
Global LEI System Business Report

Q1 2020

Summary

With COVID-19 impacting economic and financial markets activity worldwide, GLEIF and its LEI issuing partners are doing everything we can to maintain the highest levels of service in the Global LEI System, which is continuing to operate without disruption. As the global pandemic impacts countries around the world, GLEIF has recorded a slight decline in LEI issuance and renewal activities in the last two weeks of Q1, which is explained further in this report. However, GLEIF remains confident that the LEI population will continue to grow in 2020, as shown in Fig. 5. The Global LEI System was built to provide greater transparency for governments and industries around the world, particularly during times of crisis, and GLEIF is committed to offering our full support during this time.

LEI issuance and LEI growth potential: State of play

At the end of the first quarter of 2020, the total LEI population was around 1.56 million. Over 76,000 LEIs were issued during this quarter, compared to approximately 60,000 in the previous quarter. This represents a quarterly growth rate of 5.2% (previous quarter: 4.2%).

In the first quarter, China had the highest quarterly LEI growth rate at a jurisdiction level (53.4%), followed by India (17.8%), Estonia (15.2%), Poland (9.5%) and Mauritius (9.3%). This growth is primarily attributed to regulatory initiatives mandating the use of the LEI.

Despite the high issuance of new LEIs overall in the first quarter of 2020, the number started to fall during the last two weeks of March, most prominently in jurisdictions most heavily affected by COVID-19 for example, the United States and Italy. In addition, deadlines for regulatory implementations mandating the LEI are being extended. These included the Securities Financing Transaction Regulation (SFTF) reporting in the EU and the requirements laid out by the Reserve Bank of India. This is expected to delay further growth until later in 2020.

Competition in the Global LEI System

The report identifies the least and most competitive markets of those with more than 1,000 LEIs, based on the number of LEI issuers providing services in the jurisdiction. In the first quarter of 2020, China, the Netherlands, Italy, Spain and the Czech Republic were the five least competitive markets in descending order. The five most competitive, also in descending order, were Lithuania, Romania, Portugal, Latvia and Malta. It is worth noting that the five least competitive markets are jurisdictions with local governmental authorities acting as LEI Issuers, indicating that legal entities seem to have a strong preference to working with these LEI Issuers.

In the first quarter of 2020, many markets continued to exhibit increased competition among LEI Issuers. In particular, the United States, India and the Scandinavian countries (Sweden, Norway and Denmark) have shown more relatively equal market shares among the LEI Issuers operating in these jurisdictions.

LEI renewal rates

The annual renewal process ensures that the legal entity and the LEI issuing organization review and re-validate the legal entity reference data at least once per year. The Global LEI System is unique in providing absolute transparency on the timeframe when data was last verified.

In Q1 2020, the overall renewal rate¹ of 62.5% was lower than the previous quarter (66.7%). At the end of the quarter, 68% of all LEIs were in good standing (last quarter: 69.2%).

The renewal rate in the EU dropped slightly to 65.9% (previous quarter 67.3%). In non-EU jurisdictions, it was also lower at 56.1% (previous quarter: 58%). In the reporting period, the five jurisdictions which demonstrated the highest renewal rates were Finland (89.2%), Liechtenstein (87.4%), Japan (85.4%),

Switzerland (76%), and Norway (75.8%). Brazil (62.1%), the United States (58.8%), the United Kingdom (57.4%), the Russian Federation (55.1%) and China (54.2%) had the highest non-renewal rates.

LEIs that were scheduled to be renewed in the last two weeks of March are being renewed at a lower rate than seen in previous weeks, especially for the United States, Finland, the Netherlands, China and India. Not enough time has passed, however, to confirm if this is a trend. GLEIF will monitor developments closely in the coming weeks.

Level 1 reference data corroboration

The business card information available with the LEI reference data, e.g. the official name of a legal entity and its registered address, is referred to as 'Level 1' data. It defines 'who is who'. The Level 1 data is considered fully corroborated if, based on the validation procedures in use by the LEI issuer, there is sufficient information contained in authoritative public sources to corroborate the information provided by the legal entity for the record. If this is not the case, or the legal entity is not required to file with a local register² (e.g. fund or trust), the business card information available with an LEI record is classified as 'entity-supplied only'.

In the first quarter of 2020, the percentage of fully corroborated Level 1 reference data within the entire LEI population increased slightly to 81.1% from 80.6% in the previous quarter.

Statistics on the reporting of parent information by legal entities

In the first quarter of 2020, approximately 1.41 million LEI registrants representing 90% of the total LEI population had reported information on direct and ultimate parents. 99.9% of LEI registrants who obtained a newly issued LEI or renewed an existing LEI in this quarter reported parent information.

¹ This includes jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date.

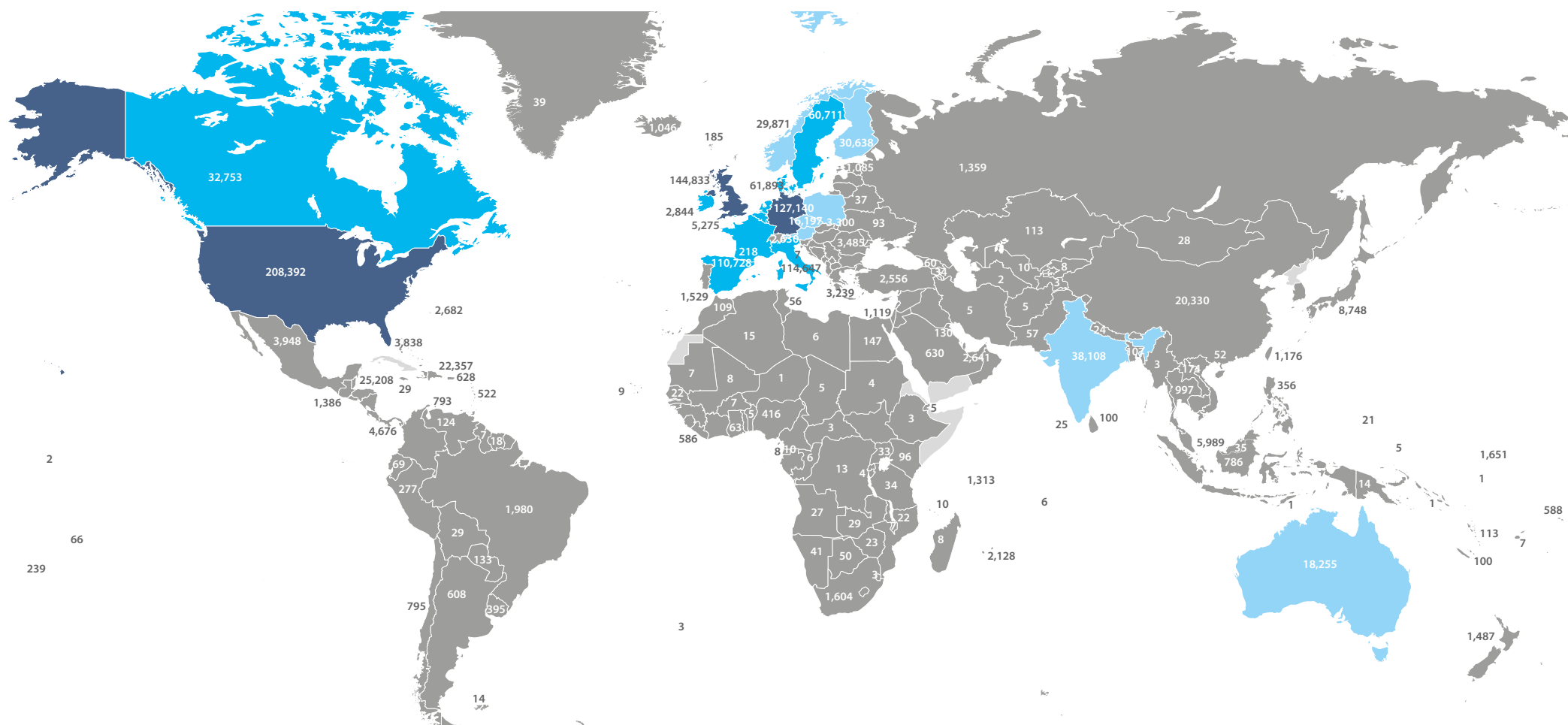
² Registration requirements vary based on jurisdiction.

Please see the GLEIF Registration Authorities list for further detail:

<https://www.gleif.org/en/about-lei/code-lists/gleif-registration-authorities-list>

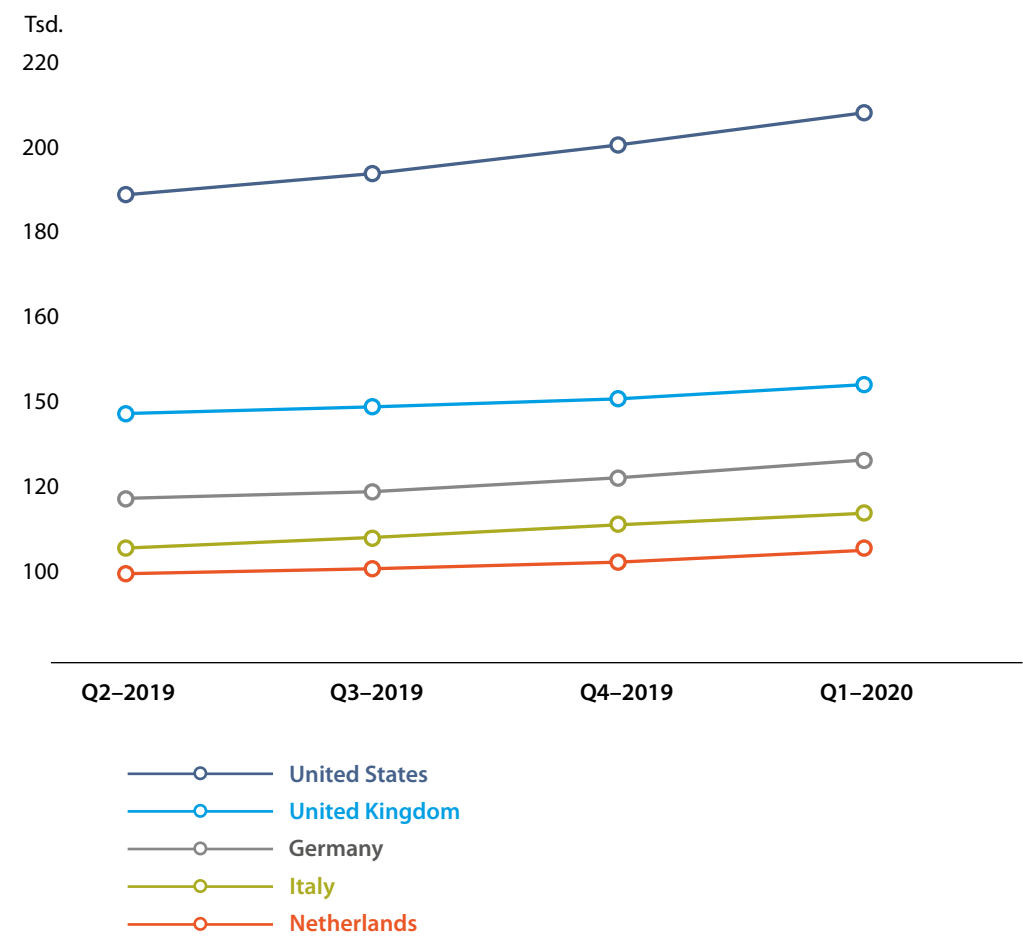
Q1 2020

Total Number of Active LEIs by Jurisdictions | Fig.-1

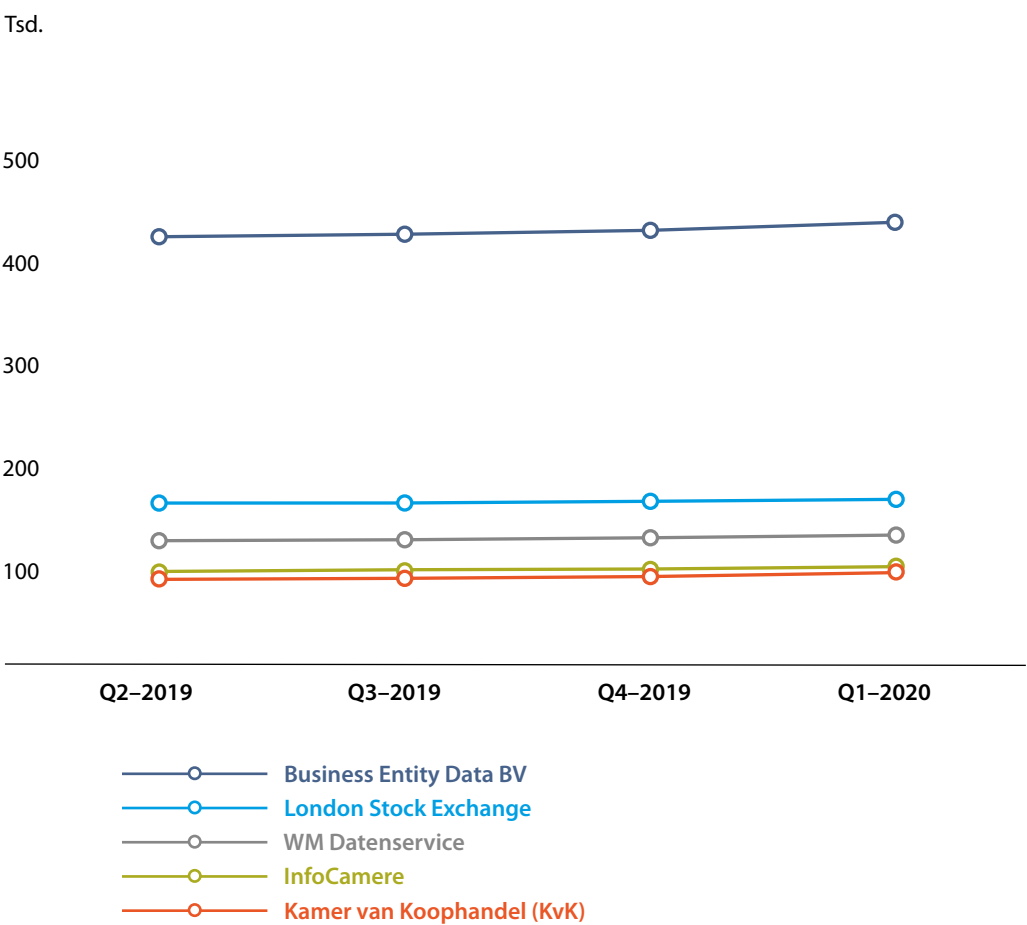


Active LEIs

Total LEI Trend-Top 5 Jurisdictions | Fig.-2

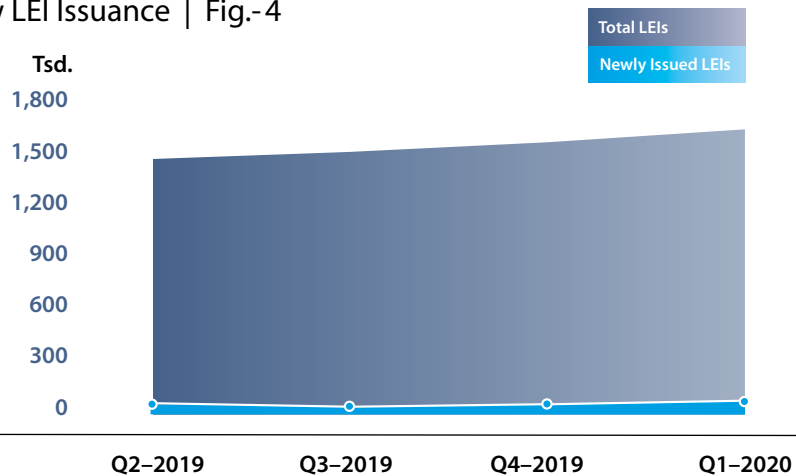


Total LEI Trend-Top 5 LEI Issuers | Fig.-3

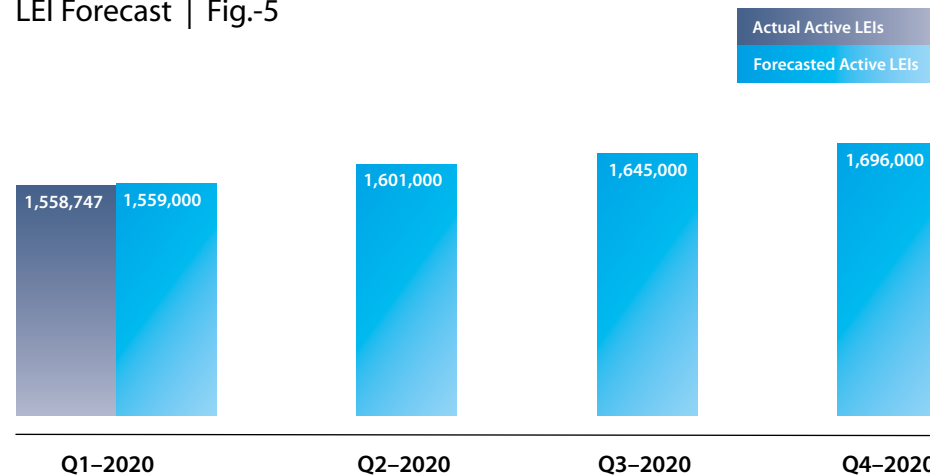


Growth in Total Number of Active LEIs

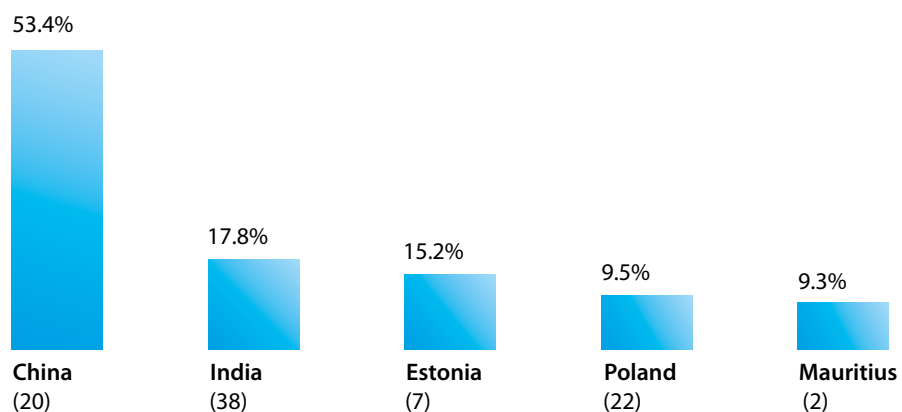
New LEI Issuance | Fig.-4



LEI Forecast | Fig.-5

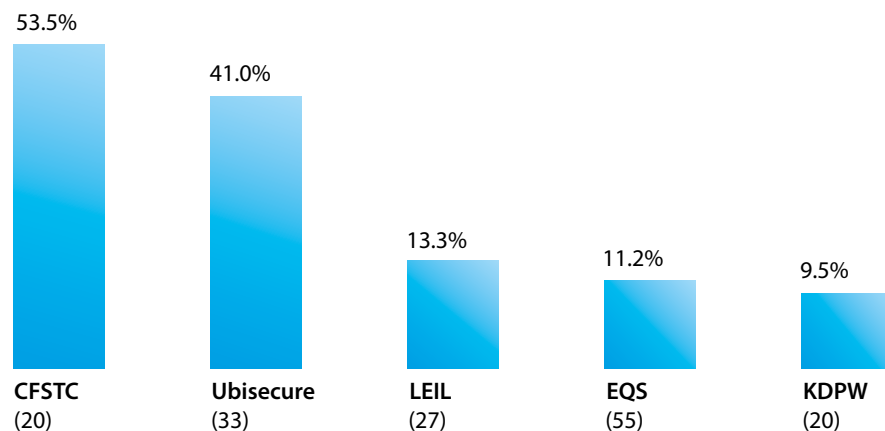


Quarterly LEI Growth – Top 5 Jurisdictions | Fig.-6¹



Total issuance in thousands at most recent quarter-end date in parenthesis

Quarterly LEI Growth – Top 5 LEI Issuers | Fig.-7

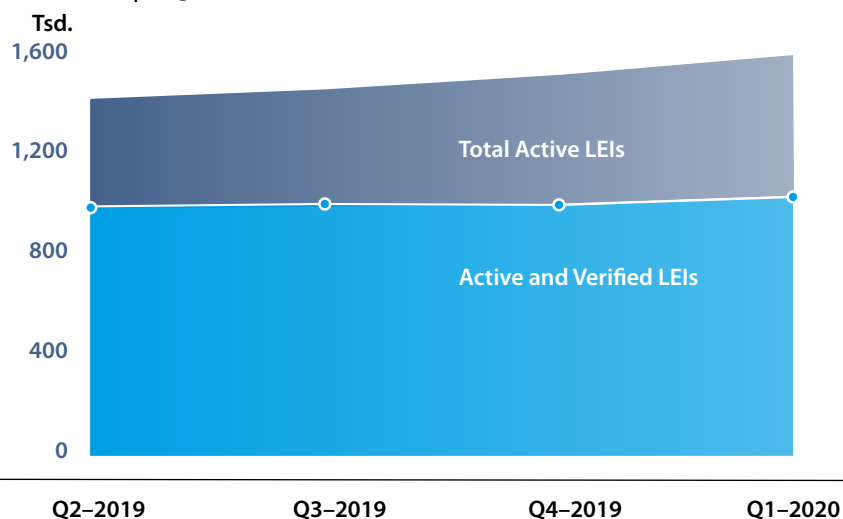


Total issuance in thousands at most recent quarter-end date in parenthesis

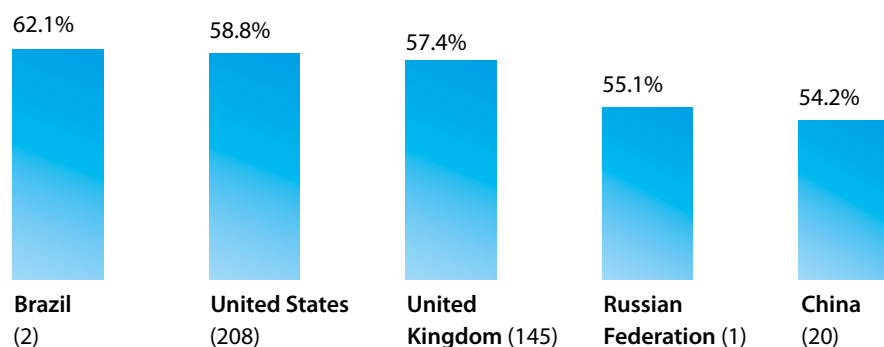
1. Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date

LEI Renewal Activity

LEI Renewal | Fig.-8

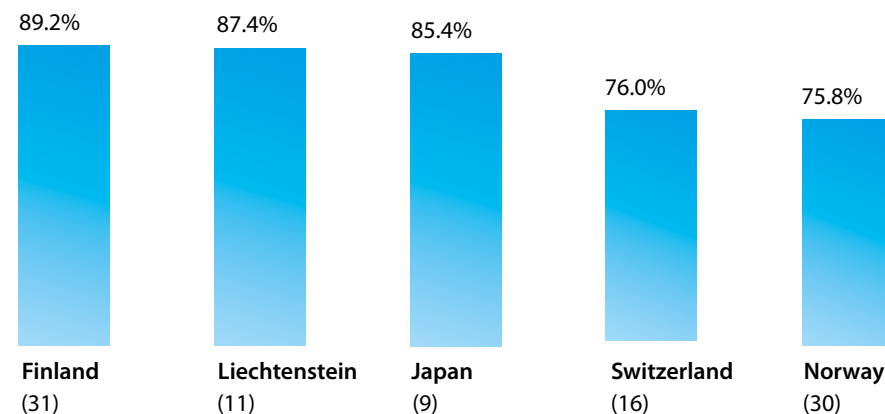


LEI non-Renewal (Lapsed LEIs) – Top 5 Jurisdictions | Fig.-10¹



Total issuance in thousands at most recent quarter-end date in parenthesis

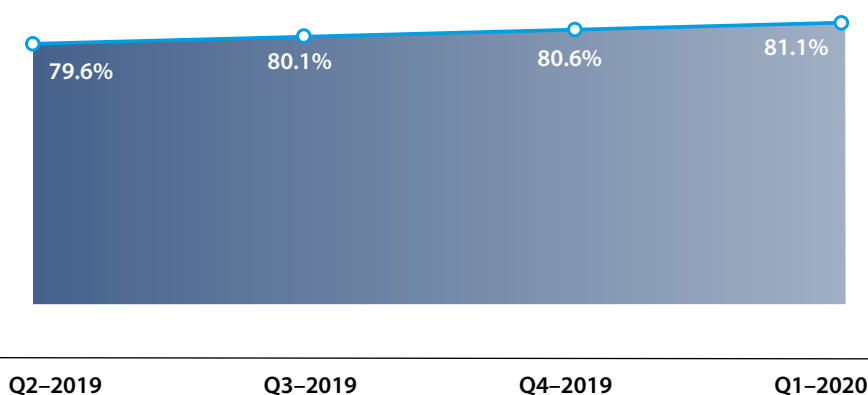
LEI Renewal – Top 5 Jurisdictions | Fig.-9¹



Total issuance in thousands at most recent quarter-end date in parenthesis.

Reference Data Corroboration by LEI issuers

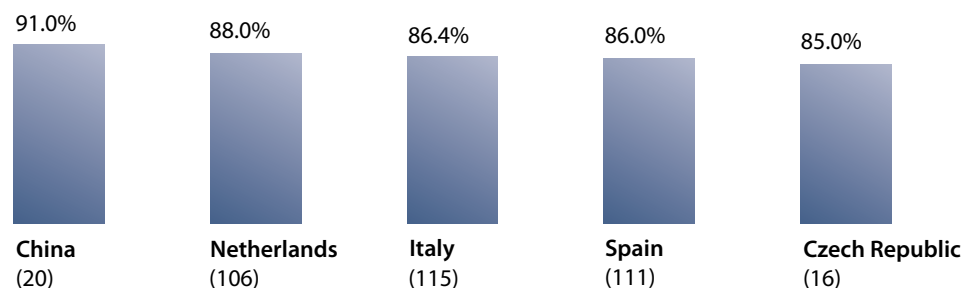
Percentage of Fully Corroborated LEIs | Fig.-11



1. Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date.

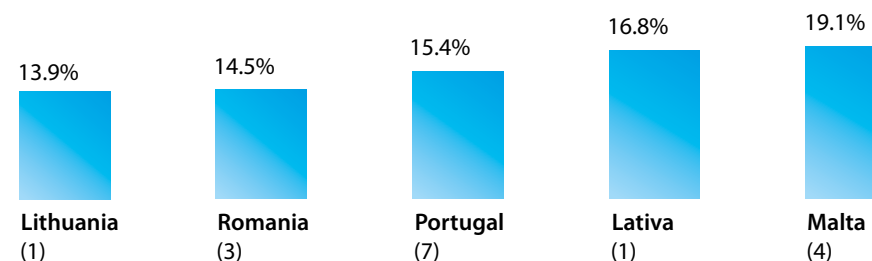
Competition amongst LEI issuers

Least Competitive (Most Concentrated) Markets | Fig.-12¹



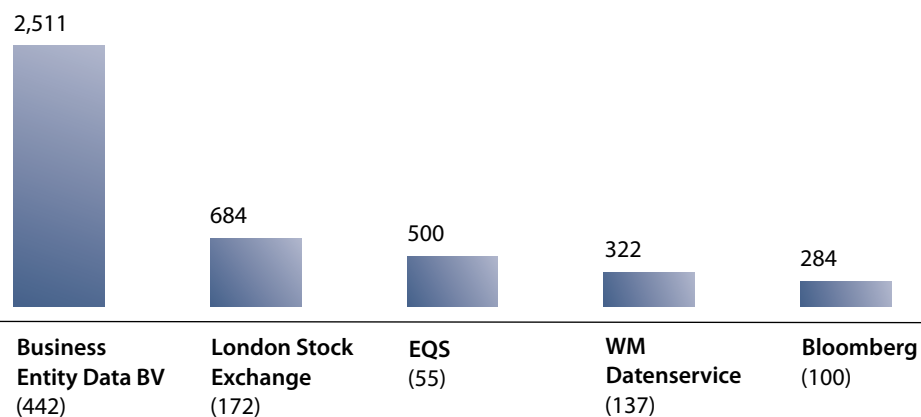
Total issuance in thousands at most recent quarter-end date in parenthesis.

Most Competitive (Least Concentrated) Markets | Fig.-13¹



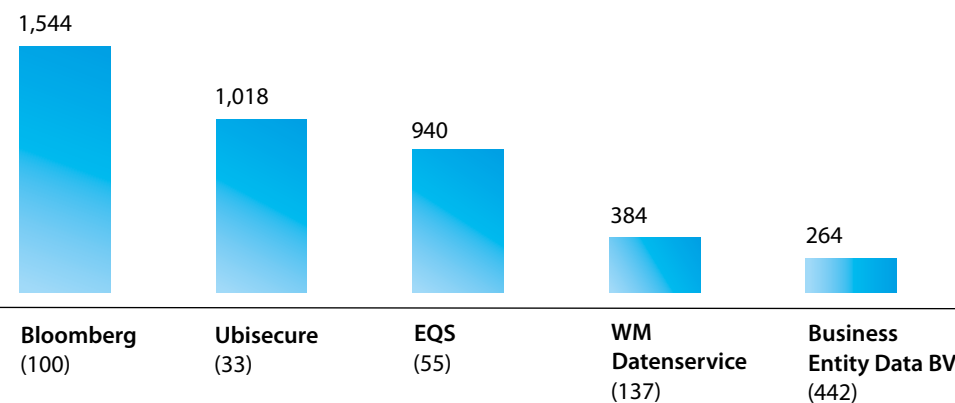
Total issuance in thousands at most recent quarter-end date in parenthesis.

Transfers out of LEIs – Top 5 LEI Issuers | Fig.-14



Total issuance in thousands at most recent quarter-end date in parenthesis.

Transfers in of LEIs – Top 5 LEI Issuers | Fig.-15



Total issuance in thousands at most recent quarter-end date in parenthesis.

¹ Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date. The higher the percentage the more concentrated LEI management is with a single LEI issuer.

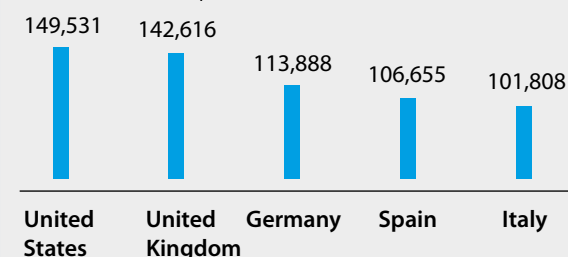
Level 2 data report

Q1 2020

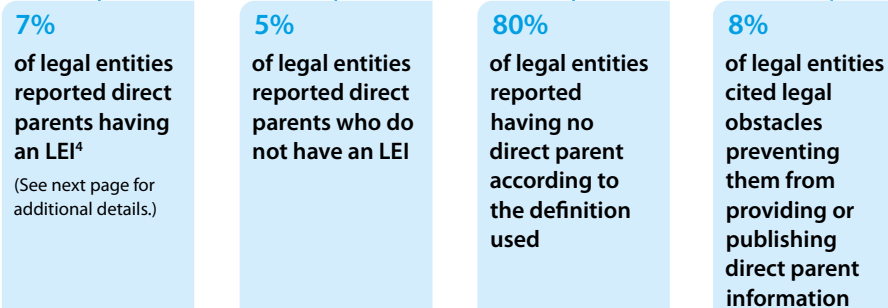
In May 2017, the process of enhancing the LEI data pool, by including 'Level 2' data to answer the question of 'who owns whom', began. The graphic below provides information on direct and ultimate parent data collected through March 2020¹.

1,408,559
legal entities reported
level 2 data by the end
of Q1 2020

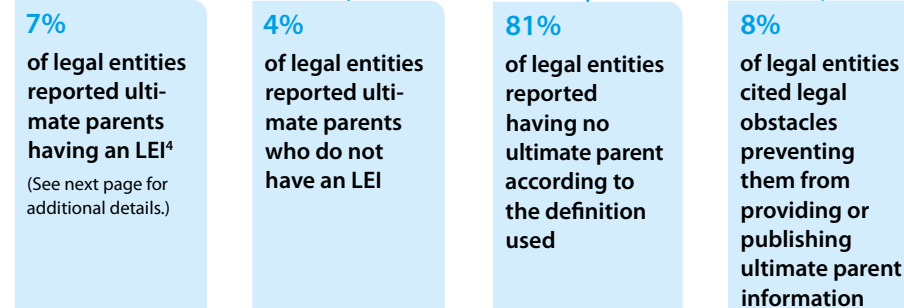
Top 5 jurisdictions of the legal entities for level 2 reporting | Fig.-1



Each legal entity reports information on its direct parent²:



Each legal entity reports information on its ultimate parent³:



¹ Referenced to level 2 relationship record CDF concatenated file dated 01 April 2020.

² 99.9% legal entities reported direct parent.

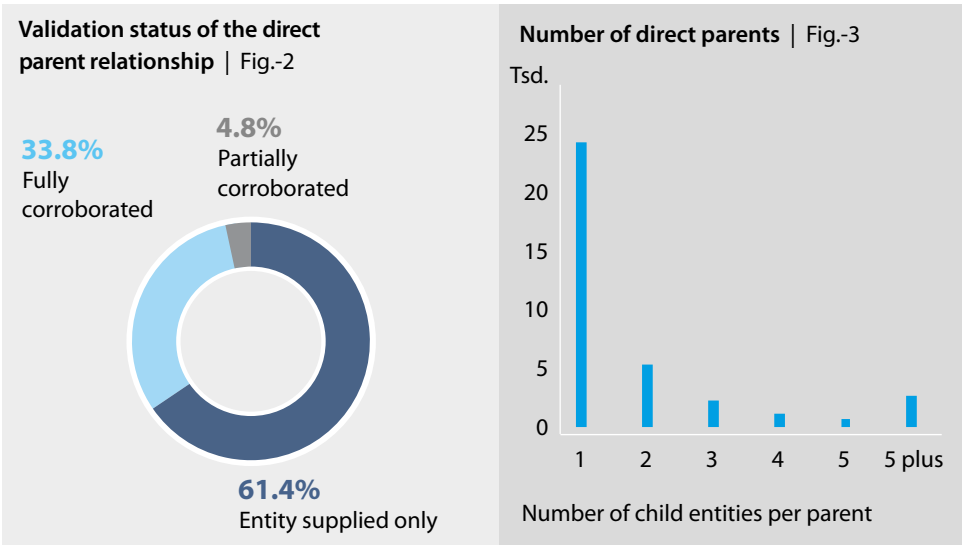
³ 99.9% legal entities reported ultimate parent.

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-format/level-2-data-reporting-exceptions-format>

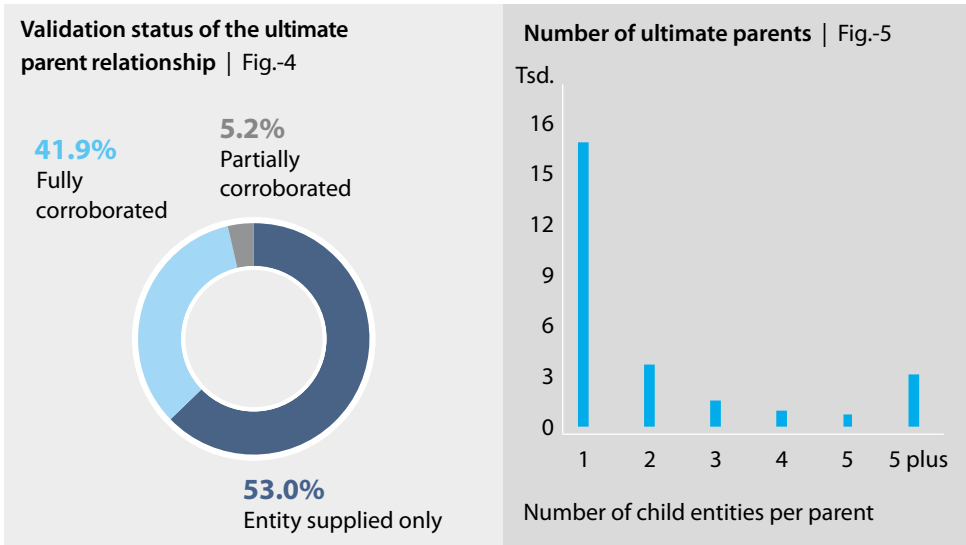
Level 2 data report
Q1 2020

Identification of the direct and ultimate parents of a legal entity with an LEI allows users to research entities owned by individual companies. It provides a better understanding of the entity from which a company or individual is buying goods or services or in which it is investing. The following charts provide additional information on relationships where the direct or ultimate parents are identified by an LEI.

Additional information on direct parents having an LEI



Additional information on ultimate parents having an LEI



DISCLAIMER: All figures of this Global LEI System Business Report are derived from the Global Legal Entity Identifier Foundation (GLEIF)'s LEI-Common Data File (CDF) format version 2.1, Relationship Record (RR) CDF format version 1.1 and Reporting Exceptions format version 1.1 excluding LEIs with registration statuses DUPLICATE, ANNULLED, MERGED and RETIRED. While every care has been taken in the compilation of this information, GLEIF will not be held responsible for any loss, damage or inconvenience caused because of inaccuracy or error within the Global LEI System Business Report. The text and graphic content of the Global LEI System Business Report may be used, printed and distributed ONLY with the copyright information displayed (© Copyright Global Legal Entity Identifier Foundation (GLEIF)).