

Technical features of the Legal Entity Identifier (LEI)

The FSB LEI Expert Group has made significant progress in identifying the key issues and developing framework solutions to be presented in the report to the FSB Plenary by the end of April, to enable the Board to meet the G-20 mandate provided at the Cannes Summit. Work is proceeding intensively under five workstreams - each having its own mandate and deliverables: governance; operational model; scope, confidentiality and access; funding; and implementation and phasing. The Expert Group is supported by an Industry Advisory Panel composed of 34 representatives from different sectors and regions to help provide important industry input into the global public-private LEI initiative.

The Expert Group is determining the regulatory interests that must be protected within the framework of the global LEI system and is continuing to review the resulting regulatory requirements for the LEI that form a key component of the G-20 mandate. The FSB has, however, decided to provide early clarity on two technical points. This clarity is provided in order to give early guidance to industry, to help with expected forthcoming proof of concepts and to provide initial direction on the work of the Expert Group. At the same time, this early guidance is subject to final confirmation as the Expert Group completes its work.

First, the Expert Group has agreed that a 20-character alphanumeric code is a good basis for the global LEI code.¹

Second, the Expert Group is continuing to review the LEI eligibility criteria as well as the reference data that the regulatory community views as essential and, consequently, would require to be associated with the identifier. In the first round of discussion, the Expert Group agreed that the following six data elements will all form part of the minimum set of reference data attributes that will be required by the regulatory community on the launch of the LEI:

- The official name of the legal entity;
- The address of the headquarters of the legal entity;
- The address of legal formation;
- The date of the first LEI assignment;
- The date of last update of the LEI;
- The date of expiry, if applicable.

It should be noted that this limited minimum set of the reference data is the product of the first round of regulatory discussions. As the Expert Group completes its work, it expects to propose additional elements both for reference data attributes, and for the audit trail of changes and updates to the LEI, in order to meet various regulatory needs.

Work continues on all other aspects of the LEI framework with the aim of completing an internal report to the agreed deadline. This report will provide concrete recommendations on the protection of public interests and structures sought in the LEI system. The final report will be published in due course.

¹ A 20-character alphanumeric code has been suggested by the International Organization for Standardization. It is consistent with the CPSS-IOSCO recommendations regarding the methodology and mechanism for aggregation of data.