

## Global Legal Entity Identifier Foundation (GLEIF) Announces Funding Plan

**Basel, Switzerland, 29 July, 2014.** At the [inaugural Board meeting](#) of the Global Legal Entity Foundation (GLEIF), the Board took a key decision on the implementation of one of the Financial Stability Board's (FSB) recommendations for the Global Legal Entity Identifier System (GLEIS). The Board confirmed the 2014 GLEIF funding plan consisting of a License Fee of 20 USD and Member Credit Fee of 10 USD per LEI. The license fee is determined on an annual basis in accordance with the LOUs full year registration and renewal activity. For 2014 this includes all LEI activity from January 1 through December 31.

The FSB issued and the G20 endorsed in June 2012 [a report](#) setting out recommendations for the implementation of the GLEIS. This report contains the principles underpinning the framework of the GLEIS that the GLEIF Board must operationalize. The Regulatory Oversight Committee (ROC) responsible for the governance of the GLEIS and overseeing the GLEIF reiterated the application of these principles to all Local Operating Units seeking inclusion in the GLEIS in its July 2013 publication "[Principles to be observed by Pre-LOUs that wish to integrate into the Interim Global Legal Entity Identifier System](#)".

While the GLEIF Board is working closely with the ROC to operationalize all FSB recommendations, the GLEIF identified the implementation of Recommendation 20 "Sustainable Funding" as a priority in order to provide the GLEIF the funds required to begin operations. This recommendation details the funding scheme of the GLEIS as containing two components: "a local discretionary charge; and a common fee based on the number of registrations in each LOU to pay for the centralised operations in the Central Operating Unit, alongside any costs of implementing and sustaining the governance framework."

The GLEIF Board has concluded that the implementation of this principle applies to all endorsed pre-LOUs with activity from 1 January 2014 onward. The GLEIF "common fee" will be realized as a license fee of 20 USD (without VAT included) per each LEI record issued or renewed. It is expected that LOUs may ultimately pass this cost on to applicants for LEIs in accordance with the cost recovery principles of the GLEIS.

Additionally, endorsed pre-LOUs were asked to provide a Member Credit fee of 10 USD per LEI to assist with the establishment of initial GLEIF operations. Member credits will be returned to these pre-LOUs with interest paid.

The application of this license fee is in accordance with the principle of an efficient non-profit cost-recovery model. Any future adjustments to this license fee may only occur in consultation with the ROC so as to ensure the GLEIF likewise operates in accordance with the cost recovery principles of the system and ensures fees are sufficiently modest so as not to act as a barrier to acquiring an LEI.

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**Background information:**

The Legal Entity Identifier (LEI) is a 20-digit, alpha-numeric code that connects to key reference information that enables clear and unique identification of entities participating in global financial markets.

The Global Legal Entity Identifier Foundation is a Swiss Not-For-Profit Foundation, domiciled in Basle, Switzerland, which is also the headquarters of the Financial Stability Board. It will operate under recommendations endorsed by the G20 ([http://www.lei.org/publications/gls/roc\\_20120608.pdf](http://www.lei.org/publications/gls/roc_20120608.pdf))

The ROC has a plenary of members and observers from more than 70 authorities, as well as a regionally balanced Executive Committee that takes forward its work.