The first webinar in the series will discuss existing implementations of the LEI and the benefits to governments and private sector firms around the world.

Target Audience: The members and observers of ASEAN+3 Bond Market Forum (ABMF) and Cross-Border Settlement Infrastructure Forum (CSIF) under the Asian Bond Markets Initiative (ABMI), consisting of the staff from the central banks, securities regulators, ministries of finance, stock exchanges, CSDs, financial market associations, and private sector financial experts in ASEAN+3. We welcome participation from the academia and tax authorities as well as any parties interested in the LEI.
SATORU YAMADERA
Advisor (ERCD)
Asian Development Bank

Satoru is a member of the ADB secretariat supporting the Asian Bond Markets Initiative of the ASEAN+3 group of countries, and currently leads the ASEAN+3 Bond Market Forum and Cross-border Settlement Infrastructure Forum. He has over 25 years of experience in central banking including research, bank supervision, and payment systems at the Bank of Japan.

STEPHAN WOLF
Chief Executive Officer,
Global Legal Entity Identifier Foundation

Stephan Wolf is the CEO of the Global Legal Entity Identifier Foundation (GLEIF). Between January 2017 and June 2020, Mr. Wolf was Co-convener of the International Organization for Standardization Technical Committee 68 FinTech Technical Advisory Group (ISO TC 68 FinTech TAG). In January 2017, Mr. Wolf was named one of the Top 100 Leaders in Identity by One World Identity. He has extensive experience in establishing data operations and global implementation strategy. He has led the advancement of key business and product development strategies throughout his career. Mr. Wolf co-founded IS Innovative Software GmbH in 1989 and served first as its managing director. He was later named spokesman of the executive board of its successor IS. Teledata AG. This company ultimately became part of Interactive Data Corporation where Mr. Wolf held the role of CTO.”
SESSION 1

MR. SATORU YAMADERA
Advisor, Economic Research and Regional Cooperation Dept. (ERCD),
Asian Development Bank
ADB-GLEIF Joint Asia Webinar Series on Legal Entity Identifier (LEI)

Webinar 1: Introduction to LEI
28 June, Monday / 16:00 Manila time, 10:00 CET
Objectives of the webinar series

• Update the ASEAN+3 members and observers of the recent developments related to Legal Entity Identifier (LEI)

• Provide the basic information on LEI as well as advanced implementation and case studies of LEI usage in the leading countries

• Discuss implication for Asia

• Discuss how regional cooperation can support creating a more conducive digital environment to build back better
Institutional Framework of ASAEN+3 financial cooperation

Finance Ministers and Central Bank Governors Meeting

Deputy Ministers and Deputy Governors Meeting

CMIM* Regional safety net

ADB as the Secretariat

ABMI Asian Bond Markets Initiative

ASEAN+3 Macroeconomic Research Office

CH TH JP SG JP MY KR PH

TF 1 (Supply)
TF 2 (Demand)
TF 3 (Regulation)
TF 4 (Infra.)

Credit Guarantee and Investment Facility (CGIF)

Asian Bonds Online Asian Bond Monitor

ASEAN+3 Bond Market Forum (ABMF)

Sub-forum 1 AMBIF
Sub-forum 2 ISO STP

Cross-border settlement Infrastructure Forum (CSIF)

SME

Infrastructure Finance (including Housing finance)

Green bond, Social bond

Promoting LCY bond markets to address the double mismatch problem
Webinar 1: Introduction to LEI

• **Outline**
  • This webinar is the first in the series to discuss existing implementations of the LEI and the benefits to governments and private sector firms around the world.

• Outline of the webinar series
  • **ADB explains the outline and objective of the webinar series**

• **Introduction to the LE**
  • **GLEIF** briefly explains basic information on the LEI, how it is structured, and how it is managed.
  • **Speaker:** Mr. Stephan Wolf, Chief Executive Office, GLEIF
Webinar 2: Introduction of the LEI in the United States

• 30 June, Wednesday / 11:00 Manila time, 8:30AM Indian time / 23:00 US EST on 29 June
• LEI Application in US customs
• Global Business Identifier (GBI) Initiative by the U.S. Customs and Border Protection (CBP)
• Speaker: Ms. Lea-Ann Bigelow, Director, US Custom and Border Protection

• LEI Application in the US Bank
• JP Morgan will explain its role as a Validation Agent in the Global LEI System and describe how it uses LEI to support regulatory compliance as well as operational efficiency.

• Speaker: Ms. Amy Kabia, JP Morgan Chase
Webinar 3: Introduction of the LEI in the EU

• 1 July, Thursday / 16:00 Manila time, 10:00 CET

• Focus Europe:
  • The European Systemic Risk Board (ESRB) recommends that all legal entities established in the European Union that are involved in financial transactions obtain and maintain an LEI.

• Speaker: Mr. Francois Laurent, European Central Bank (ECB)

• Private sector’s view
  • The expansion of the LEI via regulatory initiatives will provide an opportunity for increasing the efficiency and security of the necessary processes in Know-Your-Customer (KYC) processes, in payments, and in invoicing. But how?

• Speaker: Mr. Guillermo De La Fuente, Treasury Department, Treasury Risk Compliance & Bank Guarantees, SITA
Webinar 4: Introduction of the LEI in India

• 2 July, Friday / 16:00 Manila time, 13:30 India time
• LEI implementation plan by the Reserve Bank of India (RBI)
  • RBI recently introduced an LEI requirement in large-value payments from 1 April 2021. In addition, RBI has a plan to roll out LEI extensively in various regulatory reporting.
• Speaker: Mr. Vasuden P., RBI

• Indian industry’s perspective on the LEI
• Speaker: Mr. Arun K Pandey, Senior Vice President, Derivatives, The Clearing Corporation of India Ltd (CCIL)
Webinar 5: Introduction of the LEI in China

• 5 July, Monday / 16:00 Manila time, 16:00 Beijing time
• The regulatory initiative by the People’s Bank of China
• PBOC, CBIRC, CSRC, and SAFE jointly published an LEI implementation roadmap.
• Speaker: Ms. FENG Lei, Section-Chief, Technology Department, People’s Bank of China

• Expanding the use of LEI in digital business
• This expansion of the LEI via regulatory initiatives will provide an opportunity for enhancing trust and creating innovation opportunities across private sector digital identity management applications.
• Speaker: Mr. ZHANG Yanzhao, Senior Strategy Analyst, China Financial Certification Authority
Webinar 6: Introduction of the LEI in Trade

• 7 July, Wednesday / 16:00 Manila time, 16:00 SG time
• LEI application in trade standardization
• ICC Digital Trade Standards Initiative (DSI) will discuss the DSI roadmap and how the LEI can play a role in facilitating interoperability across trade platforms.
• Speaker: Mr. Oswald Kuyler, Managing Director DSI, International Chamber of Commerce

• LEI application in trade finance
• LEI implementation in trade finance projects
• Speaker: Mr. Hans Huber, Senior PO Trade Finance Innovation R&D, Commerzbank
Webinar 7: Introduction of the LEI in ASEAN

- 9 July, Friday / 16:00 Manila time, 16:00 KL time
- LEI application in Malaysia
- Malaysia introduced LEI in 2018 for bond transactions. Malaysia has also expanded the application of LEI into other financial reporting (FX) and is able to leverage on these information to formulate policies and develop useful tools for investors.
- Speaker: Ms. Nurashiqin Asri, Deputy Director, Investment Operations and Financial Market, Bank Negara Malaysia (BNM)

- ADB’s proposal to standardize foreign exchange reporting
- Using the LEI in foreign exchange reporting with an application of ISO 20022 would create a large room for much quicker, easier, and automated reporting. ADB will share the discussion under the ABMF and regional plan for the standardization.
- Speaker: Satoru Yamadera, Advisor, ERCD, ADB
Webinar 8: Panel Discussion: how to maximize the benefit of the LEI in Asia

• 12 July, Monday – TBC

• In the panel will discuss the following:
  • How Asia should maximize the opportunity.
  • How regional cooperation should support creating a more conducive digital environment to build back better.
  • Any role of ADB to play?
THANK YOU

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SESSION 2

MR. STEPHAN WOLF
Chief Executive Office
Global Legal Entity Identifier Foundation (GLEIF)
As Identity Takes Center Stage

Value of the LEI in Customer Due Diligence and business transactions

ADB-GLEIF joint Asia Webinar series on Legal Entity Identifier

June 28th, 2021
Stephan Wolf, GLEIF CEO
Agenda

1. Overview of the Global LEI System
2. Public and private sector support for the LEI program
3. LEI and Digital Identity
4. LEI Validation Agent
Overview of the global LEI system
Who is Global Legal Entity Identifier Foundation?

- GLEIF is a not-for-profit Swiss foundation, founded by the Financial Stability Board (FSB).
- GLEIF is overseen by 71 regulators and 19 observers in the Regulatory Oversight Committee (LEI ROC) from 50 countries.
- GLEIF Board has 16 independent directors.

Partners for LEI issuing (LOUs)
- 40 and growing

Issued LEIs to date
- > 1,900,000
In 2011, the G-20 leaders supported "the creation of a global legal entity identifier (LEI) which uniquely identifies parties to financial transactions."

1. **LEI Regulatory Oversight Committee (LEI ROC):** Represents public financial market authorities from around the world

2. **Global Legal Entity Identifier Foundation (GLEIF):** Ensures the operational integrity of the Global LEI System

3. **Local Operating Units (LOUs):** Issue LEIs to legal entities
The LEI is a life-long code owned by the respective legal entity.

It points to the associated reference data.

The LEI is an ISO standard ISO 17442
Distribution of the LEIs across jurisdictions
Numbers from end of Q1 2021, pre-Brexit

* Europe here stands for EU 27 countries. For geographic Europe, the share is 70%.
# LEI Regulatory Mandate Worldwide

120 regulations and laws mandating the LEI*

* Note: In addition to the regulatory mandates, there are 17 recommendations on the LEI at the international level.
LEI Coverage by Region

LEI Coverage: Market Capitalization

Europe: 96.9%
Americas: 90.2%
Asia: 68.6%
Others: 80.8%

LEI Coverage: Number of Instruments

Europe: 89.7%
Americas: 34.7%
Asia: 38.2%
Others: 38.6%
Public and private sector support for the LEI program
Recent Support for the LEI from Regional and International Organizations

- **European Systemic Risk Board’s (ESRB)** Recommendation on identifying legal entities
- **Financial Stability Board (FSB)**, Stage1, Stage 2 and Stage 3 Roadmap for Enhancing Cross-Border Payments
- **Basel Committee on Banking Supervision (BCBS)** Guidelines: Sound Management of risks related to money laundering and financing of terrorism
- **European Banking Authority’s (EBA)** Response to the EU AML Action Plan Consultation
GLEIS – Manage Success
Collaboration with LEI ROC and FSB is important

Example: Bank of England

Aug 2019

Dec 2019

Mar 2020

Sep 2020

Corporate Transparency and Register Reform

Government response to the consultation on options to enhance the role of Companies House and increase the transparency of UK corporate entities.
Industry support

- Payment Market Practice Group highlights that now is the time for the payment industry to begin its adoption of the LEI with ISO 20022 migration. The LEI can:
  - bring greater speed in processing time,
  - be a data connector among diverse range of datasets and support the use of AI for financial crime compliance,
  - support authentication by unambiguously linking a digital certificate with a given legal entity.
Filing your annual financial report

The European Single Electronic Format is the electronic reporting format in which issuers on EU regulated markets shall prepare their annual financial reports from 1 January 2020.

Human readable and can be opened with any standard web browsers
Enable reports to be configured and machine-readable before publication
The role of the LEI in Financial Reporting

ESMA believes that the LEI is the only data element allowing a unique and persistent identification of market participants.

That is why ESMA’s ESEF requirements mandate the use of the LEI identifier for annual financial reports prepared in electronic format.

LEI is the linchpin that connects the dots across the universe of entity identification

Embedding the LEI within your annual financial report is a simple and easy step which delivers significant business value and industry-wide benefits
LEI and Digital Identity
No LEI – No Trust
Today there is no standard way of bridging the “galaxies”. All three “galaxies” have similar issues, but identify legal entities independently and with great manual effort in data collection and 3rd party validation.

The Supply-Chain “Galaxy”

The Finance “Galaxy”

The Internet “Galaxy”
The LEI is the only regulatory mandated ID Management System for Legal Entities. It has the potential to support all three “galaxies” via its standards for unique, global, open, reliable and trusted services for issuance, validation and verification.
LEIs in a digital world
Making LEIs verifiable

- When presenting an LEI, it is not clear if
  - The LEI is valid
  - the presenter is the LEI owner or an affiliate
  - the presenter has the right to use it

- As a result
  - the recipient of the LEI must still check and verify,
  - background checks are often done manually at a high cost

Verification examples

- The police verifies the driving license by comparing the photo on the ID with the presenter (biometrics are used widely)

- An employer calls the university to see if the job applicant’s diploma is real

- Despite the presented LEI, a bank asks for business register evidence during onboarding of a legal entity customer

Common problem is the lack of trust – and the costs involved for creating trust
LEI and Roles
Upcoming ISO 5009 Standard on Official Roles

Real World

Digital Representation

Cryptographically bound to the owner of the keys
GLEIF’s Annual Report 2019
Live presentation

- iXBRL standard + HTML
- Compliant with ESMA’s ESEF
- Audited by EY
How to embed the LEI within your annual financial report

The same LEI has been included in the filed report as well as in the digital signatures.
Chinese demonstration of embedded LEIs in certificates
With courtesy of CFCA (China Financial Certification Authority)
Benefits of embedding the LEI

**LEI in Document**
- Mandatory
- Automated access to aggregated data on the filing entity
- Improved ability for regulators to minimize market abuse

**LEI in Signature**
- Best Practice
- Greater end user trust in authenticity and integrity of documents
- Increased transparency for end users on an entity’s ownership structure

**Usability**
- Automatically links the filing entity to its verified LEI reference

**Trust**
- Mandatory
- Best Practice
- Greater end user trust in authenticity and integrity of documents
- Increased transparency for end users on an entity’s ownership structure

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LEI Validation Agent
Validation Agent Concept

Open a new account

Customer

Financial Institution

Customer already has a LEI

Customer data is pre-populated

GLEIF API

✓ Easier CIP+ KYC

LOU

Customer does not have an LEI yet

LEI as data connector

Financial Institutions as Validation Agent
Advantages of the adoption of the Validation Agent model
See the bigger picture & Achieve a Profitable Client Lifecycle

Reduce Onboarding Costs 10-15%*

Save 5-6 million USD annually*

Better data quality and transparency by paying less

Pay only for the data you need and reduce data spend

Reduce the risk of AML penalties

Know precisely whom you are doing business with

Efficient onboarding and better client experience

Offer your client a life-long, global digital, unique identity

* Considering the onboarding costs in a single large bank is 56 million USD; this translates to savings up to 5-6 million USD for per institution.
Where to find out more

For more information on GLEIF visit our website

www.gleif.org/annual-report

GLEIF's video on “Get an LEI and Make it Work”

https://www.youtube.com/watch?v=U8aUmtoj30s

GLEIF 2019 Annual Report Showcases Early Compliance with ESEF

https://www.gleif.org/en/newsroom/blog

For more details on LEI Validation Agent

Limitations

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Thank you for your participation
JOIN US AGAIN ON WEDNESDAY

Joint Asia Webinar Series on
Legal Entity Identifier (LEI)
Part 2 - Introduction of the LEI in the United States

Virtual Event via Zoom
30 June 2021, Wednesday
11:00AM Manila Time / 8:30AM India Time
29 June 2021, Tuesday / 11:00PM US EST

Our Speakers

LEA-ANN B. BIGELOW
Director, Interagency Collaboration
CBP Office of Trade

AMY A. KABIA
Managing Director, Party Reference Data Operations
JP Morgan Chase