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**EIOPA Final Report on Public
Consultation No. 14-037
on the Proposal for
Guidelines
on the use of the Legal Entity
Identifier (LEI)**

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1. Executive summary

Introduction

The Guidelines on the use of the Legal Entity Identifier (LEI) were adopted by EIOPA's Board of Supervisors.

This final report sets out the final text of the Guidelines on the use of the LEI after the changes introduced following the comments received from stakeholders including EIOPA's Insurance and Reinsurance Stakeholders Group (IRSG) and Occupational Pensions Stakeholder Group (OPSG).

Content

EIOPA is issuing Guidelines addressed to National Competent Authorities to recommend the use of LEI as unique identification code for the supervision of the insurance and occupational retirement provision sectors. The application of the LEI code relates to all information collected by EIOPA including Solvency II reporting and registers.

Entities within the scope of the Solvency II Directive are required to have requested the LEI code by 30 June 2015 at the latest and all other entities including IORPs by 30 June 2016 at the latest.

The Guidelines further recommend that entities reporting Solvency II information are required to obtain a LEI code for all entities, regulated and non-regulated, that are part of the group on which information is required under their reporting obligations.

With these Guidelines, EIOPA supports the adoption of the LEI system proposed by the Financial Stability Board (FSB) and endorsed by the G20, aimed at achieving a unique, worldwide identification of parties to financial transactions.

EIOPA believes that the use of LEI will enhance supervisory convergence and overall efficiency of the supervisory system while ensuring the high quality, reliability and comparability of data.

This final report includes the final text of the Guidelines on the use of the LEI, a summary of the main comments arising from the consultation and the actions taken (or not) together with the underlying rationale. Annexes III and IV include the impact assessment and the detailed comments template with the resolution on comments.

2. Feedback statement

EIOPA publicly consulted (CP No. 14-037) on the draft proposal contained in these Guidelines. The consultation was launched at 25 June 2014 and lasted until 29 August 2014.

The feedback statement outlines the main comments received from stakeholders and EIOPA responses to those comments along where applicable with the resulting amendments to the Consultation Paper. EIOPA would like to highlight that the comments provided during the consultation provided valuable suggestions for improvement of the Guidelines.

For a complete overview of all comments, responses and resulting amendments made please refer to the comments template (Annex IV: Resolution of comments).

Summary of key issues and EIOPA's response

The majority of the respondents supported EIOPA Guidelines on the use of the LEI as a unique identification code for supervisory purposes and other reporting obligations for the entities foreseen in EIOPA's scope of action. Those stakeholders highlighted that a regulatory implementation of the use of LEI will extend the coverage of the LEI identifier in the (financial) industry and will enhance supervisory convergence and overall efficiency of the supervisory system. LEI will promote the standardisation of reference data and simplification of reporting obligations, automation of data processing and the improvement of data quality, reliability and comparability.

Use of LEI for IORPs: concerns were raised about the use of LEI for IORPs. The unique nature of pension's regulation and reporting requirements compared to other sectors as well as the fact that small and medium IORPs will only contribute to the consolidated figures at EU level to a very limited extent not creating as such a systemic risk, could justify other policy options. There are concerns about the extra unnecessary burden and costs on small IORPs raising the issue of proportionality. Alternatives are suggested by these stakeholders to address proportionally namely that EIOPA could use the registration numbers at national level, or EIOPA's own identification code derived from the existing pension scheme registration numbers at national level, or, use the EU-wide harmonised VAT numbers. It is proposed to distinguish between IORPs in the context of EMIR and others and suggested a postponement of the deadline for IORPs that do not have a LEI.

EIOPA is aware that the introduction of LEI will not be without costs. On the other hand, the use of LEI is not restricted to oversight of systemic risk and LEI will enhance understanding of data and supervisory convergence, promote the higher quality, reliability and comparability of data and foster entities' risk management

processes. Para. 1.5. lists reasons supporting EIOPA's decision to issue these Guidelines.

Proportionality is considered by providing IORPs with an extended deadline. Furthermore, it is worth to underline that the deadline applies to requesting the LEI instead of obtaining the LEI. This approach is also consistent with the approach adopted for smaller insurance and reinsurance undertakings.

IORPS outsourcing investments practices: EIOPA was asked to evaluate the need for obtaining a LEI to those IORPs and other providers of occupational pensions which do not directly participate in the financial markets but make use of investments firms to manage their assets on their behalf.

In response EIOPA stresses that outsourcing does not change accountability put on IORPs and the need for supervisory convergence and identification of financial institutions (comparability of data) at EU level. EIOPA further believes that the benefits derived by the use of LEI are applicable regardless of outsourcing.

Legal basis: clarification was asked with regards to EIOPA powers to issue the Guidelines and on the legal vehicle being used by EIOPA (i.e. Guidelines recommended on a comply-or-explain basis).

The use of LEI is supported by EIOPA's tasks under articles 29 (1) (c), 31 (f) and 35 of the Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 (hereinafter EIOPA Regulation). The comply-or-explain procedure is mandatory according to article 16 of EIOPA Regulation.

Interaction with local requirements: a request was made that national registration numbers should be replaced by the LEI code.

EIOPA clarifies that it does not have following its Regulation the power to impose LEI at national level. This decision is subject to national discretion.

Scope: A number of respondents asked for clarifications related to the scope of the Guidelines namely the entities captured by the concept of "supervisory remit" in Guideline 1 and by the threshold referred in Guideline 2. It was further suggested that the institutions reporting Solvency II information should only be required to obtain a LEI code for the entities in the scope of group supervision and that LEI should be used to identify all counterparties in the reporting requirements where counterparty information is required.

The explanatory text of Guideline 1 and Guideline 2 provides further guidance on the entities covered. EIOPA further amended the explanatory text of Guideline 1 to clarify that it includes insurance and reinsurance undertakings, participating insurance and reinsurance undertakings or insurance holding companies or mixed

financial holding companies as well as occupational pension institutions under the national competent authorities' supervisory remit.

The reference to article 212 (1) (c) was kept because this scope is in line with the scope of Solvency II reporting requirements including on intra-group transactions.

Guideline 2 was amended to clarify that the first deadline covers institutions within the scope of the Solvency II Directive.

Furthermore, EIOPA clarifies that it cannot require entities other than the ones foreseen in its scope of action to request a LEI code. However, when that code exists for counterparties, entities reporting Solvency II information are required to report it.

Application date and benefits of early requests: It was suggested to change the application date in Guideline 2 for 31 December 2015 instead of 30 June 2015 because Solvency II starts nationally at 1 January 2016. An earlier use of the LEI should not be required by undertakings within the scope of Solvency II. A later deadline would ensure that undertakings which will not be in the scope of Solvency II supervision from 1 January 2016 will be treated as such. In addition, some respondents proposed that national competent authorities request all institutions under their supervisor remit to apply for a LEI as early as possible as this will ensure that all relevant market participants have valid LEI when the reporting obligation starts.

EIOPA underlines that LEI is needed for purposes other than Solvency II namely register. In addition 30 June 2015 is established consistently with the approach taken within EIOPA's preparatory Guidelines.

EIOPA agrees on the benefits of encouraging early application. The explanatory text was amended to reinforce the benefits of early requests.

The use of the terminology LEI and/or (pre-) LEI: It is highlighted that LEI codes do not yet technically exist. Currently all LEIs are pre-LEI until the Central Operating Unit sanctions them.

The transition to full GLEIF management will occur over the next year. Following this transition all codes will no longer be interim. Until the formal transition the Guidelines apply to pre-LEI as stated in paragraph 1.7 of the Guidelines.

Annex I: Final Guidelines on the use of the Legal Entity Identifier (LEI) including Explanatory Text

Introduction

- 1.1. EIOPA is issuing Guidelines on the Legal Entity Identifier (LEI) addressed to the national authorities competent for the supervision of the insurance and institutions for occupational retirement provision (IORP) sectors (hereinafter “national competent authorities”).
- 1.2. These Guidelines are intended to facilitate the use of LEIs as unique identification code for insurance and reinsurance undertakings and groups as well as for institutions for occupational retirement provision under the national competent authorities’ supervisory remit (hereinafter “all institutions under their supervisory remit”).
- 1.3. These Guidelines seek to establish consistent, efficient and effective supervisory practices by harmonising the identification of legal entities in order to ensure high-quality, reliable and comparable data.
- 1.4. With these Guidelines, EIOPA supports the adoption of the Legal Entity Identification (LEI) system proposed by the Financial Stability Board (FSB) and endorsed by the G20, aimed at achieving a unique, worldwide identification of parties to financial transactions.
- 1.5. This Guidelines on the use of LEIs as unique identification codes respond to the following reasons:
 - The common use of the same identification code for various reporting tasks and across the sectors will significantly improve quality of information, allowing for efficient execution of EIOPA’s mandate defined by the EIOPA Regulation.
 - The use of the LEI will allow improved automation of data processing and reduce reporting burden, improving quality and reducing costs for all involved parties.
 - There is widespread agreement among the European authorities and financial industry participants to move as soon as possible to a global LEI system that would provide a valuable ‘building block’ contributing to and facilitating many financial stability objectives, including enhanced supervisory convergence and high-quality, reliable and comparable data.
 - The repercussions of implementing the LEI system would be negligible in comparison with the benefits that would arise, primarily from the harmonisation of identification codes across the different EEU and

international jurisdictions, different European Supervisory Authorities (EIOPA, European Banking Authority (EBA) and European Securities and Markets Authority) (ESMA)) and among financial institutions.

- There are no alternative options available either in the insurance or pensions sectors to date. Setting up a new EIOPA code has been considered, however this solution could easily generate additional costs and operating risks for national competent authorities and EIOPA itself, neither would it address the consistency with the other sectors (banking and investment).

1.6. For the purpose of these Guidelines the following definitions and abbreviations are used :

- Legal Entity Identifier (LEI) code is a 20-digit alpha-numeric code that connects to key reference information that enables clear and unique identification of companies participating in global financial markets.
- GLEIF (Global Legal Entity Identifier Foundation) - operating a Central Operating Unit and Local Operating Units. The GLEIF is established as a foundation in Switzerland, operating as a not-for-profit foundation under Swiss law and has the objective of implementing a federated global LEI system in line with the High Level Principles and FSB recommendations, as endorsed by the Heads of State and Government of the G20 (Los Cabos, Mexico, June 2012), and under the oversight of the ROC.
- GLEIS (Global Legal Entity Identifier System) - the federated system with entities being issued by Local Operating Units (LOUs) and overseen by GLEIF¹.
- COU (Central Operating Unit) - the institution established by the GLEIF, which operationally conducts the works of the GLEIS and the data in the system.
- LOU (Local Operating Unit) - the body, endorsed by ROC who will actually be registering entities in the LEI system, issuing and maintaining the LEI code.
- ROC (Regulatory Oversight Committee) - The board of financial regulators which oversees the whole system.

1.7. The Global LEI System (GLEIS) is not yet fully operational but a number of entities, sponsored by national authorities, have already started to issue LEI-like identifiers (pre-LEIs) in order to satisfy local reporting requirements. These

¹ For more information, please see report by the Financial Stability Board dated 8 June 2012: *A Global Legal Entity Identifier for Financial Markets* [http://www.leiroc.org/publications/gls/roc_20120608.pdf]

Pre-LEI codes will become the LEI codes, when the system is fully operating. These Guidelines are applicable to the Pre-LEI stage² accordingly.

- 1.8. If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction.
- 1.9. The Guidelines shall apply from 31 December 2014.

Guideline 1 - Requesting of the LEI code

- 1.10. National competent authorities should request all institutions under their supervisory remit to obtain a code issued by a LOU (a LEI code).
- 1.11. For institutions reporting Solvency II information, national competent authorities should request that all such institutions obtain a LEI code for all entities in the scope of the group as defined under article 212 (1) (c) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive)³, on which information is required under their reporting obligations.

Guideline 2 - Verification of the LEI code request

- 1.12. National competent authorities should verify that institutions under their supervisory remit have requested the LEI codes as follows:
 - a) For institutions within the scope of the Solvency II Directive, by 30 June 2015 at the latest;
 - b) For all other institutions (including IORPs), by 30 June 2016 at the latest.

Guideline 3 - Providing Instructions on the LEI code usage

- 1.13. National competent authorities should provide instructions on how the institutions referred in Guideline 2 should consistently use the LEI codes when fulfilling their reporting obligations.

² While the GLEIS is still being formed, some regulators have already begun to require market participants to have LEIs. These are being issued by so-called "pre-LOUs". These pre-LEIs codes match the format of the LEI, and can work as basic identifiers till the regular GLEIS is fully operating.

³ OJ L 335, 17.12.2009

Guideline 4 - Assurance of the LEI code in the reporting to EIOPA

- 1.14. National competent authorities should ensure that the information provided to EIOPA concerning all institutions under their supervisory remit, contains the LEI codes obtained in accordance with these Guidelines.

Compliance and Reporting Rules

- 1.15. This document contains Guidelines issued under Article 16 of the EIOPA Regulation.
- 1.16. In accordance with Article 16(3) of the EIOPA Regulation competent authorities and financial institutions shall make every effort to comply with guidelines and recommendations.
- 1.17. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.
- 1.18. Competent authorities shall confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.
- 1.19. In the absence of a response by this deadline, competent authorities will be considered as non-compliant and reported as such.

Final Provision on Review

- 1.20. These Guidelines shall be subject to a review by EIOPA.

Explanatory text

The purpose of the Global LEI Foundation (GLEIF) is to serve the broad public interest as the operational arm of the GLEIS, supporting on a not-for-profit basis the implementation and use of a global Legal Entity Identifier (LEI) and associated data on legally distinct entities that engage in financial transactions.

The GLEIS is based on a federated system of Local Operating Units (LOUs)⁴ under contract to the GLEIF to meet certain standards of service and quality, to maintain free and open access to LEI reference data, and to act in ways that minimize the risk of market capture. The GLEIF in turn takes care of the management of the GLEIS and the relations with the LOUs, the ROC and other stakeholders. It also serves as the central provider of the technical infrastructure necessary to unite seamlessly and resiliently the information published by the LOUs for public use and to coordinate communication among LOUs and the Central Operating Unit (COU) within the GLEIS. The LEI Regulatory Oversight Committee (ROC), mandated by the Group of Twenty (G20) and the Financial Stability Board (FSB), oversees the GLEIF. In coordination and cooperation with the ROC, the GLEIF will take a prominent role in the development of relevant data standards. The GLEIF has the primary responsibility for implementing data standards, developing other necessary operational standards and protocols, and enforcing relevant adherence to standards and protocols by the LOUs and the COU through contracts, monitoring and/or audits.

Initially, the data in the GLEIS is intended to focus on information necessary to identify entities uniquely. In the longer run, the information is expected to expand to include other contextual information about the entities, particularly information describing relationships among entities. Maintaining high data quality is essential to the success of the GLEIS for the benefit of LEI end-users.

Having in mind the wide alignment between the objectives defined for the GLEIS and strategic goals of the Authority, EIOPA encourages and supports the establishment of the GLEIS. The use of LEIs by the national competent authorities when fulfilling their reporting obligations to EIOPA will enhance supervisory convergence and ensure the high quality, reliability and comparability of data, supporting Authority's strategic objective to increase the overall efficiency of the supervisory system by promoting effective exchange of information.

As the Global LEI System is not yet fully operational, the implementation of pre-LEI codes is considered the practical alternative in the short term. It is therefore recommended that national competent authorities request that all institutions under their supervisory remit obtain a pre-LEI code, giving priority to those undertakings included in the coverage defined in the Solvency II Directive. The

⁴ Certain entities aspiring to become LOUs have been granted pre-LOU status by the LEI ROC and are currently issuing pre-LEIs per the principles published by the LEI ROC.

national competent authorities are also advised to request that all information, which they provide to EIOPA concerning financial institutions, contains pre-LEI codes to be replaced by LEI codes once the Global LEI System becomes operational. In the course of 2014, EIOPA will continue to receive reference (master) data of Insurance and Reinsurance Undertakings, IORPs, Groups, and Conglomerates, in order to build its capacity for maintaining and publication of the relevant registers. The LEI will also serve as a reference to link any other data received by EIOPA for the financial institutions (e.g. reporting data, market data, cross-sectorial data etc.).

With this in mind, the LEI system would provide EIOPA and the national competent authorities with a unique identification code standardised to fit all purposes (registers, supervisory, reporting, transactions), as it would be used as a master data across all the information systems' domains.

At the same time, the LEI system would provide supervisors and EIOPA with non-aggregated more granular (but also briefer) information about the identity of the financial institutions. This information could be used to ease the production of automated specialised reports (peer review reports, country reports, etc.). Moreover, many financial institutions worldwide (including banks, investment firms, insurance and reinsurance undertakings and IORPs) have already acquired, or are in the process of acquiring, an LEI code.

It is worth noting that the implementation of the LEI system is compatible with the reporting requirements being developed presently by EIOPA and would imply no additional effort or cost to incorporate it into the reporting of the various registers' data, nor into the XBRL templates.

Basing on its mandate defined by the EIOPA Regulation EIOPA is preparing for the implementation of Solvency II. Insurance and reinsurance undertakings and national competent authorities will use the next year in order to prepare in a consistent and convergent way for reporting under the new framework in accordance with the Preparatory Guidelines.

The Solvency II reporting requirements include the LEI identifier, if possessed by the reporting institution. This does not assure however that the reporting institutions would actively apply for the LEI code and in consequence the commonality of use of the LEI code could be relatively low. By issuing these Guidelines EIOPA promotes the usage of the LEI codes, which will increase application of the LEI code by the reporting institutions and benefit to the better preparation of the Solvency II implementation:

- For submitting data to EIOPA, a single supranational identifier of undertakings needs to be used to collect, store and manage data. As the information received in the Solvency II reporting will be linked in the EIOPA Central Repository to the reference (master) data of the financial institutions, it is crucial to have the common identifier used by the all system's domains.

- Among others, providing an *Identification code* is required by the several reporting templates. These Guidelines will promote the possession of the LEI code by the financial institutions reporting it to NCAs and EIOPA wherever the LEI code is required by the template.

Presenting the above, it is important to stress that application of the LEI codes is not limited to the Solvency II Reporting as it relates to all other information collected for EIOPA, including registers of financial institutions (e.g. Registers of Insurance and Re-insurance Undertakings, Groups, Conglomerates, IORPs, etc.) and any other reporting submitted to EIOPA.

Issuing these Guidelines EIOPA ensures that insurance and reinsurance undertakings and groups as well as the institutions for occupational retirement provision, take the appropriate steps to:

- a) build systems and structures to deliver high quality information for supervisory purposes, and
- b) submit to their NCAs qualitative and quantitative information allowing for revision and evaluation of the proper functioning of the financial institution.

EIOPA underlines the benefits of encouraging applying for a LEI code as early as possible.

Detailed explanations to the Guidelines:

Guideline 1 - Requesting of the LEI code

1. National competent authorities should request all institutions under their supervisory remit to obtain a code issued by a LOU (a LEI code).

The NCAs are expected to issue appropriate regulations addressed to the insurance and reinsurance undertakings and groups as well as the institutions for occupational retirement provision under the national competent authorities' supervisory remit requiring these institutions to apply for the LEI code. This scope includes insurance and reinsurance undertakings, participating insurance and reinsurance undertakings or insurance holding companies or mixed financial holding companies as well as occupational pension institutions under the supervisory remit.

2. For institutions reporting Solvency II information, national competent authorities should request that all such institutions obtain a LEI code for all entities in the scope of the group as defined under article 212 (1) (c) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of

Insurance and Reinsurance (Solvency II Directive)⁵, on which information is required under their reporting obligations.

The guideline details by the reference to the Solvency II Directive, the scope of institutions reporting Solvency II information, which should apply for the LEI code.

Guideline 2 - Verification of the LEI code request

National competent authorities should verify that institutions under their supervisory remit have requested the LEI codes as follows:

- a) For institutions within the scope of the Solvency II Directive, by 30 June 2015 at the latest;**
- b) For all other institutions (including IORPs), by 30 June 2016 at the latest.**

The guideline requires establishing the controlling procedures to assure that the institutions referred in Guideline 1 apply for the LEI code within the foreseen deadlines.

The deadline defined in point a) covers all institutions that will apply the Solvency II Directive. This should assure the availability of the LEI code to be used for the Solvency II reporting.

The second deadline (point b) is foreseen for all smaller insurance and reinsurance undertakings and all the IORPs.

Within these deadlines the institutions defined herein should apply for the LEI code. Then, following the LEI application process (and the deadlines defined therein), the code will be issued by the Local Operating Units.

The Guideline 2 requires checking by the national competent authorities if the valid application for the LEI code was submitted by the financial institution to a LOU within the deadline.

Guideline 3 - Providing Instructions on the LEI code usage

National competent authorities should provide instructions to the institutions under their supervisory remit to consistently apply the LEI codes when fulfilling their reporting obligations.

The guideline sets the obligation to instruct the institutions to use the LEI code, when fulfilling the reporting obligations.

⁵ OJ L 335, 17.12.2009

The instructions included in the Solvency II Reporting requirements are treated as sufficient for the Solvency II Reporting. That means that the Guideline 3 will be mainly applicable for the reporting other than based on the Solvency II (e.g. reporting to the registers).

Guideline 4 - Assurance of the LEI code in the reporting to EIOPA

National competent authorities should ensure that the information provided to EIOPA concerning all institutions under their supervisory remit, contains the LEI codes obtained in accordance with these Guidelines.

The guideline requires national competent authorities to use the LEI code, when fulfilling the reporting obligations to EIOPA (among others: EIOPA Solvency II Reporting, Register of Insurance and Reinsurance Undertakings, Register of IORPs, Register of Groups, etc.).

Annex II: Impact Assessment

1. Procedural issues and consultation of interested parties

In the course of the development of the Guidelines we have considered also the results from the public consultation carried out by EBA in 2013 on the same topic. In particular we have:

- analysed the results from the EBA questionnaire on usage of LEI codes within EU countries; and
- analysed the responses to the Public Consultation run by EBA on the LEI Recommendation⁶.

2. Problem definition

Currently, there are various identification systems used for the insurance and occupational IORPs sector reporting. The systems most commonly used by the EU supervisory authorities use the identification codes issued by the various business registers maintained at national levels⁷.

In light of the Preparatory Guidelines and upcoming implementation of the Solvency II Directive, EIOPA needs a unique identification code for supervisory purposes for every insurance and re-insurance undertaking in the European Union.

The unique identifier is also required to collect, store and disseminate data on the financial institutions to be published in the lists and registers published by EIOPA basing on its Regulation.

⁶ The consultation period lasted for one month and ended on 28 November 2013. Seventeen [17] responses were received, of which 15 were published on the EBA website. For the details, please, see *EBA RECOMMENDATION ON THE USE OF LEGAL ENTITY IDENTIFIER (LEI)* [accessible at: <http://www.eba.europa.eu/documents/10180/561173/EBA-REC-2014-01+%28Recommendation+on+the+use+of+the+Legal+Entity+Identifier%29.pdf/b8af0dfe-f70c-48f8-b7db-65b91cb67a07>].

⁷ For the banking sector also the following other options have been considered, which are not judged as relevant for the insurance sector:

- Monetary Financial Institution (MFI) ID: this system is used by the ECB and euro area National Supervisory Authorities (NSAs) to identify the counterparties of the Eurosystem in monetary operations (refinancing operations of the Eurosystem vis-à-vis the EU banks). Currently, the MFI ID system, pursuant to Regulation (EC) No 24/2009 (ECB/2008/32), is mandatory only for credit institutions needing to be registered for monetary policy purposes. It is not legally binding on credit institutions in non-euro area EU countries nor, within the euro area, is it binding on institutions other than credit institutions that are subject to reporting obligations.
- Banking Identification Code (BIC)/SWIFT: this system is mainly used by payment systems to identify the credit and financial institutions which participate in financial transactions.

There is widespread agreement at global level among public authorities and financial industry participants on the merits of establishing a uniform, global system for legal entity identification. In 2011, the G20 provided a mandate to the Financial Stability Board (FSB) to lead the coordination of international regulatory work with a view to achieving a unique, worldwide identification of parties to financial transactions⁸. In 2012, the FSB set out 35 'Recommendations for the Development and Implementation of the Global LEI System (GLEIS)'. The G20 in Los Cabos endorsed the FSB's recommendations and asked the Board to take forward the work to launch the Global LEI System.

The Global LEI System is not yet fully operational. Nevertheless, an increasing number of aspirants to become Local Operating Units (LOUs), so-called pre-LOUs, have been sponsored by their national authorities. Some of these pre-LOUs have already been endorsed by the Regulatory Oversight Committee (ROC)⁹ as they were found to meet the principles designed to ensure that all of the pre-LEIs issued by pre-LOUs will be eligible to become true LEIs once the GLEIS is fully operational. The endorsed pre-LOUs have started to issue LEI-like identifiers (pre-LEIs) which may be used for reporting and other regulatory purposes in the various jurisdictions represented in the ROC.

The LEI will become compulsory for reporting purposes at the European Securities and Markets Authority (ESMA). In fact, according to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR), OTC derivative transactions must be reported to a trade repository. Following the recommendations from the FSB, ESMA has decided to identify entities in the reporting using the LEI.

In addition the EBA has issued on 29 January 2014 the Recommendation on the use of the Legal Entity Identifier (LEI), addressed to the competent authorities reporting to the EBA as from 31 December 2014 latest.

The use of the LEI is becoming widespread: by May 2014 more than 250,000 pre-LEI codes, in 178 countries, have been issued by the endorsed 13 Pre-LOUs (see Table T II below). In the near future, the implementation of the LEI in the reporting to trade repositories, as defined by ESMA, would make the LEI de facto

⁸ G-20 (2012), Cannes Summit Declaration: 'We support the creation of a global legal entity identifier (LEI) which uniquely identifies parties to financial transactions. We call on the FSB to take the lead in helping coordinate work among the regulatory community to prepare recommendations for the appropriate governance framework, representing the public interest, for such a global LEI by our next Summit', available at http://www.g20civil.com/documents/Cannes_Declaration_4_November_2011.pdf

⁹ In order to become an endorsed pre-LOU, a candidate must be sponsored by a ROC member. That ROC member sponsor must then seek endorsement from the ROC by demonstrating that the pre-LOU candidate meets the *Principles to be observed by Pre-LOUs that wish to integrate into the Interim Global Legal Entity Identifier System (GLEIS)* (available at http://www.leiroc.org/publications/gls/lou_20130727.pdf). As of 30 April 2014, 13 pre-LOUs have been endorsed by the ROC: (see *Endorsed Pre-LOUs of the Interim Global Legal Entity Identifier System (GLEIS)* available at http://www.leiroc.org/publications/gls/lou_20131003_2.pdf).

mandatory in the EU for institutions obligated according to Art. 9 of EMIR Regulation.

3. Baseline

In the course of the drafting of each provision in the Guidelines, an analysis has been carried out with respect to the expected costs and benefits generated by these texts.

When analysing the expected impact from proposed policies, the impact assessment methodology envisages that a baseline scenario is applied for comparing policy options. This helps to identify the incremental impact of each policy option considered. The aim of the baseline scenario is to explain how the current situation would evolve without additional regulatory intervention.

In particular the baseline for this Guideline includes current practice, as there is no legal provision which addresses this issue in a harmonised way across European countries.

4. Objective pursued

These Guidelines seek to establish consistent, efficient and effective supervisory practices by harmonising the identification of legal entities in order to ensure high-quality, reliable and comparable data.

5. Policy Options

In order to perform the tasks mandated to the Authority by the EIOPA Regulation, including but not limiting to the implementation of the Solvency II Reporting and establishment and maintenance of the register of financial institutions as defined in the art. 8, EIOPA has considered a unique identification system which would identify, in a reliable and automated way the financial institutions defined in EIOPA Regulation and which would facilitate reporting obligations.

In its efforts to develop such a unique identification system, EIOPA has considered the following policy options:

Policy option 1: To develop a new EIOPA system for identifying undertakings under the scope of the EIOPA Regulation (a.o. insurance and re-insurance undertakings and institutions for occupational retirement provisions in the EU);

Policy option 2: To adopt the Legal Entity Identification system, a system proposed by the FSB and endorsed by the G20, aimed at achieving a unique, worldwide identification of parties to financial transactions.

6. Analysis of impacts

With respect to policy **option 1** (To develop a new EIOPA system), the following aspects have been considered:

- it would represent a rapid solution without significant costs, since the specifications would be set internally at EIOPA and communicated to the national competent authorities.
- this solution is expected to be more burdensome in the long run for the NCAs, as they would be obliged to monitor and keep a register of more than one identification code, i.e. 'the new ID for reporting purposes', another ID for transaction purposes, etc.
- It would also impose an additional cost on the financial institutions due to the dedication of resources for implementing and monitoring the new code in their existing reporting frameworks.

With respect to policy **option 2** (To adopt the Legal Entity Identification system), the following aspects have been considered:

- The benefits from the implementation of LEIs would primarily arise from the harmonisation of identification codes across different EU and international jurisdictions, different European Supervisory Authorities (EIOPA, EBA and ESMA) and among financial institutions. This harmonisation would facilitate the interconnectivity of the information that is available at the different supervisory domains, preventing excessive unnecessary communication and reducing manual intervention.
- Furthermore, it would provide institutions, especially Systemically Important Financial Institutions (SIFIs), with the opportunity of getting their data warehouses in order by rationalising the number of identification codes, which they have to use in the EU when responding to reporting requirements to different institutions and agencies. This is potentially a very significant benefit to financial institutions, enabling them to reduce costs and make better use of their data.
- With this in mind, the LEI system would provide EIOPA and the NCAs with a unique identification code standardised to fit all purposes (supervisory, reporting, transactions), as it would also be used for reporting transactions to trade repositories.
- At the same time, the LEI system would provide NCAs and EIOPA with more granular (but also briefer) information about the identity of the financial institutions. This information could be used to ease the production of automated specialised reports (peer review reports, country reports, etc.) at EIOPA. Moreover, many institutions worldwide (mainly in the US)

have already acquired, or are in the process of acquiring, a LEI code.

- Since the LEI is a global initiative and institutions subject to reporting under the ESMA rules will be required to adopt it, it is recommended that EIOPA follows this initiative and adopts the LEI system for any reporting purposes.
- It is worth noting that the implementation of the LEI system is compatible with the EIOPA IT Strategy and specifications on reporting and would imply no additional effort or cost to incorporate it into the XBRL reporting.

In addition to the above, EIOPA considers that the adoption of LEIs would lead:

- NCAs to handle and submit data more efficiently;
- EIOPA to identify all institutions under EIOPA's remit more easily;
- EIOPA to improve and maintain the relevant financial institutions registers;
- EIOPA and NCAs to improve the capacity to process and analyze information more efficiently;
- EIOPA and NCAs to improve the quality of data analysis.

The benefits in monetary terms from utilising LEIs cannot be precisely estimated. However, the magnitude of the **overall benefit**, in relation to total operational costs, can be considered to be **high** for the national competent authorities and EIOPA and **medium** for the financial institutions. On the other hand, the GLEIS institutions would experience **medium-level** benefits due to the higher standardization and efficiency of their processes (COU, LOUs) and increased revenues (LOUs).

The additional impact of the preferred option is deemed positive, as summarised in the *Table I: Overview of cost-benefit analysis*.

With respect to costs, the impact in monetary terms cannot be assessed at this stage, as EIOPA does not have aggregate or more granular information on the direct or indirect costs arising from the implementation of any of the proposed options. It is therefore only feasible to assess the costs and benefits arising from the implementation of the preferred option, i.e. implementation of the LEI system.

Nevertheless, on the basis of the information available, we can provide information on the financial impact of acquiring a LEI code. To evaluate the direct cost of the proposed measures, the current impact assessment took into account the following factors:

- the current average cost of registration is EUR 119 and the current

average annual maintenance fee is EUR 65;

- to a large extent, this cost should be assigned to ESMA's requirement for registration;
- For the financial conglomerates led by the credit institutions, these costs should be assigned to EBA requirement following the EBA Recommendation.

The detailed costs¹⁰ of acquiring and maintaining a LEI are listed in *Table II: Cost of registration and annual fee for LEI codes*.

Therefore to this end, **the additional direct cost** due to the implementation of the LEI system, in relation to total operational costs, is considered to be **negligible to zero** for the financial institutions in scope, national competent authorities and EIOPA.

EIOPA has also considered additional indirect costs that may arise from the implementation of LEIs due to the following factors:

- the inclusion of LEIs in undertakings' internal systems and appropriate adjustments to accommodate this inclusion;
- a second-level adjustment to eliminate potential data inconsistencies amongst pre-LEIs in order to achieve maximum harmonisation of the data requested at a later date;
- some additional costs (**of low magnitude**) in the early stages could be incurred by LOUs in their effort to process the increased number of registrations in a timely manner (according to EMIR by Q1 2014);

Even after considering the costs arising from the indirect factors above, EIOPA considers that the **overall additional cost (direct and indirect)** from the implementation of LEIs would still lead to **negligible cost** in relation to the overall operational cost.

7. Comparing the options and proposed way forward

On the basis of the analysis presented in section 6 EIOPA considers that the proposed option 2 (To adopt the Legal Entity Identification system) achieves the objective: to establish consistent, efficient and effective supervisory practices by harmonising the identification of legal entities in order to ensure high-quality, reliable and comparable data.

¹⁰ Where expressed in another currency, the costs were converted into euros using forex rates as at 30 April 2014; Since the LEI system has not yet been implemented, the costs refer to those charged by the predecessors of the LEI.

Policy option 1 has been discarded as it is not considered effective in achieving the objective of the guideline. The implementation of the LEI system would have a positive net impact on both EIOPA and supervisory authorities as well as on the insurance sector.

Considering the above, EIOPA should adopt the Legal Entity Identification System in the way defined in these Guidelines.

Table I: Overview of cost-benefit analysis

	Additional cost	Additional benefit	Net impact
Financial Institutions	Negligible	Medium	Positive
EIOPA and NSAs	Zero	High	Positive
Pre-LOUs	Low	Medium	Positive
All stakeholders	Negligible	Medium	Positive

Table II: Cost of registration and annual fee for LEI codes (status of 30 April 2014)

Pre-LOU	Country of establishment	Registration fee (cost of acquiring an LEI) – in €	Annual fee (annual cost of maintaining an LEI) – in €	Pre-LEI website
WM Datenservice	DE	150	100	https://www.geiportal.org
Institut National de la Statistique et des Etudes Economiques	FR	100	50	https://lei-france.insee.fr
CICI utility	US	144	72	https://www.ciciutility.org
Takasbank	TR	109	55	http://www.takasbank.com.tr/en/Pages/LEI.aspx
London Stock Exchange	UK	121	67	http://www.lseg.com/LEI
Irish Stock Exchange	IE	150	100	https://www.isedirect.ie

Pre-LOU	Country of establishment	Registration fee (cost of acquiring an LEI) – in €	Annual fee (annual cost of maintaining an LEI) – in €	Pre-LEI website
Russia National Settlement Depository (NSD)	RU	122	31	https://www.nsd.ru/en/services/lei
Poland Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)	PL	115	58	http://www.kdpw.pl/en/business/LEI/Pages/default.aspx
Dutch Chamber of Commerce (KvK)	NL	150	100	http://www.leiroc.org/publications/gls/lo_u_20140107.pdf
National Board of Patents and Registration of Finland (PRH)	FI	110	70	http://www.prh.fi/en/uutislistaus/2013/P_1048.html
Centrální depozitář cenných papírů, a.s	CZ	70	35	http://www.centraldepository.cz/index.php/en/lei-pre-legal-entity-identifier
Unione Italiana per le Camere di Commercio, Industria, Artigianato e Agricoltura	IT	100	50	https://lei-italy.infocamere.it/leii/Home.action
Registro Mercantil del Reino de España	ES	100	50	https://www.lei.mjusticia.gob.es/es/Paginas/home.aspx
All (average cost)		119	65	

Annex III: Opinion of the EIOPA Insurance and Reinsurance Stakeholder Group (IRSG) and EIOPA Occupational Pensions Stakeholder Group (OPSG)

EIOPA would like to thank IRSG and OPSG for the constructive and effective feedback and cooperation.

IRSG strongly supported EIOPA's decision to issue Guidelines on the LEI addressed to national competent authorities aiming to facilitate the use of LEIs as unique identification code for insurance and reinsurance undertakings and groups as well as for IORPs under the national competent authorities' remit. IRSG supports the benefit of LEI and believes that it would not be productive for EIOPA setting up a new code. IRSG further noted that would be useful to clarify the threshold referred in Guideline 2.

OPSG supported the creation of a consistent framework for legal entity identification in the European Union through the introduction of the LEI. However, the OPSG considers that EIOPA should carefully assess the application of the principle of proportionality in this matter in order to reduce the burden for small and medium size IORPs. The OPSG asked EIOPA to evaluate the need for requiring obtaining a LEI to those IORPs and other providers of occupational pensions which do not directly participate in the financial markets but make use of investment firms to manage their assets on their behalf. Moreover, in the view of the OPSG the use Guidelines to introduce the LEI in the EU is also not the most adequate instrument for doing so.

The comments made by IRSG and OPSG were addressed as reflected upon in this Final Report. Please see the Resolution of comments for further details.

Annex IV: Resolution of comments

Summary of Comments on Consultation Paper CP-14-037				
Guidelines on the use of the Legal Entity Identifier				
<p>EIOPA would like to thank Association Française de la Gestion Financière, Belgian Association of Pension Institutions (BAPI), BVI, EIOPA Insurance and Reinsurance Stakeholder Group (IRSG), EIOPA Occupational Pensions Stakeholder Group (OPSG), Financial InterGroup Holdings Ltd, Global Financial Markets Association (GFMA), ID Cyber-Identity Ltd, Insurance Europe, ICODA European Affairs, Mark Sherwood (Independent Consultant), National Association of Pension Funds (NAPF), Prof. Dr. Mirko Kraft (Hochschule Coburg/Forum V) and SWIFT</p> <p>The numbering of the paragraphs refers to Consultation Paper No. EIOPA-CP-14-037</p>				
No.	Name	Reference	Comment	Resolution
1.	Association Française de la Gestion Financière	General Comment	<p>En tant qu'association professionnelle française des gestionnaires d'actifs financiers nous profitons de cette consultation sur l'usage du LEI pour attirer votre attention sur ce qui nous paraît être une anomalie entre les principes directeurs du LEI et les templates techniques du reporting SOLVENCY II publiés par l'EIOPA sur https://eiopa.europa.eu/publications/eiopa-guidelines-new/guidelines-on-submission-of-information-to-national-competent-authorities/index.html .</p> <p>Plus précisément, l'annexe « FR_Annex_II.xlsx » (onglet 'AS-D1 LOG-S.06.02', ligne 12, colonne A8) indique que « "Pour les fonds d'investissement, le nom de l'émetteur est le nom du gestionnaire des fonds » ce qui implique naturellement que le code LEI demandé ligne 13 colonne A31 (code de l'émetteur) soit indiqué comme étant celui du gestionnaire du fonds (mandataire agissant pour le compte du fonds) alors que ce reporting vise à identifier l'entité sur laquelle porte le risque final de l'assureur (soit le fonds lui-même ou les émetteurs des actifs de ce dernier si transposition).</p> <p>Par ailleurs cette préconisation nous paraît être en contradiction avec les principes fondateurs du LEI définis par les instances internationales de supervision du système financier mondial qui visent à « l'attribution systématique à toute personne morale contrepartie d'une transaction financière d'un identifiant unique dénommé « Legal Entity Identifier » (LEI) » Dans cette optique ce sont bien les fonds (au niveau de chaque compartiment les constituant) en tant qu'émetteurs qui doivent être considérés comme « contrepartie » et en aucun le gestionnaire du fonds (qui sera identifié par son LEI pour</p>	The fund's target asset allocation shall be captured by S.06.03 (former AS-D4) (look-through) where the ID code will be used to support the analysis of the underlying assets.

			<p>ses opérations pour compte propre uniquement).</p> <p>L'assimilation EIOPA du gestionnaire et L'emploi préconisé du code de ce dernier au lieu et place du fonds en tant que contrepartie des opérations financières est donc en contradiction avec l'objectif du LEI ; Il est en outre extrêmement « confusif » pour les lecteurs de reportings qui l'utiliseraient dans ce sens, particulièrement dans le cas du reporting Solvency II destiné à donner une vision des risques de l'actif des actifs financiers détenus par les assureurs.</p>	
2.	Belgian Association of Pension Institutions (BAPI)	General Comment	<p>BAPI at one hand understands the legal entity identifier can be useful to enhance the idea of EU and/or global reporting but at the other hand fears the extra administrative burden and supplementary costs for the smaller IORPS. Small and medium sized IORPs will only contribute to the consolidated figures at EU level to a very limited extent and as such they do not create a systemic risk.</p> <p>BAPI notes that there is no legal obligation established in EU legislation imposing the Member States the obligation to request their supervised entities to use the LEI. Only indirectly through EMIR (through the reporting obligation of OTC derivatives, but which</p>	<p>The use of LEI is not restricted to oversight of systemic risk, but will allow enhancing supervisory convergence and overall efficiency. Proportionality is considered by providing IORPs with an extended deadline.</p> <p>Furthermore, it is worth to underline that the deadline applies to requesting the LEI instead of obtaining the LEI. This approach is consistent with the approach adopted for smaller insurance and reinsurance undertakings.</p> <p>The use of LEI is supported by EIOPA's tasks under article 29 (1) (c), 31 (f) and 35</p>

		<p>does not specify the need to use a LEI) and Solvency II (only for entities above a certain threshold). The format of Guidelines is therefore controversial. Members States are not legally obliged to comply with EIOPA's Guidelines, but on the other hand if they don't implement them they will have to explain why they didn't do so and they will be reported as non-compliant.</p> <p>BAPI is not fully convinced that all policy options have been considered when EIOPA did choose for the obligation for all IORP's to have a LEI number.</p> <p>We believe that next to the policy options mentioned in the explanatory memorandum (LEI and new EIOPA number), one could also consider the use of either 1) the existing national numbers (eventually preceded by the country code);; either 2) the use of the already existing and EU-wide harmonized VAT numbers.</p> <p>BAPI understands there might be an advantage of using a unique legal entity identifier as it facilitates to extract (sub)reports at EU or even global level. This LEI will improve the quality of the data processing across Member States but will not enhance the quality of the data as such.</p> <p>BAPI is not convinced that the introduction of a LEI will diminish the costs for all IORP's. BAPI believes that administration burden and the costs of this LEI will be born by the IORPs although the benefits will be at a more international level: e.g. the consolidation of data at EU level, the processing of data reports at EU or even global level. At consolidated EU level small and medium sized IORPs do not have a big impact (e.g. all Belgian IORP's represent together only 18.6 billion € spread over 196 IORP's).</p> <p>BAPI does not believe that there is a need for enhanced supervisory convergence between banks, insurance companies on the one hand and IORPs on the other. Although we agree that also IORPs bear risks we believe the nature and liabilities of each of these entities are so different that they require a different approach.</p>	<p>of EIOPA Regulation. The comply or explain procedure is mandatory for national authorities addressed by the GLS according to article 16 of EIOPA Regulation.</p> <p>Using of the national numbers has been verified during the IORPs and Insurance Undertakings Registers data collection, providing proof that this identification is non-efficient and the reconciliation process for the cross-border entities does not assure the required quality even after several repetitions of submissions, which is also highly expensive, both at the national (NCAs) and European (EIOPA) level.</p> <p>LEI will enhance understanding of data, reduce manual intervention, allow reconciling multiple data sources and</p>
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		<p>BAPI is not fully convinced that all policy options have been considered when EIOPA did choose for the obligation for all IORP's to have a LEI number.</p> <p>We believe that next to the policy options mentioned in the explanatory memorandum (LEI and new EIOPA number), one could also consider the use of either</p> <ol style="list-style-type: none"> 1) the existing national numbers (eventually preceded by the country code);; 2) the use of the already existing and EU-wide harmonized VAT numbers. <p>BAPI would like to invite EIOPA to look in particular into the already standardised framework of existing VAT-numers</p> <p>BAPI would also like to underline that following the actual reglementation only a very limited number of its members (the belgian IORP's) need to have a LEI. So only a very limited part of the Belgian IORP touched upon by the EMIR regulation that requires a LEI for the reportings to ESMA. This means that the introduction of the LEU will introduce a new extra administrative burden (and an extra administrative, compliance and financial cost) for the vast majority of the IORP's.</p> <p>BAPI doesn't agree that introducing an obligatory LEI is the best approach.</p> <p>Considering the fact that we are not convinced that LEI is the best policy options;; and considering that the LEI system is itself not fully operational we would suggest to take the time needed to consider all options (including the ones brought forward by BAPI) before introducing new requirements for the IORP's.</p> <p>Considering the fact that we are not convinced that LEI is the best policy options;; and considering that the LEI system is itself not fully operational we would suggest to take the time needed to consider all options (including the ones brought forward by BAPI) before introducing new requirements for the IORP's.</p> <p>If nevertheless EIOPA would choose for the LEI (non obstanding the different remarks and other possible policy options) we suggest to make a distinction between those IORPs</p>	<p>simplify reporting. LEI will further foster entities' risk management processes.</p> <p>Please see comments above on the approach towards proportionality.</p> <p>See comments above</p>
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			<p>who currently already have a LEI in the context of EMIR and the others.</p> <p>Especially for the IORPS which currently do not have a LEI because they didn't need one so far (the vast majority of the Belgian IORP's) we suggest to postpone the deadline.</p>	
3.	BVI	General Comment	<p>BVI gladly takes the opportunity to present its views on the EIOPA Consultation Paper on the proposal for Guidelines on the use of the Legal Entity Identifier (LEI).</p> <p>We strongly support the EIOPA Guidelines to use the (pre)-LEI as a unique identification code for supervisory purposes and for reporting obligations (Solvency II) for every insurance, reinsurance undertakings and IORPs in the EU. A regulatory implementation of the usage of (pre)-LEI in the insurance sector will extend the coverage of the Legal Entity Identifiers in the (financial) industry and will enhance the supervisory convergence and ensure the high quality, reliability and comparability of data, supporting the authorities strategic objective to increase the overall efficiency of the supervisory system by promoting effective exchange of information.</p> <p>We share the EIOPA view that the introduction of a new proprietary EIOPA code is counterproductive and will therefore dilute the intention of the G20/FSB to implement a standardized unique identification code for every entity. Furthermore, such approach is inconsistent with other sectors (e.g. banking and investment fund industry), both within and outside the EU. For example, in 2013 the National Association of Insurance Commissioners (NAIC) in the US has already implemented a guideline which requires the usage of the (pre)-LEI for reporting purposes (http://www.naic.org/documents/committees_e_app_blanks_related_filing_issues_lei_guidance.pdf).</p> <p>BVI strongly embraces the federated Global LEI System (GLEIS) and the benefit it brings to financial stability. The GLEIF which oversees the GLEIS is now operational. The EIOPA Guidelines incorporating the LEI into supervisory practices within the European System of Financial Supervision will be an important step forward in promoting the use and scope of the global LEI system, thereby enabling economics of scale and reduction of costs, both on the LOU and GLEIF level.</p> <p>A sector standard for insurance and pension companies will broaden the field of application of LEIs, thereby supporting the aim that not only regulators use the same standard in</p>	<p>Noted</p> <p>Agree</p>

		<p>many fields, but also the industry will want to use it in its operations as well. Then the standard will work for all participants and will over time lead to the expected million Euro savings in reduced matching reference data cost.</p> <p>The (pre)-LEI is only the first step towards a standardization of reference data. The financial services industry ultimately wants a single, global reference data infrastructure which is provided for by the GLEIS. The GLEIS is an important step to ensure high quality data, while avoiding the trap of fragmentation of data standards in a global economy. The GLEIS has a G20 approved organizational and governance concept which ensures that it works lean and on a non-profit basis. The GLEIS will give data certainty to all users on unequivocally factual, bare basic facts.</p> <p>The GLEIS will also improve commercial data sources as data vendors will all use the LEI system as source, and the mapping to LEI will ultimately guarantee interoperability of commercial data sources. Vendors have already started to accept that reference data is a public good while it is clear that there is much depth data beyond reference data for vendors earning money. A case in point is Bloomberg that is already releasing its proprietary identifier to the public ("Open Symbology").</p> <p>Another important benefit of the LEI versus any other (commercial) identifier is that data liability is direct, e.g. entities/issuers are liable for their data input into the GLEIS. This fulfills a long-held demand from regulators, market participants, and data vendors and is crucial for data quality. This will reduce the cost of reconciling multiple data sources within all market participants.</p> <p>We agree with the proposed timetable as suggested in the Consultation Paper (Guideline 2). We propose that the national competent authorities request all institutions under their supervisory remit to apply for a LEI as early as possible as this will ensure that all relevant market participants have valid LEIs in place when the reporting obligation starts. The start of the EMIR reporting obligation is a good example that the application of a (pre)-LEI by many market participants in a relatively short timeframe before or near the regulatory deadline causes bottlenecks in the creation of the (pre)-LEIs by the LOUs.</p> <p>The process for obtaining a LEI is simple. Registration only takes a few minutes and (pre)-</p>	<p>Agree on the benefits of encouraging early application. The explanatory text was changed to reinforce the benefits of early requests.</p>
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			<p>LEIs are issued within a few business days. There are currently 30 LOUs, with already 15 endorsed Pre-LOUs issuing LEIs.</p> <p>Beyond the Solvency II reporting at hand, the use of the LEI within existing regulatory reporting will likely take longer to integrate. However, this is an implementation matter and does not prevent EIOPA from adopting the use of LEIs for all institutions immediately in the field of Solvency. Migration of industry and authorities to the full implementation of GLEIS standards, including but not limited to the LEI, will be a market-driven effort which will take many years to come. It will enable a joint learning experience for industry and authorities and will improve the system.</p> <p>The GLEIS will provide a central point where the market knows where to converge to on reference data matters. Legacy standards both regulatory and market based will coexist with LEI for a certain time, yet the wish is that the GLEIS will offer mapping to the new standard. Ultimately, adoption eases with penetration of LEI across all regulatory reporting schemes and the incentives to use LEI become stronger for every firm and the market as a whole.</p>	Agree
4.	EIOPA Occupational Pensions Stakeholder Group (OPSG)	General Comment	<p>Introduction</p> <p>This paper describes the opinion of the OPSG on the introduction of the Legal Entity Identifier (LEI) in the European Union. The G-20 global leaders have identified the development of the LEI as a key component of the new financial data reporting framework, and have encouraged the global adoption of the LEI. The OPSG broadly supports the introduction of the LEI, for the reasons and with the reservations described in this paper.</p> <p>The financial crisis and the LEI: the need of more and better information</p> <p>The OPSG considers that the financial crisis has revealed the need for higher quality, more coherent, comparable and reliable data about the different actors of the financial markets and their activities. Currently, in each jurisdiction there are in place different identification codes issued by various business registers maintained at national levels. The lack of coherence and harmonisation of this data at international level provide incomplete and insufficient information about the functioning of the financial markets.</p> <p>This affects the activities of both financial markets participants as well as of the</p>	<p>Noted</p> <p>Agree</p>

		<p>international supervisory authorities. Indeed, entities operating in the financial markets do not have sufficient and timely information about their counterparties and their exposures, which compromises their capacity to effectively identify and manage risks. Also international supervisory authorities are not able to adequately perform their supervisory tasks and identify micro and macro prudential risks.</p> <p>Potential benefits of the LEI</p> <p>The OPSG is of the view that the introduction of the LEI would bring important benefits to IORPs and other providers of occupational pensions participating in the financial markets. Notably, it would simplify the fulfilment of their reporting obligations, especially when they develop their activities in multiple jurisdictions. Their risk management processes would also benefit from such introduction; it would reduce the need for (reliable) tailor-made systems to reconcile the identification of entities and would facilitate the aggregation of risk exposures. It would also largely facilitate Straight-through processing (STP), optimizing like this the speed and accurateness at which transactions are processed.</p> <p>IORPs and other providers of occupational pensions would also benefit from the ability of the European Supervisory Authorities (ESA's) to better fulfil their supervisory tasks. Indeed, with the introduction of the LEI's the latter would have access to higher quality and more consistent and harmonised information and therefore they will be in a better position to, for instance, identify market manipulation situations or the existence of systemic risks.</p> <p>Operational and Organisational costs: the principle of proportionality and IORPs outsourcing all their investment practices to request a LEI</p> <p>Despite the potential benefits described above, the OPSG is conscious that the introduction of the LEI will not be without costs. The fact that a global LEI has not been implemented up to date reflects the existence of significant operational and organisational complexities linked to such measure. Certainly, IORPs would have to adapt and/or replace their existing internal and other identifiers and will also have to undertake significant business process adjustments and IT changes. The use of the LEI would also need to be accommodated to local jurisdictional contexts, including different legal frameworks and governance structures of IORPs and other providers of occupational pensions.</p>	<p>Agree</p> <p>Noted</p>
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		<p>For this reason the OPSG considers that EIOPA should carefully assess the application of the principle of proportionality recognised in Article 5 of the IORP Directive for small and medium size IORPs in this matter. Indeed, the operational and organisational costs resulting from the introduction of the LEI could easily add up to a considerable amount to certain entities. In the view of the OPSG the objective and rationale behind the IORP Directive should be preserved at all times.</p> <p>Moreover, although some IORPs do invest their assets in the financial markets directly through dedicated in-house investment departments, a majority of IORPs use external financial institutions to manage their assets. Given that the objective of the LEI is to identify the parties of a financial transaction, the OPSG does not see the need for requesting a LEI to those IORPs which outsource all their investment practices. At least in that case the reason for requiring a LEI has to be something else than identifying financial transactions.</p> <p>Guidelines might not be the appropriate tool for introducing the LEI</p> <p>The OPSG notes that there is no legal requirement for the introduction of the LEI in the European Union. Up to date only Regulation (EU) 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) requires financial and non-financial firms that engage in derivatives transactions are required to register for a LEI for reporting purposes. Although Regulation (EU) No 1094/2010 establishing a European Supervisory Authority empowers EIOPA to use Guidelines in those areas not covered by regulatory or implementing technical standards, the OPSG considers that the European Parliament and the Council are better placed than EIOPA to decide with legislation in matters which have a significant impact on the businesses and activities of many European entities such as IORP's in this case.</p>	<p>Noted</p> <p>Outsourcing does not change accountability put on IORPs and the need for supervisory convergence and identification of financial institutions (comparability of data) at EU level. EIOPA believes that the benefits derived by the use of LEI are applicable regardless of outsourcing.</p> <p>The use of LEI is supported by EIOPA's tasks under article 29 (1) (c), 31 (f) and 35 of EIOPA Regulation. The comply or explain procedure is mandatory for national authorities addressed by the GLS according to article 16 of EIOPA Regulation.</p>
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			<p>Conclusion</p> <p>The OPSG supports the creation of consistent framework for legal entity identification in the European Union through the introduction of the LEI. The OPSG sees the merits of establishing a uniform global system for legal entity identification and supports the efforts done in this regard by the G-20 and the Financial Stability Board. More particularly the OPSG supports the work done up to date by LEI Regulatory Oversight Committee (ROC) and supports that the pre-LEI codes are designated as the permanent LEI codes by the Local Operating Units (LOU).</p> <p>However, the OPSG considers that EIOPA should carefully assess the application of the principle of proportionality in this matter in order to reduce the burden for small and medium size IORPs. The OPSG would also like to ask EIOPA to evaluate the need for requiring obtaining a LEI to those IORPs and other providers of occupational pensions which do not directly participate in the financial markets but make use of investment firms to manage their assets on their behalf. Moreover, in the view of the OPSG the use Guidelines to introduce the LEI in the EU is also not the most adequate instrument for doing so.</p>	<p>The same legal mean has been used by the European Banking Authority, who issued the recommendation on the use of LEI for the credit institutions, basing its legal hook in the same Regulation.</p> <p>Noted</p> <p>EIOPA is aware that the introduction of LEI will not be without costs. On the other hand, it will enhance understanding of data, reduce manual intervention, allow reconciling multiple data sources and simplify reporting. LEI will further foster entities' risk management processes. Proportionality is considered by providing IORPs with</p>
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				<p>an extended deadline.</p> <p>Furthermore, it is worth to underline that the deadline applies to requesting the LEI instead of obtaining the LEI.</p> <p>This approach is consistent with the approach adopted for smaller insurance and reinsurance undertakings.</p>
5.	Financial InterGroup Holdings Ltd	General Comment	<p>We are fully supportive of a LEI assigned for every financial market participant and the Global LEI System (GLEIS) that is fit for the purposes endorsed by the Financial Stability Board (FSB). However, with the recognition of the GLEIS being a work in progress caution should be exercised in fully endorsing the pre-LEI and its associated interim-GLEIS at this time.</p> <p>Problems have surfaced in the first use of the codes for data aggregation and data standardization for swaps transaction reporting and recordkeeping. Investigations, deliberations and further consultations are in progress and its findings awaited.</p> <p>Process and technical issues are known and being worked through. Further requirements have been identified and not yet implemented.</p> <p>While we have great expectations that the remaining requirements will be tackled and the current issues resolved the GLEIS has not yet proven itself fit for all the intended purposes set for it by regulators and industry participants.</p> <p>EIPOA is the last of the supervisors of the European Financial Supervisory system that has yet to express its opinion on the LEI. As such it can benefit by further understanding the implementations of the GLEIS that are in place globally today and the uses being made of the code and the system.</p>	Noted

			<p>Our comments are intended to provide further guidance from the perspective of our firm’s involvement in these issues and regulators responses going back to the Group of Thirty’s original study of the 1987 market decline. The study resulted in the recognition of an interconnected global financial system and a needed global standard for identifying market participants, the products they trade in and the associated reference data needed by regulators and industry participants.</p> <p>The study concluded in 2006 after twenty years of monitoring, that the issue had not been resolved. The financial crisis began in 2007 and reached its catalytic event in 2008 with the Lehman failure. It was at that point that regulators recognized that they could not wait for the industry to fix its own plumbing. It had tried five (5) times before to develop a business entity identification system and failed. The LEI is the latest attempt to do this.</p> <p>EIPOA should proceed with prudence and optimism, not to diminish the momentum of the first truly global technology initiative in finance in the 21st century, but to allow science to run its course over political expedience.</p> <p>We hope these and the subsequent comments below are helpful.</p>	
6.	ID Cyber-Identity Ltd	General Comment	<p>When implementing a unique identification system for organizations, as in the present case the Legal Entity Identifier for insurance companies and institutions reporting to EIOPA the following fact has to be taken into account:</p> <p>The actors are not only identified by the system specific to the actual use case (of reporting to EIOPA), they hold a variety of other identifiers for other related use cases , e.g. a governmental business registration number like the French SIRENE system.</p> <p>In order to clearly distinguish and manage the set of the relevant unique business identifiers they need to be integrated in a standardized identification system themselves, i.e. they need to be registered under a meta-identification system.</p> <p>A meta-identification system well established in electronic business transactions is the International Code Designator (ICD) according to the international standard ISO/IEC 6523 “Information technology – Structure for the identification of organizations and organization parts”.</p>	Noted

			<p>On a technical level, the "OASIS ebCore Party Id Type Technical Specification" standardizes the way how identifiers and meta-identification (like ISO/IEC 6523) have to be embedded in XML-documents or other structured data formats. (OASIS stands for "Organization for the Advancement of Structured Information Standards".) The specification gives several examples how to embed meta-identified identifiers into XML-documents, e.g. into an XBRL-file. (XBRL stands for eXtensible Business Reporting Language.)</p> <p>Therefore, we strongly recommend the registration of the unique identification systems for EIOPA-reporting under a meta-identification system like ISO/IEC 6523. This concerns the Legal Entity Identifier or any other identification system used for the reporting to EIOPA.</p>	
7.	Insurance Europe	General Comment	<p>Insurance Europe welcomes the consultation on draft guidelines on the use of the LEI and the opportunity to contribute to it.</p> <p>Insurance Europe supports the use of the same identification code for various reporting tasks, which can help improve quality of information and automation of data processing. Insurers managing derivatives already have a LEI for the purpose of the EMIR reporting obligation.</p> <p>Insurance Europe believes that the use of the LEI could be expanded to address reporting challenges faced by insurers. In the case of products which do not have a unique identifier (ie products without an ISIN code) one could consider creating a unique identifier by using the LEI for the issues and additional information specific to the product.</p>	Noted
8.	ICODA	General Comment	<p>Lieve Lowet, partner of ICODEA European Affairs, welcomes this consultation of EIOPA on the proposal for guidelines on the introduction of LEIs for insurance, reinsurance undertakings as well as for pension funds. Already end 2012, Lowet called for the introduction of the LEI at the occasion of the publication of the ICODEA 2011 top 100 European insurers (see press release of ICODEA of 14 December 2014: " "Although this is not the first time we engaged in this exercise, it remains a difficult one", explains Lieve Lowet. "Making (group) data comparable (because of IFRS), understanding group compositions, and obtaining the relevant figures were all challenges our research team had to deal with". She calls on policymakers to focus transparency demands not only on</p>	Noted

			<p>the public and straightforward availability of unambiguous and comparable key data but also on enhancing the transparency of group structures. "In that context, the LEI project, which would assign a unique identifier to each financial institution, with an implicit reference to the kind of license, could be an improvement" she concludes.") Therefore, the introduction of LEI is an excellent idea.</p> <p>Additional overall comment: guidelines, intended to seek to establish consistent, efficient and effective supervisory practices should be clear and self explanatory without further need for additional and further explanatory text. These comments therefore do not consider the explanatory text.</p>	
9.	Mark Sherwood (Independent Consultant)	General Comment	<p>This paper talks about LEI codes however they don't yet technically exist. Currently all LEIs are pre-LEI until the Central Operating Unit sanctions them. Perhaps this could be covered off as an assumption.</p>	<p>The transition to full GLEIF management will occur over the next year. Following this transition all codes will no longer be interim. Until the formal transition the Guidelines apply to pre-LEI as stated on para.1.7 and respective footnote.</p>
10.	National Association of Pension Funds (NAPF)	General Comment	<p>About the NAPF</p> <p>The NAPF is the voice of workplace pensions in the UK. We speak for over 1,300 pension schemes that provide pensions for over 17 million people and have more than €1.1 trillion of assets. We also have 400 members from businesses supporting the pensions sector.</p> <p>We aim to help everyone get more out of their retirement savings. To do this we spread best practice among our members, challenge regulation where it adds more cost than benefit and promote policies that add value for savers.</p> <p>NAPF comment on the consultation paper</p> <p>The NAPF has no comments to make on the specific draft guidelines for national authorities, but wishes to make some general observations on the LEI proposal - as</p>	<p>Noted</p>

			<p>follows:</p> <ul style="list-style-type: none"> - The NAPF agrees it is important that participants in the global financial markets can be readily identified. - The asset managers who manage pension schemes' funds already have a registration number, issued by the UK's Financial Conduct Authority, for use on all trades, so the counterparties to pension schemes' transactions are already clearly identified. Fund managers would also be covered by the LEI system. - UK workplace pension schemes already have an identifying mark in the form of their Government registration number issued by Her Majesty's Revenue and Customs (HMRC). This is widely recognised and – of course – government-backed. There would have to be a very strong case for replacing it with another identifier. - The NAPF's key concern is that pension schemes should have just a single identifying number. This means that, if the LEI is to be introduced, it should replace the HMRC registration number, not run in parallel to it. - The consultation paper justifies the LEI plan by reference to the case for implementing it in the insurance sector and then moves on to say it would also be applied to workplace pensions. There is an assumption that what is right for insurers is also right for workplace pension schemes. As the NAPF argued when the EC proposed solvency-style funding rules for workplace pensions, the characteristics and risks of insurance companies and workplace pension schemes are very different, so it does not follow that policies should be copied automatically from one sector to the other. 	<p>EIOPA does not have following EIOPA Regulation the power to impose LEI at national level. This decision is subject to national discretion.</p> <p>Noted</p>
11	Prof. Dr. Mirko Kraft	General Comment	The use of the Legal Entity Identifier (LEI) will be helpful for academic research as well and, hence, welcomed. It will facilitate data processing for empirical studies. It is assumed	

	(Hochschule Coburg / Forum V)		<p>that the LEI will be made publicly available. Linking (public) supervisory disclosure and statutory reporting (e. g. in consolidated accounts) might be easier.</p> <p>In the future more information could be linked to the LEI, e. g. being part of a group or of a financial conglomerate.</p> <p>The rationale for not expanding the guidelines to non-insurance-supervised entities within financial conglomerates is unclear (because undertakings of insurance groups are included).</p> <p>***</p> <p>It is suggested to add a new guideline:</p> <p>"Guideline 5 - Assurance of the LEI code in the reporting from EIOPA</p> <p>EIOPA should ensure that the information provided to national competent authorities concerning all institutions under their supervisory remit, contains the LEI codes obtained in accordance with these Guidelines.</p>	<p>Noted</p> <p>The explanatory text provides further guidance on the entities covered. The scope of the Guidelines, are in line with EIOPA's supervisory remit. EIOPA further amended the explanatory text to clarify that includes (re)insurance undertakings, participating (re)insurance undertaking or insurance holding companies or mixed financial holding companies information and occupational pension institutions under the supervisory remit.</p> <p>The Guidelines are being drafted under art. 16 of EIOPA Regulation; whereby the addressees of these Guidelines are</p>
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			<p>Justification:</p> <p>Reporting by EIOPA to national competent authorities should include the LEI as well. For example, in accordance with Art. 35 (3) of the EIOPA Regulation EIOPA may provide any information that is necessary to enable the competent authority to carry out its duties. The LEI could be helpful for the national competent authorities, too.</p>	<p>NCA's. We add that EIOPA "reporting" will be based on the same standards as those advised to NCA's. Making a cross reference to the Reporting Guidelines in general might lead to the interpretation that complying with the Reporting Guidelines is a pre-requisite in order to comply with the LEI Guidelines.</p>
13.	SWIFT	General Comment	<p>We believe that recommending the use of LEIs as unique entity identification codes for supervisory purposes for insurance and reinsurance undertakings and groups, as well as for institutions for occupational retirement provision in the European Union would be appropriate.</p> <p>The use of LEIs is already well underway, not just in the EU, but globally. The result is that the coverage of LEIs amongst financial institutions and corporate entities has rapidly increased in recent months (see answer 1.7 below).</p> <p>It makes sense to build on this growth, and for regulators that are part of the global LEI Regulatory Oversight Committee (ROC) to leverage the LEI as the default unique identifier for regulatory requirements going forward. This would provide a degree of certainty for the industry. The increased LEI coverage would also provide a valuable tool to assist the industry with its own risk management. As such we believe that LEIs issued by endorsed Local Operating Units (LOUs) and eligible for inclusion in the Global Legal Entity Identifier System (GLEIS) – as defined in the consultation document, should be used as the unique identifiers for the reporting required from EU institutions under EIOPA's mandate.</p>	Noted

15.	Belgian Association of Pension Institutions (BAPI)	1.1.	BAPI notes that there is no legal obligation established in EU legislation imposing the Member States the obligation to request their supervised entities to use the LEI. Only indirectly through EMIR (through the reporting obligation of OTC derivatives, but which does not specify the need to use a LEI) and Solvency II (only for entities above a certain threshold). The format of Guidelines is therefore controversial. Member States are not legally obliged to comply with EIOPA's Guidelines, but on the other hand if they don't implement them they will have to explain why they didn't do so and they will be reported as non-compliant.	The use of LEI is supported by EIOPA's tasks under article 29 (1) (c), 31 (f) and 35 of EIOPA Regulation. The comply or explain procedure is mandatory for national authorities addressed by the GLS according to article 16 of EIOPA Regulation.
16.	EIOPA Insurance and Reinsurance Stakeholder Group	1.1.	IRSG is strongly supportive of the Guidelines.	Noted
17.	Global Financial Markets Association (GFMA)	1.1.	GFMA is strongly supportive of the Guidelines having seen the use of LEI adopted by ESMA and EBA already in Europe. GFMA believes that a global standardised Legal Entity Identifier (LEI) will help enable organizations to more effectively measure and manage risk, while providing substantial operational efficiencies and customer service improvements to the industry.	Noted
18.	Belgian Association of Pension Institutions (BAPI)	1.2.	BAPI is not fully convinced that all policy options have been considered when EIOPA did choose for the obligation for all IORP's to have a LEI number. We believe that next to the policy options mentioned in the explanatory memorandum (LEI and new EIOPA number), one could also consider the use of either 1) the existing national numbers (eventually preceded by the country code);; either 2) the use of the already existing and EU-wide harmonized VAT numbers.	Please see resolution on general comments.
19.	EIOPA Insurance and Reinsurance	1.2.	IRSG is strongly supportive of the intent of the Guidelines.	Noted

	Stakeholder Group			
20	Financial InterGroup Holdings Ltd	1.2	Scope is agreed	Noted
21.	Global Financial Markets Association (GFMA)	1.2.	Under the LEI initiative, 290,000 LEIs have been issued by 14 different Local Operating Units (LOUs). OTC Derivative and EBA bank reporting require LEIs and the requirement by EIOPA for use of LEI by the European Insurance and reinsurance sectors would be fully supported by the GFMA.	Noted
22.	Belgian Association of Pension Institutions (BAPI)	1.3.	BAPI understands there might be an advantage of using a unique legal entity identifier as it facilitates to extract (sub)reports at EU or even global level. This LEI will improve the quality of the data processing across Member States but will not enhance the quality of the data as such.	Noted
23.	EIOPA Insurance and Reinsurance Stakeholder Group	1.3.	IRSG agrees that the Guidelines will help reduce the cost of reconciliation of various types of reporting data for EIOPA.	Noted
24.	Financial InterGroup Holdings Ltd	1.3	Objectives agreed to as to identification of legal entities in order to ensure high quality, reliable and comparable data. An additional objective should be to assure the ability to use identification codes of legal entities to aggregate transactional data the codes are placed in.	Noted
25.	Global Financial Markets Association (GFMA)	1.3.	As already noted, other sectors and other countries already use the LEI to identify financial institutions. Insurance companies may have already acquired an LEI for other purposes. In time, this could lead to supervisors coordinating to assess the risk posed by any single institution by virtue of the LEI. The cost to EIOPA of reconciling different types of reporting data should be reduced by ensuring the use of LEI.	Noted
26.	ICODA	1.3.	1. We agree. The use of LEI is an important step in increasing transparency on the insurance market. The use of LEI could reduce the current situation which does not allow to have a clear view on the basics such as the number of insurance and reinsurance undertakings authorized and supervised in the EU/EEA. In order to underline this point, ICODA undertook a project in 2013 and again in 2014, aimed at understanding the correct	Agreed Noted

			<p>total number of authorized (re-)insurance companies registered end 2011 and end 2012 in the EEA.</p> <p>2. Based on different sources, for 2011 the numbers ranged between 3461 and 5511, a difference of more than 50%:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 5511 (EIOPA Register of Insurance Undertakings) <input type="checkbox"/> 5455 (Insurance Europe, as published) or <input type="checkbox"/> 5192 (Insurance Europe, adjusted for comparability purposes) to <input type="checkbox"/> 4030 (based on our best effort compilation of national registers) to <input type="checkbox"/> 3461 (EIOPA Statistical Annex Insurance, 2nd Half-Year Financial Stability report 2011). <p>The difference remains very high in the data currently available and referring to end 2012 or 30 June 2013: the numbers range from 5194 to 4100:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 5194 (EIOPA Register of Insurance Undertakings) to <input type="checkbox"/> 5129 (Insurance Europe, adjusted for comparability purposes) <input type="checkbox"/> 4100 (EIOPA EU/EEA (re-)insurance Statistic). <p>The above figures clearly show the discrepancies between the different data sources. Regretfully, there is to date no single reliable source for information on the EU/EEA insurance market, starting with the number of insurance and reinsurance undertakings. Additionally, attempting to compare the current EIOPA list from its register with the list published last year with a view to make a systematic analysis as to the sources of the difference between e.g. two years is impossible as no single licensed entity has a European or unique identifier, therefore making it practically impossible to understand the structural changes of the EU/EEA market.</p> <p>We recommend that EIOPA will foresee to publish its register on insurance and reinsurance undertakings (and pension funds) with the LEI per undertaking as of 2015, as 31/12/2014 is the timeframe EIOPA demands in these guidelines.</p>	Noted
28.	EIOPA Insurance and Reinsurance Stakeholder Group	1.4.	IRSG agrees that the Guidelines are aimed at achieving a unique, worldwide identification of parties to financial transactions and that EIOPA uses the same LEI mandated by the EBA and ESMA.	Noted

29.	Financial InterGroup Holdings Ltd	1.4	Agreed	Noted
30.	Global Financial Markets Association (GFMA)	1.4.	GFMA is a strong supporter of the G20 commitment and the subsequent work performed by the ROC to establish a global LEI system, aimed at achieving a unique, worldwide identification of parties to financial transactions. We note that the Board of Directors was recently announced of the Global LEI Foundation (GLEIF) which will be based in Switzerland. This is a strong signal that the LEI is a robust identification method and GFMA encourages EIOPA to use LEI, as already mandated by the EBA and ESMA.	Noted
33.	Belgian Association of Pension Institutions (BAPI)	1.5.	<p>BAPI is not convinced that the introduction of a LEI will diminish the costs for all IORP's. BAPI believes that administration burden and the costs of this LEI will be born by the IORPs although the benefits will be at a more international level: e.g. the consolidation of data at EU level, the processing of data reports at EU or even global level. At consolidated EU level small and medium sized IORPs do not have a big impact (e.g. all Belgian IORP's represent together only 18.6 billion € spread over 196 IORP's).</p> <p>BAPI does not believe that there is a need for enhanced supervisory convergence between banks, insurance companies on the one hand and IORPs on the other. Although we agree that also IORPs bear risks we believe the nature and liabilities of each of these entities are so different that they require a different approach.</p> <p>BAPI is not fully convinced that all policy options have been considered when EIOPA did choose for the obligation for all IORP's to have a LEI number.</p> <p>We believe that next to the policy options mentioned in the explanatory memorandum (LEI and new EIOPA number), one could also consider the use of either</p> <ol style="list-style-type: none"> 1) the existing national numbers (eventually preceded by the country code);; 2) the use of the already existing and EU-wide harmonized VAT numbers. <p>BAPI would like to invite EIOPA to look in particular into the already standardised framework of existing VAT-numers</p> <p>BAPI would also like to underline that following the actual reglementation only a very limited number of its members (the belgian IORP's) need to have a LEI. So only a very limited part of the Belgian IORP touched upon by the EMIR regulation that requires a LEI</p>	Please see resolution on general comments.

			for the reportings to ESMA. This means that the introduction of the LEU will introduce a new extra administrative burden (and an extra administrative, compliance and financial cost) for the vast majority of the IORP's.	
34.	EIOPA Insurance and Reinsurance Stakeholder Group	1.5.	IRSG is supportive of the benefits that would arise from the harmonisation of identification codes across the different EEU and international jurisdictions, different European Supervisory Authorities and among financial institutions.especially harmonisation of codes. IRSG believes that it would not be productive for EIOPA to up a new code. The LEI has taken a number of years and a considerable amount of global cooperation to become established. EIOPA will face the same hurdles and costs if it tried to set up a different system. IRSG supports the concepts included in a 9 July 2014 letter written by a group of associations, which is attached as a part of this response.	Noted
35.	Financial InterGroup Holdings Ltd	1.5	<p>In this section, the statement that the use of the LEI as currently constructed will allow improved automation of data processing and reduce reporting burden, improving quality and reducing costs for all involved parties has yet to be accepted by financial institutions.</p> <p>Financial institutions see additional operational risk and infrastructure costs to support "just another code" . They are simply adding the code to their mapping tables and sending these codes within their outbound swaps transactions to trade repositories and regulators. Nether the trade repositories nor the regulators can ingest the transactions nor aggregate them. Additional consultative requests for comments and active deliberationsa are currently underway at the CFTC and OFR in the US, and at the FSB and ODRG.</p> <p>The statement that there is widespread agreement among the European authorities and financial industry participants to move as soon as possible to a global LEI must be tempered with the caveat that the LEI and the Global System must be fit for all intended purposes not the least of which is regulators' systemic risk analysis requirements and financial institutions promised reduced operational costs and risks. That is not yet assured.</p>	Noted
36.	Global Financial Markets Association (GFMA)	1.5.	Regulators have struggled in the past to reconcile the many and various codes that may be used when reporting transactions. GFMA believes that the cost and effort of reconciling reports could be significantly reduced by mandating the use of LEI. The ability for regulators to achieve their financial stability goals can only be enhanced by the use of a single, global code. GFMA is supportive of the benefits that would arise from the harmonisation of identification codes across the different EEU and international jurisdictions, different European Supervisory Authorities and among financial institutions,	Agree

			<p>especially the harmonisation of codes.</p> <p>GFMA believes that it would not be productive for EIOPA to set up a new code. The LEI has taken a number of years and a considerable amount of global cooperation to become established. EIOPA will face similar obstacles and costs if it decided to set up a different system. GFMA supports the concepts included in a 9 July 2014 letter written by a group of associations, which is attached as a part of this response.</p>	
37.	ID Cyber-Identity Ltd	1.5.	<p>Concerning the last bullet point ("no alternatives"): Chapter 5 of the Impact Assessment in Annex I lists the the two policy options for a unique identification system for financial institutions reporting to EIOPA that were considered:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Option 1 is the development of a new dedicated identification system, <input type="checkbox"/> option 2 is the adoption of the Legal Entity Identifier as an existing system for that purpose. <p>Chapter 6 contains the Analysis of impacts.</p> <p>However, concerning option 2 the paper does not make clear why the LEI system is favoured over other existing unique identification systems which might also be adopted. As the advantages of the LEI over other existing identification systems (e.g. SWIFT code, GLN, DUNS etc.) are not outlined it is not possible for the reader to assess if the usage of LEI is the appropriate solution or to "describe any alternatives EIOPA should consider" as the authors ask for in Chapter 1. Specifically, the Intellectual Property Rights (IPR) related to the usage of LEI versus identification systems should be addressed.</p>	<p>EIOPA did not consider that on the medium term there were other appropriate alternatives and no "unique identification system" exists in insurance/pensions sector. EIOPA believes that the recommendation to use LEI is in line with the intention of the G20/FSB. This approach is consistent with the approaches taken by the other European Supervisory Authorities.</p> <p>Please also see resolution on general</p>

				comments
38.	Insurance Europe	1.5.	Insurance Europe agrees that the creation of a new EIOPA code would not be a good option, especially given the fact that EMIR already creates an obligation for insurers to have a LEI.	Noted
39.	ICODA	1.5.	We agree. We also agree that it is not opportune anymore to create a new EIOPA specific identifier. This is especially the case if the LEI allows, besides identification of the institution, to understand where the institution is registered and which type of license it has, or for example which legal form? With other words, does the alpha-numerical code do more than only 'identify' (cfr IBAN which includes references to the country and the bank)? We are no LEI specialist and our understanding may therefore not be complete. According to the Provisional Legal Entity Identifier File Definitions (see www.gfma.org/initiatives/legal-entity-identifier-(lei)/legal-entity-identifier-test-file-download/) it seems that the publication level fields, but certainly the record-level fields will allow for such information. Will these be available together with the LEI per undertaking in the EIOPA register?	Noted Noted. Following the timelines required by the Guidelines, EIOPA will add the requirement on the publication of the LEI codes available to the public.
42.	Belgian Association of Pension Institutions (BAPI)	1.6.	BAPI doesn't agree that introducing an obligatory LEI is the best approach.	Noted. Please see resolution on general comments.
43.	EIOPA Insurance and Reinsurance Stakeholder Group	1.6.	IRSG has no comment on the definitions.	Noted
44.	Financial InterGroup Holdings Ltd	1.6	In this section, the definition of the Legal Entity Identifier (LEI) code is a 20 digit alphanumeric code. It should be further defined to include the further segmentation of the code by the FSB and accepted by the ROC as follows:	For detailed more technical information these Guidelines refer to the official

			<ul style="list-style-type: none"> • Characters 1-4: A four character prefix allocated uniquely to each LOU. • Characters 5-6: Two reserved characters set to zero. • Characters 7-18: Entity-specific part of the code generated and assigned by • LOUs according to transparent, sound and robust • allocation policies. • Characters 19-20: Two check digits as described in the ISO 17442 • standards. <p>The further statement that the LEI connects to key reference information that enables clear and unique identification of companies participating in global financial markets should be further clarified. The companies may be made up of thousands of legal entities. Each LEI represented in each LOU today has no mechanism to be associated with its overall registering entity, perhaps its parent, perhaps its controlling entity. Further each component LEI of a company may be registered at the LOU of the domicile of the legal entity, making data aggregation a technical challenge, not insurmountable but nevertheless not yet accommodated in the GLEIS. Alternatives have been proposed, some of which require some modification to the code's segmentation while staying within the overall 20 character code construction.</p> <p>The definition of LOU (Local Operating Unit) describes a facilities operator endorsed by the ROC who will actually be registering entities in the LEI system, issuing and maintaining the LEI code. The LOUs collectively have adopted what to our mind is a cumbersome, technologically intensive mechanism to validate data submitted by registrants using public and private sources to match data.</p> <p>An alternative has been proposed to use auditor's third party assurances services as a substitute for validating LEI registration data over what is currently being done in the interim-GLEIS.</p>	publications.
47.	Global Financial Markets	1.6.	It may be noted that the LEI is issued according a global standard, namely ISO 17442. GFMA agrees with the definitions as stated.	Noted

	Association (GFMA)			
48.	EIOPA Insurance and Reinsurance Stakeholder Group	1.7.	IRSG fully supports the pre-LEI codes being designated as the permanent LEI codes by the LOUs. For example, the LEI Regulatory Oversight Committee (ROC) recently renamed the pre-LEI figures to make them permanent. IRSG notes that the Global Legal Entity Identifier Foundation (GLEIF, or Foundation) will begin to take full operational management of the Global LEI System, under the oversight of the ROC. Under an interim system established in 2013 under the supervision of the ROC, 16 endorsed "pre-Local Operating Units" ("pre-LOUs") have assigned almost 300,000 "pre-LEI" codes to entities from more than 150 countries for use in regulatory reporting. And 12 other pre-LOUs have been granted prefixes to support planning and development, in advance of launching operational platforms. The transition to full GLEIF management will occur over the coming year. One key principle guiding the transition will be a requirement that all LEIs issued to date will move unchanged into the system managed by the GLEIF. The establishment of the GLEIF and the beginning of the transition means that all codes issued by endorsed pre-LOUs should no longer be considered interim and henceforth will be called "Legal Entity Identifiers" or "LEIs." They are no longer pre-LEIs. See http://www.leiroc.org/publications/gls/gleif_20140629_1.pdf for more information. After LEI is formally adopted, the pre-LEI numbers will not change. Further information of existing LEIs is available on "openleis.com" on the LEIs issued by the Local Operating Units (LOUs).	Noted
49.	Financial InterGroup Holdings Ltd	1.7	It should be noted that more than one national authority exists in any one jurisdiction that can authorize a LOU. Further in any one jurisdiction more than one LOU may be authorized. In Germany there are currently two.	Noted
50.	Global Financial Markets Association (GFMA)	1.7.	Currently, 14 LOUs are operational and are issuing codes. A number of other LOUs have been sponsored by their regulatory authorities and are consequently authorized to issue LEIs. The LEI Regulatory Oversight Committee (ROC) recently retired the term "pre-LEI" and henceforth they will be called "Legal Entity Identifiers" or "LEIs." LEIs are now "official" and fully accepted for all regulatory reporting. These codes are now fully accepted for all forms of regulatory reporting. GFMA notes that the Global Legal Entity Identifier Foundation (GLEIF or Foundation) will begin to take full operational management of the Global LEI System, under the oversight of the ROC. Under an interim system established in 2013 under the supervision of the ROC, 16 endorsed "pre-Local Operating Units" ("pre-LOUs") have assigned almost 300,000 LEI codes to entities from more than 150 countries for use in regulatory reporting. And 12 other pre-LOUs have been granted prefixes to support planning and development, in advance of launching operational platforms. The transition to full GLEIF management will occur over the coming year. One	Noted

			key principle guiding the transition will be a requirement that all LEIs issued to date will move unchanged into the system managed by the GLEIF. See http://www.leiroc.org/publications/gls/gleif_20140629_1.pdf for more information.	
51.	ICODA	1.7.	We understand that these guidelines are applicable also to the pre-LEIs as of 31 december 2014. Pre-LEIs can only be issued by pre-LOUs as long as the GLEIS is not yet operational. Is 31 december 2014 feasible?	The transition to full GLEIF management will occur over the next year. Until the formal transition the GLs apply to pre-LEI as stated on 1.7 and respective footnote
52.	SWIFT	1.7.	<p>SWIFT and DTCC jointly provide the GMEI Utility (formerly the CICI utility) service, which to date has issued over 135,000 LEIs, and which was one of the first LOUs to be endorsed by the Regulatory Oversight Committee (ROC). Over 260,000 LEIs have been issued by ROC endorsed LOUs so far in the GLEIS. LEIs issued by endorsed LOUs, including the GMEI utility, are already used for regulatory reporting requirements e.g. for the reporting under EMIR of derivatives to trade repositories. As mentioned above we are now the GMEI Utility and the web address is www.gmeiutility.org</p> <p>The registration fee is now 220 USD = 167 EUR at today rate The maintenance fee is now 110 USD = 83 EUR at today rate</p>	Noted
54.	EIOPA Insurance and Reinsurance Stakeholder Group	1.8.	No comment.	Noted
55.	Global Financial	1.8.	No comment.	Noted

	Markets Association (GFMA)			
56.	Belgian Association of Pension Institutions (BAPI)	1.9.	Considering the fact that we are not convinced that LEI is the best policy options;; and considering that the LEI system is itself not fully operational we would suggest to take the time needed to consider all options (including the ones brought forward by BAPI) before introducing new requirements for the IORP's.	Please see resolution on general comments.
57.	EIOPA Insurance and Reinsurance Stakeholder Group	1.9.	IRSG agrees with the targeted mandatory implementation deadline of 31 December 2014.	Noted
58.	Financial InterGroup Holdings Ltd	1.9	The date for applying the guidelines of Dec.31, 2014 might be premature as the GLEIF will undertake its work officially through its Board at the installation of the CEO who comes on board Oct. 1, 2014.	Until the formal transition to full GLEIF the Guidelines apply to pre-LEI as stated on para. 1.7 and respective footnote
59.	Global Financial Markets Association (GFMA)	1.9.	GFMA agrees with the targeted mandatory implementation deadline of 31 December 2014.	Noted
60.	BVI	1.10.	We strongly share EIOPA's Guidelines that national competent authorities should request and verify if all institutions under their supervisory remit obtain and use in their reporting obligations the LEI codes. Furthermore, we recommend that the competent authorities further request all supervised institutions to use a (pre)-LEI code to identify entities wherever counterparty, issuer, or other relationship information is required to be submitted for regulatory reporting.	Noted The scope of the Guidelines is consistent with the powers attributed to EIOPA under its Regulation; EIOPA cannot require entities other than the ones foreseen in

				its scope of action to request a LEI code. However, when that code exists undertakings under supervisory remits are required to report it.
61.	EIOPA Insurance and Reinsurance Stakeholder Group	1.10.	IRSG recommends that competent authorities require entities regulated under their supervision to obtain an LEI.	Agree
62.	Financial InterGroup Holdings Ltd	1.10	The guidelines should recognize that a LOU can be authorized by a regulator for a single business entity or groups of entities that can receive their own individual or group prefix (4 digit codes). Thereafter they can each register their own individual LEIs using the entity specific portion of the code - characters 7-18 making data aggregation easier for any transaction that contains the code.	For detailed more technical information these Guidelines refer to the official publications.
63.	Global Financial Markets Association (GFMA)	1.10.	GFMA recommends that competent authorities require entities regulated under their supervision to obtain an LEI and also that the LEI be used to identify all counterparties in the reporting requirements where counterparty information is required.	The scope of the Guidelines is consistent with the powers attributed to EIOPA under its Regulation; EIOPA cannot require entities other than the ones foreseen in its scope of action to request a LEI code. However, when that code exists undertakings under supervisory remits are required to report it.

64.	Insurance Europe	1.10.	Insurance Europe believes that the opportunity to use the LEI for reporting assets which do not have a unique identifier deserves investigation. If it was decided that this is a good approach for addressing reporting challenges, then this would act to encourage other entities (eg issuers of debt, borrowers) to obtain a LEI code.	Noted
65.	ICODA	1.10.	Guideline 1 demands all NSA to request all supervised institutions to request a LEI, not a pre-LEI.	Until the formal transition to full GLEIF the Guidelines apply to pre-LEI as stated on para. 1.7 and respective footnote.
66.	Mark Sherwood (Independent Consultant)	1.10.	Not all entities in a firm will be regulated and some of the exposures may be to unregulated entities within the firm. The requirement for an LEI should therefore apply to all legal entities under the group.	The scope of the Guidelines is consistent with the powers attributed to EIOPA under its Regulation; EIOPA cannot require entities other than the ones foreseen in its scope of action to request a LEI code. EIOPA further amended the explanatory text of Guideline 1 to clarify that includes (re)insurance undertakings, participating (re)insurance undertaking or insurance holding companies or mixed financial holding companies and occupational pension institutions under the

				<p>supervisory remit. These should be required to obtain a LEI code for entities belonging to the group following 1.11..</p>
67.	Prof. Dr. Mirko Kraft (Hochschule Coburg / Forum V)	1.10	<p>Requesting the LEI by all institutions “under supervisory remit” could include many undertakings that are classically non-supervised or non-regulated undertakings, e. g. in Germany small insurance undertakings (not in the scope of the Solvency Directive), insurance undertakings under non-federal supervision (“Landesaufsicht”), insurance holding companies (by the current definition of the German supervisory law, VAG), so-called “Sterbekassen” and pensions groups.</p> <p>It could be clarified that undertakings treated as insurance intermediaries are not intended to be covered as institutions under supervisory remit.</p> <p>In the area of institutions of occupational pensions it might be not clear which undertakings are covered in different member states.</p> <p>National differences in the scope of supervisory laws could result in inharmonised burdens in different markets which are not justified by harmonization or centralization of data at European level by EIOPA. It is suggested to focus in these guidelines on supervised entities based on European law. Without prejudice, national competent authorities may expand the scope of the use of LEI in their member states for supervisory reporting.</p>	<p>The explanatory text of Guideline 1 provides further guidance on the entities covered. EIOPA further amended the explanatory text to clarify that includes (re)insurance undertakings, participating (re)insurance undertaking or insurance holding companies or mixed financial holding companies and occupational pension institutions under the supervisory remit..</p>
69.	BVI	1.11.	<p>By requiring the use of the LEI for any counterparty identified for the purpose of regulatory reporting, legal entities who have not already done so will need to obtain a LEI. Requirements like this will greatly expand the collective benefit from widespread adoption of the LEI for all legal entities.</p> <p>In the European investment fund industry, regulated investment funds (UCITS/AIF) and their respective investment fund management companies also have to apply for (pre)-LEIs due to the new reporting obligations concerning EMIR and AIFMD. According to data provided by the German (LOU) WM Datenservice and the US GMEI, between 20 and 40</p>	<p>The scope of the Guidelines is consistent with the powers attributed to EIOPA under its Regulation; EIOPA cannot require entities other than the ones foreseen in its scope of action to</p>

			per cent of all issued (pre)-LEIs are fund related LEIs.	request a LEI code. However, when that code exists undertakings under supervisory remits are required to report it.
70.	EIOPA Insurance and Reinsurance Stakeholder Group	1.11.	IRSG agrees that for institutions reporting Solvency II information, national competent authorities should request that all such institutions obtain a LEI code for all entities in the scope of the group as defined under article 212 (1) (c) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive), on which information is required under their reporting obligations.	Noted
	Financial InterGroup Holdings Ltd	1.11	The total of all entities in the scope of the group can number into the hundreds and even thousand. For example American International Group, Inc. has 5376 legal entities; Teachers Insurance & Annuity Association of America has 803. This makes aggregating data containing individual LEIs into hierarchies of ownership and control difficult without some 'handle' that brings them together under the same control group.	Noted
71.	Global Financial Markets Association (GFMA)	1.11.	GFMA agrees that for institutions reporting Solvency II information, national competent authorities should request that all such institutions obtain a LEI code for all entities in the scope of the group as defined under article 212 (1) (c) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive), on which information is required under their reporting obligations.	Noted
72.	ICODA	1.11.	We agree. Would the LEI allow to identify to which insurance group the entity belongs? And/or to which financial conglomerate? See for example the obligation of the ESAs under article 4 of directive 2002/87/EC as amended by directive 2011/89/EU) which states in paragraph 3: "The Joint Committee [EIOPA, EBA, and ESMA] shall publish and keep up-to-date on its website the list of financial conglomerates defined in accordance with Article 2(14). That information shall be available by hyperlink on each of the ESA's websites. The name of each regulated entity referred to in Article 1, which is a part of a financial conglomerate shall be entered on a list, which the Joint committee shall publish and keep up-to-date on its website." Such identification would be highly welcome.	Noted. In the longer run, LEI information is expected to expand to include other contextual information about the entities, particularly information describing relationships among entities.
73.	Prof. Dr.	1.11	Drafting suggestion:	

	Mirko Kraft (Hochschule Coburg / Forum V)		<p>“For institutions reporting Solvency II information, national competent authorities should request that all such institutions obtain a LEI code for all entities in the scope of the group supervision (“supervision at the level of the group”) as defined under article 212 (1) (c) 213 and 214 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive), on which information is required under their reporting obligations.”</p> <p>Justification:</p> <p>The obligation to use the LEI should be restricted to the scope of the group which is under supervision. Referring to the general definition of a group as defined in Art. 212 (1) c) would imply that the LEI is also necessary for undertakings which are excluded from group supervision in accordance with Art. 214 (e. g. third-country undertakings where there are legal impediments to the transfer of the necessary information).</p> <p>The scope of the use of LEI should be aligned with the group structure to be reported under Art. 256a of the Solvency II Directive (including the LEIs).</p>	The current scope is aligned with Solvency II reporting requirements namely the QRTs on intra-group transactions (e.g. QRT S.36.01 (former IGT)).
74.	Belgian Association of Pension Institutions (BAPI)	1.12.	<p>Considering the fact that we are not convinced that LEI is the best policy options;; and considering that the LEI system is itself not fully operational we would suggest to take the time needed to consider all options (including the ones brought forward by BAPI) before introducing new requirements for the IORP’s.</p> <p>If nevertheless EIOPA would choose for the LEI (non obstanding the different remarks and other possible policy options) we suggest to make a distinction between those IORPs who currently already have a LEI in the context of EMIR and the others.</p> <p>Especially for the IORPS which currently do not have a LEI because they didn’t need one so far (the vast majority of the Belgian IORP’s) we suggest to postpone the deadline.</p>	Please see resolution on general comments.
75.	EIOPA Insurance and Reinsurance Stakeholder Group	1.12.	<p>In terms of timing, IRSG agrees that national competent authorities should verify that institutions under their supervisory remit have requested the LEI codes as follows:</p> <p>a) For institutions within the threshold defined in the Solvency II Directive, by 30 June 2015 at the latest;</p> <p>b) For all other institutions (including IORPs), by 30 June 2016 at the latest.</p>	Noted

			<p>IRSG notes that it is unclear which “threshold” of the Solvency II Directive is meant. IRSG assumes that Guideline 2 probably refers to Article 4 of the Solvency II Directive which defines the exclusions from scope of the Solvency II Directive due to size. A clarification would be useful.</p> <p>IRSG further recommends that in order to avoid a last minute charge for registration, it may be advantageous for companies to be split into more sectors and e.g. the larger companies be required to apply sooner than smaller companies. IRSG notes that during the CFTC and EMIR rollout of LEIs, many market participants waited until the last minute which caused processing problems. It should be noted that over 1,300 insurers have obtained LEIs, with many of them being European.</p>	<p>Guideline 2 was amended to clarify that the first deadline covers institutions within the scope of the Solvency II Directive.</p> <p>EIOPA reinforced in the explanatory text the benefits of encouraging applying for a LEI code as early as possible.</p>
76.	Financial InterGroup Holdings Ltd	1.12	<p>The statement made here is that national competent authorities should verify that institutions under their supervisory remit have requested the LEI codes. In Germany the EMIR Implementation Act requires auditors to provide assurances to regulators that financial companies and corporate users of financial markets are adhering to EMIR requirements including obtaining an LEI. The regulation stipulates that the company is to pay for the auditors activities. This approach should be considered in the guidelines. Further, auditors can be requested to validate the actual LEI registration data through using their third party assurance services, thus giving further assurances that the data is accurate.</p>	<p>The use of external auditors by national competent authorities is addressed in other EIOPA’s Guidelines.</p>
77.	Global Financial Markets Association (GFMA)	1.12.	<p>GFMA notes that there is a marked tendency for counterparties to wait until a deadline approaches before applying for an LEI. In the past, notably for Swaps reporting in U.S. and for OTC derivative reporting (EMIR) in the EU, this placed significant pressure on the LOUs to receive the relevant information, validate it and then issue the LEI. A staggered approach may be more beneficial and ensure that all companies have the requisite code by the deadline.</p> <p>GFMA agrees that national competent authorities should verify that institutions under their supervisory remit have requested the LEI codes as follows:</p> <p>a) For institutions within the threshold defined in the Solvency II Directive, by 30 June 2015 at the latest;</p> <p>b) For all other institutions (including IORPs), by 30 June 2016 at the latest. GFMA suggests EIOPA consider dividing companies and mandating earlier deadlines (by size,</p>	<p>EIOPA reinforced in the explanatory text the benefits of encouraging applying for a LEI code as early as possible.</p>

			<p>alphabetically – EIOPA will be able to gauge its membership best) to avoid the dilemma that a company does not receive the LEI in time to submit its reporting.</p> <p>It should be noted that over 1,300 insurers have obtained LEIs, with many of them being European.</p>	
78.	Insurance Europe	1.12.	<p>Insurance Europe believes that the 30 June 2016 deadline should be applied to non-insurance entities part of insurance groups.</p>	<p>30 June 2015 is established consistently with the approach taken within EIOPA's preparatory Guidelines. In addition LEI are needed for purposes other than Solvency II (e.g. registers).</p>
79.	ICODA	1.12.	<p>Would it be possible to formulate point b) more clear? Regarding point b), is it correct to understand that the institutions not subject to SII may comprise all other institutions subject to national supervision ('under their supervisory remit')? Do the draft guidelines refer potentially to the institutions intended by article 4, article 7, article 8, article 9, article 10, article 11, article 12 which are all exempt from the EU SII regime but which may be subject to national supervision and/or which may be participants in the financial market? Can this be clarified in the guideline itself?</p> <p>As indicated above in our comments, the use of LEI should be broader than in a SII context. Within a SII context, the use can be for a unique identification code for reporting as indicated by EIOPA (single supranational identifier) but eventually also for other purposes such as identifier for specific reporting on e.g. counterparty risk or on (financial) participations.</p>	<p>The explanatory text clarifies that the second deadline (point b) is foreseen for all smaller insurance and reinsurance undertakings and all the IORPs. EIOPA underlines that LEI are needed for purposes other than Solvency II (e.g. registers).</p> <p>EIOPA cannot require entities other than the ones foreseen in its scope of action to request a LEI code. However, when that code exists for</p>

				counterparties, entities reporting Solvency II information are required to report it.
80.	Prof. Dr. Mirko Kraft (Hochschule Coburg / Forum V)	1.12	<p>Drafting suggestion:</p> <p>"For institutions within the threshold defined in scope of the Solvency II Directive, by 30 June 31 December 2015 at the latest;"</p> <p>Justification:</p> <ol style="list-style-type: none"> 1. The scope of the Solvency II Directive is defined in Art. 2 of the Solvency II Directive and the exclusions from the scope in Section 2 (Art. 3 - 12). The threshold[(s)?] mentioned to in the draft guidelines could be understood as reference only to Art. 4 (exclusions from scope due to size), especially to Art. 4 (1) a (exclusion of undertakings with annual gross written premium income that does not exceed EUR 5 million). 2. Solvency II starts nationally 1 Januar 2016. An earlier use of the LEI should not be required by undertakings within the scope of the Solvency II Directive. The proposed later dateline ensures that undertakings which will be not in the scope of the Solvency II supervision from 1 Januar 2016 will be treated as such (e. g. because of the thresholds in 2015). 	<p>Agree with the drafting suggestion for the scope. The Guideline was amended accordingly.</p> <p>Disagree with proposal to change date. LEI are needed for purposes other than Solvency II (e.g. registers).</p>
81.	SWIFT	1.12.	From the perspective of the SWIFT/DTCC GMEI LOU, the timelines of the end of June 2015 and the end of June 2016, present no issues, since our Utility is already fully operational for issuing LEI codes. The issuance process is scalable, and could cope with substantial increase in demand should this result from the new requirements. Entities should be advised to request a code well before the deadline to allow time for the integration of codes into their internal systems.	Noted
83.	EIOPA Insurance and Reinsurance Stakeholder Group	1.13.	IRSG agrees.	Noted
84.	Financial	1.13	This section notes that the GLEIS is still being formed and that pre-LEIs are being issued	Noted

	InterGroup Holdings Ltd		<p>by pre-LOUs. Further that these pre-LEI codes match the format of the LEI, and can work as basic identifiers till the regular GLEIS is fully operating.</p> <p>With this recognition of the GLEIS being a work in process caution should be exercised in fully endorsing the LEI and its associated GLEIS at this time. Problems have surfaced in the first use of the codes for data aggregation and data standardization for swaps transaction reporting and recordkeeping.</p> <p>Data aggregation and non-conforming data problems have arisen in the first use of the pre-LEIs in the US's implementation of the CFTC's Swaps Data Reporting and Recordkeeping mandates and in the EU under the European Markets Infrastructure Regulations (EMIR). Both the FSB and the CFTC have issued recent consultative papers requesting industry input on improvements to the swaps transaction reporting regime, including improvements to the LEI and its use in the UTI (Unique Transaction Identifier).</p> <p>Also, postings of Aug 24, 2014 at www.LEIROC.org present different expectations for the COU's technical core, that which have been agreed to by the FSB (an internet-like federated virtual data base) and that which is currently being implemented in the interim-GLEIS (a daily passing of multiple LEI registries to be organized around multiple central utilities operated by LOUs and other aggregators, perhaps by the COU itself). This suggests changes will be forthcoming at some point.</p> <p>It should be noted that the ROC has identified that a parent entity shall be specified for each pre-LEI. Work has recently begun to do that. This is a critical component of the GLEIS's ability to allow aggregation of LEIs for systemic risk analysis. The larger financial institutions have thousands of legal entities.</p> <p>We have advocated that such a parent (overall registering) entity be the prefix of the LEI not the initiating LOU. The use of the prefix assures all subsequent codes placed into position 7-18 of the code are collectively globally unique.</p> <p>Still staying within the 20 character ISO definition of the code, this registrant prefix would make it possible for a regulator's computer to aggregate data and monitor risk exposures</p>	
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			<p>building up in a parent entity. With the registering entity in the code itself, itself randomly chosen and assigned by the COU to preserve non-intelligence, this would permit associating all the transactions in a real-time stream of data directly to its registering entity, rather than having to access external data bases containing this hierarchy information after the fact.</p> <p>Given the recognized "pre"-status of both the pre-LEI and the pre-LOUs and the further use of the term "interim" status of the GLEIS, guidelines should be promulgated that endorse the LEI but with the caveat that further guidelines may be forthcoming. The finalization of such guidelines should await the proposals to come from the GLEIF, the CFTC and the FSB. Our comments have been offered to these three agencies in response to their current and past consultative requests and are a matter of public record.</p>	
85.	Global Financial Markets Association (GFMA)	1.13.	GFMA agrees and believes it would be helpful to EIOPA if all counterparties identified in these reports would also be required to provide an LEI.	The scope of the Guidelines is consistent with the powers attributed to EIOPA under its Regulation; EIOPA cannot require entities other than the ones foreseen in its scope of action to request a LEI code. However, when that code exists undertakings reporting Solvency II information are required to report it.
87.	EIOPA Insurance and Reinsurance Stakeholder Group	1.14.	IRSG agrees.	Noted
88.	Financial	1.14	Regulators may provide assurances that codes are being used in accordance with	The use of external

	InterGroup Holdings Ltd		guidelines or they may use auditors as an extension of regulators' staffs to provide such assurance.	auditors by national competent authorities is addressed in other EIOPA's Guidelines.
89.	Global Financial Markets Association (GFMA)	1.14.	GFMA agrees.	Noted
90.	Prof. Dr. Mirko Kraft (Hochschule Coburg / Forum V)	1.14	Drafting suggestion: "National competent authorities should ensure that the non-aggregated information provided to EIOPA and to the group supervisor concerning all institutions under their supervisory remit, contains the LEI codes obtained in accordance with these Guidelines." Justification: 1. The LEI is only applicable to informationen of individual undertakings. Therefore, the Guideline 4 should clearly state that the LEI should be used only for non-aggregated reporting requirements. 2. The Solvency II-Directive foresees that information is reported by the national competent authorities to the group supervisor. Such reporting should include the LEI as well to facilitate the work of group supervisors of international groups under Solvency II group supervision.	Included in the explanatory text of the Guidelines the reference to non-aggregated information.
92.	EIOPA Insurance and Reinsurance Stakeholder Group	1.15.	IRSG agrees.	Noted
93.	Global Financial Markets Association (GFMA)	1.15.	GFMA agrees.	Noted
95.	EIOPA	1.16.	IRSG agrees.	Noted

	Insurance and Reinsurance Stakeholder Group			
96.	Financial InterGroup Holdings Ltd	1.16	Use of auditors to assure compliance is strongly recommended in the jurisdictions covered by these guidelines as is being done in Germany.	The use of external auditors by national competent authorities is addressed in other EIOPA's Guidelines.
97.	Global Financial Markets Association (GFMA)	1.16.	GFMA agrees.	Noted
98.	EIOPA Insurance and Reinsurance Stakeholder Group	1.17.	IRSG strongly agrees - at the soonest possible opportunity.	Noted
	Financial InterGroup Holdings Ltd	1.17	Agreed	Noted
99.	Global Financial Markets Association (GFMA)	1.17.	GFMA strongly agrees that the competent authorities should confirm to EIOPA at the earliest opportunity.	Noted
100.	EIOPA Insurance and Reinsurance Stakeholder Group	1.18.	IRSG agrees.	Noted

101.	Financial InterGroup Holdings Ltd	1.18	Agreed	Noted
102.	Global Financial Markets Association (GFMA)	1.18.	GFMA agrees. There are more than ten European based LOUs and many (both international and European) are able to issue LEI to companies outside of their jurisdiction. The acquisition of an LEI should not be problematic.	Noted
103.	EIOPA Insurance and Reinsurance Stakeholder Group	1.19.	IRSG agrees.	Noted
104.	Financial InterGroup Holdings Ltd	1.19	Agreed	Noted
105.	Global Financial Markets Association (GFMA)	1.19.	GFMA agrees.	Noted