



Invested in America

November 3, 2015

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters,

The Securities Industry and Financial Markets Association (SIFMA)¹ writes today in strong support of H.R. 3738, the Office of Financial Research Accountability Act of 2015. Introduced by Congressman Ed Royce and Congressman Patrick Murphy, this bipartisan legislation would, among other provisions, require the Office of Financial Research at the Department of the Treasury (OFR) to publish an annual report each year detailing the progress made in the U.S. on adoption of the Legal Entity Identifier (LEI). The lack of a standard identification system for financial counterparties currently makes it difficult for financial firms to develop a consistent and integrated view of their exposures. This is a challenge not only for firms, but also creates an obstacle for regulators to aggregate and share information to effectively monitor risks.

Around the globe, regulators and firms are considering ways to overcome this fragmented system and create common identifiers. The importance of creating a common system of identifiers has been recognized in statements by the Financial Stability Board, IOSCO, and G-20 finance ministers and leaders. In the United States, Dodd-Frank mandated initiatives to create LEIs, but progress has been slow domestically and the OFR should do more to drive adoption. By mandating the use of the LEI, the U.S can also take a step forward in promoting the use of the global LEI system, which will help financial services firms and regulators more effectively measure and manage risk.

SIFMA and its member firms applaud Congressman Royce and Congressman Murphy for their leadership on this proposal and urge the Committee to adopt this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Blocker", with a stylized flourish at the end.

Andy Blocker, Executive Vice President, SIFMA

¹ SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over \$2.4 trillion for businesses and municipalities in the U.S., serving retail clients with over \$16 trillion in assets and managing more than \$62 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.