

Dear Client

Strate is authorised as South Africa's Local Operating Unit, mandated by the Global Legal Entity Identifier Foundation (GLEIF), to issue and record all legal entity identifiers (LEIs) for the South African market. The GLEIF will be implementing three new LEI Regulatory Oversight Committee (LEI ROC) policies on 31 March 2022, namely: fund relationships, legal entity events and government entities.

Fund relationships

A significant proportion of entities that have an LEI are investment funds. The LEI ROC policy describes a limited update to the way relationships affecting investment funds are recorded in the Global LEI System (GLEIS), to make sure that the implementation of relationship information is consistent throughout the GLEIS and provide a way to facilitate the standardised collection of fund relationship information at a global level.

These objectives are being pursued by:

- Providing a definition for each fund relationship
- Better aligning the data structure with what is done for direct and ultimate accounting parent entities as defined in the LEI ROC report of March 2016.

The policy introduces three distinct relationship types that can be collected for funds.

The current optional reporting of a single "fund family" relationship as part of "level 1" data will be replaced with the following relationships as part of "level 2" data:

1. Fund management entity (IS_FUND-MANAGED_BY)
2. Umbrella structure (IS_SUBFUND_OF)
3. Master-feeder relationship (IS_FEEDER_TO)

The element "associated entity" will fall away.

Where a fund is part of a collective investment scheme (CIS) that falls under a larger scheme (or parent), the parent will also be required to have an LEI number.

Legal entity events

The policy specifies events which would update or change the entity or relationship data of a legal entity or result in the retirement or creation of LEIs.

The LEI ROC has introduced a policy document for incorporating legal entity events and data history in the GLEIS.

High priority legal entity events (data collection to begin by 31 March 2022):

- Change in legal name of the legal entity
- Change in trade or doing business name of the legal entity
- Change in legal address of the legal entity
- Change in headquarters address of the legal entity
- Change in the legal form of the legal entity
- The legal entity purchases an international branch entity

- Transformation of an international branch into a subsidiary: The transfer of all the assets and liabilities of a legal entity in relation to an international branch to the new subsidiary entity in exchange for the transfer of securities representing the capital of the subsidiary entity receiving the transfer
- Transformation of a subsidiary into an international branch: The transfer of all the assets and liabilities of a subsidiary to an international branch entity in exchange for the transfer of securities of the legal entity to which the branch belongs, representing the capital of the international branch entity receiving the transfer
- Umbrella fund changes its structure to a stand-alone fund: Change in legal form from a fund legal entity structure with one or more than one subfunds/compartments to a fund legal entity structure without subfunds/compartments
- Dissolution of an entity, including international branches and subsidiaries:
 - Voluntary termination of operations
 - A general assignment for the benefit of the legal entity's creditors
 - Any other liquidation, dissolution or winding up of the legal entity (excluding a liquidity event), whether voluntary or involuntary

Government entities

The policy will allow certain legal entities to be classified as government entities or international organisations.

The ROC proposes to identify resident government entities and international organisations as specific entity categories. Resident government entities will specify the sub-sector they belong to.

These enhancements are effective from 1 April 2022.

Regards

The Strate LEI Helpdesk team