

Fifth progress note on the Global LEI Initiative

This is the fifth of a series of notes on the implementation of the legal entity identifier (LEI) initiative. The first progress note is available [here](#), the second note [here](#), the third note [here](#), and fourth note [here](#). Please also see G20 progress note [here](#), LEI ROC Charter [here](#), and allocation of pre-LOU prefixes for pre-LEI issuance [here](#)

Global LEI System Regulatory Oversight Committee (ROC): The G20 Finance Ministers and Central Bank Governors endorsed the [Charter](#) for the ROC on 5 November 2012, thus initiating the process for the ROC to be formed. The ROC is the permanent governance body for the Global LEI System. Membership is open to all public authorities from across the globe that assent to the Charter. As of 10 January 2013, there are 45 authorities who have assented to the LEI Charter and are thus Members of the [ROC](#)¹. 15 authorities are Observers to the ROC. A number of other authorities are actively reviewing their engagement and expect to join the system shortly². The first meeting of the ROC is to take place at the end of January 2013 in Toronto. A key priority for that meeting will be to establish the ROC as a working body, through the appointment of the Chair (and potentially Vice Chairs), the Executive Committee, Secretariat, Committee on Evaluation and Standards as well as to take a number of key decisions on the next stages of implementation.

Global LEI foundation operating Central Operating Unit (COU): The formation of the ROC is a necessary step for the creation of the global LEI foundation (or legal equivalent) which will operate the Central Operating Unit (COU) as described in the FSB June Report. Following advice from the Private Sector Preparatory Group (PSPG) and the Implementation Group, the FSB Secretariat commissioned a detailed legal assessment of Switzerland as the potential legal home of the global LEI foundation. Two important considerations in the assessment are that the legal home should support the governance structure described in the ROC Charter to ensure the protection of the broad public interest and that it should allow different locations for the legal home of the foundation and its associated operational activities. The results of the legal assessment will be presented at the first meeting of the ROC in January to facilitate the decision on the legal location of the Global LEI Foundation and its formation in time for the system launch by March 2013. Once the decision on location is made, work will be taken forward on the final specification of the legal documents necessary to establish the global LEI foundation. Following the formation of the LEI foundation, the next task for the ROC will be the appointment of the initial Board of Directors as outlined in the [fourth progress note](#).

¹ A list of authorities that have assented to the Charter and are Members of the ROC Plenary is published [here](#), alongside a list of Observers.

² The application process for Membership and Observer status is open at all times, as outlined in the ROC Charter.

Private Sector Preparatory Group: The LEI Private Sector Preparatory Group (PSPG) members are currently preparing recommendation on governance and operational elements of the Global LEI System as well as proposals on LEI relationship data. An overarching aim of the work is how to draw most effectively on local infrastructure to deliver a truly global federated LEI system with a logically centralised database of unique LEIs based on consistent standards, protocols, procedures, etc. that will also appear seamless to users, as discussed in the [FSB LEI report](#). The PSPG will provide its proposals and recommendations for consideration by the ROC at its first meeting and the Board of Directors of the Global LEI Foundation once in place. The IG is also working closely with the PSPG to develop proposals for both short-term and long-term strategies and work plans for relationship data in the Global LEI System.

Handover from the FSB to the ROC: At the Cannes Summit in 2011, the G20 provided a mandate to the FSB to lead the co-ordination of international regulatory work and to deliver in June 2012 concrete recommendations for the appropriate governance framework for a global LEI system, representing the public interest. Following the provision of the recommendations to G20 in June 2012, the FSB was further tasked to coordinate the implementation of the global LEI System and prepare the Charter for the LEI ROC. The ROC is now established as the permanent self-standing governance body for the Global LEI System and will take over full responsibility for the leadership of the initiative from the FSB at the Toronto meeting. The FSB stands ready to offer support to the ROC upon request to ensure a smooth transition. The FSB has fulfilled the mandate given to it by the G20 Leaders – the FSB LEI Implementation Group will be disbanded as responsibility is transferred. The FSB LEI IG welcomes the LEI ROC as the oversight body of the Global LEI System, and wishes the ROC and Global LEI Foundation every success. The FSB LEI IG would also like to thank PSPG members for their tremendous help and support to the initiative.