

Deutsche Börse Group (DBG) welcomes the opportunity to comment on EBA’s consultation paper “Draft Recommendation on the use of Legal Entity Identifier (LEI)” - EBA/CP/2013/42- issued on 28 October 2013.

DBG is operating in the area of financial markets along the complete chain of trading, clearing, settlement and custody for securities, derivatives and other financial instruments and as such mainly active with regulated Financial Market Infrastructure providers.

Among others, Clearstream Banking S.A., Luxembourg (CBL) and Clearstream Banking AG, Frankfurt/Main (CBF), who act as (I)CSD¹ as well as Eurex Clearing AG as the leading European Central Counterparty (CCP), are classified as credit institutions and are therefore within the scope of the European Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR) which transpose i.a. the Basel III rules into European law. Clearstream subgroup is supervised on a consolidated level as a financial holding group.

In general, we are supportive for the current draft Recommendation of EBA on the use of Legal Entity Identifier (LEI) as unique identification codes for supervisory purposes for every credit and financial institution. We also share the view on the merits of establishing an uniform global system for legal entity identification. However, we have some concerns in detail:

- we do not see the need to introduce a pre-LEI system as long as international agreement on final LEI is not reached. Credit institutions in the EU are currently faced with the implementation of CRD IV and CRR while still a lot of details including final Technical Standards and Technical Guidelines for reporting are missing. In that context, adding the requirement to use pre-LEI, which later on even might change, seems not to be appropriate;
- in case, EBA continues with the introduction of pre-LEI regardless of our concerns expressed above, we nevertheless want to stress, that such a requirement should be limited to group entities which have to report themselves. Furthermore, this may include entities for which report have to be submitted by the parent company in the course of the consolidated reporting. The use of the pre-LEI for the purpose of group solvency report is in our view already more than doubtful;
- in our understanding of the proposed usage of the pre-LEI, there is no intention to use it for identification of counterparties. In addition to our positions stated above, especially taken current implementation efforts into account, we strongly ask to confirm our view in the final paper. Despite the fact, that the proposals already include the LEI for counterparty identifica-

¹ (International) Central Securities Depository

tion purposes in the templates for COREP, any usage of this can only be made once the global LEI system becomes fully operational;

- with regards to the deadlines reflected in Title II of draft Recommendation, we would like to point out, that any deadline required to be fulfilled by institutions should refer “to request a pre-LEI code” instead of requiring “to obtain a pre-LEI code”. Institutions can and should not be made liable for any delays related to processing and other organisational issues which the “Pre-Local Operating Units” may face with while processing the registration of legal entities or assigning pre-LEI codes. Finally, taken the current open topics of CRD IV implementation into account, we kindly ask to reconsider the given deadlines in case EBA insists on using the pre-LEI.

We hope that our comments submitted are useful in the further process and are taken into account while going forward. We are happy to discuss any question related to the comments made.

Eschborn

26 November 2013

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