
Global LEI System Business Report

Q2 2020

Summary

The impact of the COVID-19 pandemic on GLEIF and its Legal Entity Identifier (LEI) issuing partners is limited to date. Particularly in Q2 2020, new LEI issuance returned to pre-pandemic trends, and the overall renewal rate started to recover. These trends are explained further in the following report. Overall, the business activity of the Global LEI System in the second quarter of 2020 outperformed GLEIF's forecast, as shown in Fig. 5. Additionally, more legal entities merged or retired during second quarter 2020. Over 7,000 legal entities became inactive, compared to 4,000 in the last quarter, a possible effect of the global pandemic. 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 second quarter of 2020, the total LEI population was over 1.6 million. Over 61,000 LEIs were issued during this quarter, compared to approximately 76,000 in the previous quarter. This represents a quarterly growth rate of 4% (previous quarter: 5.2%). The significant growth of newly issued LEIs in the first quarter of 2020 was primarily triggered by the [Securities Financing Transaction Regulation \(SFTFTR\) reporting](#) in the EU. Quarterly LEI growth returned to its pre-pandemic trend in Q2 2020. While there was a drop in new LEI issuance in the final weeks of the first quarter, the overall impact of the COVID-19 on new issuance was moderate.

In the second quarter, China had the highest quarterly LEI growth rate at a jurisdiction level (24.5%), followed by Turkey (8.9%), Estonia (8.9%), Latvia (7.1%) and Norway (6.9%). It is worth noting that China has led the growth in four consecutive quarters, primarily driven by regulatory implementations.

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 second 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. There is no change in either ranking from Q1 2020.

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 the second quarter of 2020, the overall renewal rate¹ of 64.2% was higher than the previous quarter (62.5%). At the end of the quarter, 68% of all LEIs were in good standing (last quarter: 68%).

The renewal rate in the EU increased slightly to 66.2% (previous quarter 65.9%). In non-EU jurisdictions, it was slightly lower at 55.9% (previous quarter: 56.1%). In the reporting period, Germany (80.7%) entered the ranking of the five jurisdictions which demonstrated the highest renewal rates. Other jurisdictions in the top five are Finland (91.4%), Liechtenstein (90.8%), Japan (89.1%) and Switzerland (79.8%).

Renewal rates in China grew (56.8% compared to 45.8% in Q1 2020) and it is no longer one of the five jurisdictions with the highest non-renewal rates. This ranking includes Brazil (59.1%), the United States (56%), the United Kingdom (55.6%), the Russian Federation (54.5%) and Thailand (52.2%).

While the COVID-19 pandemic appeared to impact renewal activities in the first quarter of 2020, the overall renewal rate improved in the second quarter. Although overall, the renewal rate is still below the pre-pandemic level, GLEIF believes that it will recover over the course of the year, and there will be no significant long-term effect on renewal activities.

LEI transfers among LEI Issuers

In the second quarter of 2020, GLEIF welcomed a new accredited LEI issuer, Xerius. The transfer statistics demonstrate that it received a bulk transfer of over 3,000 LEIs during second quarter.

Level 1 reference data corroboration

The business card information available with the LEI reference data, for example, 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 second quarter of 2020, the percentage of fully corroborated Level 1 reference data within the entire LEI population increased slightly to 81.4% from 81.1% in the previous quarter.

Statistics on the reporting of parent information by legal entities

In the second quarter of 2020, approximately 1.46 million LEI registrants (previous quarter: 1.41 million) representing 91% of the total LEI population had reported information on direct and ultimate parents. 99.9% of those LEI registrants who obtained a newly issued LEI, or renewed an existing LEI, in this quarter reported parent information.

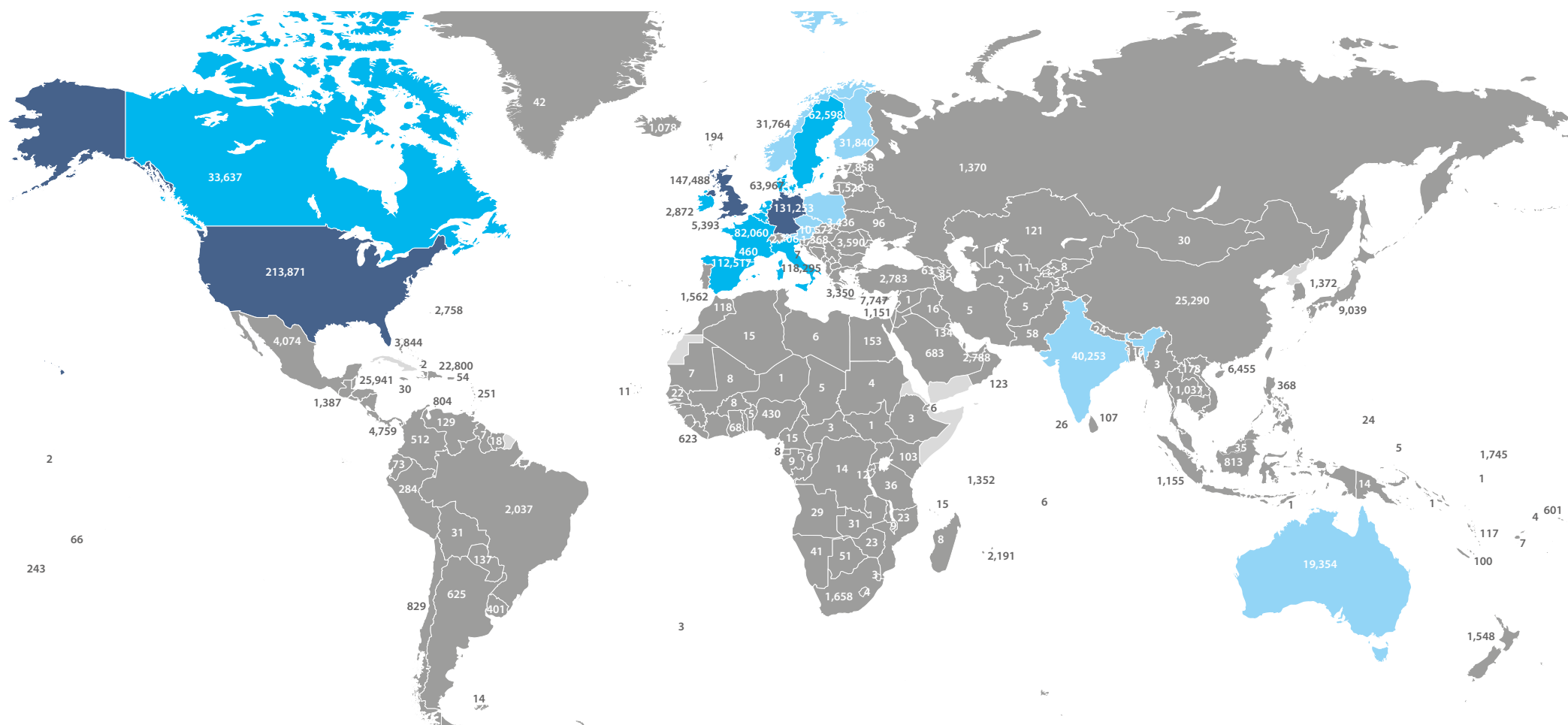
In the reporting period, the percentage of legal entities reporting a direct parent that has an LEI was 6%. 5% of legal entities reported a direct parent that does not have an LEI. 81% of legal entities reported no direct parent according to the definition used. 8% of legal entities cited legal obstacles preventing them from providing or publishing direct parent information. The share of all four categories have remained stable over the past four quarters. The pattern is almost identical for ultimate parent reporting.

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>

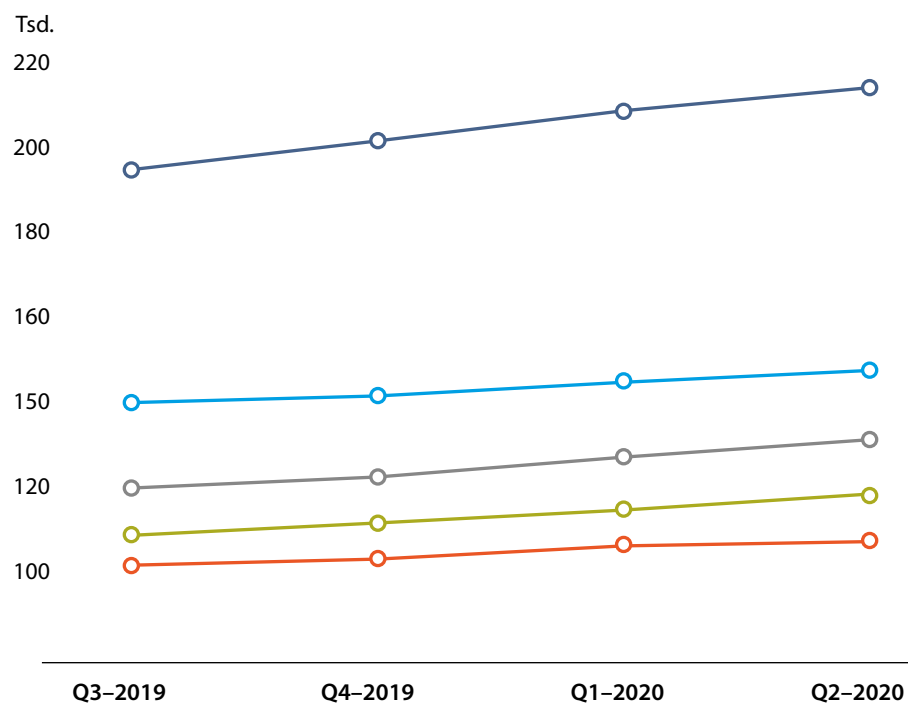
Q2 2020

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



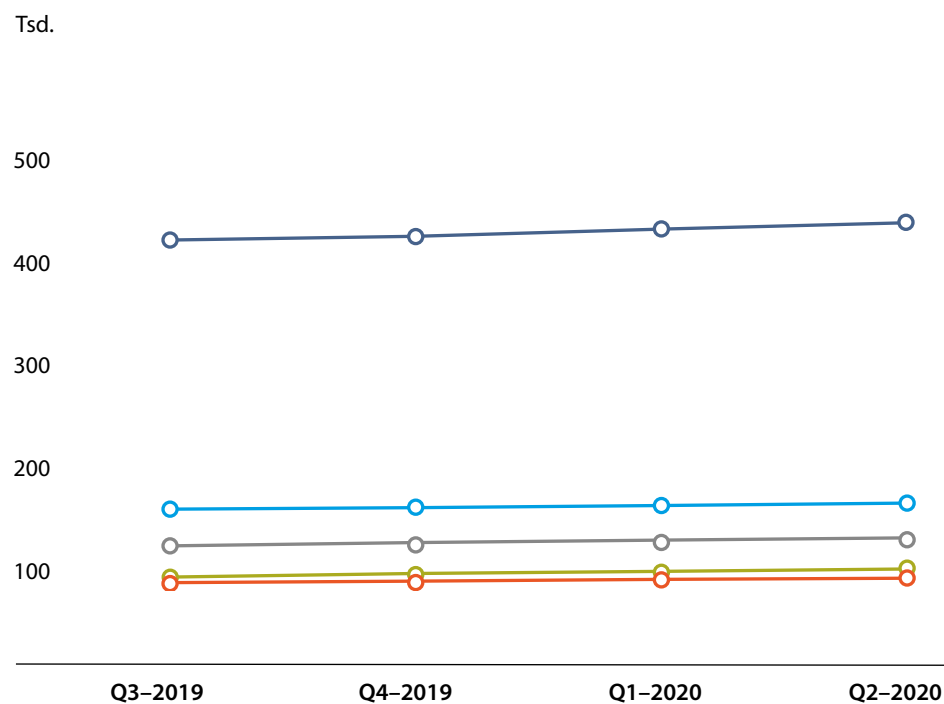
Active LEIs

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



—○— United States
—○— United Kingdom
—○— Germany
—○— Italy
—○— Netherlands

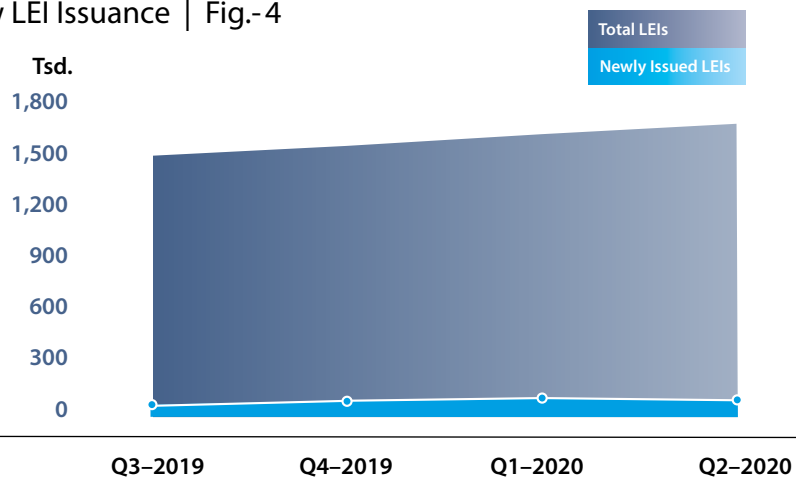
Total LEI Trend-Top 5 LEI Issuers | Fig.-3



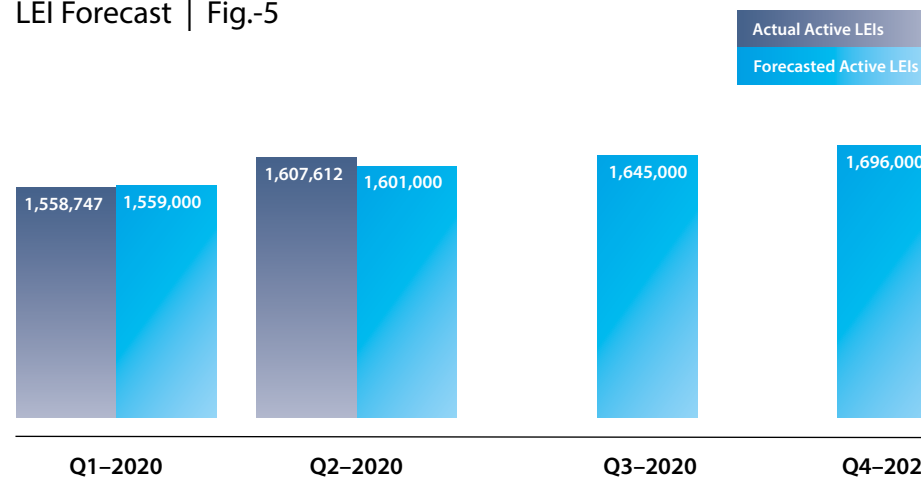
—○— Business Entity Data BV
—○— London Stock Exchange
—○— WM Datenservice
—○— InfoCamere
—○— Kamer van Koophandel (KvK)

Growth in Total Number of Active LEIs

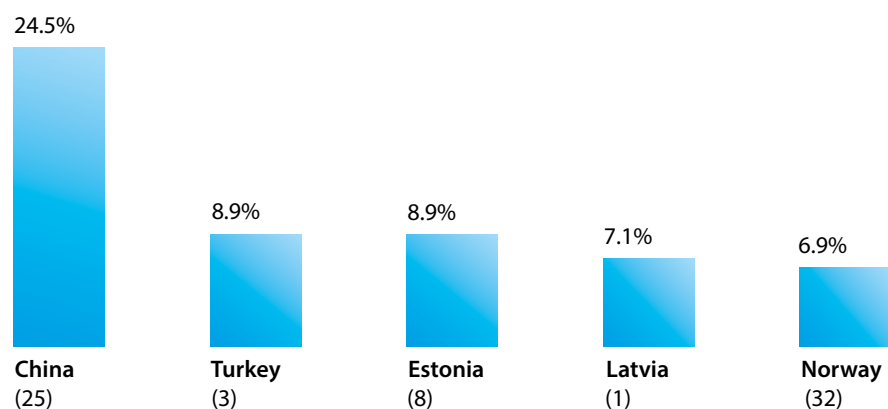
New LEI Issuance | Fig.-4



LEI Forecast | Fig.-5

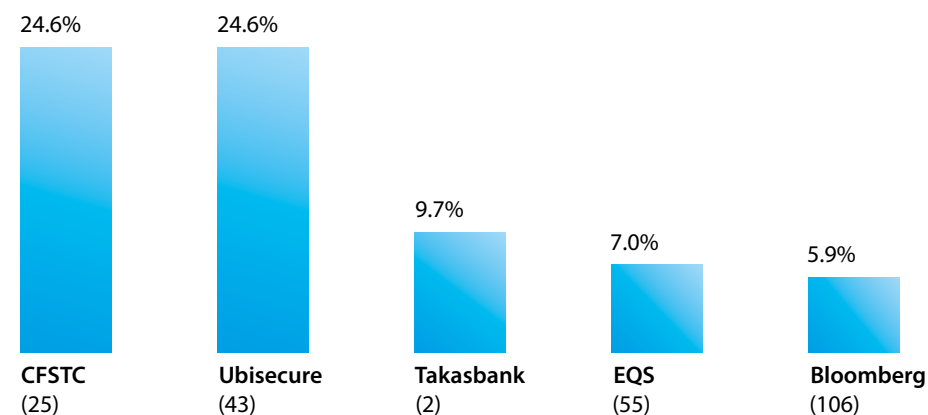


Quarterly LEI Growth – Top 5 Jurisdictions | Fig.-6¹



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

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

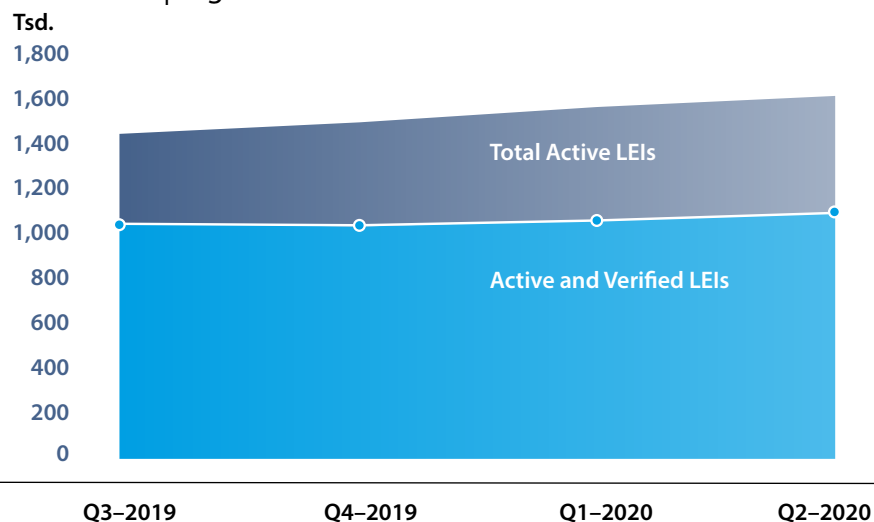


Total issuance in thousands at most recent quarter-end date in parenthesis

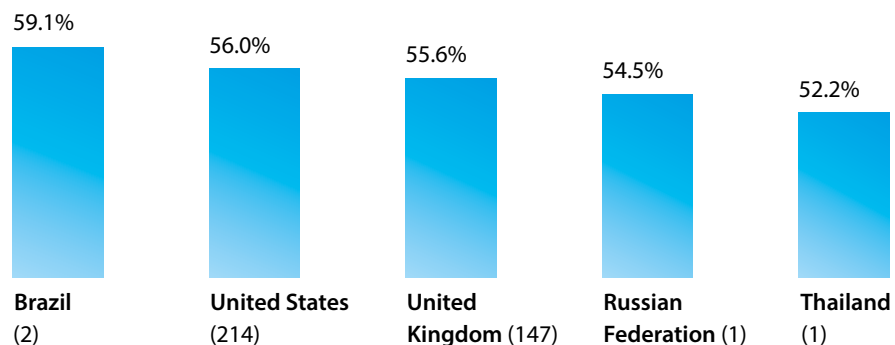
1. Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date

LEI Renewal Activity

LEI Renewal | Fig.-8

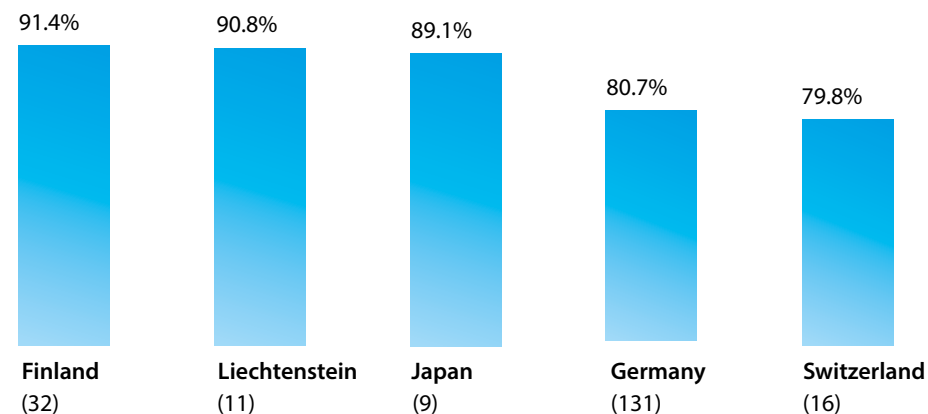


LEI non-Renewal (Lapsed LEIs) – Top 5 Jurisdictions | Fig.-10¹



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

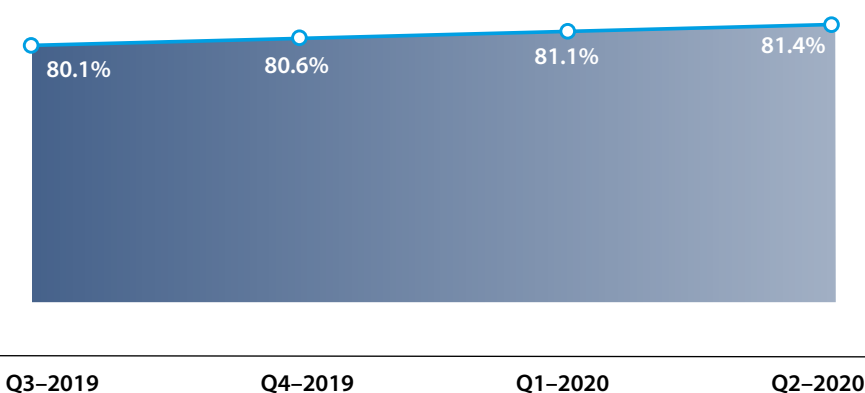
LEI Renewal – Top 5 Jurisdictions | Fig.-9¹



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

Reference Data Corroboration by LEI issuers

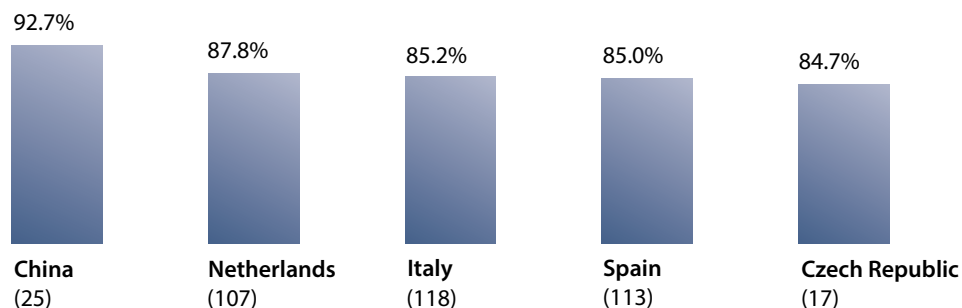
Percentage of Fully Corroborated LEIs | Fig.-11



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

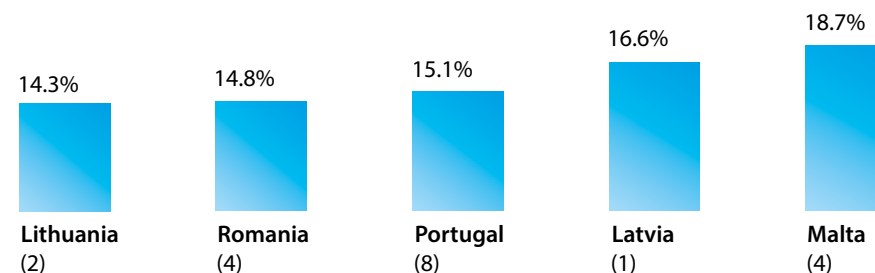
Competition amongst LEI issuers

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



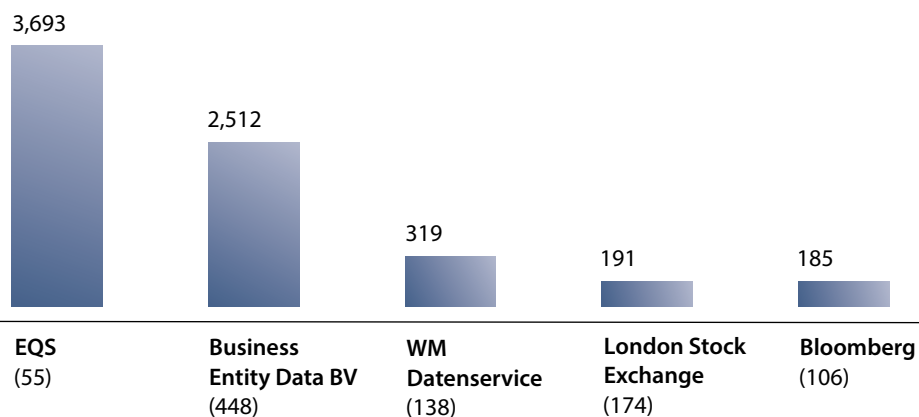
Total issuance in thousands at most recent quarter-end date in parenthesis.

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



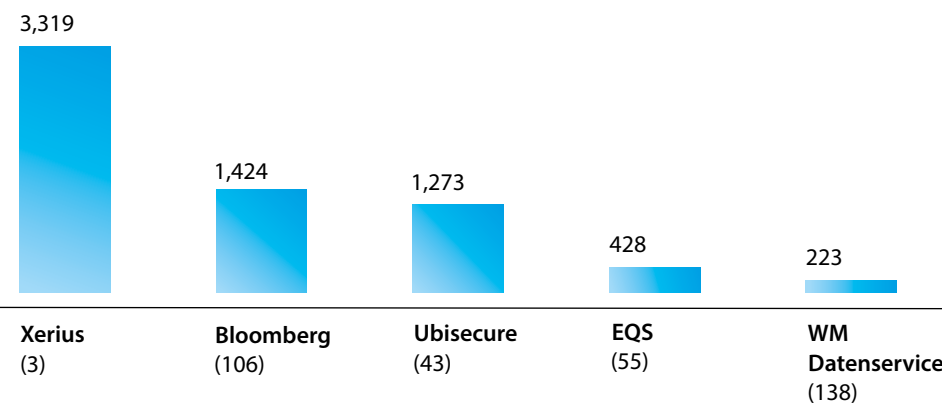
Total issuance in thousands at most recent quarter-end date in parenthesis.

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.

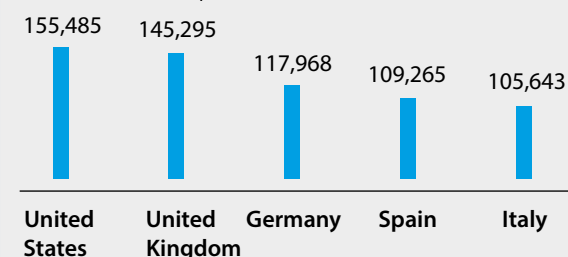
Level 2 data report

Q2 2020

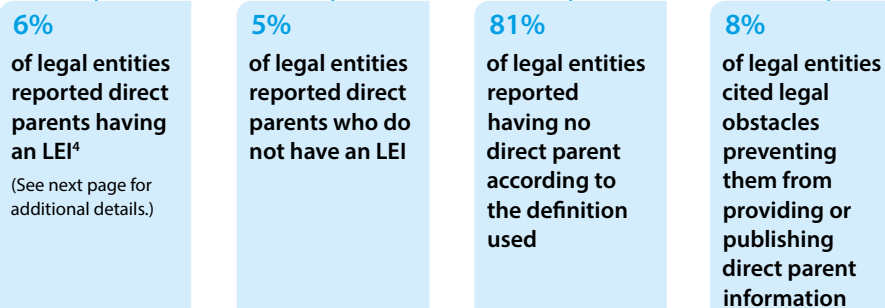
In May 2017, the process of enhancing the LEI data pool, by including 'Level 2' data to answer the question of 'who owns whom', began. The graphic below provides information on direct and ultimate parent data collected through June 2020¹.

1,459,931
legal entities reported
level 2 data by the end
of Q2 2020

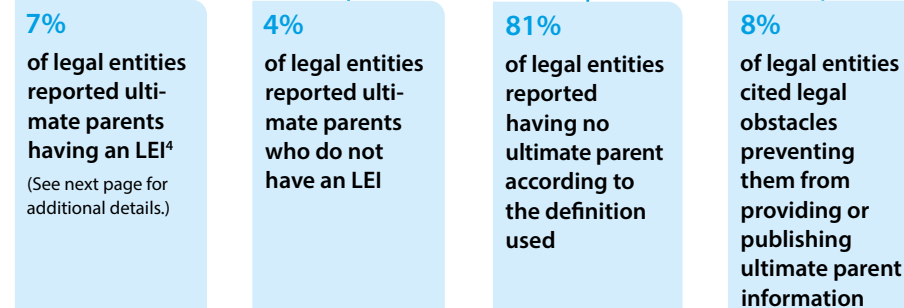
Top 5 jurisdictions of the legal entities for level 2 reporting | Fig.-1



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 July 2020.

² 99.9% legal entities reported direct parent.

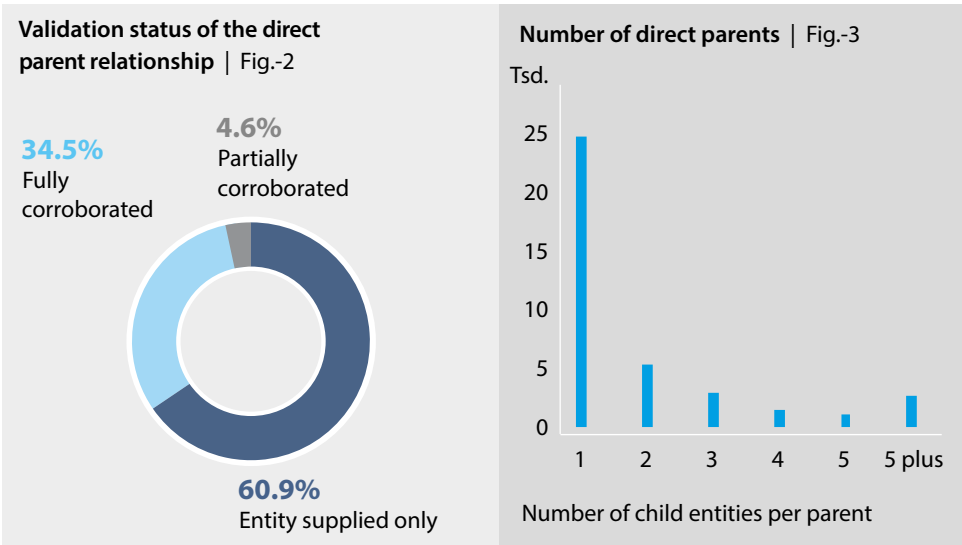
³ 99.9% legal entities reported ultimate parent.

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>

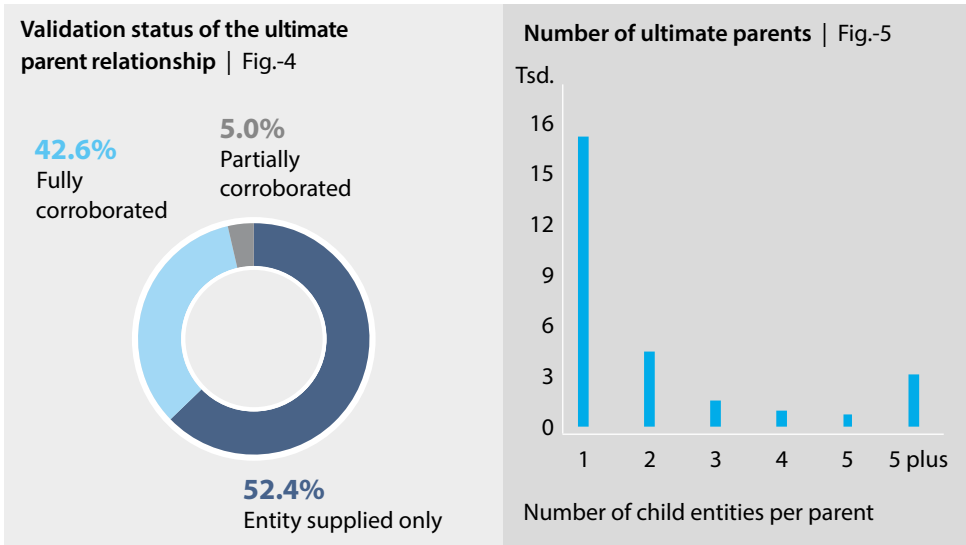
Level 2 data report
Q2 2020

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)).