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Financial Industry Trade Associations Coalition Releases Framework for a Global Legal Entity Identifier System

New York, NY, May 3, 2011—A coalition of financial-services trade associations (the “Trade Associations”) today released a comprehensive set of requirements for establishing a legal entity identifier (LEI) system to aid regulators and industry in monitoring systemic risk. The Trade Associations note that the requirements document released today is meant to be an evolving solution that will be refined as others participate in the discussion on the topic. The requirements document can be found here: www.sifma.org/Legal-Entity-Identifier/Resources.

“The accurate and unambiguous identification of legal entities engaged in financial transactions is foundational and critically important towards the improved measurement and monitoring of systemic risk by regulators and supervisors,” the groups noted in the proposal. “A global standardized Legal Entity Identifier will help enable organizations to more effectively measure and manage counterparty exposure, while providing substantial operational efficiencies and customer-service improvements to the industry.”

The objective of the Trade Associations is to develop an international consensus-based proposal that identifies requirements and standards for a viable, uniform and global LEI solution. The Trade Associations believe it is critically important to release the current version of the requirements to facilitate continued dialogue on establishing a global industry solution. Specifically, the Trade Associations intend for the following:

- Near-term, continued discussion of the requirements with participants in the financial markets and regulators around the world;

- Discussion, refinement and convergence of different approaches by those developing potential solutions for the LEI standard; and
- Immediate engagement with potential solution providers to help them understand the requirements as they prepare and present their proposed solutions for issuing and maintaining an LEI solution.

The Trade Associations aim to submit a final recommendation to regulators by July 2011. The Trade Associations also request parties interested in submitting a proposal for providing LEI solutions to contact LEIresponse@sifma.org before the proposals are due on May 30, 2011.

The proposal was authored by members of the following organizations: The British Bankers Association, Customer Data Management Group (CDMG), The Clearing House Association, Enterprise Data Management Council, The Financial Services Roundtable, the Futures Industry Association (FIA), the Global Financial Markets Association (representing the Association for Financial Markets in Europe (AFME), the Asia Securities Industry & Financial Markets Association (ASIFMA) and the Securities Industry and Financial Markets Association (SIFMA)), the Global Regulatory Identifier Steering Group (GRIS), the Investment Company Institute (ICI), and the International Swaps and Derivatives Association (ISDA).

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British Bankers Association

The BBA is the leading trade association for the UK banking and financial services sector. We speak for over 200 member banks from 60 countries on the full range of UK and international banking issues.

CDMG

The Customer Data Management Group (CDMG) is a special interest group established by JWG in 2008 to improve customer data management practices in financial services. The group's membership is drawn from senior operations, risk and compliance officers from major financial institutions. The CDMG's wholesale guidelines have been developed to assist firms aspiring to comply with data regulations. JWG Group Limited (JWG) is a financial services think-tank which works with regulators, investment firms and their information technology supply chain to help determine how the right regulations can be implemented in the right way.

The Clearing House Association LLC

Established in 1853, The Clearing House is the nation's oldest banking association and payments company. It is owned by the world's largest commercial banks, which collectively employ 1.4 million people in the United States and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. See The Clearing House's web page at www.theclearinghouse.org.

Enterprise Data Management Council

The EDM Council is a non-profit trade association created by leading financial industry participants. Its primary purpose is to address the issues and challenges associated with managing data content as a

business and operational priority. This helps ensure that the data used for business processing and regulatory oversight is trusted to be fit-for-purpose, accessible when needed, easy to integrate into downstream systems and comparable across multiple sources without the requirement of additional transformation or the need for manual reconciliation.

Financial Services Roundtable

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO.

Roundtable member companies provide fuel for America's economic engine, accounting directly for \$92.7 trillion in managed assets, \$1.2 trillion in revenue, and 2.3 million jobs.

Futures Industry Association

The Futures Industry Association is the leading trade organization for the futures, options and OTC cleared derivatives markets. It is the only association representative of all organizations that have an interest in the listed derivatives markets. Its membership includes the world's largest derivatives clearing firms as well as leading derivatives exchanges from more than 20 countries.

As the principal members of the derivatives clearinghouses, our member firms play a critical role in the reduction of systemic risk in the financial markets. They provide the majority of the funds that support these clearinghouses and commit a substantial amount of their own capital to guarantee customer transactions.

FIA's regular members, who act as the major clearing members of the U.S. exchanges, handle more than 90% of the customer funds held for trading on U.S. futures exchanges.

GFMA

The Global Financial Markets Association (GFMA) joins together some of the world's largest financial trade associations to develop strategies for global policy issues in the financial markets, and promote coordinated advocacy efforts. The member trade associations count the world's largest financial markets participants as their members. GFMA currently has three members: the Association for Financial Markets in Europe (AFME), the Asia Securities Industry & Financial Markets Association (ASIFMA), and, in North America, the Securities Industry and Financial Markets Association (SIFMA).

AFME

AFME (the Association for Financial Markets in Europe) advocates stable, competitive and sustainable European financial markets, which support economic growth and benefit society. On behalf of our members, we:

- Offer a single voice for the European capital markets participants and advocate their views at national, European and global levels;
- Develop a constructive dialogue on market and regulatory policy with legislators and regulators;
- Contribute policy and advocacy expertise to help achieve a balanced and stable regulatory environment; and
- Promote the contribution of the financial sector to society.

For more information please visit the AFME website, www.afme.eu

ASIFMA

The Asia Securities Industry & Financial Markets Association (ASIFMA) promotes the growth and development of Asia's debt capital markets and facilitates their orderly integration into the global financial system. Located in Hong Kong, ASIFMA is the Asia regional member of GFMA. For more information, visit <http://www.asifma.org>.

SIFMA

The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

GRIS

The Global Regulatory Identifier Steering Group (GRIS) is a collaborative initiative bringing together European sell-side trade bodies. It represents the European sell-side perspective, whilst creating a global dialogue between, and amongst, policymakers and the industry. It is managed by the Association for Financial Markets in Europe (AFME), the British Bankers' Association (BBA) and the Customer Data Management Group (CDMG).

The Investment Company Institute

The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$13.0 trillion and serve over 90 million shareholders.

ISDA

ISDA, which represents participants in the privately negotiated derivatives industry, is among the world's largest global financial trade associations as measured by number of member firms. ISDA was chartered in 1985, and today has over 800 member institutions from 56 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

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