

# Enrich data in your counterparty database management systems

## MiFID II LEI Entity Verification services

MiFID II's "No LEI, No Trade" requirement means that market participants need to ensure that each counterparty they do business with has a legal entity identifier (LEI), and that the LEI is stored in their database systems. To comply, firms have to match counterparty information in their systems to the Global Legal Entity Identifier Foundation (GLEIF) database.

The underlying assumption is that firms are using accurate and complete counterparty data to match with GLEIF. However inefficiencies in data management and LEI verification processes may well impact a firm's ability to trade with counterparties after the MiFID II deadline.

Poor data quality and limited data management capacity are complicating the matching process with GLEIF. Many firms are having to expedite a manual bulk clean-up of their data so they can continue trading in 2018.

### Case Study: Bloomberg's Entity Verification service helps firms in time for MiFID II deadline.

#### The situation

A global banking institution needed to ensure that each of its counterparties had maintained valid LEIs in advance of MiFID II implementation. In order to do this, they first had to tackle a few challenges:

- Develop a process for cleansing and enriching data in their internal counterparty database management system. Their database contained poor-quality data and imprecise and/or inconsistent naming conventions, which made matching to the GLEIF database time-consuming, inexact and inaccurate.
- Establish a process of ongoing monitoring and verification of LEIs. At the time, approximately 70% of their counterparty universe had yet to obtain an LEI.
- Develop a process of alerts to identify LEIs coming up on renewals and update their database accordingly.

#### The solution

Bloomberg and its Entity Verification service are uniquely positioned to help firms manage these types of challenges.

- As an industry-respected data vendor, Bloomberg is experienced in the needs of data management in the leading financial institutions globally — our back-office data file being the backbone of many data operations groups.
- Accredited by GLEIF to issue and maintain LEIs, Bloomberg has been acknowledged for our expertise and experience to manage LEIs.

#### Bloomberg's Entity Verification service

- Bloomberg's Entity Verification service cleanses and normalizes entity data files by eliminating duplicates from internal records, while verifying and enriching them with additional information from regulators, registries and exchanges.
- Bloomberg's Entity Verification service provides firms with ongoing monitoring, verifications and reporting; your counterparty data management system will be updated near real-time, eliminating the need for repeat manual searches or VLOOKUPS that are time-consuming, inefficient and operationally risky.
- Bloomberg has a combination of algorithms and fuzzy matching techniques to match client entities to the true legal entity.

#### Results

After considering Bloomberg's Entity Verification services to meet LEI requirements, the client was able to quickly enrich its internal databases and also establish a process for maintaining LEIs.

The client elected to provide a monthly file of entities to Bloomberg for us to run through our Entity Verification model. We identified the LEIs on the existing entities and provided a monthly monitoring service with alerts on new LEI issuance, renewals and upcoming potential expirations. The client was able to implement the new processes using our secure web application and white-glove concierge service. They are now on track to continue trading with counterparties in full compliance with MiFID II.

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