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Media release

Strate first to launch Legal Entity Identifier (LEI) Services in South Africa

A committee of global regulators, The Regulatory Oversight Committee (ROC), has endorsed Strate to offer Legal Entity Identifier (LEI) services to entities in South Africa. Strate is a licenced Central Securities Depository (CSD) that provides post-trade products and services to the financial markets.

As of February 2016, companies will be able to make use of Strate as a local provider of LEI services. To date, over 390,000 entities from 195 countries have obtained LEI codes. In South Africa, approximately 150 companies have functioning LEI codes (granted through international providers).

During the financial crisis and collapse of Lehman Brothers in 2008, it became evident that regulators and private sector managers were unable to readily identify the full extent of the market participants' exposure to Lehman and the interconnectedness of financial institutions. This gave rise to the Regulatory Oversight Committee (ROC), which was founded by the G20's Financial Stability Board, establishing what is called the Legal Entity Identifier (LEI) system. The system is governed by a committee of 50 global regulators who recognise the importance of the LEI as a key component of the financial markets which aims to reduce systemic risk and increase transparency.

An LEI is a unique numbering system (code) which allows for the identification of legally independent entities across the global financial markets. It has two fundamental characteristics, namely a uniqueness whereby once a code is assigned, it cannot be reassigned to another company (even if the company ceases to exist) and exclusivity whereby once a company has obtained a code, they cannot obtain another one.

In order to be endorsed as an issuer of LEIs, Strate was required to meet a set of stringent qualifying criteria set by the Regulatory Oversight Committee. Strate's LEI services include the ability to register, view, search, update, renew, challenge and port LEI codes for companies

Importantly, the LEI system assists regulators in monitoring and analysing threats to financial stability. By obtaining an LEI code, companies can expect better risk management and improved transparency. It also helps companies to improve internal management of their operational risks and to create efficiencies in collecting, cleaning, aggregating and reporting data to regulators.

Global regulatory reporting is likely to become stricter in future and companies are encouraged and will benefit by obtaining an LEI code as soon as possible. Any legal entity that enters into a

financial transaction is eligible to register for an LEI. However, single individuals (natural persons) are not eligible.

Strate's CEO Monica Singer: "Strate is honoured to have been endorsed as an issuer of LEIs. With this new offering, we are able to expand our product base to the market by providing the local market with the much needed LEI services."

Strate worked closely with the Financial Services Board to receive this endorsement from the ROC and is grateful for the support.

Detailed information can be found here: www.lei-strate.co.za

About Strate

As a South African Central Securities Depository (CSD), Strate is licensed to be an independent provider of post-trade products and services for the financial markets. Strate is internationally recognised as a Financial Market Infrastructure (FMI) that is trusted to use its state-of-the-art technology, international expertise and sound risk management framework to support and promote the safety and efficiency of the financial markets.

Strate provides electronic settlement for securities - including equity, bond and derivative products (such as warrants, Exchange Traded Funds (ETFs), retail notes and tracker funds) for Africa's largest stock exchange, the JSE, as well as money market securities for the South African market and equity instruments for the Namibian Stock Exchange. It has collateral management and a corporate actions product range available within its portfolio of value-added services and Strate provides services to issuers for their investors in terms of the Companies Act (2008) and the Financial Markets Act (FMA) (2012).

Visit Strate's website www.strate.co.za for more information.

About ROC

The Regulatory Oversight Committee (ROC) is a group of over 50 public authorities from more than 40 countries established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System. The ROC was established as a stand-alone committee after recommendations by the international Financial Stability Board (FSB) and endorsement of the ROC Charter by the Group of Twenty (G-20) nations in November 2012. A result of joint public and private sectors efforts, the LEI supports authorities and market participants in identifying and managing financial risks. The ROC's work is also taken forward by a regionally balanced Executive Committee and supported by a standing Committee on Evaluation and Standards, and a Secretariat located in Basel, Switzerland.

Media Contact

Tanya Knowles
+27 (0)11 759 5317
tanyak@strate.co.za