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Securities and Exchange Commission
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**SEC concept release Business and Financial Disclosure Required by Regulation S-K
File Number S7-06-16**

Dear SEC Secretary,

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the concept release, entitled 'Business and Financial Disclosure Required by Regulation S-K' published in May 2016.

Our letter will limit its comments specifically to GLEIF's views on the use of Legal Entity Identifier's (LEI)'s in regard to the topic of disclosure required by Regulation S-K as the subject of the concept release. The GLEIF has been established **to act in the public and private interest as the operational arm of the Global LEI System**. Consequently, we appreciate the opportunity to provide comments on the possible use of LEIs in regard to disclosure required by Regulation S-K.

GLEIF has a very strong interest in ensuring there is a good understanding by rule makers of the significant benefits to the public and private sectors that derive from the widespread use of LEIs for entity identification in regulatory reporting and supervision. Following the 2008 financial crisis, the importance and benefit of a universal LEI became clear. Regulators worldwide acknowledged their inability to identify parties to transactions across markets, products, and regions. This hindered the ability to evaluate systemic and emerging risk, to identify trends, and to take corrective steps. Recognizing this gap, authorities, working with the private sector, have developed the framework of a Global LEI System that will, through the issuance of unique LEIs, unambiguously identify entities engaged in financial transactions.

Regulators globally, therefore, play a key role in facilitating the expansion of the LEI system and its related benefits by requiring LEIs to be used broadly in regulatory reporting and other supervisory practices.

Consequently, we welcome the consideration of the SEC concerning the use of LEIs in its work.

Included here please find the comments provided on behalf of GLEIF with regard to a specific proposal relevant to the use of LEIs in regard to disclosure required by Regulation S-K, all from Section 7, Subsidiaries and Legal Entity Identifiers.

261. Should we (SEC) require registrants to disclose their LEIs and the LEIs of their subsidiaries (if available) in the list of subsidiaries filed under Item 601(b)(21)? How would this formation benefit investors? Should the industry in which the company operates or the extent to which the company engages in financial market

transactions affect whether disclosure of LEIs is required? What would be the costs of requiring disclosure of this information?

GLEIF response to question 261:

It is in the interest of any corporate, medium and small-sized enterprise to obtain an LEI. With this and the important objective of enhancing transparency in financial and other industries in mind, there should – ultimately – be an LEI behind every business. LEI adoption, as the primary source providing reference data identifying corporate, mid-sized and even small enterprises active in any market segment, will create additional efficiency gains for themselves as much as for the entire business community. Using the LEI for identity management across organization will be key for any business transaction and ultimately the foundation for any KYC (Know Your Customer) service.

LEI adoption responds to the business needs of the industry as the LEI facilitates and improves identification management of both existing and prospective clients, which most often currently, is managed in silos with non-standard proprietary data. The LEI particularly will be useful in helping to clarify the identities of entities with which an organization has not done business previously during the know your customer and onboarding processes. It also helps to stay up to date with any material change in the counterparties' legal status.

Use of the LEI and its reference data will improve risk management, compliance, and client relationship management and result in higher data quality and accuracy of financial data. It adds to the business performance and bottom line results.

In June 2016, the XBRL International Best Practices Board, in cooperation with the Global Legal Entity Identifier Foundation (GLEIF), formed a working group to examine and make concrete recommendations about the best ways to create consistency in referencing legal identity within XBRL documents. The group is tasked with developing recommendations about the consistent use of Legal Entity Identifiers (LEIs) within XBRL taxonomies and instance documents.

Including the LEI in SEC filings which collect data using XBRL will allow investors, from access in the EDGAR system, to use the LEI to link to other external data sets, with transparency and certainty, for analysis of company operations and for making investment decisions.

262. Should our rules encourage registrants to obtain an LEI? If so, how could we structure our rules, consistent with our authority under the Securities Act and the Exchange Act, to achieve this purpose? For example, should we make obtaining and maintaining an LEI a condition of our existing accommodations or alternatives? Why or why not? If so, should such a condition be limited to certain types of registrants, such as those operating in financial services? For registrants that have not obtained an LEI, will these registrants seek to obtain an LEI in the future absent any regulatory incentive to do so? In addition to the fees for obtaining and maintaining an LEI, would there be other costs associated with obtaining LEIs?

GLEIF response to question 262:

The SEC is a member of the LEI Regulatory Oversight Committee (LEI ROC). ‘Promoting the use and scope of the Global LEI System to expand the collective benefit from widespread adoption’ to meet broad public and private sector requirements, is part the LEI ROC Charter, the document which outlines the objectives and responsibility of the LEI ROC. Including the LEI more broadly in SEC rules, in addition to current SEC mandated or proposed use of the LEI, would support this objective and result in benefits for the SEC and investors.

To maximize the benefits of entity identification across financial markets and beyond, particularly in the areas cited above in the response to question 261, organizations without legal requirements to obtain and use the LEI in regulatory reporting are encouraged to engage in the process and obtain LEIs.

263. Some registrants may have hundreds or thousands of subsidiaries or affiliates operating globally which other registrants have simple corporate structures. If we required registrants to disclose LEIs (if available) in the list of significant subsidiaries, independent of the industry in which the registrant operates? For example, should we limit the requirements to large accelerated filers or well-known seasoned issuers (WKSIs)?

GLEIF response to question 263:

As stated above, in the responses to questions 261 and 262, GLEIF sees benefits for users of the LEI system if organizations without legal requirements to obtain and use the LEI in regulatory reporting obtain LEIs.

Further, LEI ROC has mandated GLEIF to begin implementation of the collection of relationship data according to the LEI ROC published document, entitled ‘Collecting data on direct and ultimate parents of legal entities in the Global LEI System – Phase 1.’ As this initial phase of relationship data collection is focused on two relationship types, Ultimate Accounting Consolidating Parent and Direct Accounting Consolidating Parent, regulatory reporting requirements to include LEIs for subsidiaries or affiliates will increase the number of these entities registering for LEIs resulting in more robust coverage of these relationship types within the Global LEI system (GLEIS) and will enhance the value of the GLEIS for users.

259. Should we (SEC) require registrants to include an organization or corporate structure chart or similar graphic depicting their subsidiaries and their basis of control? How could such a graphic facilitate investors’ understanding of a registrant’s corporate structure? Should we require this chart or graphic as an exhibit or in the text of the annual report? What would be the challenges associated with this approach?

GLEIF response to question 259:

Particularly if there are regulatory reporting requirements for the identification of subsidiaries and affiliates using LEIs, LEI Relationship Data structures in the GLEIS could be relied upon as a central authoritative source for validating subsidiary and affiliate information and possibly could be considered as an alternative to requiring charts or graphics in exhibits or in the text of annual reports. However today’s modern charting solution would allow to generate charts on-the-fly from the underlying LEI data set. GLEIF intends to provide such charts on its website in 2017.

In conclusion, we would like to reiterate that the Global LEI System in place today supports also the objectives of the SEC in the area of disclosure requirements for Regulation S-K. We therefore, encourage the SEC to progress the considerations regarding the use of LEI in the context of this concept release.

Sincerely,



Stephan Wolf
CEO