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May 13, 2015

Mr. Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Proposed Agency Information Collection Activities – FR Y-6, FR Y-7 and FR Y-10

Dear Mr. deV. Frierson:

CUSIP Global Services (CGS) is operated for the American Bankers Association (ABA) by S&P Capital IQ (CIQ), a division of McGraw Hill Financial, Inc. CGS appreciates the opportunity to provide the Board of Governors of the Federal Reserve System (The Federal Reserve) with comments on its Proposed Agency Information Collection Activities related to the Legal Entity Identifier (LEI) for all banking and nonbanking legal entities. While the proposal contemplates requiring the reporting of an LEI if one has already been issued for the reportable entity at the time of collection, CGS would like to provide its views on why it believes the Federal Reserve should consider a broader mandate encouraging the registration, collection and usage of the LEI.

CGS is dedicated to driving efficient trading, clearing and settlement in capital markets throughout the world by providing a unique common language for identifying financial instruments, their issuers, and obligors across institutions, exchanges and nations. With 45 years of experience in the standards and identification businesses, CGS works closely with global market participants to develop innovative solutions to reference data challenges. A Board of Trustees comprised of representatives from leading financial institutions has oversight of CGS expansion and activities, and has been instrumental in ensuring that CGS is proactive in meeting industry requirements.

In recent years, CGS has collaborated with market leaders to provide solutions to critical challenges, and is the identification engine behind an array of expanded asset classes beyond traditional financial instruments, including credit derivative entity IDs, listed equity options, and hedge funds. CGS also provides difficult-to-obtain private placement and syndicated loan identifiers at the issuer/borrower level, enhancing its reach in identifying instruments and their associated issuers / obligors of interest to the market. For more than forty years, the sole focus of CGS has been to provide unique identification solutions to the capital markets.

CGS is a longtime participant and supporter of global standards bodies, including ISO (International Organization for Standardization) and ANSI-accredited (American National Standards Institute) X9. CGS is also a founding member of the Association of National Numbering Agencies (ANNA), a consortium of over 120 global stock exchanges and

depositories, dedicated to the unique identification of global financial instruments and their issuers via the ISO 6166 standard (ISIN), and continues to be a leader in the development of global standards.

As the operators of the CUSIP system for the ABA since 1968, CGS applauds and supports the efforts of the Federal Reserve to promote standardization of the LEI. Given CGS's sole mission to provide unique identification for global issuers, obligors and their related financial instruments, CGS believes it offers unique insight into the range of key challenges and possible solutions in the LEI endeavor. Standards are CGS's sole focus, and CGS regularly collaborates with regulators and market experts in the development of new tagging standards and practices.

CGS has been an active participant in the global effort to establish a global entity identification standard for more than a decade and served as a member of the ISO TC68 Identifier Study Group and the ISO 16372 (Issuer and Guarantor Identifier – IGI) working groups in this regard. Following a period of exhaustive review and global debate on various LEI options, CGS, in coordination with other global numbering agencies around the globe (NNAs) has taken a leadership role in the development, sustained investment, assignment and adoption of the LEI standard. Since March, 2013, CGS has partnered with the GMEI (Global Market Entity Identification) Utility (operated by Depository Trust & Clearing Corporation, DTCC) to provide one-stop assignment and availability of LEI's simultaneously with all inbound CUSIP registrations. This CUSIP Board of Trustees-driven initiative has been extremely well received across broad segments of the financial community, and has provided CGS with unique insight on the successes and remaining challenges related to widespread LEI adoption.

In the seven years since the financial crisis, the financial services industry has made enormous strides toward improved risk controls. One of the most significant single achievements made to-date has been the development of the LEI, which provides a single, universal identifier to any organization or firm involved in a financial transaction. The LEI standard is the lynchpin to identifying and reducing counterparty risk by ensuring that each party to a transaction has full transparency into every stakeholder.

In order for this standard to fully achieve its potential, however, it must be universally adopted. Much like the CUSIP identifier, which was introduced in 1968 to standardize the securities identification process as financial firms transitioned away from printed ledgers to computerized accounting systems, the LEI will only work if it can be relied upon as a true standard across financial markets.

In the case of the CUSIP, the central challenge facing the financial markets in the late 1960s was the adoption of punched card accounting systems, which led to each independent institution developing internal numbering systems to track securities. As a result, hundreds of individual coding systems sprang up overnight, each of which was only meaningful to those within a particular institution.

In a business where trading between different institutions is the cornerstone of commerce, the proliferation of identification codes rapidly became a major source of errors and confusion. To address this, the New York Clearing House Association established a Securities Procedures

Committee to conduct a feasibility study on developing a common language for securities processing procedures. The results of that study gave birth to the American Bankers Association's Committee on Uniform Securities Identification Procedures (abbreviated as CUSIP).

While the industry has evolved far beyond punched card computing, the fundamental requirements that gave birth to CUSIP are identical to the challenges that gave birth to the LEI: uniformity, interoperability, clarity and consistency when trading between disparate entities.

In terms of the current adoption landscape of the LEI, CGS and several of its NNA brethren across the globe are confronted on a daily basis with pushback from some market participants regarding the "necessity" of applying for (or otherwise securing) an LEI as new instruments are offered to the market. A troubling and recurring feedback theme has been one of "unless there's a mandate to do so, we choose not to", an especially frustrating view when considered in the context of 2007-2008's credit crisis, the lack of a standard entity identifier as a critical tool to understanding hierarchical exposures, and the fact that some of this pushback comes from the same organizations that loudly support the LEI in public, and in the press.

CGS has proactively attempted to remove hurdles to LEI issuance through its partnership with DTCC, whereby we offer new security issuers a streamlined solution to simultaneously apply for both CUSIP numbers and LEIs by using a single interface. This assistance with registration has greatly aided issuers by making the adoption and maintenance of LEIs a seamless part of the new security issuance workflow. To date, we have issued thousands of new LEIs as a result of this partnership. However, this approach is limited in its scope because it only captures new securities coming to market, not all of the entities which are already in existence. Without a viable incentive to retroactively apply for a new LEI, we are concerned that many market participants will just wait until one is required.

CGS therefore believes that any opportunity for regulatory support to embrace and adopt the LEI – not only existing LEI's, but to act as a catalyst to secure new LEI's under various registration scenarios – should not be lost. We urge the Federal Reserve to consider requiring an LEI for reporting whether or not one has already been assigned. In this manner, the view that the U.S. is lagging Europe in the promotion and adoption of the LEI can begin to shift, and the long-term benefits of a universal identification system for legal entities can be accelerated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott Preiss". The signature is fluid and cursive, with the first name "Scott" and last name "Preiss" clearly distinguishable.

Scott J. Preiss