

Legal Entity Identifier (LEI) – Timeline of Major Events

June 2010

- U.S. financial regulators and the Financial Industry Regulatory Authority (FINRA) hold a Regulatory Data Workshop, identifying the lack of a standard way of identifying parties to financial contracts as a “linchpin” for improving regulation, private risk management, and business processes.

July 2010

- The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) establishes the Office of Financial Research (OFR), which has the authority to establish standards for how U.S. financial companies identify themselves in reporting to the OFR. The Dodd-Frank Act also requires the U.S. Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) to issue rules for reporting swap transactions, including how counterparties to those transactions are identified.

November 2010

- The OFR publishes a policy statement to promote the establishment of a universal Legal Entity Identifier (LEI). The statement asks for public input on the technical requirements for LEI, associated reference data, and a system that would issue and validate LEIs and reference data. The statement calls for establishing a public-private solution through international consensus.
- The CFTC and the SEC issue proposed rules for reporting swap derivative transactions. The proposed rules express a preference for using a universal identifier for parties to such transactions, if it can be established through international consensus and is available in a timely manner. The CFTC proposed rule references LEI defined in OFR policy statement as a candidate.

December 2010

- Staff from U.S. financial regulators and FINRA publish a discussion paper entitled “Creating a Linchpin for Financial Data: The Need for a Legal Entity Identifier”. See http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1723298.

March 2011

- The International Organization for Standardization (ISO) creates a dedicated working group to establish an LEI standard, develops a draft specification (ISO 17442), and selects a registration authority to oversee assignment.

May 2011

- A global coalition of financial services firms and trade associations publish a proposal for industry requirements for a global LEI solution. See <http://www.sifma.org/issues/operations-and-technology/legal-entity-identifier/overview/>.

June 2011

- ISO's initial vote on the draft LEI standard closes.
- The Canadian Securities Administrators publishes Consultation Paper 91-402 – Derivatives: Trade Repositories, which calls for each derivative market participant to be assigned a unique legal entity identifier based on universal internationally accepted standards. See <http://www.securities-administrators.ca/aboutcsa.aspx?id=971>; <http://www.albertasecurities.com/Pages/Default.aspx>.

July 2011

- A global coalition of financial services firms and trade associations publish a recommendation for the organizations that it believes are best suited to operate a global LEI system to aid regulators and industry in monitoring systemic risk. The industry recommendation was for a combination of ISO, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), the Depository Trust & Clearing Corporation (DTCC), the Association of National Numbering Agencies (ANNA), and business registries to maintain the standard, issue identifiers, and validate and maintain reference data for entities assigned an identifier. Under this industry recommendation, ISO would maintain the LEI standard. See <http://www.sifma.org/news/news.aspx?id=8589934648>.
- In response to a request from G-20 leaders, the International Organization of Securities Commissions (IOSCO) sends a Consultation Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency to the Financial Stability Board (FSB), explaining that a unique entity identifier. See http://www.iosco.org/library/briefing_notes/pdf/IOSCOBN02-11.pdf.
- The FSB issues a press release acknowledging the progress of financial regulators and industry to establish a single global system for uniquely identifying parties to financial transactions, and announcing that it would arrange a workshop to discuss how best to coordinate work to take the LEI initiative forward. See http://www.financialstabilityboard.org/press/pr_110718.pdf.
- The Hong Kong Monetary Authority (HKMA) publishes a Consultation Paper on Logistical and Technical Arrangements for Reporting to Hong Kong Trade Repository (HKTR), stating that HKTR will work with HKMA to consider how to incorporate the global LEI into reporting.

August 2011

- Anticipated publication of consultative report by the Committee on Payment and Settlement Systems (CPSS) and the Technical Committee of IOSCO on over-the-counter (OTC) derivative data aggregation and reporting, which will discuss the potential use of an LEI for OTC derivative reporting worldwide.

September 2011

- The FSB workshop on LEI is scheduled for September 28 and 29.

Fall 2011

- Anticipated publication of CFTC and SEC final rules on swap reporting.

January 2012

- Anticipated publication of ISO standard for LEI (ISO 17442). See <http://www.iso.org/iso/pressrelease.htm?refid=Ref1449>.

2012

- Anticipated start of reporting required by CFTC and SEC rules for swap derivative transactions.