



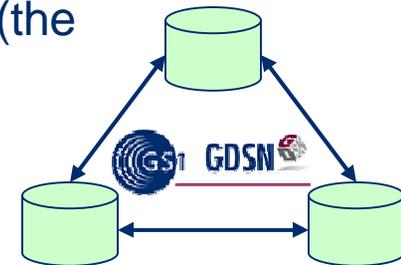
GS1 Proposal to the SEC, CFTC, and OFR Regarding Unique Identification and Reference Data – Technical Details

8 June 2011



GS1 Solution Outline

- GS1 System in use for nearly 40 years by over 25 industries
- Existing legal entity identifier** (the %GLN+) `<gln>0614141000012</gln>`
 - Over 1.5 million in use today
 - Self-assignment based on GS1 Global Company Prefix
- Existing US registry for legal entity identifiers** (the %GS1 US GLN Registry+)
 - Nearly 300,000 legal entity identifiers self-registered
 - Core set of 28 reference data attributes . including 10 of the 19 identified in the SIFMA-led requirements document
- Existing global reference data synchronization network** (the %GS1 Global Data Synchronization Network+)
 - 6.8 million identifiers self-registered worldwide
 - 1000s of reference data attributes for each identifier
 - 132 countries served
 - 28 federated data pools world wide
- Identification system extensible to **instrument / contract, financial event / corporate action, and transaction** identifiers





How It Works – Use Cases

- “ These slides illustrate typical use cases for allocation and use of LEIs and their reference data, as they would work under the GS1 proposal
- “ Use case #1: A company wants to create new LEIs for two operating divisions.
- “ Use cases #2 . 3: A company wants to register an LEI for use in financial transactions
 - “ Use case #2 . core attributes only (short term solution)
 - “ Use case #3 . extended attributes, using RDRA (long term solution)
- “ Use case #4: A company wants to obtain reference data regarding an LEI it encountered in a financial document
- “ Use case #5: A data provider assists in enhancing a company's legacy data with LEIs, in the context of a regulatory request for information
- “ Use case #6: A regulator audits the reference data associated with an LEI
- “ Use case #7: A company spins out a new corporate entity



Identifier Self-Assignment Using GS1 Global Company Prefix (GCP)

GS1 Legal Entity Identifier (the %GLN+) is a 13-digit number:

0614141 00001 2

First few digits assigned by GS1 to a company . **globally unique**. Company now has capacity to self-assign many LEIs

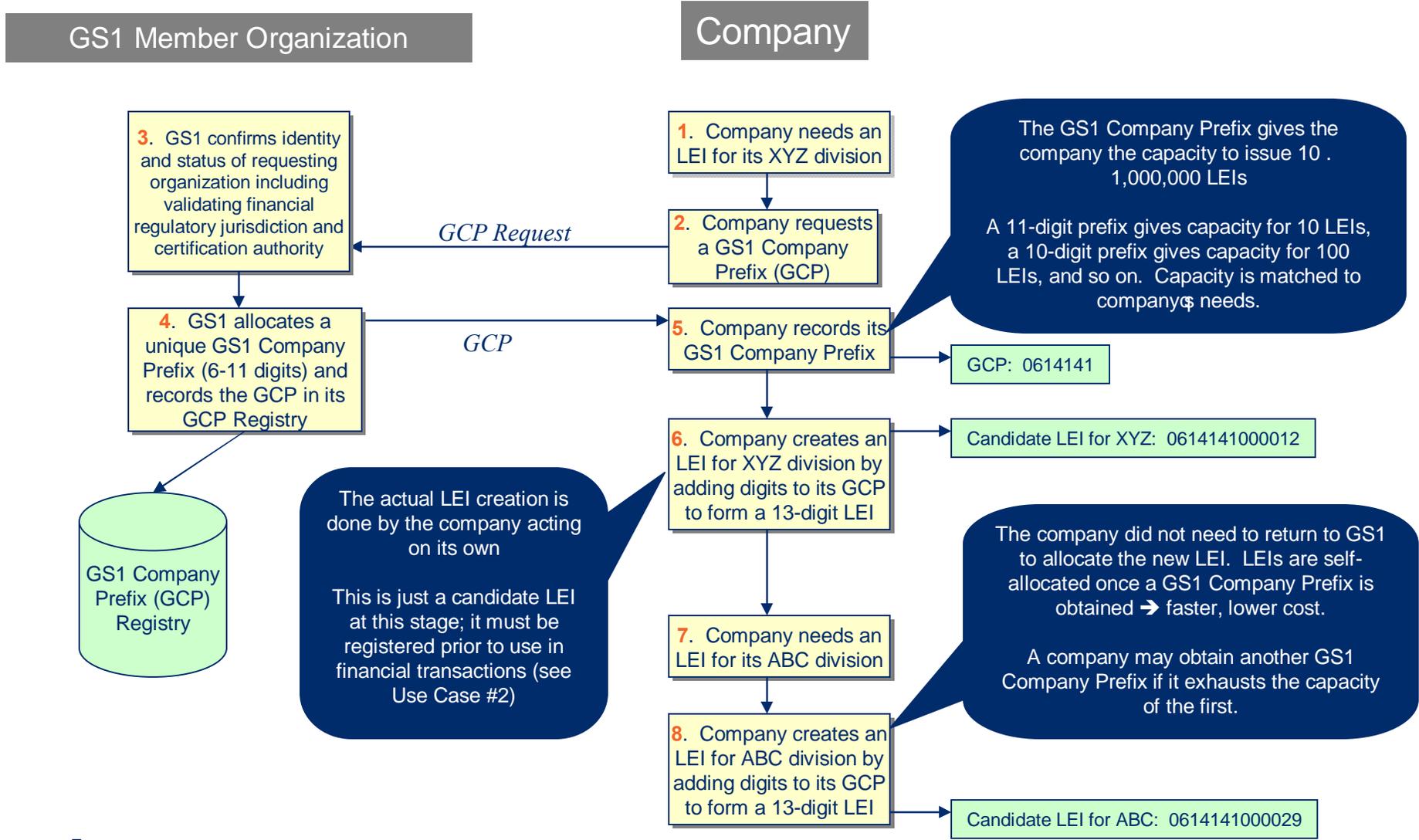
Remaining digits **self-assigned** by a company to create a single LEI

13th digit is a %check digit+, calculated from the other twelve digits (helps avoid keying errors)

%GS1 Global Company Prefix+(GCP)

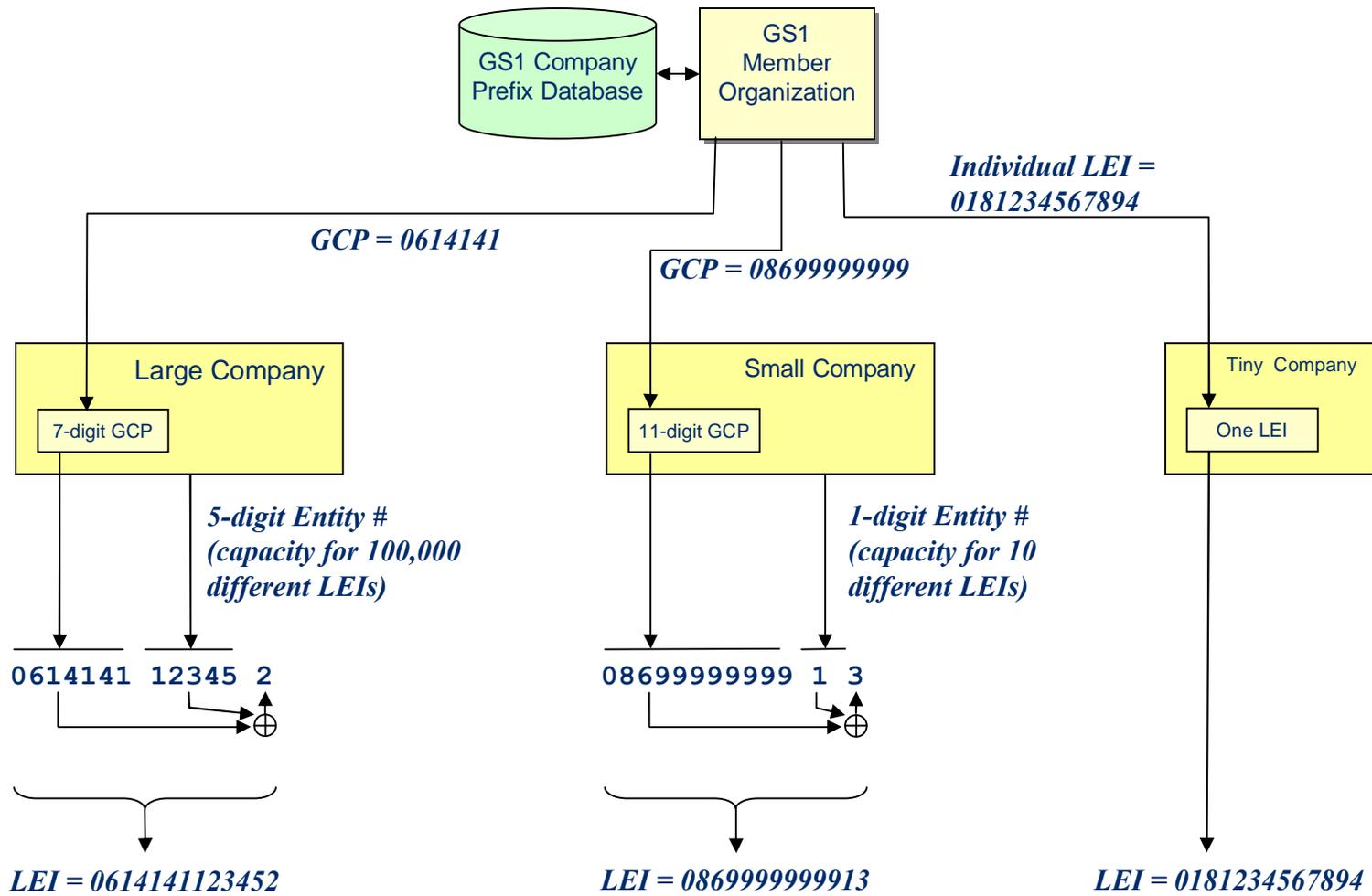


Use Case #1: A company wants to create new LEIs for two operating divisions





Variable-Length GCP Accommodates Varying Capacity Needs





“Non-intelligent” Numbers

- “ The GS1 Global Company Prefix is a means to **allocate** numbers, not to encode their relationships
 - “ The **meaning** of a number is contained in its reference data
 - “ Two LEIs sharing common prefix are **not** necessarily related
 - “ Two related LEIs do **not** necessarily share common prefix

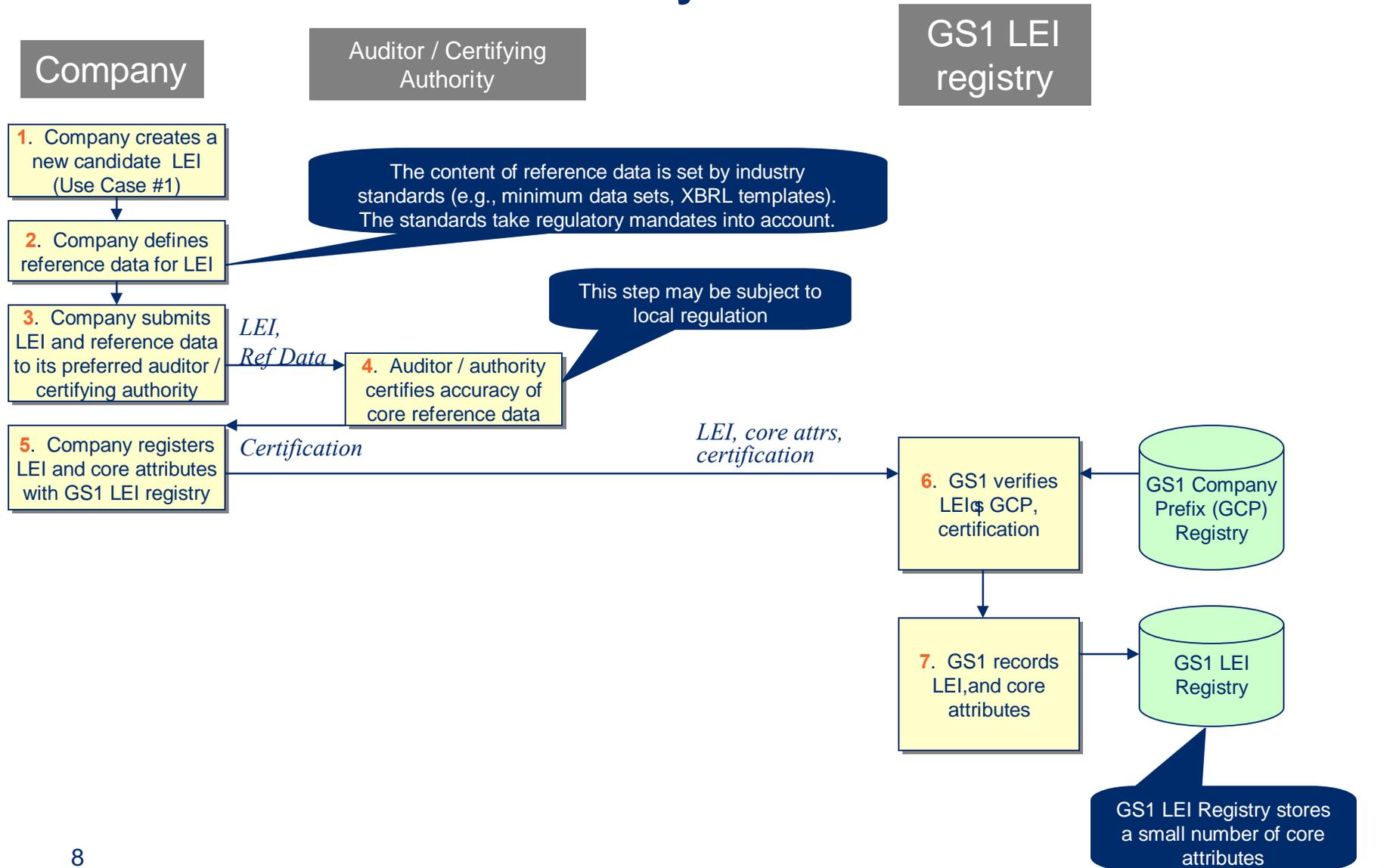
- “ Example: Merger
 - “ Company A (LEI = 0614141000012) buys Company B (LEI = 033333000005), and operates it as a subsidiary
 - Afterward, B’s LEI is still 033333000005

- “ Example: Spin-out
 - “ Company A (LEI = 0614141000012) spins out its XYZ subsidiary (LEI = 0614141000029)
 - Afterward, XYZ’s LEI is still 0614141000029

- “ Conclusion: corporate relationships are understood through **reference data**, not by parsing the numbers

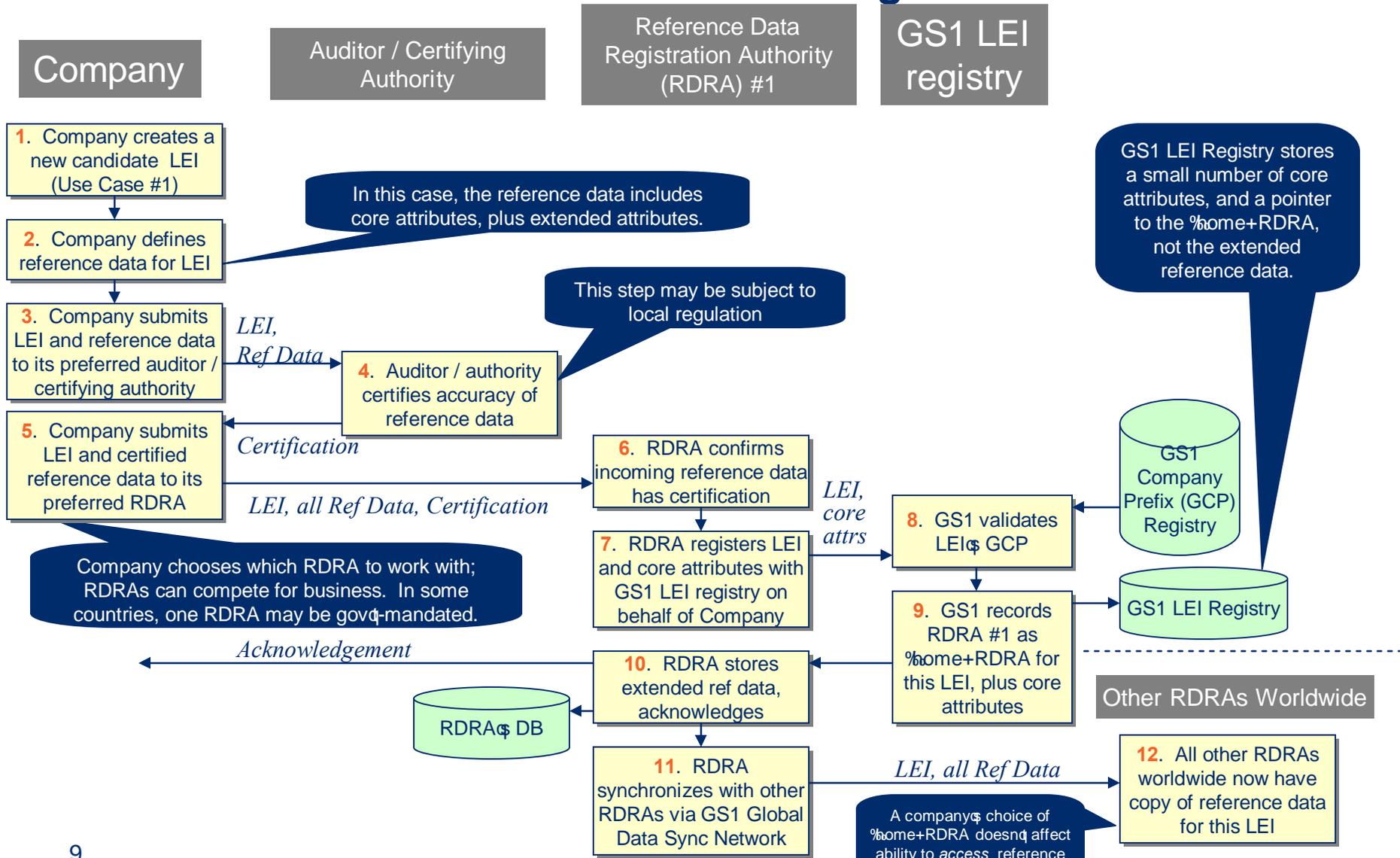


Use case #2: A company wants to register an LEI for use in financial transactions – core attributes only



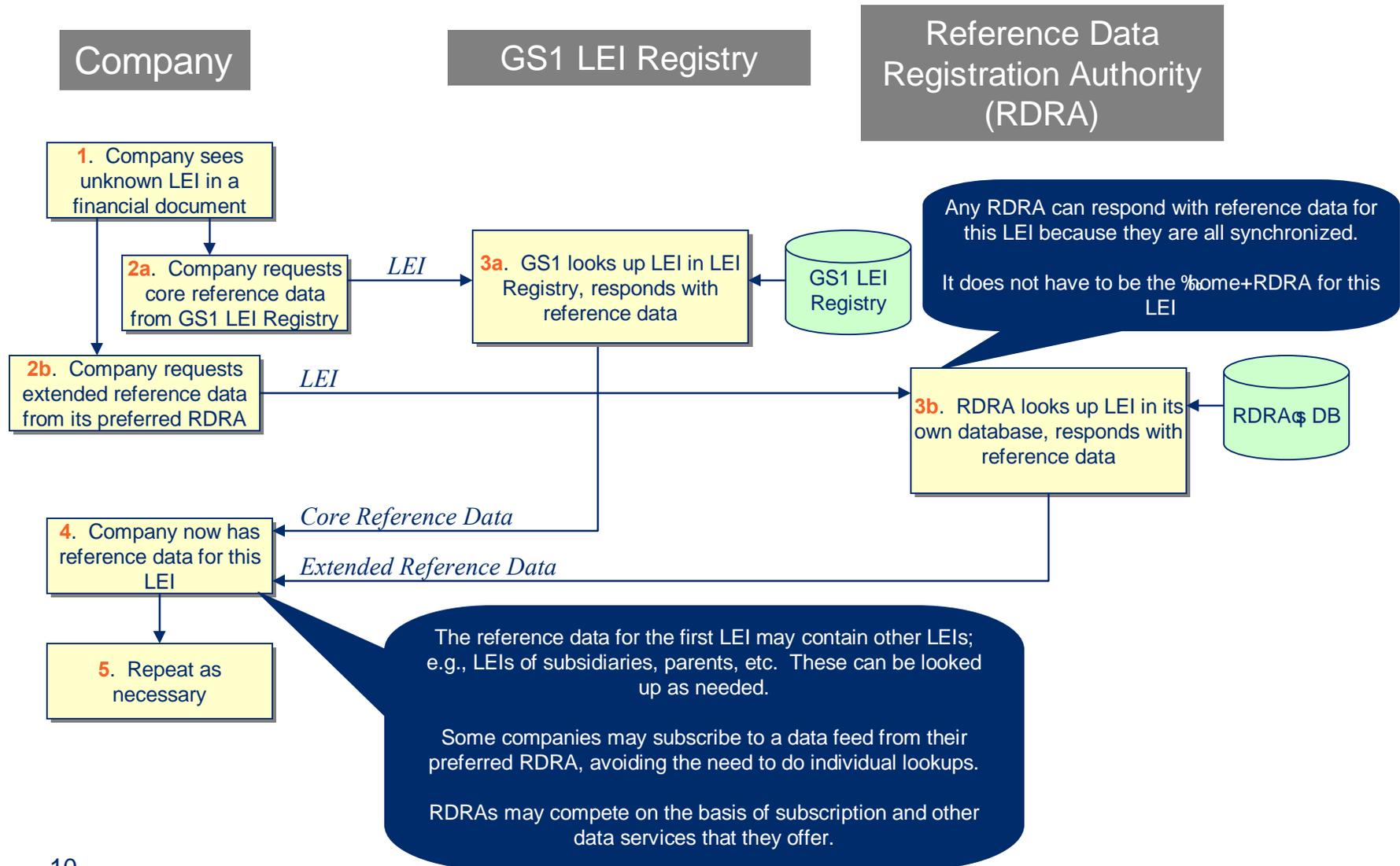


Use case #3: A company wants to register an LEI for use in financial transactions – with extended attribute using RDRA



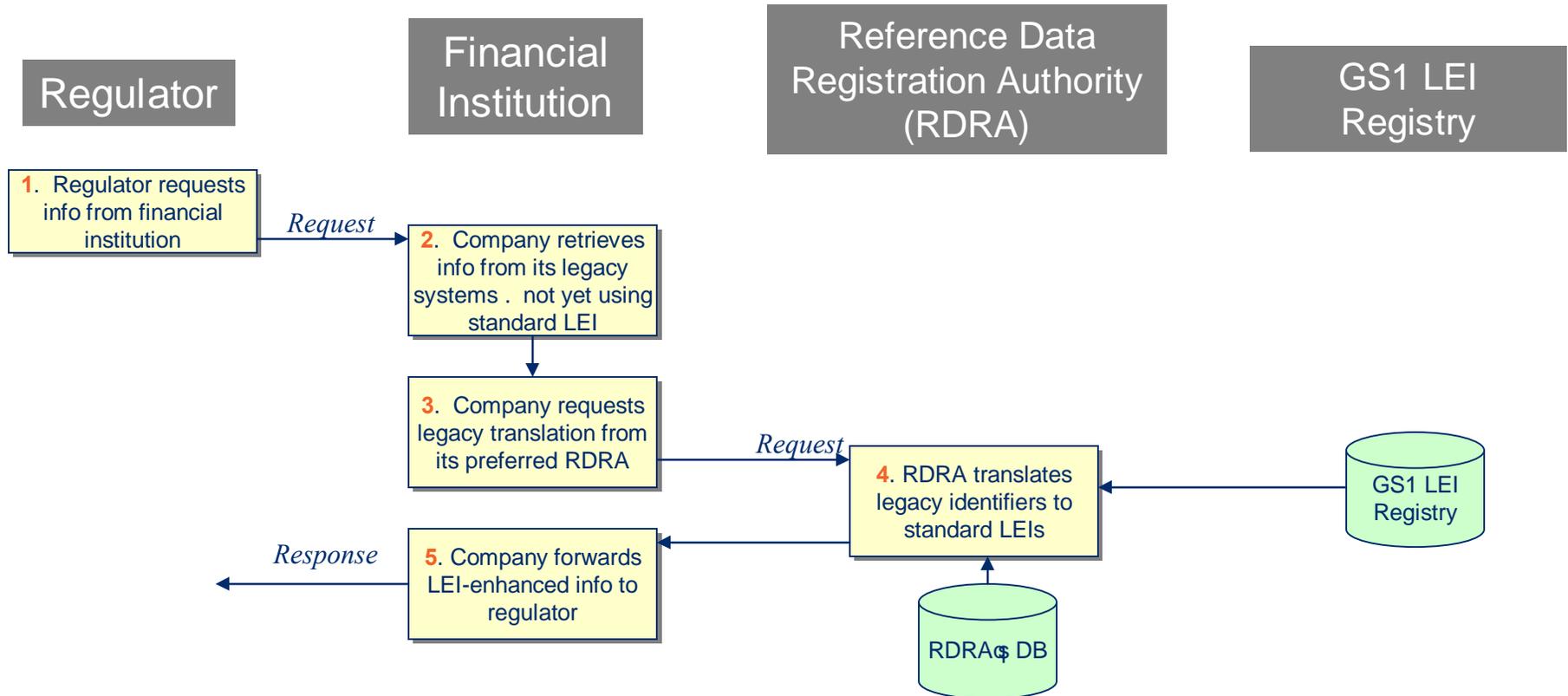


Use case #4: A company wants to obtain reference data regarding an LEI it encountered in a financial document





Use case #5: A data provider assists in enhancing a financial institution's legacy data with LEIs, in the context of a regulatory request for information

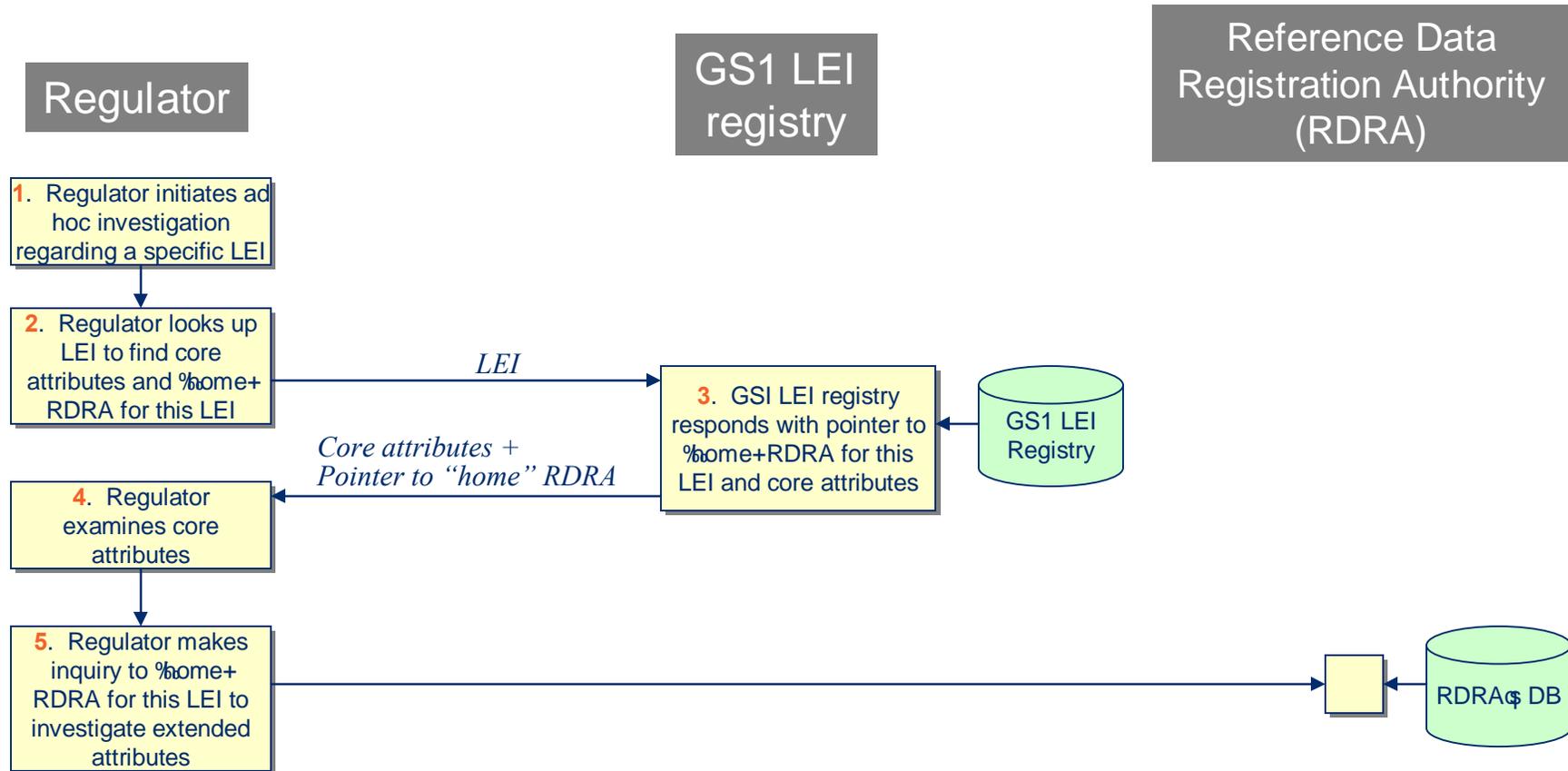


In the short term, individual financial institutions avoid having to migrate legacy systems to standard LEIs; the short term need is met by data specialists (RDRA). Or, financial institution can do this itself.

Over time, individual financial institution records migrate to direct use of LEIs.

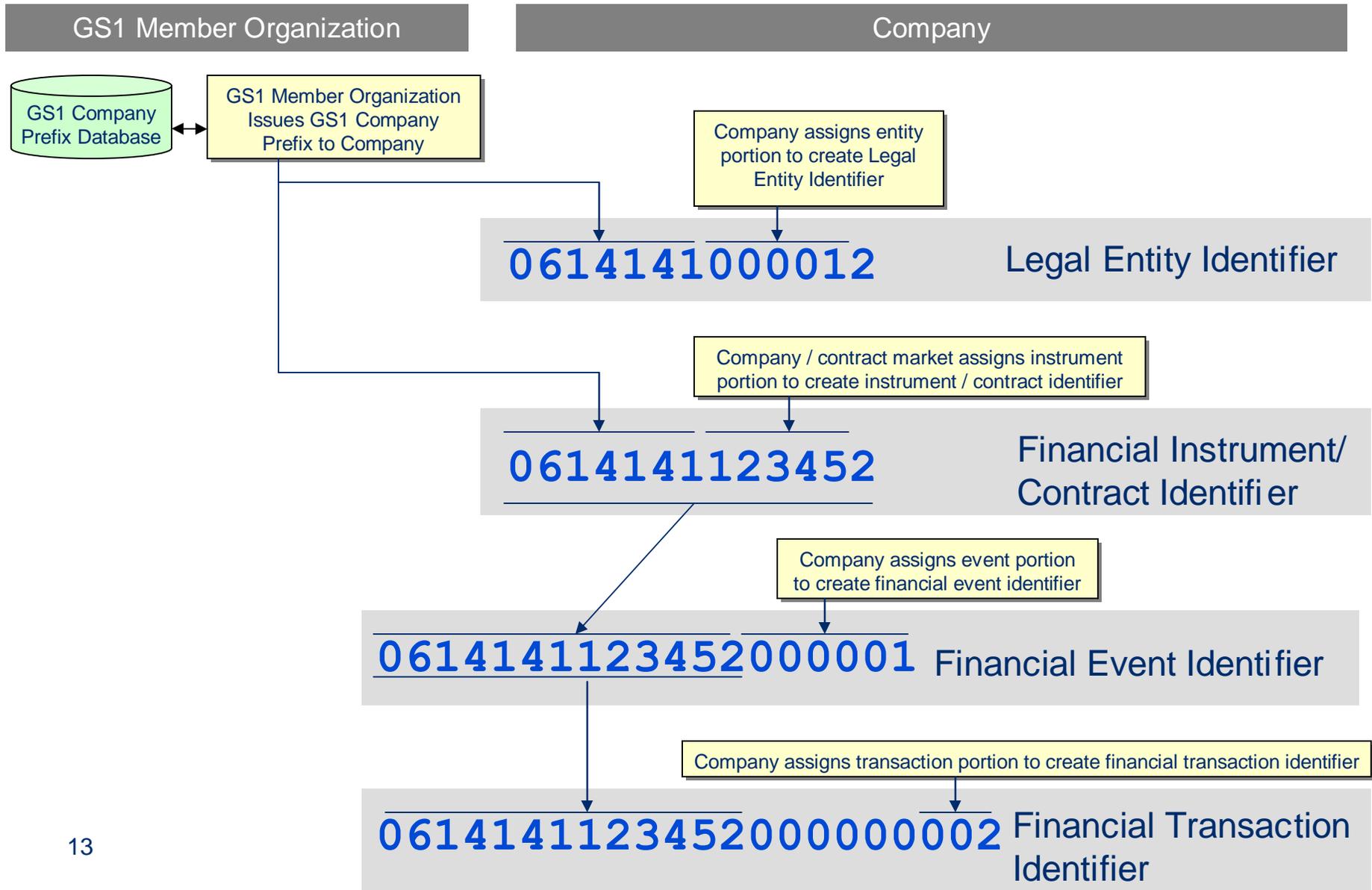


Use case #6: A regulator audits the reference data associated with an LEI





GS1 System Extended to Instrument, Event, and Transaction Identifiers





Use case #7: ABC Corp spins out new XYZ Corp, with common & preferred shares

Company

Reference Data Registration Authority

1. ABC Corp begins with:
 -GS1 Company Prefix 0614141
 -ABC Corp LEI 0614141000012
 -ABC Common Stock FII 0614141111115

2. ABC Corp creates new LEI for XYZ corp:
 LEI = 0614141000028

3. ABC Corp creates new FIIs for XYZ corp common and preferred shares:
 XYZ common FII = 0614141222224
 XYZ preferred FII = 0614141222231

4. ABC Corp creates new FEI for ABC Corp for the event associated with spin-out:
 FEI = 0614141000012000001

LEI Database			
LEI	Company Name	Predecessor LEI	Other Attributes
0614141000012	ABC Corp	[none]	ō
0614141000028	XYZ Corp	0614141000012	ō

Financial Instrument/Contract Identifier Database			
Identifier	Instrument/ Contract Name	Issuer LEI	Other Attributes
0614141111115	ABC Corp Common	0614141000012	ō
0614141222224	XYZ Corp Common	0614141000028	ō
0614141222231	XYZ Corp Preferred	0614141000028	ō

Financial Event Identifier Database				
Event Identifier	Issuer LEI	Type	Parent LEI	Spun-out LEI
0614141000012000001	0614141000012	Spin-out	0614141000012	0614141000028