

Consultation document on collecting data on direct and ultimate parents of legal entities in the Global LEI System

Annex: Questionnaire

Please type your answers into the questionnaire below and send it to leiroc@bis.org by close of business 19 October 2015. Where possible, please specify the reasons for the preferences expressed or the details of any trade-offs you see. The questions are organized along the sections of the [consultation document](#).

The responses to the survey will be shared within the ROC membership and with the GLEIF. Neither participants' identity nor any specifically identified reference to their opinion will be made public without their express consent. However, the responses themselves may be quoted on an anonymised basis. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.

Identification of the respondent and confidentiality

Respondent:

Name and email of a contact person:

Please check this box if you object to any of the responses below being quoted on an anonymised basis and specify here any sections or questions to which this objection applies

Please specify here as needed which response(s) should not be quoted:

1 Uses of organization relationship information

1.1 Are there important potential future uses of any type of relationship data that would pose additional requirements that should be taken into account when designing the initial implementation of relationship data?

Please insert your response here:

The relationship data might be used for group-based credit management, cost-benefit analysis, etc. and also for compliance purposes, if available. However, it is essential that the integrity of information is fully ensured. It would be desirable to add supplemental parent data based on the definition of "equity interest ratio more than 50%", which is used in various standards, by flagging etc.

2 Definition of parent relationships

2.1. Do accounting definitions provide the best basis for identifying data to support the purpose of the GLEIS as discussed, for example, in paragraph 2.2.1, and as opposed to, for example, legal control? If you suggest another basis, such as legal control, please explain how you would define the basis and what standards could be referenced for defining the

basis.

2.2. Are there known differences among existing accounting standards that could be expected to have material effects on the definition of parents proposed in this section?

Please insert your response here:

Regarding 2.2, there exists a difference among accounting standards. For example, there is a case where an SPV that is not consolidated under Japan's accounting rules is consolidated under the US GAAP.

2.3. Do you have any comments on the initial definitions of relationships proposed, particularly in terms of their clarity for implementation and validation)?

Please insert your response here:

2.4. For future phases of Level 2 data, should the priority be to add other definitions of parents (e.g.: scope of regulatory consolidation applying to specific sectors such as banks or insurance companies; legal control), or to add other relationships as defined in accounting standards (e.g.: joint venture/joint arrangements, significant influence; interests in unconsolidated structured entities)?

Please insert your response here:

2.4 Are there other, alternative approaches to recording relationships -- other than the one described here based on an accounting framework -- that you believe would be preferable for the initial phase of data collection?

Please insert your response here:

3 Data collection, validation and updates

3.1 Considering both efficiency and data quality, do you agree with the preliminary conclusion that reporting of parent information by the "child" entity, combined with some option for the parent to report, would be the best approach, given that not all parents report to the LEI system?

Please insert your response here:

Since the parent determines the scope of consolidation in the consolidated accounting, it should be allowed as an option for the parent to report relationship data instead of the child entity in addition to the currently expected method to make the child entity report on its parent.

3.2 If both members of parent-child relationships have LEIs and both report, how should reporting about common relationships be reconciled? More generally, should the system seek to reconcile the network structure of relationships determined from the accumulation

of information on direct parents?

Please insert your response here:

3.3. In your view, are the sources proposed in section 3.1 appropriate for validating data on relationships based on accounting definitions? Should the type of source used to validate the data be disclosed in the GLEIS (if so, how granular should the disclosure be)? What, if any, other aspects of data provenance should be disclosed?

Please insert your response here:

3.4 To what extent in the first phase of Level 2 data collection should the GLEIS aspire to incorporate changes in a relationship that happen or become known between publication points in the accounting cycle of an entity? Would it be appropriate to use different sources to validate a relationship at different points in time? Would it be appropriate to record such information based on a statement by the entity, provided it is appropriately flagged and that validation occurs at the next accounting cycle or the next annual revalidation?

Please insert your response here:

Any known change in the relationship data should immediately be updated with making a balance of cost-benefit. We would like to see timely updates allowed in addition to the regular updates. If the source is limited to public information, we think that it will be appropriate to use different sources at different points in time with the aim of validating the relationship promptly, etc.

3.5. What is the best strategy, in your view, for maximizing coverage and data quality for Level 2 data? How do you assess the costs for registrants to provide this information (independently from the fee charged by LOUs), and the benefits for registrants and other users? How might the incentives of entities be shaped in order to encourage participation?

Please insert your response here:

4 Data organisation

4.1. Do you have suggestions on the content or high-level arrangement of Level 2 data and any supporting metadata?

Please insert your response here:

4.2. Do you have suggestions on a particular high-level approach or necessary conditions for organizing the representation of the history of Level 2 data?

Please insert your response here:

In order to cope with events such as merger, change of address, etc., it would be desirable for LOU

to have historical data of the respective date of change and to disclose them.

5 Business model for relationship data in the GLEIS

5.1. Should the implementation of Level 2 data take place through the LOUs following procedures similar to the ones applying for Level 1 data, or should other possibilities be considered?

Please insert your response here:

6 Conclusion and next steps

6.2. Is there anything important at this stage that has been omitted from the consultation or any other comment or suggestion you would like to make?

Please insert your response here:

JSDA requests that the ROC carefully examine the approach attempting to implement the proposed collection of direct and ultimate parent data before the initial phase of work is largely complete with a view to not increasing the cost and burden to introduce relationship data, and barriers to uptake of LEI adoption.

In promoting and expanding the acquirement of an LEI and the registration of Level 2 data, efforts will be limited if only financial institutions, the transaction counterparties, are fully involved. Government-level education activities will be indispensable to avoid confusion among users.

Thank you for participating in this consultation.