



CICI Guidance on Registration and Certification
For Funds, Asset Managers, Fund Administrators

ALERT! - DEADLINE APPROACHING - CFTC SWAP REPORTING RULES REQUIRE CICIs TO BE ASSIGNED AND CERTIFIED FOR ALL OTC SWAPS COUNTERPARTIES NO LATER THAN APRIL 10, 2013

**MARCH 15 2013 - DIVISION OF MARKET OVERSIGHT AND OFFICE OF DATA AND TECHNOLOGY
ADVISORY - UPCOMING LEGAL ENTITY IDENTIFIER DEADLINE¹**

- LEIs, currently known as CICIs, are required for all swap market participants.
- The source for obtaining CICIs is the CICI Utility, available at www.ciciutility.org.
- **All swap counterparties must obtain a CICI before April 10, 2013.**
- For CICIs previously issued through third-party registration, the entity must self-certify the CICI data record before April 10, 2013. Entities that obtain CICIs through self-registration or assisted registration with permission do not need to also self-certify.
- All swap counterparties must maintain their own CICIs after issuance, including periodic recertification.
- All swap counterparties must use their CICIs in recordkeeping and swap data reporting.
- DMO and ODT suggest two immediate steps to ensure compliance with CICI requirements:
 - Each swap counterparty should visit www.ciciutility.org and check its CICI status.
 - Swap dealers should contact each of their counterparties regarding CICIs.

¹ There have been several important announcements from the CFTC regarding entity registration and certification. See (<http://www.cftc.gov/PressRoom/PressReleases/pr6526-13>)



CICI Guidance on Registration and Certification For Funds, Asset Managers, Fund Administrators

Why is a CICI required?

- All swap counterparties, subject to CFTC jurisdiction are required to have a CICI for recordkeeping as well as reporting.
- Reporting firms must identify themselves and counterparties with CICIs on transactions submitted to registered swap data repositories.
- There are some unique considerations for fund structures as to what entities should have a CICI (see Attached Guidance – CICI Utility Portal - Funds Guidance v3.0)

When are CICIs required?

- **Swap Dealers for credit and interest rate swaps:** December 31, 2012
- **Swap Dealers for equity, FX, and commodity swaps:** February 28, 2013
- **Major Swap Participants, for all asset classes:** February 28, 2013
- **Non-SD/MSP counterparties, for all asset classes:** April 10, 2013

Who must perform the registration or certification?

- Each swap counterparty subject to CFTC jurisdiction is expected to:
 - **Self-register** for a CICI or give explicit permission to another party to register it via Assisted Registration
 - **Certify** its CICI record if it was registered during the initial load of the database or via Third-party Registration prior to November 16, 2012².
 - **Maintain** its own record via the annual Certification process
- Subsequent to initial registration, all entities that have Self or Assisted Registered for CICIs must maintain the record as soon as a change occurs and re-certify the data associated with their CICI on an annual basis, even if there is no change to the information. Fund managers and administrators will determine with their clients who will perform annual re-certification -- the fund manager/administrator, or the fund itself.
- Entities who obtained a CICI via the initial load of the database prior to implementation, or via Third-party Registration prior to November 16, 2012, need to Certify their CICIs as soon as possible, but no later than April 10, 2013 and then annually on an on-going basis. Fund managers and administrators will determine with their clients who will perform this initial certification and the annual re-certification -- the fund manager/administrator, or the fund itself.
- See attached CICI Utility Portal - Funds Guidance v3. for more specific guidance for funds.

² On November 16th, 2012, as the result of decisions taken by the Implementation Group, under the auspices of the Financial Stability Board, and subsequent CFTC guidance, Third-party Registration was replaced with Assisted Registration. Assisted Registration is similar to Third-party Registration operationally, but requires the registrant to obtain explicit permission of the entity being registered prior to requesting CICI assignment.



CICI Guidance on Registration and Certification For Funds, Asset Managers, Fund Administrators

How do I register for a new CICI or certify an existing CICI record?

Self-Registration via Portal – Registrations for your fund entity can be completed via the CICI Utility Portal at www.ciciutility.org. All self-registered records are initially certified upon registration and the entity is required to maintain/certify the record annually. Payment can be made via credit card. As of **April 1, 2013**, a wire payment mechanism for registrations processed on the CICI Utility Portal will be available.

Assisted Registration via Portal – A fund manager or administrator can register a fund client for a CICI via the CICI Utility Portal if they have the fund’s explicit permission to do so. All Assisted Registration records are certified upon registration and the entity is required to maintain/certify the record annually. As of **April 1, 2013**, a wire payment mechanism for registrations processed on the CICI Utility Portal will be available.

Bulk Registration – Self or Assisted Registration can be completed via a bulk file submission. For bulk registrations, payment can be made via wire transfer. Bulk registration files should contain at least 50 registrations, although files of fewer than 50 registrations may be considered. Fund managers or administrators should send an email to bulksubmission@ciciutility.org if interested in utilizing bulk registration or certification.

Certification via Portal – An entity receiving a CICI as part of the initial database population or via Third-party Registration (functionality that was discontinued and replaced by Assisted Registration on November 16, 2012) is required to certify their CICI as soon as possible following registration and annually thereafter. Certification can be done via the web portal. Payment can be made via credit card. As of **April 1, 2013**, wire payments for Certifications done on the CICI Utility Portal will be available. Fund managers or administrators can assist their fund clients by certifying the funds CICI on their behalf if explicit permission has been provided.

Bulk Certification –Bulk Certification functionality allows users to submit a bulk file certifying the reference data for their CICI records. This process allows for payment via wire transfer. Please send an email to bulksubmission@ciciutility.org if you are interested.

Service	Authorized Usage
Self-Registration	<ul style="list-style-type: none"> - An employee of the legal entity that is being registered - An employee of a legal entity that has controlling interest over the entity being registered
Assisted Registration	<ul style="list-style-type: none"> - Any individual who has explicit permission from the legal entity to register on the entity’s behalf



Initial Certification of Third-party Registrations (prior to 16 Nov 2012)	<ul style="list-style-type: none"> - An employee of the legal entity that is being registered - An employee of the legal entity that has controlling interest over the entity being registered - Any individual who has explicit permission from the legal entity to register on the entity's behalf
Annual Certification Maintenance	<ul style="list-style-type: none"> - An employee of the legal entity that is being registered - An employee of the legal entity that has controlling interest over the entity being registered - Any individual who has explicit permission from the legal entity to register on the entity's behalf
Record Challenges	<ul style="list-style-type: none"> - Any individual

What is the cost for my CICI?

Service	Charge
Self-Registration	\$200
Assisted Registration	\$200
Initial Certification of Third-party Registrations (prior to 16 Nov.)	\$100
Annual Certification Maintenance	\$100
Record Challenges	Free

Note: As of **April 1, 2013**, a wire payment functionality for registrations/certifications processed on the CICI Utility Portal will be added using any of the major wire networks, including ACH, Fed Wire, SWIFT, and CHIPS.

How do I keep my records up-to-date between annual certification dates?

Individuals should be encouraged to submit the latest information for their entity records between annual Certifications. To facilitate this type of submission, the Challenge process was created on the CICI Utility Portal. This will allow users to submit any new information without being charged. As a result of the user's submission, the CICI Utility Validation Team will review the request, and update the record according to publicly available information. If additional information needs to be supplied to confirm the change, the user can submit information to the CICI Utility Customer Service Team at customerservice@ciciutility.org.

CICI Utility Portal – Fund Guidance

v 3.0

March 5th 2013

General guidance for submitting fund requests to the CICI utility portal

The aim of issuing Legal Entity Identifiers is to uniquely identify all parties to financial transactions for the purpose of systemic risk analysis. Each legal entity must therefore have only one identifier which is universally recognized.

Fund Names

The name that is submitted should be the full legal name of the fund. It is important to note that there may be many valid variations of a single fund name, depending on the jurisdiction, legal opinion of the issuing firms and multiple parallel places where this information is filed.

To limit duplication (multiple versions of the same legal entity set up in slightly different formats) and ensure the highest possible data quality, all CICI requests are reviewed by the CICI Utility operations team who independently validate all data that is submitted against authoritative sources – primarily regulator websites and national company registries. The prospectus may also be used to validate fund information.

A single entity

Each fund is a distinct legal entity and should be assigned a CICI independently with no reference to other entities in the name or address of the CICI record (except where this forms part of the legal name of the fund).

Any detail identifying the relationship between a fund and the financial services firms through which it manages investments - fund manager, broker, administrator, investment advisor, sub-advisors, etc. should not be included in the name (except where this forms part of the legal name of the fund).

Share Classes and Sleeves

Separate share classes permit a collective investment scheme to issue shares with different characteristics in the same fund. They do not represent separate entities and should not be allocated individual CICIs - CICIs should only be requested for the issuing funds.

Similarly, "sleeves" merely identify the segments of a fund's portfolio for which the asset management is undertaken by different entities - again, they do not represent separate entities and only the fund itself should have a CICI.

Use of Fund Codes³

Fund codes issued by a fund manager or vendors should not be submitted as the fund name or included, the full legal name should be identified and the full name of the entity submitted.

Registered Address⁴

Similarly the **registered** address and country submitted should be that of the fund that is being registered, not the address of a financial intermediary or the principal or other places of business of the entity.

³ There have been a number of requests to incorporate fund codes (regulatory registration numbers, vendor codes, primary ISIN) in the CICI request process to help prevent duplication and aid with validation. We are currently investigating the commercial & contractual challenges of this approach.

⁴ The CICI record currently contains only one address – the *Registered* address. An additional *Headquarters* (operating) address will be added shortly for each CICI to align with the ISO 17442 standard.

To the extent that a separate company (financial intermediary) is by law the legal representative of a fund e.g. the fund management company in case of a contractual or unit trust type fund (European UCITS) the registered address of the “legal representative” would be used⁵.

Fund Structures

Some types of funds are constituted as umbrella structures, under which individual sub-funds are maintained for specific pools of assets. Although the legal constitution for such structures is at the umbrella level in most cases, each sub-fund will have its own balance sheet within which any financial liability or benefit is ring-fenced. As such, the sub-fund will be the counterparty to any financial transaction and require its own CICI.

This is recognized within the ISO 17442 standard, which includes these sub-funds within the definition of legal entity for LEI purposes, regardless of their legal form. The key distinguishing feature of a ring-fenced sub-fund is recognition in insolvency/bankruptcy as opposed to other accounting, trading and investment management arrangements which would not necessitate individual CICI codes.

Applicants for fund CICIs

Not all funds are self-managed entities, in which case the CICI request should be received from the separate entity that is responsible for providing the "mind and management" of the fund, for example, the fund management company in the case of a mutual fund.

In such cases, the submitter should be able to demonstrate its responsibility for the fund or, if it is acting on behalf of a third party with that responsibility, demonstrate both the role of the third party and its own authority to act on their behalf.

Acting in this capacity, the submitter would select the role of **primary party** in the CICI Utility Portal and also carry the responsibility to **certify** the fund CICI.

If funds are self-managed entities but they agree to allow an intermediary to submit CICI requests on their behalf, the process is known as **assisted registration**. The responsibility for ongoing certification of the CICI remains with the self-managed fund entity in this case.

Primary party requests and **assisted registration** are both supported by the portal and also by an offline bulk registration process – see http://www.dtcc.com/downloads/news/Introduction_to_Bulk_Registration.pdf

CICI Utility Validation

All CICI requests submitted to the utility website will be independently validated by the utility operations team using publically available information. This process ensures that uniqueness is maintained and data quality remains as accurate as possible.

Validation sources will vary depending on fund type and jurisdiction but will include national company registries, filings held by national and state regulators and central banks, stock exchange listings and the fund prospectus.

Other fund queries

All other queries on fund set-up for CICI should be directed to CustomerService@ciciutility.org

⁵ There may be an opportunity to capture this information as a separate relationship - to link the fund to another CICI representing the 'Legal representative' - in a future enhancement of the CICI Utility.

Guidance for Specific Fund Types

Pension funds

This includes pension (defined benefit), retirement (defined contribution such as US 401K plans), ERISA, and superannuation funds. Each pension fund will have a plan sponsor; this sponsor may manage multiple pension plans.

In the US, all pension funds will be distinct legal entities from their sponsor.

Outside the US, many pension funds will have independent legal status but for smaller organisations may share legal status with that of the sponsor. In these situations effectively the sponsoring company will be the party to the transaction and will be assigned the CICI.

Sleeves/accounts that do not constitute unique legal entities should not have separate CICI codes.

Each pension fund is likely to transact through multiple investment managers, custodians and brokers but the CICI reported for the pension fund will be the same.

As a general rule for pension funds, the tax paying entity (to which a national Tax ID is assigned) is the legal entity which requires a CICI.

Pension Fund addresses

The address of each pension fund should be the **registered** address of the fund itself, which may be shared with the plan sponsor. The address of the trustee should not be used.

For US Pension Funds, the sponsor name will be identified using (public) form 5500, section 2A. The address provided on this form will often relate to an operational (headquarters address) for the fund operations so the registered address for the named sponsor will need to be identified using additional sources such as a state or national company registry.

Collective Investment Schemes

For the purpose of defining common practice for registering CICI codes, the term 'collective investment schemes' is used to identify the broad group of investment vehicles that includes what may commonly be referred to as mutual funds (closed and open-ended), UCITS, OEICs / ICVCs, unit trusts, SICAVs, FCPs, ETFs, offshore funds, investment trusts and hedge funds.

Each may be set up under trust, as a contractual arrangement or registered under company law.

Where the reportable transaction counterparty is the fund, the sponsor/trustee is not also required to obtain a separate CICI, except where relevant regulation explicitly requires.⁶

⁶ Building the full picture of legal entity relationships and inter-dependencies is essential to develop a complete picture of systemic risk, so no valid legal entity will be discouraged from applying for a CICI code.

1. Umbrella & sub-funds

In certain cases collective investment schemes will be set up in an umbrella fund/sub-fund structure.

Sub-funds represent ring-fenced pools of assets with segregated liability and are therefore treated as distinct legal entities. This approach is common with SICAV's and OEIC's.

1.1 Umbrella fund CICI set up

Prior to setting up the sub-funds, the umbrella fund may be identified and a distinct CICI requested.

While it is unlikely that there will be a need to report transactions at the Umbrella level using a CICI, this will help to drive better data consistency for the fund name and registered address information that can then be applied to each of the sub-funds.

2.1 Sub-fund CICI set up

In all cases for sub-funds the CICI name should include a combination of both the full Umbrella name and that of the individual sub-fund. This ensures that it is possible to differentiate between sub-funds of different schemes that have identical sub-fund names.

The default format will be “[Umbrella Fund] – [Sub-fund]” but there are potentially many valid ways to name the same fund, all of which are legally acceptable so the name should be set up to match the legal name in the primary source documents.

3.1 Master/Feeder CICI set up

Collective investment schemes may also utilize a master/feeder structure. In this scenario, investors purchase shares of any number of onshore and offshore feeders that solely invest in the master fund. Generally, all trading is conducted through the master fund and it should be the only fund that should have a CICI. To the extent trading is conducted out of a feeder fund, the feeder would also require a CICI.

2. Pooling techniques for co-management of investment funds

Some Investment Management companies co-manage sub-fund investments using a pooling technique to facilitate efficiencies and centralized deal placement. Engaging in transactions at a pool level is common practice under Luxembourg SICAV's although not all SICAV's operate this way.

Broadly speaking a co-managed investment pool does not represent a distinct legal entity and it is at the legal entity or sub-fund level that the CICI code should be assigned, with the following exception.

An LEI may be assigned to any asset pool set up under a pool structure within an Umbrella fund (or funds), where the relevant pool structure is expressly recognized within the legal documentation of the relevant Umbrella fund (which may include the fund prospectus or other offer document, articles of incorporation or declaration of trust) and if its assets and liabilities are segregated from the other assets of the participating funds.

Sovereign wealth funds

Similar in structure to pension funds but set up under municipal law, not trust or company law. Each will require a distinct CICI per legal entity and it should relate to the fund, not the sovereign owner.

Corporate cash accounts

To include private equity, venture capital, insurance & other corporate entities who invest cash via Investment Managers.

The CICI requested should relate to the legal entity within the group that has ownership entitlement to the funds and CICI process will be identical to the setup of any other corporate entity.

Insurance company 'Separate Accounts' & 'General Accounts'

Insurance company 'separate accounts' are subject to state insurance law and in some cases ERISA which forbids commingling of assets with the main insurance investment account and will have distinct assets and liabilities in the event of liquidation.

Insurance company separate accounts for co-mingled investments should therefore receive a distinct CICI from the main legal entity if they are the counterparty to the reportable transaction.

Insurance company 'general accounts' are not bankruptcy protected and therefore should use the CICI of the insurance company itself rather than being ring-fenced into a separate CICI.