



LEI

GLOBAL  
LEGAL  
ENTITY  
IDENTIFIER  
FOUNDATION

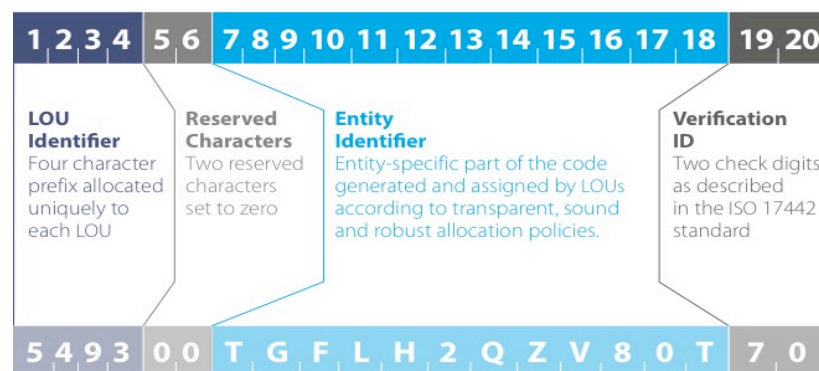
# LEI update

**Ricco Dun, GLEIF**

**ECRF annual conference  
Gibraltar, 7 June 2018**

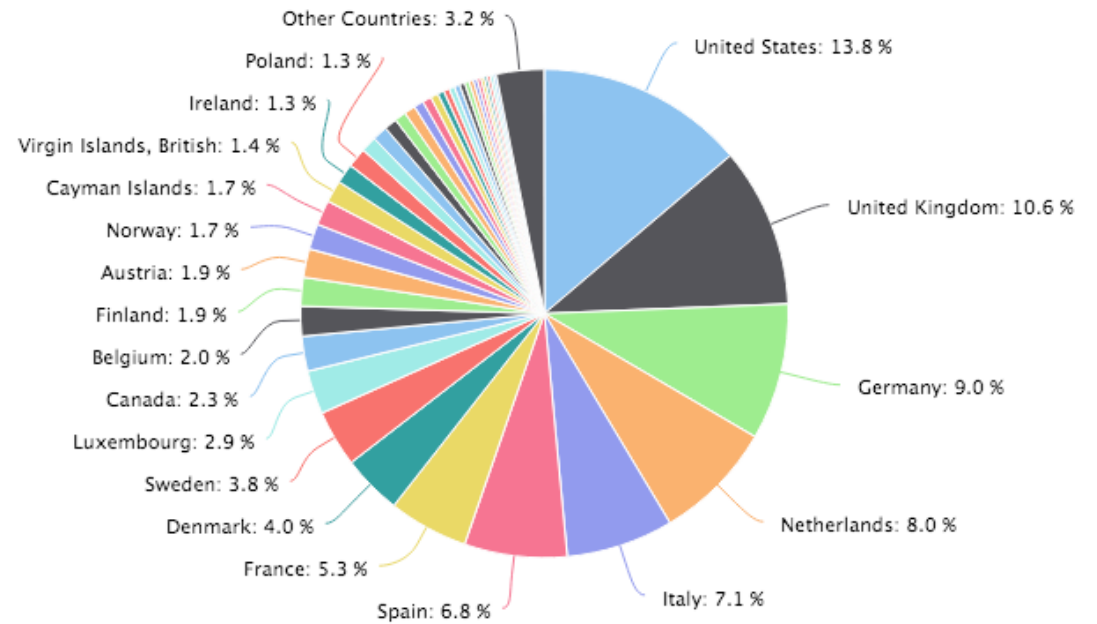
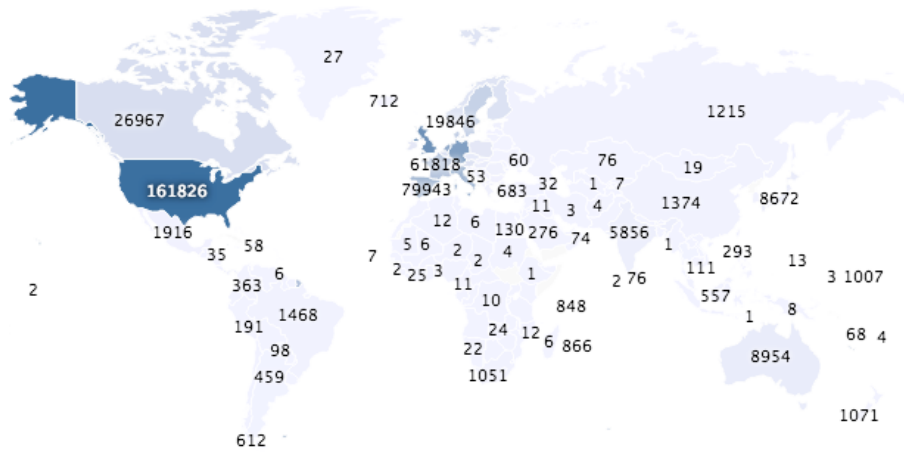
## What is the Legal Entity Identifier (LEI)?

- ISO 17442 standard: unique 20 digit alphanumeric code assigned to legal entities
- A high-quality identifier that is accessible free of charge as a broad public good for the benefit of the users of the public and private sector
- The Financial Stability Board (FSB) created the LEI in a form of a reference code to uniquely identify legal entities that engage in financial transactions
- FSB policy: “Unique identification of parties to financial transactions underpins multiple financial stability objectives.”
  - Improved risk management in firms
  - Better assessment of micro and macro prudential risks



**Example:** ABB Sécheron S.A., Switzerland

# 1,200,000 LEI's worldwide



## Business model

- Local Operating Units (LOUs) issue LEIs
- Relationship with LOUs through Master Agreement and Accreditation
- 30 accredited LOUs; 20 in accreditation process
  
- Legal Entities pay annually for LEI
- All LEI information is available for the public for free
- LOUs pay amount per LEI to GLEIF

# Gibraltar – you(r) Rock

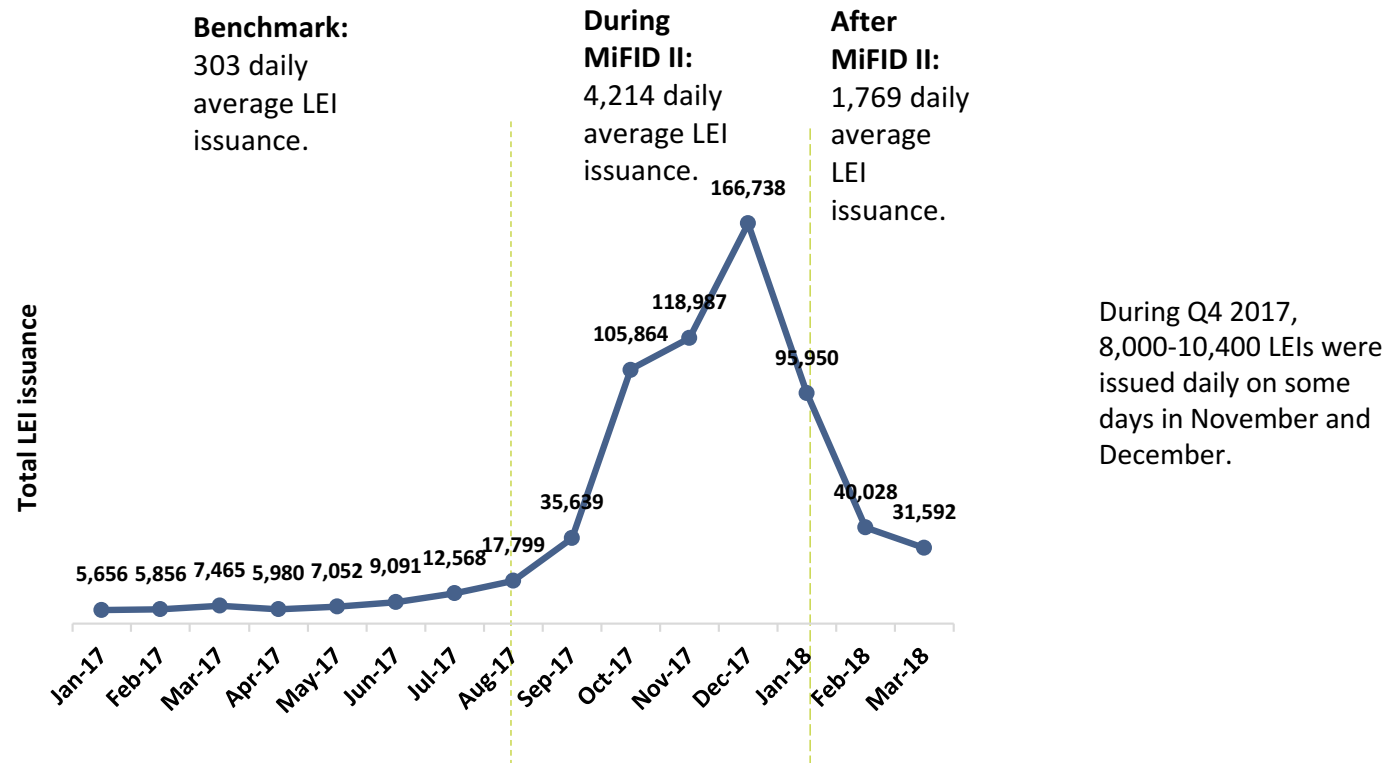


## GLEIF – we rock (recent developments)



- Information on parents (Level 2 data)
  - Relationships with direct and ultimate parents are registered
  - More data than in BR (interesting to use?)
- MIFID II (Markets in Financial Instruments Directive)
  - Huge growth in issued LEIs end of 2017
- BIC mapping: Bank Identifier Codes (former SWIFT code); published since Feb 2018
- ISIN mapping: International Securities Identification Number (ISO 6166); to come
- LEI in XBRL Taxonomy for preparing annual financial reports

# MIFID II effect



# Information on parents (Who Owns Whom)



## Entities that have or acquire an LEI will report

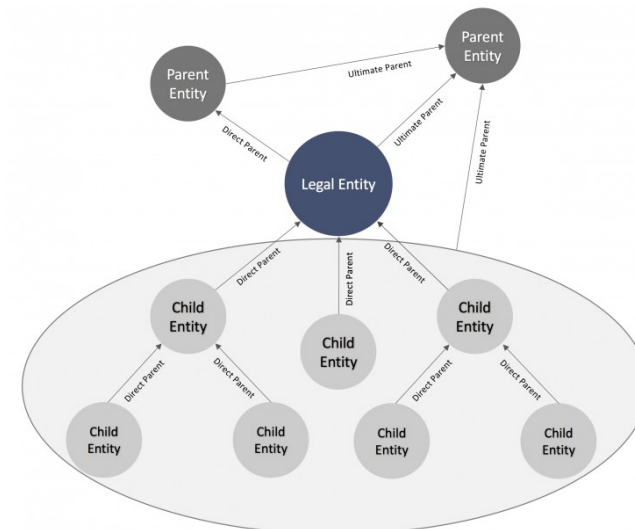
- Their 'ultimate accounting consolidating parent': Defined as the highest level legal entity preparing consolidated financial statements
- Their 'direct accounting consolidating parent': Defined as the lowest level legal entity that prepares consolidated financial statements that consolidate the entity

In both cases, identification of the parent would be based on the accounting definition of consolidation applying to this parent

- IFRS (International Financial Reporting Standards) and US GAAP (United States Generally Accepted Accounting Principles)

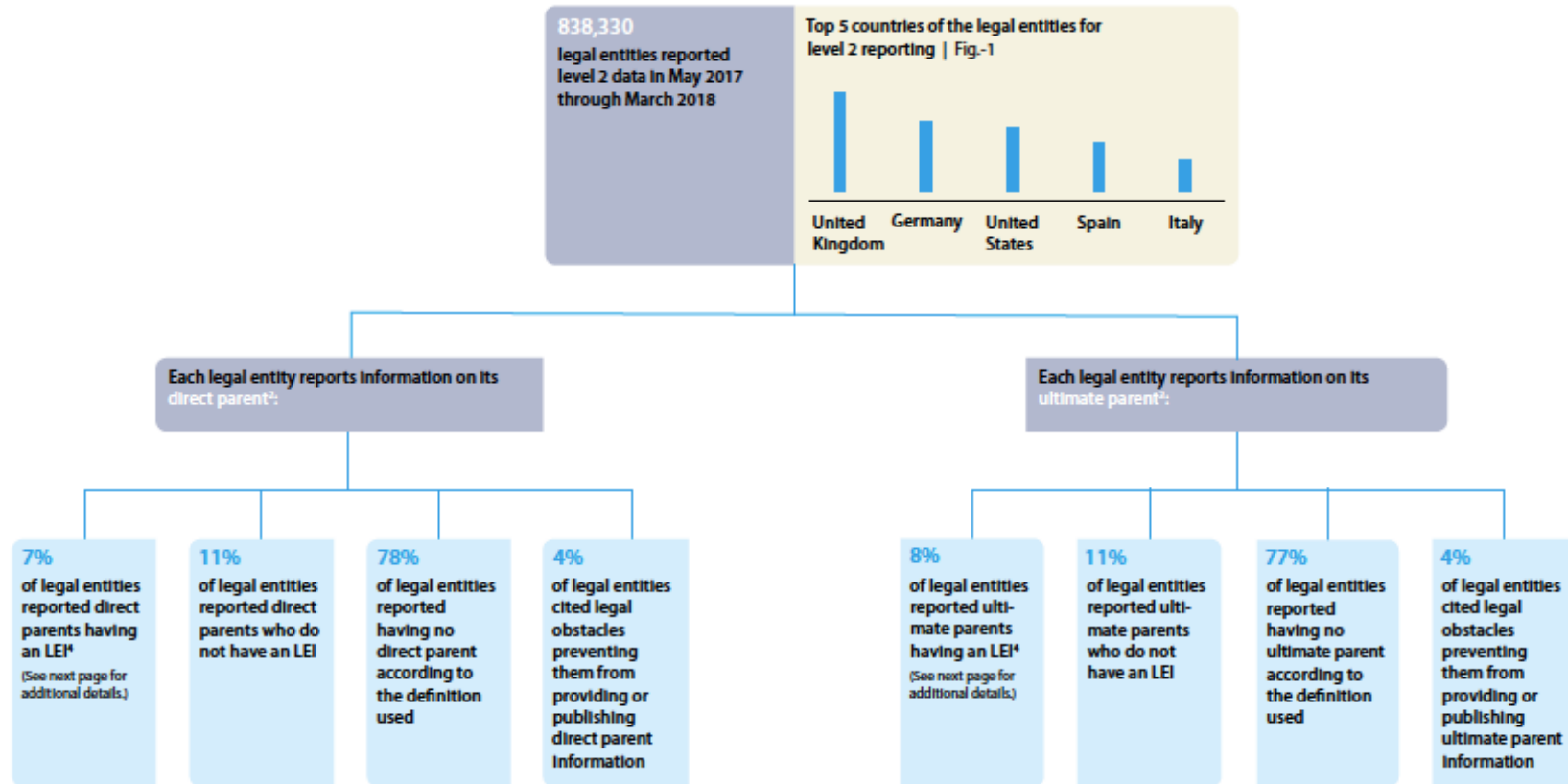
## Accounting definitions were chosen as a starting point

- Applicable to both financial and non-financial companies
- Their international comparability has increased
- Widely used, publicly available and their implementation is periodically reviewed by external auditors





# Information on parents



1 Referenced to level 2 relationship record CDF concatenated file dated 03 April 2018  
 2 98.9% legal entities reported direct parent  
 3 99.4% legal entities reported ultimate parent  
 4 The definitions of ultimate and direct parent are based on percentage share of accounting consolidation as per LEI Regulatory Oversight Committee prescription. Related link <https://www.gleif.org/en/about-lei/common-data-file-formats/level-2-data-reporting-exceptions-format>

## Local Operating Units and Business Registers

- LOU's need BR information for mapping and validation
  
- 5 Business Register-LOUs
  - Finland: Patent and Registration Office
  - Italy: Infocamere
  - Netherlands: Chamber of Commerce
  - Spain: Colegio de Registradores
  - Slovenia: AJPES
  
- More BRs becoming LOU
  - Portugal: IRN in accreditation process
  - Others orientating

## Business Register as Local Operating Unit

- All relevant data on organizations in that jurisdiction are already in the register
- Checking and mapping data is very easy in real time (automatic updates)
- BR's are used to collecting data and managing them in high quality
  
- Easy process of obtaining an LEI for local companies
- Beneficial for companies to obtain LEI in own country
- Valuable, customer-friendly addition to BR-services for local companies
- Natural extension of the work and experience of a BR with identifiers, data quality and entity data management
  
- Mandatory use of LEI to uniquely identify counterparties is growing globally; logical step for BR to be involved in this process because the core business of BR's is already the unique identification (on a national scale)
  
- For many BR's it also means an entry into a (for them) new world of the financial regulators, which gives them opportunities there as well

# Registration Authorities List

- GLEIF published the "GLEIF Registration Authorities List" on the website. This standardizes the cross reference provided by a legal entity to its local authoritative source.
- It contains 650+ business registers and other relevant registration authority sources and assigns a unique code to each.
- Comments / additions etc are welcome!
- Interested in the format of the local identifier (data quality checks)**

Registration Authority Code	Country	Country Code	Jurisdiction (country or region)	International name of Register	Local name of Register	International name of organisation responsible for the Register	Local name of organisation responsible for the Register	Website	Disclaimer included	Comments
RA00001	Afghanistan	AF	Afghanistan	Afghanistan Central Business Registry (Ministry of Commerce and Industries)		Afghanistan Central Business Registry (Ministry of Commerce and Industries)		<a href="http://www.acbr.gov.af/">http://www.acbr.gov.af/</a>		
RA00002	Albania	AL	Albania			National Registration Center	Qendra Kombetare e Regjistrimit	<a href="http://www.ckr.gov.al/nrc/default.aspx">http://www.ckr.gov.al/nrc/default.aspx</a>		
RA00003	Algeria	DZ	Algeria	Trade Register	Registre du Commerce	National Center of the Trade Register	Centre National du Registre du Commerce (CNRC)	<a href="https://sidi.com.cncr.dz/web/cnrc/acceuil">https://sidi.com.cncr.dz/web/cnrc/acceuil</a>		
RA00004	Andorra	AD	Andorra	Register of Commerce	Registre de Societats Mercantils			<a href="http://www.comerc.ad/la-unitat-comerc">http://www.comerc.ad/la-unitat-comerc</a>		
RA00005	Angola	AO	Angola	Central Registry of Business Names	Ficheiro Central de Denominações Sociais					
RA00006	Anguilla	AI	Anguilla	Commercial Registry	Commercial Registry	Anguilla Commercial Registry	Anguilla Commercial Registry	<a href="http://www.commercialregistry.ai/acorn-welcome.html">http://www.commercialregistry.ai/acorn-welcome.html</a>		
RA00007	Antigua and Barbuda	AG	Antigua and Barbuda			Intellectual Property and Commerce Office	Intellectual Property and Commerce Office	<a href="http://www.legiaffairs.gov.ag/detail_page.php?page=conin_g_soon.php">http://www.legiaffairs.gov.ag/detail_page.php?page=conin_g_soon.php</a>		
RA00008	Antigua and Barbuda	AG	Antigua and Barbuda			Financial Services Regulatory Commission	Financial Services Regulatory Commission	<a href="http://www.fsrc.gov.ag/">http://www.fsrc.gov.ag/</a>		
RA00009	Argentina	AR	Argentina			Federal Administration of Public Revenues (AFIP)	Administración Federal de Ingresos Públicos (AFIP)	<a href="http://www.afip.gov.ar/home/index.html">http://www.afip.gov.ar/home/index.html</a>	December 31, 2013	
RA00010	Argentina	AR	Argentina		Registro Nacional de Sociedades		Ministerio de Justicia y Derechos Humanos (Dirección del Registro Nacional de Sociedades)	<a href="http://www.jus.gov.ar/gj/com-peticion-de-ij/sociedades-comerciales.aspx">http://www.jus.gov.ar/gj/com-peticion-de-ij/sociedades-comerciales.aspx</a>		
RA00011	Armenia	AM	Armenia	State Register of Legal Entities	Նախարարական Գրասենյակի Գրանցումների Կենտրոնը	Ministry of Justice of the Republic of Armenia		<a href="https://www.e-register.am/">https://www.e-register.am/</a>		

## Entity Legal Form List



- ISO standard 20275 is intended to identify the distinct entity legal forms in a jurisdiction
- GLEIF has the role of maintenance agency role for this standard. This includes providing the initial content and maintaining the list going forward
- Bottom line: a list of all legal forms in all countries
  
- First version published in Nov 2017 with more than 1.600 legal forms from over 50 countries/jurisdictions
  
- **I will reach out to you for data from your country!**

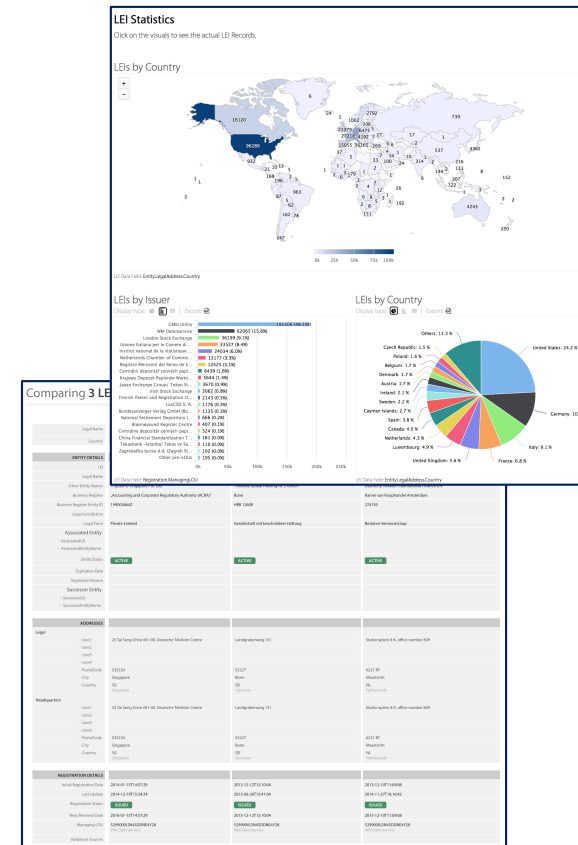
# ELF Code List example



7U4R	Gibraltar	GI		European Economic Interest Groupings	English	en	European Economic Interest Groupings	E.E.I.G
CB98	Gibraltar	GI		Foundations	English	en	Foundations	
GCCT	Gibraltar	GI		Limited Liability Partnerships	English	en	Limited Liability Partnerships	LLP
M4TI	Gibraltar	GI		Societe Europeas	English	en	Societe Europeas	SE
QFLH	Gibraltar	GI		Private Limited by Guarantee	English	en	Private Limited by Guarantee	Limited or Ltd
TKPE	Gibraltar	GI		Private Trust Company	English	en	Private Trust Company	PTC
UUYB	Gibraltar	GI		Public Limited Company	English	en	Public Limited Company	PLC
VJRL	Gibraltar	GI		Private Unlimited Company	English	en	Private Unlimited Company	
WBKH	Gibraltar	GI		Private Limited Company	English	en	Private Limited Company	Limited or Ltd
Y8CL	Gibraltar	GI		Limited Partnerships	English	en	Limited Partnerships	LP

# Everything is on gleif.org

- **Daily update complete LEI file**
- **Search facility**
- **LEI Overview page with statistics**
  - Number of LEIs per Country, Issuer, Registration Status, Entity Status
  - Drill down function: Visuals can be clicked, which leads to the detailed LEI data
- **Export in several formats**
  - The complete content of the GLEIF File can be exported
- **All data available for free**
- **New: Global LEI System Business Report**



	A	B	S	T	W
1	LEI	EntityLegalName	EntityLegalAddress.Line1	EntityLegalAddress.Line2	EntityLegalAddress.City
2	X8345TPCCZT2XUXME37	Microsoft Asia Island Limited	Clarendon House	2 Church Street	Hamilton
3	549300RTWPGIZL7V79	Microsoft Corporation Savings Plus 402(K) Plan	C/O Microsoft Corporation	PTSGE Corp	Seattle
4	549300C8WN2381QHF097	Microsoft Mobile Global Finance B.V.	Evert van de Beekstraat 354	Schiphol	Amsterdam
5	GGCMDC00D0BHHFALS29	Microsoft Round Island One	70 Sir John Rogerson's Quay	Dublin 2	Dublin
6	INRZLNELERANOWS2P914	Microsoft Corporation	C/O Corporation Service Company	300 Deschutes Way South West	Tumwater
7	MMNZE18B2JG03ED3198	Microsoft Global Finance	70 Sir John Rogerson's Quay	Dublin 2	Dublin
8	549300LEI2WYD3905F69	Microsoft Mobile Oy	Kellaranta 7		Espoo

## Recent publications



- Publication of report by McKinsey and GLEIF on creating business value with the LEI



- GLEIF research report on challenges for the banking sector to properly identify new clients
  - Using the LEI data can significantly speed up the KYC process in onboarding new clients



**Thank you for your attention!**

For more information, visit the GLEIF Website at [www.gleif.org](http://www.gleif.org)

Ricco Dun

[ricco.dun@gleif.org](mailto:ricco.dun@gleif.org)

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