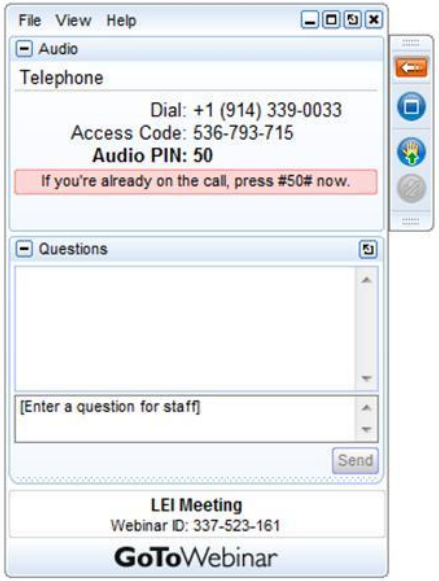
GLOBAL LEGAL ENTITY IDENTIFIER (LEI) CURRENT DEVELOPMENTS

JULY 18, 2013

Question & Answer

- All questions will be taken electronically
- To ask a question please utilize the Question portion of your GotoWebinar Screen as shown below and hit send
- Participants who are not logged into the webinar can send questions during the presentation to: leiwebinar@sifma.org, or tlee@sifma.org



Additional resources available at:
http://www.gfma.org/initiatives/legal-entity-identifier-(lei)/legal-entity-identifier-(lei)/

Current progress in the development of the Global LEI System

Agenda

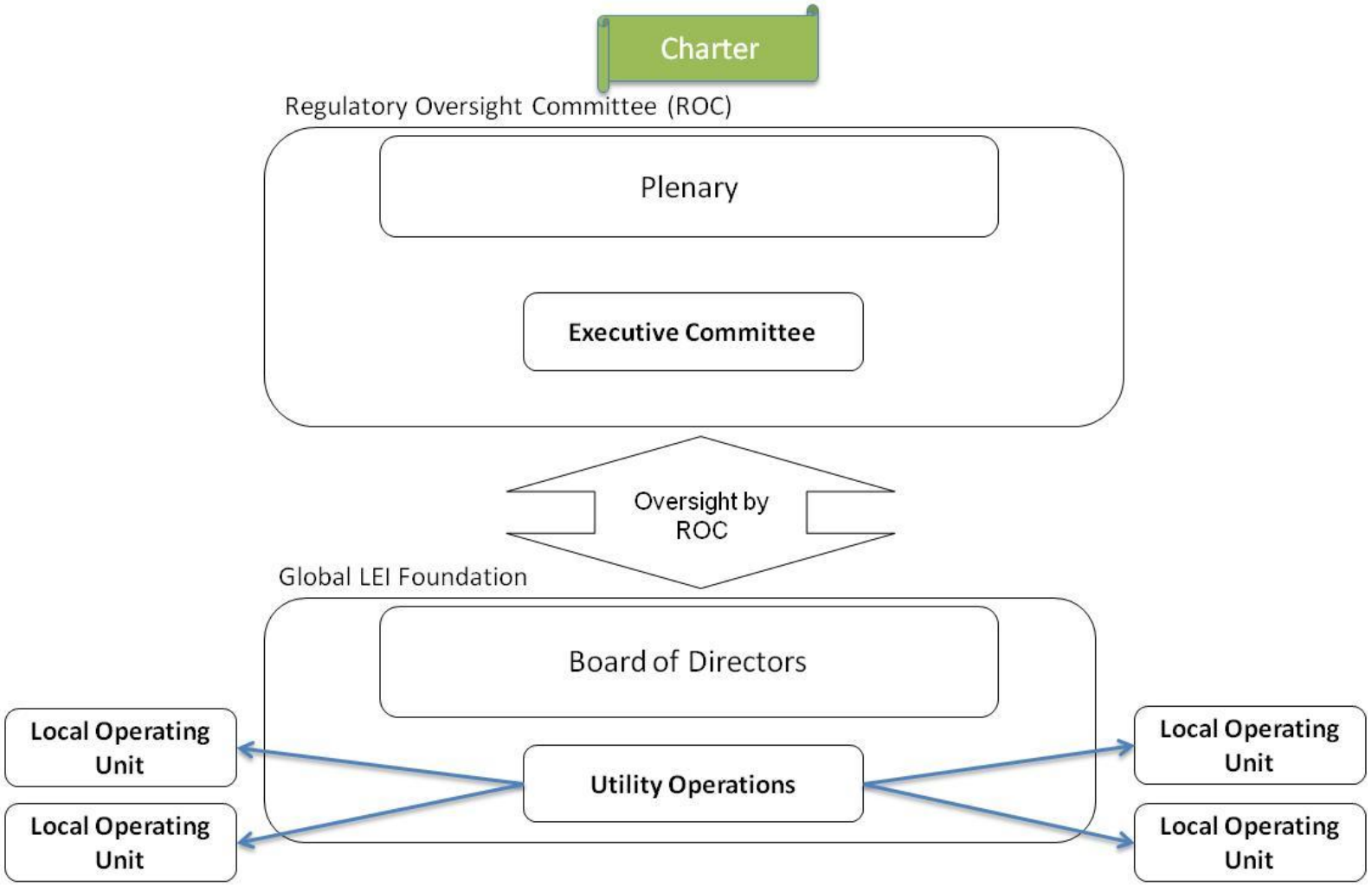
- Introductory Comments from Robin Doyle

- Update from LEI Regulatory Oversight Committee
  - Rudolf Siebel, German Funds Association
  - Matt Reed, US Office of Financial Research
  - Francis Gross, European Central Bank

- Insights on LOU Developments
  - CICI Utility
  - WM Datenservice
  - London Stock Exchange

- Questions and Answers

Update from LEI Regulatory Oversight Committee (ROC)


Charter
Regulatory Oversight Committee (ROC)
Plenary
Executive Committee
Oversight by ROC
Global LEI Foundation
Board of Directors
Local Operating Unit
Local Operating Unit
Utility Operations
Local Operating Unit
Local Operating Unit

What We Have Accomplished

- Fully Functioning ROC
  - 50+ members, 25+ observers
  - Finance Ministers, Central Banks, Regulators, International Financial Institutions
  - Bylaws, Chairs, Executive Committee
  - Private Sector Preparatory Group
  - Website: www.leiroc.org
  - And all by consensus

What We Have Accomplished

- The Global LEI Foundation
  - GLEIF will be a foundation in Switzerland
  - Organizing statutes agreed by ROC
  - Board process is under way
  - Interim LEI system is agreed to and designed

Why An Interim System?

- Reporting has begun in U.S. and soon in Europe
- CICIs, GEIs already in circulation, others coming online
- The GLEIF needs time to:
    - Acquire funding
    - Develop network key
    - Set standards and policies
    - Negotiate contracts with LOUs
- We Can't Wait!!!

The Interim System

- When COU is operational, it will govern by contract or franchise
- Nine prefixes assigned, each is sponsored by a ROC member
- To become pre-LEIs (as part of GLEIS) must follow six principles
- To become mutually accepted NOW, must be endorsed by ROC
    - Sponsor will verify, ROC will endorse
    - Specific criteria follow six principles

The Six Principles for Pre-LEIs

- Adhere to G20-endorsed FSB Recommendations
- Only accept self-registration
- Avoid duplicate registrations
- Ensure portability
- Be sponsored by a ROC member
- ROC member verifies these requirements

Expected Adoption of LEI

- Any legal entity engaged in a financial market transaction anywhere on the globe
- Regulatory compulsion in reporting
    - Swaps, private funds, advisors, insurers
    - Working to identify next regulatory needs
- No power by the ROC or COU to compel adoption
- With good input, planning, and design, it will become a must-have like a bar code

This GLEIS Is ALL OF OURS

- Officials:
  - www.treasury.gov/ofr
  - www.leiroc.org
- Utilities:
  - www.ciciutility.org
  - www.geiportal.org

Insights on LOU Developments

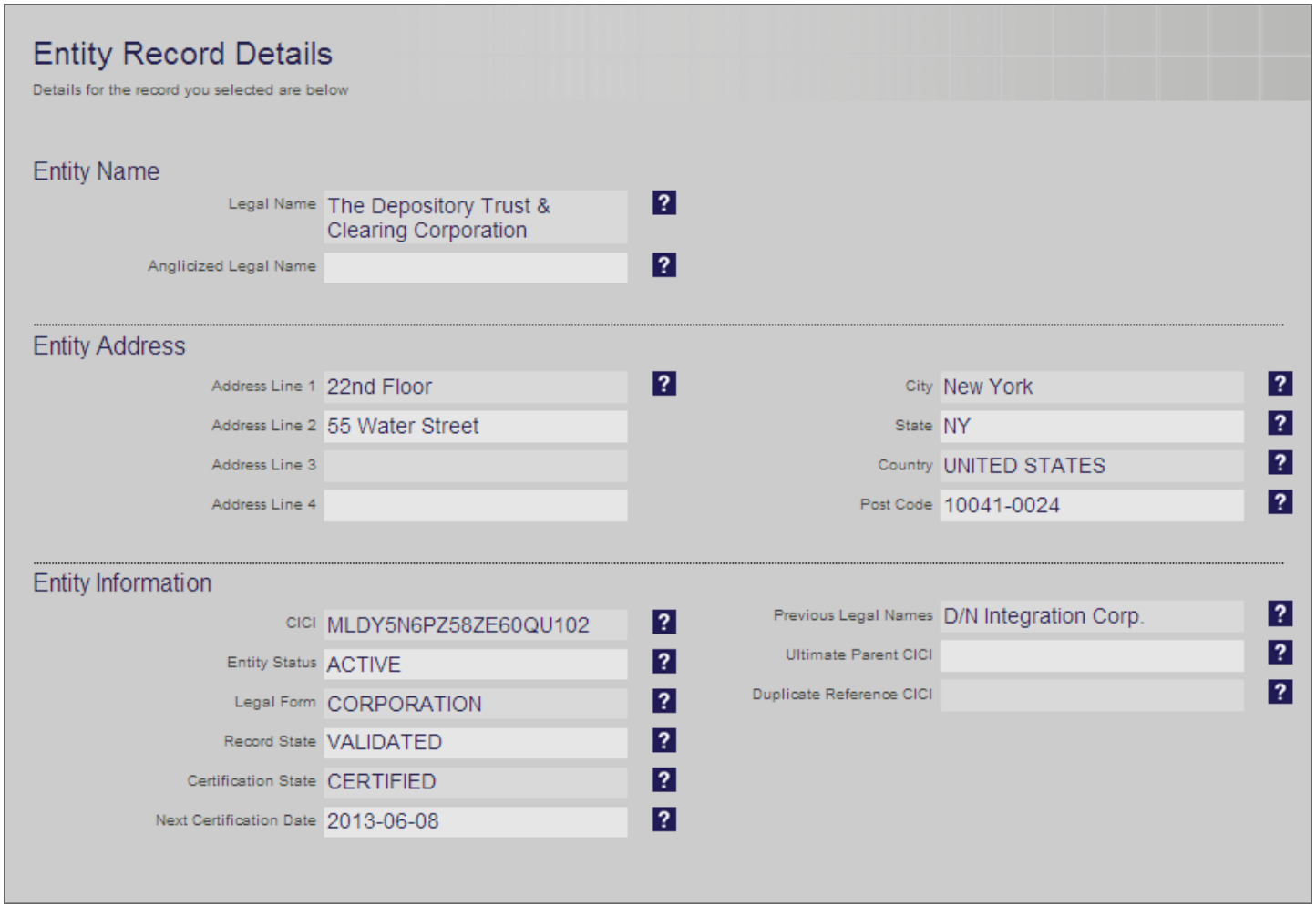
Core principles/processes underlying Utility operations

- **Global**
  - Support reporting across all jurisdictions and asset classes
  - Provides registration, data maintenance, validation
  - Extensive global industry input to shape solution
- **Public good**
  - Cost recovery model
  - Free and unrestricted access
- **Control**
  - Built to deliver ISO 17442 standard
  - High quality data is a key focus
  - Utility strength infrastructure
- **Data quality**
  - Utilities have data validation expertise

Data Quality

- High Quality Registration Process
  - Different data-profiles to avoid typing errors
  - Opportunity to choose from drop-down menus where possible e.g. legal form
  - Automatic syntax checking in email address and zip-code
- Avoiding duplicates
  - Automatic system check for duplicates during the registration
  - After registration: further manual check for duplicates on all Pre-LEI databases
  - Contacting requestor, if any suspected duplicates are found
- Validation process
  - Using local register for validation process where available
  - For investment funds: check with other sources like prospectus and custodian
  - Check whether the requestor has the authority to act on the entity's behalf
  - Communication with the Requestor in any cases of doubt
- Additional Aspects for a High Data Quality
  - Ongoing maintenance
  - Challenge process to allow user-led updates

CICI Utility



Entity Record Details

Details for the record you selected are below

Entity Name

Legal Name	The Depository Trust & Clearing Corporation
Anglicized Legal Name	

Entity Address

Address Line 1	22nd Floor	City	New York
Address Line 2	55 Water Street	State	NY
Address Line 3		Country	UNITED STATES
Address Line 4		Post Code	10041-0024

Entity Information

CICI	MLDY5N6PZ58ZE60QU102	Previous Legal Names	D/N Integration Corp.
Entity Status	ACTIVE	Ultimate Parent CICI	
Legal Form	CORPORATION	Duplicate Reference CICI	
Record State	VALIDATED		
Certification State	CERTIFIED		
Next Certification Date	2013-06-08		

CICI Utility Status Update

- **2013 Highlights**
  - Go-live – August, 2012
  - Over 85,000 entities have been assigned CICIs
  - Approximately 250 new submissions per day
  - Entities registered in 148 countries
  - Very high percentage of swap contracts in SDR include CICIs
  - Implementation of collaboration with CUSIP Global Services
  - Expanded support of alternative payment methods
  - Introduction of a consolidated file of pre-LEI records
  - Support de-duplication efforts across LOUs
  - Enhancements to funds guidance
  - Addition of Bulk Certification process
  - Reduction in Certification pricing

CICI Utility Upcoming Release

- **Additional ISO Fields**
  - Fields will be introduced for additional ISO attributes:
    - Headquarters address
    - Business registry name and number
    - Date and reason of expiration
  - Fields will act as placeholders until additional implementation recommendations are received from the ISO working group

- **Updated Vocabulary**

Old Value	New Value
Certification State	Maintenance State
Next Certification Date	Next Maintenance Date
Record State: Validated	Record State: Public Sources
Record State: Inadequate Sources	Record State: Registrant Source
Record State: Conflicting Sources	Record State: Multiple Sources
Event: Certified	Event: Last Maintained

CICI Utility Continued Focus

- **Recertification of entity records**
  - Notify registrants of upcoming maintenance deadlines
  - Introduction of new “My Maintained Entities” page
  - Pro-rate maintenance charges
- **Continued support of inter-LOU processes**
  - Pre-LEI record porting process
  - Search consolidated file
  - Inter-LOU duplication remediation
  - Integration of pre-LEIs assigned by other LOUs into ultimate parent lookup and challenges
  - Inter-LOU common file format and fields

WM Datenservice Utility

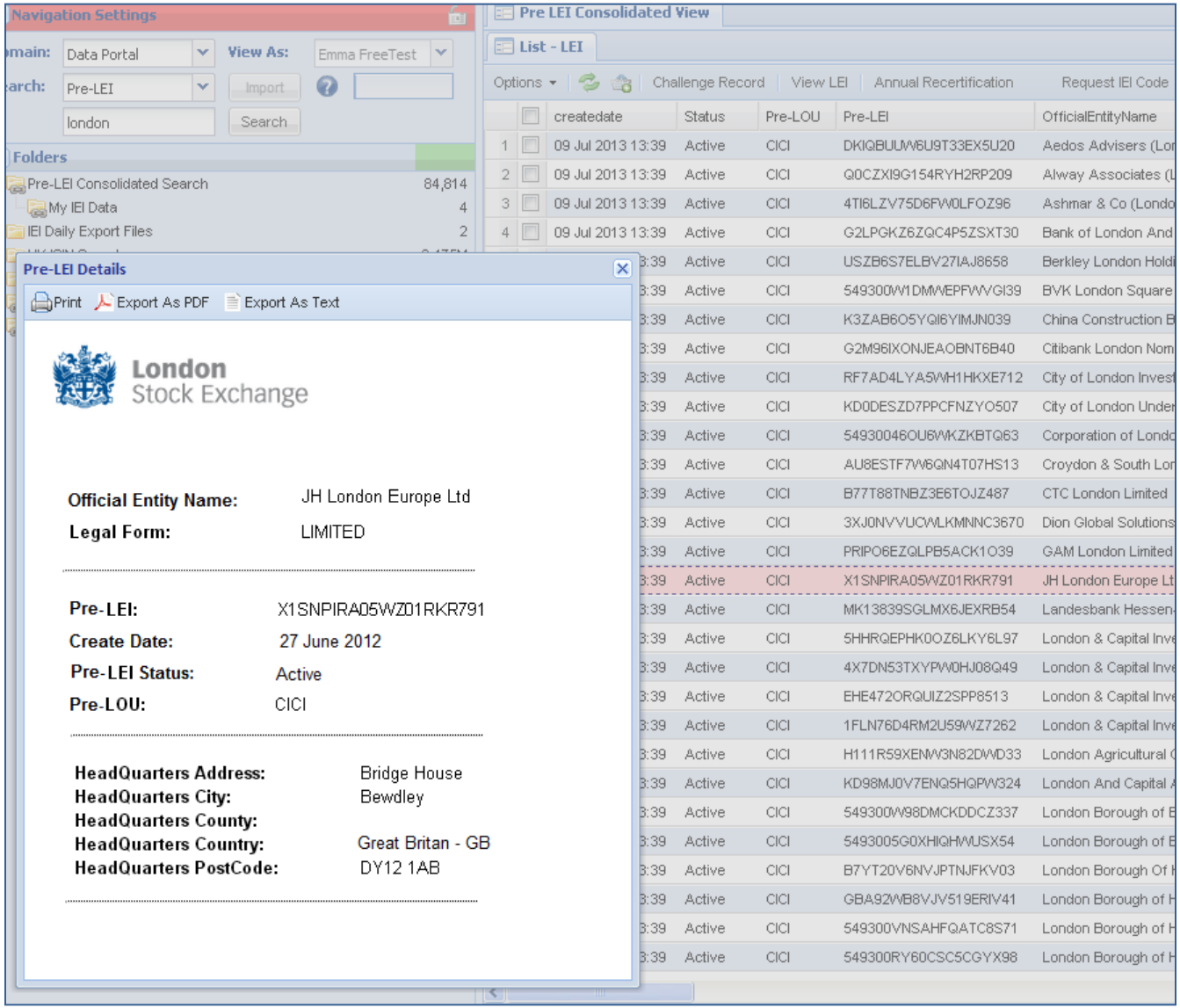
WM Datenservice: Status Update

- **2013 Status**
  - Live since April 2, 2013
  - Around 2,400 applications received
  - Around 1,600 GEIs issued (difference in most cases due to administrative matters e.g. payment cycle of registration fees)
  - Growing interest from non-financials (around 50 applications/day)
  - Growing number of new submissions per day (around 80)
  - Entities registered mainly in Germany, but also from other countries (mainly from Europe)
  - High percentage of GEIs allocated for funds
  - Since July 1: possibility to request transfer of Pre-LEI implemented during registration process (i.e., adherence to Pre-LEI principle)

WM Datenservice: Outlook

- Consolidated data file planned for coming weeks (incl. all operational Pre-LOUs at that stage)
  - File structure will follow ISO 17442 record structure (as minimum for exchange of files among LOUs)
- Extension of search facilities on portal (e.g. GEI status, country of legal headquarter)
- Further payment methods to be introduced
- Industry dialogue to be further extended
  - Close cooperation with industry associations
  - National LEI User Group planned

London Stock Exchange - IEI Utility



London Stock Exchange: Status Update

- **Current Status – System Development**
  - Received sponsorship on 6 June 2013
  - Integration of existing Pre-LOU data
  - Consolidated search function within the user interface
  - System validation to prevent submission of duplicate entries
  - Dynamic filtering and search functionality on all data fields
  - Personal view for 'My IEI Data'
  - Credit card payment for individual IEI requests and the possibility of invoicing for bulk submissions e.g. Fund Managers
  - Consolidated and IEI only data files in flat file format
  - Status concept (Draft, Pending, Active, Expired & Inactive) partnered with Event Type
  - Annual certification reminders
  - Possibility for portability automation

London Stock Exchange: Status Update continued

- **Current Status - Data Validation**
  - Finalizing internal validation procedures for different entity types and jurisdictions
  - Impact on Pre-LEI as a result of corporate actions

- **Next steps**
  - IEI allocation requests already being received on a daily basis
  - Continued system testing for operational go-live end of July 2013
  - Live demonstrations of the test environment to user communities
  - Continued participation in working groups and industry forums in particular CES Pre-LOU group on standardization and consistency amongst Pre-LOUs
  - Awaiting confirmation and recommendations regarding standardized framework e.g. file format and content, portability