The Legal Entity Identifier System: A Global Infrastructure

Presentation for Data Transparency 2017

September 26, 2017
Why the need for an LEI

• The Global LEI System seeks to directly answer two questions: Who Is Who? And Who Owns Who?

• Who Owns What will be enabled by this system. It links the “who” to the “what.”

• It creates a public key for tracking entities and their relationships, which can be tied to private information relevant to traders, risk managers, compliance staff members, supervisors, and others.
Data Principles

• Persistent – Code persists, survivor rules apply, portable

• Unique – Only 1 LEI per entity, 1 entity per LEI

• Ubiquitous – Crosses legal forms, markets, borders

• Unintelligent – Allows for changes in reference data

• Open – Freely available in bulk

• Reliable – For use in regulatory reporting and transacting
Why the need for an LEI
Why the need for an LEI – Who Is Who?

• More than 565,000 LEIs issued as of early June 2017. The LEI is available almost anywhere in the world (over 190 jurisdictions).

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The bar chart shows the distribution of LEIs issued across different countries. The chart highlights that the United States leads with the highest number of LEIs, followed by Italy and Germany. The chart also indicates a significant presence of LEIs in Europe, with the United Kingdom, Luxembourg, the Netherlands, and Spain having substantial numbers. The chart further shows a relatively high number of LEIs in the United Kingdom, France, and Canada, among other countries. The chart indicates that the LEI is available in over 190 jurisdictions globally.
Who Owns What?

● **Phase 1 could provide some baseline information** (e.g.: list of LEIs in the accounting perimeter of a group), in a standardised format, easily accessible to authorities and the public, provided entities keep the LEI status current.

● **Limitations of Phase 1, as implemented in 2017:**
  - **Simplified view**, e.g. concerning intermediary holding companies or complex control structures (see next slide).
  - Accounting definitions are for reporting relationships to investors on a **going concern basis**; may also affect the timeliness of information.

● **LEI ROC “will work on expanding the scope of relationship data in future phases, in consultation with relevant stakeholders.”**
  - Others have expressed the desire for more granular information on control/ownership (e.g. percentage of shares held), other group perimeters (e.g. regulatory perimeter), other investors in an entity, ...
  - Timing would take into account users needs and other constraints.
Follow Up

• Global LEI Foundation: [www.gleif.org](http://www.gleif.org)

• Regulatory Oversight Committee: [www.leiroc.org](http://www.leiroc.org)

• Office of Financial Research: [www.financialresearch.gov](http://www.financialresearch.gov)

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