LEI ROC

Launch of the data collection on parent entities in the Global LEI System

As expressed in the FSB report of 2012, "*A Legal Entity Identifier for financial markets*", collecting relationship information, which is essential for risk aggregation, was a key objective for setting up the Global LEI System (GLEIS). After careful deliberation and public consultation, the ROC decided that certain information on parents would be part of the information required by the GLEIS for validating an LEI record, but with the option to decline providing this information for the reasons listed in section 3.3.1 of the LEI ROC report of 10 March 2016 on *Collecting data on direct and ultimate parents of legal entities in the Global LEI System - Phase 1.*[1]

The LEI ROC welcomes the launch on 1 May 2017 of the collection of information on the direct and ultimate parents of legal entities. The data collected is available since 8 May on the GLEIF website.[2] A majority of Local Operating Units (LOUs) have implemented parent entity data collection as planned. These LOUs cover more than 82 percent of managed LEIs. As of 9 May the other LOUs still expected some delays in the implementation of this capability, generally for a few weeks or months.[3] For the time being, these LOUs will continue to manage existing LEIs and to issue new LEIs. However, as of today, no porting of LEIs to these LOUs will be allowed until they implement the parent entity data collection. The ROC will monitor closely their implementation plans and notes that the full implementation of GLEIS standards is a condition of LOUs' future accreditation.

When an LOU has implemented the collection of parent entities information, and subject to the exceptions ("opt outs") described in the aforementioned report, entities obtaining an LEI from this LOU will be asked to provide their parent information as part of the registration, and all entities with an existing LEI from this LOU will be asked to provide their parent information at the annual renewal of their reference data at the latest. LOUs are expected to appropriately inform LEI registrants about the collection, including available exceptions (opt outs). As discussed in the public consultation, this information as well as the opt-out chosen will be made public.

As stated by the ROC in its progress report of November 2015, "any reference to the LEI should be understood as restricted to current LEIs, that is those that are 'issued' or 'pending transfer'".[4] While the ROC recognises that some ROC members have not issued regulatory requirements in this regard, the ROC believes that current LEIs should be used in regulatory reporting, and more generally by market participants. Non-current LEIs are not accepted in a number of regulatory reporting requirements in ROC member jurisdictions. Current LEIs (those with an "issued" or "pending transfer" status and consequently current reference data, including parent data or an exception as described above) are accepted for regulatory reporting in all jurisdictions with regulatory reporting requirements referring to the LEI.

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[1] http://www.leiroc.org/publications/gls/lou_20161003-1.pdf.

[2] The Level 2 Relationship Records and Reporting exceptions are available here:
https://www.gleif.org/en/lei-data/gleif-concatenated-file/download-the-concatenated-file.

[3] The list of LOUs that do not yet implement level 2 is available on the GLEIF website here: https://www.gleif.org/en/lei-data/gleif-concatenated-file/download-the-concatenated-file/detail (mention "not provided" in the columns "RR-CDF v.1.1" and "Reporting Exceptions v1.1"). The list, which is updated every day, also mentions those LOUs that have implemented and the number of relationships and exceptions they have collected.

[4] An LEI with a registration status "pending_archival" may also be considered as current when the same LEI is not published with an "issued" registration status by another LOU, which may happen in rare cases. The "pending_archival" status means that an LEI has been ported to a different LOU, which is about to publish it as "issued", with potentially more current reference data.