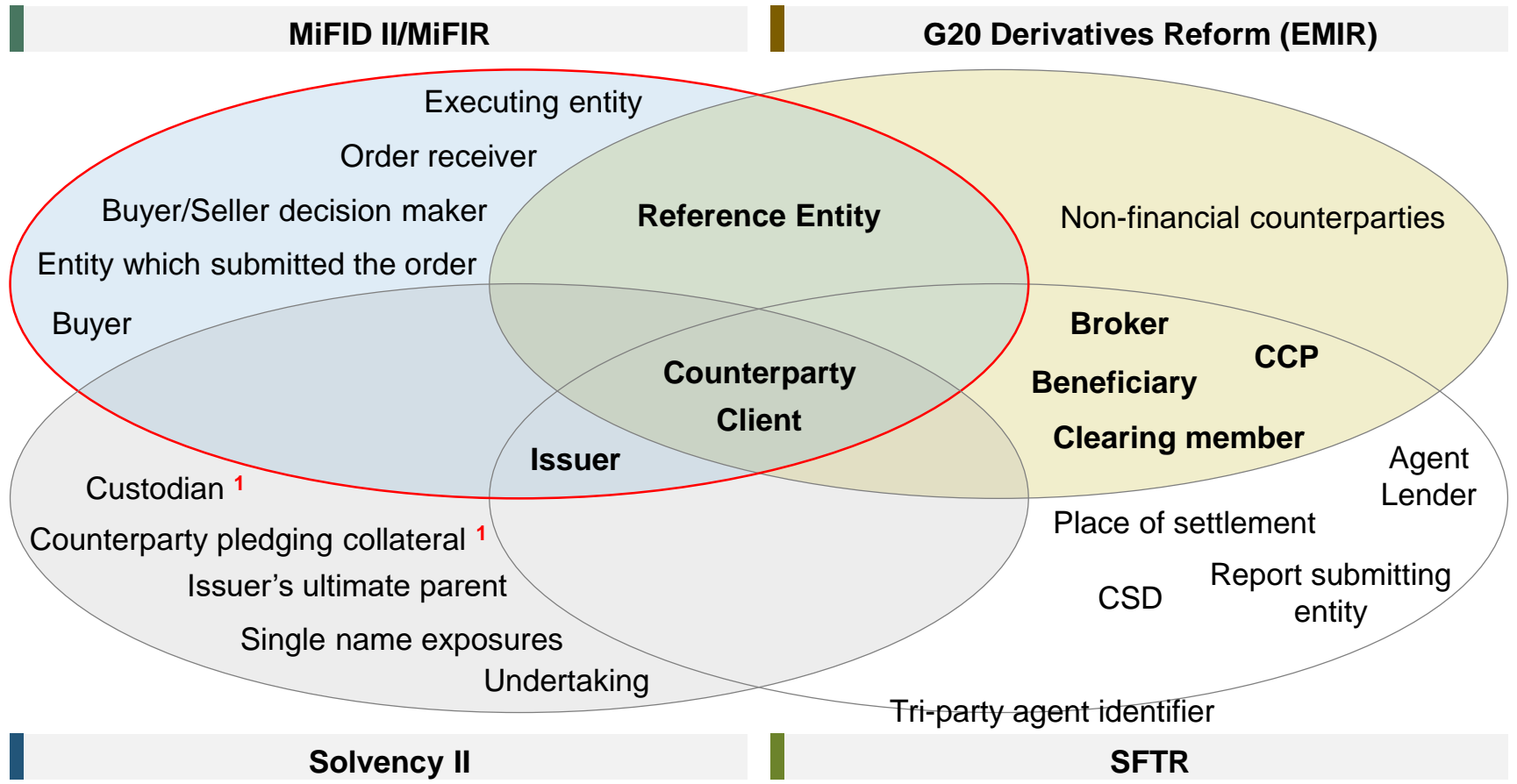
- **Note:** This is an extract from the FCA LEI update. The full document is available on the FCA website

Focus on MiFID II/MiFIR: Transaction reporting market data requirements



• **Note:** Initial interpretation based on consultation papers and regulatory updates (primarily ESMA).

LEI cross-over between regulations (illustration)



LEIs are/will be required for up to 40 types of entity; each type of entity must buy and maintain their LEI(s)

- **Note:** Initial interpretation based on consultation papers and regulatory updates (primarily ESMA and EIOPA).
- **Note:** ¹ EIOPA requires the entity name that appears in the LEI database (as opposed to the actual LEI code)

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