

Questions for virtual roundtable Q&A:

1. **What are the strengths and weaknesses of the LEI issuance and governance systems as they currently stand?**
If you're in NYC or London, this initiative seems to be proceeding apace, typical of global regulatory efforts. Compliance managers have a standing agenda for the initiative, and access to requirements and LOU systems is appearing. But many of our clients in growth markets are concerned about local administration and governance, and haven't yet been able to contemplate its use. If you're a risk manager working in market centers across BRIC and other growth markets, you're not yet focused on the initiative and you're not really sure this will ever affect you.

2. **How is the designation of local operating units likely to proceed? At what point might a majority of world markets have LOUs designated?**
The LEI Regulatory Oversight Committee (ROC) had a busy year in 2013 and a few busy months, so far, in 2014. The LEI ROC has published and seems to be fully supportive of the LOUs (the last item was published in February 2014, called "A Common Data Format for Pre-LOUs to Use for Sharing or Publication of Data, Part 1," and can be found at [www. http://www.leiroc.org/list/leiroc_gls/tid_162/index.htm](http://www.leiroc.org/list/leiroc_gls/tid_162/index.htm)). But, the market and a number of the pre-operating LOUs want more guidance from the ROC, and they haven't seen the progress they expected in terms of functional deliverables. We hope designation of the LOUs at the local level will continue at a steady pace, so a 25% or 30% increase by the end of 2014 is possible, so that by 2015, most of the major global and regional markets will be operating as expected.

3. **With delays in LEI issuance waiting times and the need to recall many of the key pre-LEI CICI identifiers issued, how do you view the functioning of the LEI as a global system?**

Smart banks, brokers and risk managers in the financial services, regulatory and academic communities have been implementing LEI concepts for the past twenty years. With the 2008 financial crisis behind us, albeit heavily imprinted on us, the need and rationale for broader adoption of the LEI are clear. The CICI utility, the combined DTCC/SWIFT platform, does a fair job validating the accuracy of data supplied by registrants, and is able to assign unique identifiers according to the ISO 17442 LEI standard, and better yet, it stores information in a database that is available to the public (and for redistribution) without fees or license restrictions. While it is unfortunate many of the key pre-LEI CCI identifiers issues were re-called, the program must continue and challenges overcome for LEI to be successful.

4. **How will new regulations taking effect, namely EMIR in Europe, affect implementation of the LEI?**
Since the European Markets Infrastructure Regulation (EMIR) reporting obligations went into effect in February 2014, now all derivative counterparties must report details of the contracts to registered or recognized trade repository ("TR"). But since EMIR will affect all firms that trade derivatives in Europe and requires substantial implementation and effort, it has required changes to operational models and has prompted firms to revisit client service models. Their failure to comply can result in fines and the loss of client business, so implementation of the EMIR reporting requirements have, and will continue, to impact LEI progress and adoption. We all know that there are limited resources to keep the bank running while managing change. So while knowledge about LEI and related regulations continues to grow, bandwidth is limited and must be carefully monitored and managed.

5. **Are there benefits to using and issuing LEIs that are still overlooked?**
LEI is such a fundamental concept to risk managers that, once a critical mass is operational, many more tangible financial benefits will be realized. Investors will begin to see clients, borrowers, counterparties, issuers, guarantors, underwriters, and many other roles, differently, and will begin to find new products and services with which to compete. Transparency is good, and if it reduces risk and brings new revenue growth, the benefits will be manifest for all to see.