Global Legal Entity Identifier Foundation

Annual Report 2023

GLEIF

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Chair's Statement

Recent years have brought substantial strategic and operational change within GLEIF. Yet the goal remains constant: to expand the benefits of the Legal Entity Identifier (LEI) beyond its mandated use as a tool to enhance transparency in financial markets and to encourage its voluntary adoption across all markets globally. GLEIF made significant advances in 2022, with the introduction of the verifiable LEI (vLEI) and expanded on-the-ground presence for GLEIF across Europe, North America, and Asia. In 2023, we continued this progress, and have strengthened the foundations we are creating for the future growth of the Global LEI System (GLEIS) and expanded use of the LEI and vLEI as valuable tools for conducting business.

LEI drivers and successes in 2023

GLEIF's success in 2023 was intentional, expansive and multi-faceted. This year we have:

- Expanded LEI issuance, driving volumes to a new record high of 2.41 million.
- Reinforced the relevance, utility, and value of the Global LEI Index for data users globally with a continued focus on data quality enhancements.
- Galvanized wide industry support for the LEI. Most notably we received endorsements from the Bank of International Settlements (BIS) Committee on Payments and Market Infrastructure (CPMI) and the Wolfsberg Group to include the LEI as a data field within ISO 20022 cross-border payments messages. This ensures that it is now firmly embedded within the payments industry as a tool to help the fight against financial crime.
- Won advocacy for LEI adoption in other markets through targeted engagement and continuous promotion of the LEI's potential to deliver trust, efficiency and transparency in any identity management system. Key drivers here have included:
    - The inclusion of the LEI within the Markets in Crypto-Assets (MiCA) regulatory framework. From May 2023, obtaining an LEI is a pre-requisite for providing crypto-asset services in the EU.
    - Easing access to trade financing and global supply chains through active engagement with influential stakeholders to raise visibility of the LEI.
    - Enhancing transparency in relation to Environmental, Social, and Corporate Governance (ESG) credentials. GLEIF has committed to exploring the development of digital ESG credentials that can be transmitted with LEIs to support financing and supply chain inclusion. A collaboration with the United Nations Development Programme (UNDP) and the Monetary Authority of Singapore (MAS) is in progress.

A growing critical mass of regulatory endorsement is quickening the pace of cross-industry momentum. Recognition among regulators that the LEI is a key data and identity connector, that enables critical data sets to be efficiently matched, is spreading fast. And it's easy to see why. The LEI is already mapped to a myriad of other identifiers to provide a comprehensive view of a legal entity, including the OpenCorporates ID, S&P Global Company ID, SWIFT's Market Identifier Code (MIC) and Business Identifier Code (BIC), and the Association of National Numbering Agencies (ANNA) International Securities Identification Number (ISIN). Further possibilities are endless, including the potential use of the LEI as a common denominator that binds together an entity's different identifiers issued across multiple US agencies and international authorities. There are countless ways in which the LEI can add value by 'connecting the dots'. The ability to map across geographies and agencies is key to creating a holistic understanding of complex entities and networks that can be used to identify fraud.

Digital entity identities: vLEI progress

Throughout 2023, GLEIF continued to bring to life a digitally trustworthy version of the LEI, the vLEI, by continuing to expand the supporting infrastructure. The focus has remained on establishing the LEI and the vLEI as enablers of digital trust across multiple value chains where digital trust is a central principle.

The capacity for the vLEI to verify organizational identity while promoting trust and transparency in the rapidly digitizing global economy is unparalleled. The vLEI enhances the LEI ecosystem by providing an open, reliable, highly scalable digital cross-border entity identification solution that seamlessly integrates into regulated frameworks. This innovation is poised to significantly boost LEI adoption beyond regulatory requirements and mandates. Imminent drivers to propel the LEI and vLEI adoption into new and emerging markets include the fight against financial crime and fraud prevention in cross-border payments, and international trade and supply chains among many more.

A decade of GLEIF: celebrating past success and greeting future opportunities

GLEIF enters its tenth anniversary year in 2024. While there will be celebrations to mark the ten-year anniversary, it will also be a year of significant transition. Our esteemed CEO, Stephan Wolf, is stepping down from his GLEIF role this summer. He has served GLEIF since its inception and has devoted his professional energies over the past ten years to creating a stable and global ecosystem that enables the implementation of a unique and universal entity identifier that has been harnessed for public good across the globe. On behalf of the Board and my GLEIF colleagues, I wish to offer Stephan heartfelt thanks for his contribution to GLEIF over the years and wish him future success and prosperity. The leadership transition process is already underway, and I look forward to introducing GLEIF's new CEO who will lead us as we embark on our next chapter.

As GLEIF ends the year with progress made on many fronts, I want to acknowledge that success is driven enthusiastically by an ecosystem of invested stakeholders including LEI Issuers, Registration Agents and Validation Agents, the Regulatory Oversight Committee (ROC), the GLEIF Board, and my GLEIF colleagues around the world, who comprise the GLEIS. I would like to thank these and other stakeholders and users of the LEI for working tirelessly to evolve and expand the GLEIS to enable broader use and adoption of the LEI and vLEI. Your contributions and commitments are greatly appreciated.

We are proud of the strides GLEIF made this year and are excited about the possibilities that lie ahead. As we continue to promote the use of LEIs within cross-border payments, trade financing, supply chains and various other applications, we will also continue to expand the vLEI ecosystem and facilitate the LEI issuance process, by expanding our Validation Agent network globally. I am honoured to be part of such a dynamic and purpose-driven organization and look forward to working with my colleagues and stakeholders to guide GLEIF toward the opportunities and through the challenges that the year ahead will bring.

Teresa A Glasser
Chair of the Board of Directors,
Global Legal Entity Identifier Foundation (GLEIF)

CEO's Statement

2023 was a progressive year which brought us closer to a future where mass LEI adoption underpins broad public good. Significant ground was gained thanks to powerful advocacy for LEI usage across new markets and applications. Support from high-profile champions, and GLEIF's ongoing commitment to delivering an entity identity management ecosystem that responds to the needs of all, resulted in the GLEIS becoming stronger and more relevant than ever.

LEI adopted in ISO 20022 payments messages

One of GLEIF'S most notable achievements this past year has been to gain the payment industry's acceptance and impending adoption of the LEI as a critical tool in the global fight against financial crime and fraud prevention. This is thanks to the interoperability and transparency it provides in cross-border payment flows. Through a sustained industry engagement program, and against the backdrop of Financial Stability Board (FSB) endorsement for the LEI in cross-border payments, GLEIF galvanized advocacy at the most influential levels in 2023:

- GLEIF worked with leading payments industry stakeholders, including Bloomberg, the London Stock Exchange, and Moody's, to demonstrate the value the LEI brings to non-financial corporates and financial institutions when transmitted in cross-border payment flows.
- Project Aurora - an analysis by the BIS Innovation Hub - identified 'data quality and standardization of the data identifiers and fields' contained within the payment messages as important factors in detecting financial crime. A proof-of-concept acknowledged that greater use of the LEI could support the development of data standards. This supported findings from the Financial Action Task Force (FATF), which identified data-sharing, data standardization, and advanced analytics as underpinning effective anti-money laundering (AML) and counter-terrorist financing initiatives across borders.
- The BIS CPMI published its 'Harmonized ISO 20022 data requirements for enhancing cross border payments'. Following industry feedback, the CPMI recognized the LEI as an equivalent identifier to the BIC for identifying financial institutions and legal entities within a payment message. The report was supported by the Bank of England, Chinese Cross-border Interbank Payment System (CIPS), European Central Bank and the Reserve Bank of Australia, among others.
- The Wolfsberg Group published its updated Payment Transparency Standards, which support the use of the LEI within ISO 20022 payments messages to enhance the accuracy of identification information.

The unprecedented levels of support secured for the LEI within the payments world last year, culminating in its inclusion as a data field in ISO 20022 payments messages, signals that it's now only a matter of time before we see its mass use in cross-border payments. Acceptance on this scale is transformative; payment industry endorsement for the LEI's ability to help prevent financial crime and fraud strengthens its case as a solution to other global challenges faced across the economy.

Growing momentum for LEI in trade finance and supply chains

Elsewhere, advocacy is building for the LEI's potential to help simplify complex and opaque supply chains and support the digitalization of global trade. Last year advances were made on both fronts:

- GLEIF, the UNDP and the MAS, collectively signed a statement of intent to embark on an initiative to develop digital ESG credentials for micro, small and medium-sized enterprises (MSMEs) worldwide. Known as Project Savannah, this initiative establishes universal ESG metrics for global MSMEs. It allows MSMEs to create unique LEIs and digital credentials, improving access to green finance.
- GLEIF contributed to the World Trade Board's Financial Inclusion in Trade Roadmap, to promote the benefits that a unique entity identifier, such as the LEI, could bring in supporting the financial inclusion among MSMEs globally.
- I have been co-chairing the Digital Standards Initiative (DSI) Trusted Technology Environments Working Group throughout 2023. This working group supports the development and implementation of recommendations for the International Chamber of Commerce (ICC) Industry Advisory Board. The group published a paper, Trust in Trade, in 2023, which recognized verifiable trust as a foundational digital layer that underpins global supply chains.
- Last but not least, I was appointed as member of the Board of ICC Germany, the German national committee of ICC.

Reflections on a decade of GLEIF leadership and the digital strategy with the vLEI

After a decade of incredible experiences and achievements, I will officially step down from my role as GLEIF CEO in June 2024. I am privileged and proud to have led GLEIF from its infancy to the thriving and successful organization it has become today. As we enter 2024, GLEIF's tenth anniversary year, the organization and its cause stand stronger than ever, and our teams are fully committed to navigating the exciting opportunities ahead.

GLEIF has had many successes, most recently reflected in our digital strategy. The introduction of the vLEI has opened new avenues for growth and possibilities. The European Banking Authority (EBA) published a discussion paper on Pillar 3 data hub processes, and possible practical implications for the regulatory uses cases, on how to solve organisational identity and authentication challenges in the context of supervisory reporting, with the Pillar 3 data hub as a relevant use case.

The Pillar 3 data hub is a key strategic project that will provide a single access to the disclosures data by all institutions of the European Economic Area (EEA). The discussion paper included a section on the vLEI. The vLEI was proposed within an EBA use case for regulatory reporting as a possible scalable and secure solution for the efficient submission of Pillar 3 data by large and other institutions on the European Centralized Infrastructure of Data (EUCLID) platform.

EBA and GLEIF are currently carrying out the Pillar 3 pilot project in collaboration with 17 banks. This initiative aims to validate the end-to-end process from the initial onboarding of banks through to them being provided with digital wallets, and the integration of vLEI into the EUCLID regulatory reporting portal.

I offer my sincere gratitude to all of my GLEIF colleagues and the GLEIS stakeholders who have helped make my tenure at the helm of GLEIF a successful and fulfilling one. The future of the LEI/vLEI holds great promise, and I am confident that GLEIF will thrive under the capable leadership that will guide us into the next chapter. Thank you for your continued support.

St. Wolf

Stephan Wolf
Chief Executive Officer,
Global Legal Entity Identifier Foundation (GLEIF)

The LEI in 2023

LEI volumes hit a record high in 2023

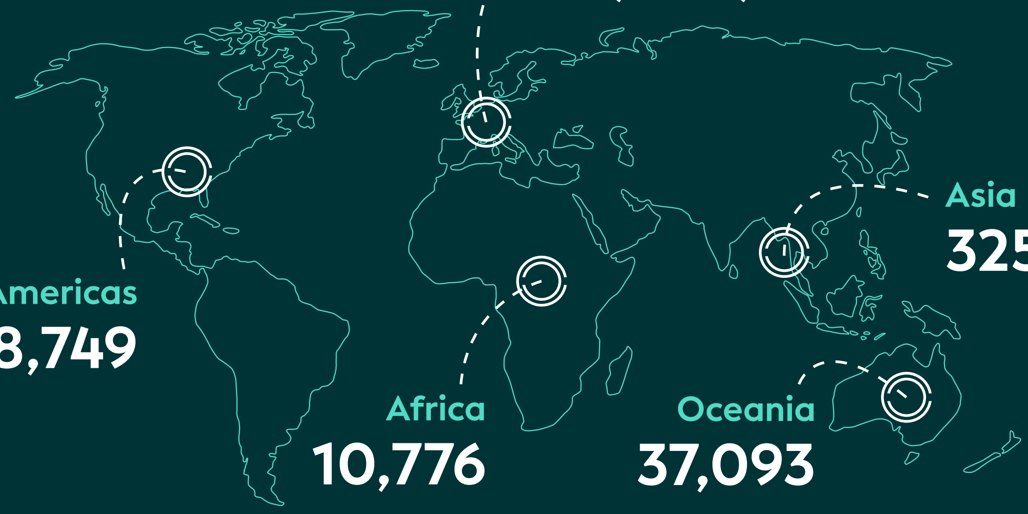
2.41 million active LEIs globally

240,000+ LEIs issued in 2023

11% annual growth rate*

249 jurisdictions with LEI services

Active LEIs by region:



As of 2023, Dec, 31

*The annual growth rate is based on new issuance in 2023 compared with total number of active LEIs in 2022.

New collaborations and partners broadened the scope of the Global LEI System:

New mapping partnerships

opencorporates

Open Ownership

New Validation Agents

BNP PARIBAS

VerifyVASP

CommonwealthBank

MNS Credit Management Group
Credit Solutions Beyond Expectations

Total LEI issuers

37 by the end of 2023

The LEI in 2023

Continued growth across the Global LEI System

Top LEI growth jurisdictions in 2023:

- Saudi Arabia: +58.3%
- Iceland: +19.3%
- United Arab Emirates: +20.6%
- Hungary: +19.5%
- India: +35.9%

Global trends in LEI issuance

Top 5 countries by LEI issuance:

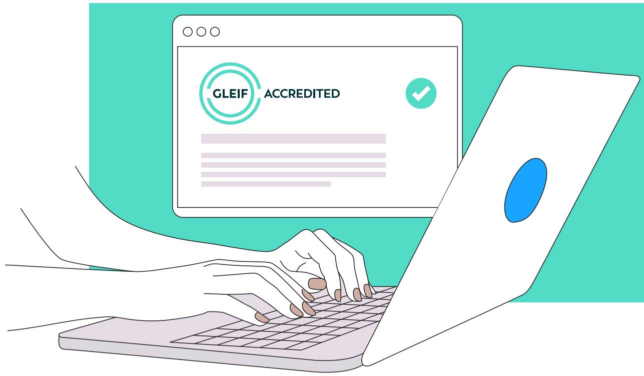
US	Germany	UK	Italy	Spain
285,797	190,368	183,924	181,753	151,900

Top 5 countries by renewal rate[1]:

Hungary	Japan	Finland	Germany	India
94.5%	91.8%	84.6%	79.5%	79.4%

5 most competitive markets[2]:

Luxembourg, Bulgaria, Portugal, Hong Kong, Belgium



New data available in the Global LEI System

At the end of 2023 there were:

- Approx. **6,000** government entities
- Approx. **131,000** legal entities reporting fund relationships
- **38** international organizations

[1] ***Renewal rates***
Renewal means that the reference data, i.e., the publicly available information on legal entities identifiable with an LEI, is re-validated annually by the managing LEI issuer against a third-party source.

[2] ***Competitive markets***
So called 'competitive markets' refer to those with over 1,000 LEIs, based on the number of LEI issuers providing services in the jurisdiction. The most competitive markets are those with the most LEI issuers per jurisdiction, with similar market share.

Regulation 2023:

A Driving Force Behind Global LEI Adoption

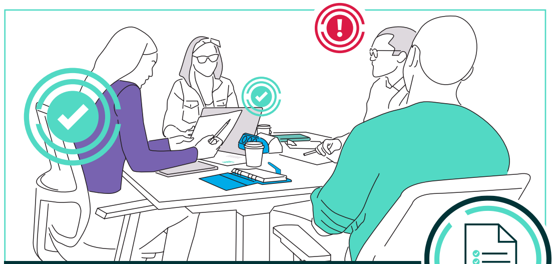
Advocacy for the LEI from within the global regulatory community is stronger than ever and continues to expand across jurisdictions and markets. Influential support has been secured for LEI use as a required or recommended component of entity identity management systems. As a result, the LEI now brings trust and transparency to an unprecedented number of regulated activities globally.

The LEI is being used by regulators worldwide to verify counterparty identification related to:

- Capital markets
- Trade and transactions
- Customs
- Payments
- Crypto-assets
- Digital finance
- Supervisory reporting
- Non-financial reporting
- Insurance
- Corporate debt lending
- Anti-money laundering

Moving into 2024, and beyond, the LEI is poised to support additional use cases including:

- Financial Data Transparency Act (US)
- Open finance
- Alternative Investment Funds
- Crypto asset service provider transparency
- Trade and technology
- Trust services



Public consultations

GLEIF actively participates in relevant public consultations published by regulators and organizations to highlight the added value of the LEI. GLEIF prioritizes this activity to raise awareness of the LEI and further drive its global use. In 2023, GLEIF responded to 36 consultations across 8 jurisdictions.

The LEI is a key data and identity connector that enables critical data sets to be efficiently matched. It is mapped to the following identifiers to provide a holistic view of an organization:

- OpenCorporates ID
- S&P Global Company ID
- SWIFT's MIC and BIC
- ANNA
- ISIN

Additionally, GLEIF and Open Ownership collaborate to allow easy identification of corporate beneficial owners and controllers by facilitating mapping to datasets, such as sanctions, watch and Politically Exposed Person (PEP) lists.

Spotlight on financial fraud prevention:

The LEI in cross-border payments

2023 was a milestone year for the LEI in cross-border payments. Industry advocacy for the inclusion of the LEI within ISO 20022 payment messages promises to support faster, cheaper, more transparent and inclusive cross-border transactions.

Champions include:

- **The FSB**
- **BIS Innovation Hub**
- **The BIS CPMI**
- **The Wolfsberg Group**
- **Swift Payments Market Practice Group**
- **The FATF**
- **Bank of England**
- **CIPS**

Advancing regulatory support drove momentum in the market. GLEIF supported many pilots which demonstrated the value of the LEI when transmitted in cross-border payment flows. Five use cases were identified: screening; Know Your Customer (KYC) and client onboarding; fraud detection and fight against vendor scams; e-invoice reconciliation; and account-to-account validation.

Pilots were initiated with:

- Bloomberg
- C2FO
- Ceviant
- Element22
- Finema
- Legal Entity Identifier India Limited
- Moody's
- Open Ownership and Open Sanctions (The Transparency Fabric)
- REGTEK (Beijing) Technologies
- The London Stock Exchange
- WM Datenservice
- Japan eSeal Consortium (Hitachi, Ltd.; Secom Trust Systems Co., Ltd.; Seiko Solutions Co., Ltd.; Keio University; TEIKOKU DATABANK, LTD. InfoCert S.p.A.; Société Internationale de Télécommunications Aéronautique)

2024: Strategic Milestones

One global identity behind every business. Inspired by this singular purpose, GLEIF made a powerful impact in 2023.

The organization successfully supported regulatory consultations and voluntary deployments across diverse use cases and geographies, enabling the LEI to benefit new markets. The GLEIS was strengthened and extended, resulting in expanded utility and relevance. Importantly, a critical mass of support was secured for the LEI's value as a public good in aiding the fight against financial crime and preventing fraud. The pace of industry momentum behind the use of the LEI in financial flows is a testament to its vast potential to strengthen the world's defenses against cross-border criminality.

Recognition for the LEI as a public good

The LEI was introduced to increase transparency within the global marketplace. From the outset, its endorsers, including the G20 and the FSB, aspired for it to become a broad public good. 2023 was a transformative year in meeting that goal. Regulatory support and developments within the global payments community pushed forward to advance the public good on two levels:

- **The fight against financial crime:**
  The BIS and the FATF identified data sharing, data standardization and advanced analytics as key components of effective initiatives to fight financial crime across borders. Thanks to a proof-of-concept undertaken as part of BIS' Project Aurora, there is now widespread recognition that the LEI can be leveraged to support data standards and mitigate AML and Counter-Terrorist Financing (CTF) risks.

  GLEIF also collaborated with Open Ownership and OpenSanctions in the Transparency Fabric, an initiative that uses the LEI to reduce illicit finance risks particularly in the context of cross-border and instant payments. Sanctions and AML screening techniques were enhanced by the integration of standardized and high-quality LEI data into sanctions and PEP lists to expose links with other entities. Mapping the LEI to both Open Ownership and OpenSanctions data makes it significantly easier to trace parties engaged in money laundering, terrorist financing and sanctions evasion.

- **Prevention against financial fraud:**
  CPMI and Wolfsberg Group support led to the inclusion of the LEI as a data field within ISO 20022 payments messages in 2023. The Wolfsberg Group is an association of 12 global banks which aims to develop frameworks and guidance for the management of financial crime risks. When the LEI is added as a data attribute in payment messages, any originator or beneficiary legal entity can be precisely, instantly, and automatically identified across borders, supporting enhanced fraud prevention efforts.

Elsewhere, the LEI has been recognized for its potential to enhance transparency within sustainability reporting and GLEIF was involved in a number of initiatives throughout the year. One such initiative saw GLEIF collaborate with the UNDP and the MAS to initiate a project to digitize basic ESG credentials for MSMEs. The three parties signed a statement of intent to work together on Project Savannah, an initiative that aims to help simplify the ESG reporting process for MSMEs by leveraging digital initiatives such as MAS' Project Greenprint[1] to generate ESG data credentials that can be housed in MSMEs' LEI records.

This will enable MSMEs to transmit verified entity information and key ESG data to their business partners, strengthening their ability to gain access to global financing and supply chain opportunities.

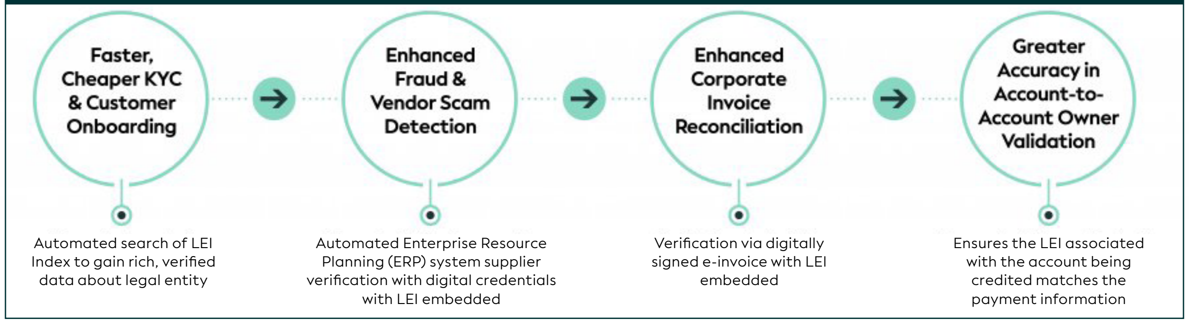
LEI mandates strengthen regional volumes

The highest LEI growth rates in 2023 were reported in Saudi Arabia and India, with growth of 58.3% and 35.9% respectively. Both countries have a key driver in common – their central banks mandating greater use of the LEI. In Saudi Arabia, the number of LEIs issued has been steadily increasing in recent years, largely thanks to coordinated efforts by the Saudi Credit Bureau (SIMAH) and the Saudi Central Bank to encourage financial sector players to obtain an LEI.

The Reserve Bank of India (RBI) has also been a pivotal force for the success of the LEI in the Indian market, proactively driving an advanced regulatory agenda over several years.

Following a string of RBI mandates dating back to 2017, which have embedded the LEI at the heart of the Indian economy as a critical business enabler, regulatory momentum continued in 2023. In a move heralded by the RBI as an important measure to promote stability and resilience across the Indian financial system, the Securities Exchange Board of India (SEBI) mandated the LEI for issuers of listed or proposed to list non-convertible securities, securitised debt instruments, and security receipts. Furthermore, SEBI directed the depositories

The value of the LEI in Cross-Border Payment Flows



[1] *Project Greenprint* is a collection of initiatives that aims to harness technology and data to enable a more transparent, trusted and efficient ESG ecosystem to enable green and sustainable finance.

to map the LEI code of issuers to their existing or newly issued ISIN. SEBI also mandated an active LEI for non-individual foreign portfolio investors (FPIs).

Elsewhere, the UK's central bank, the Bank of England, introduced the LEI into ISO 20022 payment messages for its Clearing House Automated Payment System (CHAPS) real-time gross settlement system on an 'optional to send' basis in June 2023. The bank has encouraged all CHAPS Direct Participants – which include traditional high-street banks and a number of international and custody banks – to start using LEIs as early as possible.

Yet it's not just central banks driving regional interest and mandates in key territories. The US Customs and Border Protection's Global Business Identifier (GBI) initiative got underway in 2023. The aim is to develop a single identifier solution that: improves the US Government's ability to pinpoint high-risk shipments and facilitate legitimate trade; creates a 'common language' between government and industry; and improves data quality and efficiency for identification, enforcement, and risk assessment. Three entity identifiers, including the LEI, are being tested to determine the optimal combination. The outcome of this, and the impending Financial Data Transparency Act in 2024, could have a significant impact on future LEI volumes in the US.

Advancing cross-border digital trust

GLEIF's digital strategy for the LEI centers on two methods for cryptographically binding the LEI to its organization: digital certificates and verifiable credentials (the vLEI).

While GLEIF continued to work on expanding the vLEI infrastructure, an exciting development in 2023 advanced the use of the LEI within digital certificates.

TrustAsia became the first Certificate Authority (CA) to issue a Secure/Multipurpose Internet Mail Extensions (S/MIME) Certificate with an embedded LEI. At the simplest level, this allows the authenticity and integrity of an email account associated with a legal entity to be validated. S/MIME is an established, widely used protocol for sending digitally signed and encrypted email messages. An S/MIME Certificate contains a public key bound to an email address and may also contain the identity of a natural person or legal entity that controls such email address. This can then be used to authenticate the individual or legal entity that sends an email and ensure it has not been tampered with by a third-party.

Embedding LEIs into S/MIME Certificates offers myriad benefits. It provides an additional layer of trust since the LEI is a global secure mechanism that provides reliable data on organizational identity. S/MIME Certificates with embedded LEIs also provide a direct link to the regularly updated LEI reference data via the Global LEI Index to enable more automated, consistent data checks, regardless of the organization's location. The result is a robust and reliable validation of an organization's data, together with the identity of those acting on behalf of the company.

Strengthening the Global LEI System

The GLEIS grew stronger in 2023, with new partnerships and collaborations extending the reach and relevance of the LEI to new audiences.

- VerifyVASP became GLEIF's newest Validation Agent, and the first to operate exclusively in the crypto and digital asset trading space. In this role, VerifyVASP can help obtain LEIs for its Virtual Asset Service Provider (VASP) clients quickly and efficiently, supporting increased transparency in crypto and digital asset trading markets. This development helps to deliver early FATF Travel Rule compliance for VASPs. The FATF Travel Rule (Recommendation 16) is a crucial part of the FATF's Recommendations, which set out a framework of measures that countries should implement in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction. The Travel Rule aims to mitigate the risks associated with the transfer of virtual assets, especially in ownership identification. It achieves this by mandating financial institutions and crypto firms involved in virtual asset transfers to acquire and exchange precise and reliable details of the originator and beneficiaries of the transaction before or during the transfer.

- GLEIF became an Associate Partner of the EU Digital Wallet Consortium (EWC), which is a joint effort to leverage the benefits of the proposed EU digital identity in the form of Digital Travel Credentials across EU Member States. The EWC intends to build on the Reference Wallet Application to enable a use case focused on Digital Travel Credentials. GLEIF expects this use case to necessitate the use of multiple electronic attestation of attributes and credentials as well as the involvement of both the private sector and the public sector. GLEIF has therefore joined the consortium to explore compliance of the vLEI with the EU Digital Identity (EUDI) wallet.

- GLEIF has become an Associate Sponsor of the OpenWallet Foundation (OWF), which is a consortium of companies and non-profit organizations collaborating to drive global adoption of open, secure, and interoperable digital wallet solutions. It also provides access to expertise and advice through its Government Advisory Council. As an advocate for these values, GLEIF's collaboration with the OWF included contributing to the Architecture Special Interest Group and Credential Format Comparison Special Interest Group.

What is the Global LEI System?

The GLEIS is the infrastructure that enables LEIs to be issued to legal entities globally. The GLEIS operates in three-tiers:

- The Regulatory Oversight Committee (ROC) is a group of more than 65 financial market regulators and other public authorities and 19 observers from more than 50 countries. It promotes the broad public interest by improving the quality of data used in financial data reporting, improving the ability to monitor financial risk, and lowering regulatory reporting costs through the harmonization of these standards across jurisdictions. It oversees GLEIF to ensure it upholds the principles of the GLEIS.

- GLEIF supports the implementation and use of the LEI. It makes available the Global LEI Index which is the only global online source that provides open, standardized and high-quality legal entity reference data. It also provides services that ensure the operational integrity of the GLEIS, such as the accreditation of LEI issuing organizations.

- LEI issuing organizations are accredited by GLEIF to supply registration, renewal, and other services, and act as the primary interface for legal entities wishing to obtain an LEI.

Consolidated Financial Statements 2023

for the Period from January 1 to December 31, 2023

Global Legal Entity Identifier Foundation (GLEIF)
Basel, Switzerland

Statement of Comprehensive Income

for the Period from January 1 to December 31, 2023

	Notes	Jan. to Dec. 2023	Jan. to Dec. 2022
		US$	US$
Fee revenue	3.1	15,526,924	14,382,820
Wages and salaries		-8,344,353	-7,301,041
Social contributions and expenses for pensions and care		-1,055,207	-911,792
Personnel expenses	3.2	-9,399,560	-8,212,833
Other operating expenses	3.3	-4,917,857	-4,088,917
Other operating income	3.4	198,386	103,333
Amortization and depreciation expense	4.5/4.6/4.7	-1,712,726	-1,592,501
Operating surplus / (loss)		**-304,833**	**591,902**
Subsidies and donations	3.5	1,217	5,031
Financial income / expense	3.6	24,738	-359,480
Net surplus / (loss)		**-278,878**	**237,453**
Changes of components of net equity from actuarial gains and losses in pension and similar obligations	3.2	-25,814	-4,739
Items that will not be reclassified to net surplus		-25,814	-4,739
Other comprehensive income		**-25,814**	**-4,739**
Total comprehensive income		**-304,692**	**232,714**

Balance Sheet

as at December 31, 2023

Assets	Notes	Dec. 31, 2023	Dec. 31, 2022
		US$	US$
Receivables from LEI issuers	4.1	2,010,929	2,373,249
Current financial assets	4.2	11,545	11,886
Other assets	4.3	456,974	330,606
Cash and cash equivalents	4.4	11,828,649	11,275,646
Current assets		**14,308,097**	**13,991,387**
Intangible fixed assets	4.5	1,494,922	1,689,213
Tangible assets	4.6	224,529	205,299
Long-term financial assets	4.2	141,440	136,525
Right-of-use assets	4.7	3,062,004	3,477,204
Non-current assets		**4,922,895**	**5,508,241**
		19,230,992	**19,499,628**

Liabilities and equity	Notes	Dec. 31, 2023	Dec. 31, 2022
		US$	US$
Payables due to vendors	4.8	599,830	802,608
Liabilities due to Board Directors	6.1	15,395	15,518
Deferred revenue	4.9	244,673	0
Current financial liabilities	4.10	697,127	1,124,128
Other payables	4.11	1,907,460	1,710,032
Deferred subsidies	3.5	0	1,217
Current liabilities		**3,464,485**	**3,653,503**
Provision for pension costs	3.2	79,213	45,010
Long-term financial liabilities	4.10	2,680,463	2,489,592
Non-current liabilities		**2,759,676**	**2,534,602**
Paid-in Foundation capital		55,927	55,927
Other reserves		-2,125	23,689
Retained surplus		12,953,029	13,231,907
Organizational capital	**4.12**	**13,006,831**	**13,311,523**
		19,230,992	**19,499,628**

Cash Flow Statement

for the Period from January 1 to December 31, 2023

	Notes	Jan. to Dec. 2023	Jan. to Dec. 2022
		US$	US$
Net surplus / (loss)		-278,878	237,453
Amortization and depreciation expense		1,712,726	1,592,501
Increase (decrease) of provisions		75	3,415
(Gains) / losses from the disposal of fixed assets		-497	-6,420
Financial income / expense		6,528	126,290
Other non-cash expenses and income		-36,729	233,547
Decrease / increase of receivables and other current assets		303,507	-528,015
Increase / decrease of liabilities to vendors and other operating (non-financial) liabilities		173,371	-203,873
Interest received		89,158	4,942
Cash flow from operating activities		**1,969,261**	**1,459,840**
Receipts from the disposal of intangible and tangible fixed assets and right-of-use assets		3,587	20,239
Acquisition of intangible and tangible fixed assets and right-of-use assets	4.5/4.6/4.7	-431,944	-756,613
Acquisition / settlement of financial assets	4.2	8,157	-1,942
Cash flow from investing activities		**-420,200**	**-738,316**
Repayment of lease liabilities		-1,094,590	-1,007,066
Proceeds from other (non-lease) financial liabilities		17,794	-1,816
Interest paid		-94,767	-131,185
Cash flow from financing activities		**-1,171,563**	**-1,140,067**
Total cash flow effects on cash and cash equivalents		**377,498**	**-418,543**
Effect of changes in exchange rates on cash and cash equivalents		175,505	-499,600
Cash and cash equivalents at beginning of period		11,275,646	12,193,789
Cash and cash equivalents at end of period	**4.4**	**11,828,649**	**11,275,646**

Statement of Changes in Organizational Capital

	Paid-in foundation capital US$	Other reserves, actuarial gains and losses from pension obligations US$	Retained surplus US$	Organizational capital US$
Balance as of December 31, 2021	**55,927**	**28,428**	**12,994,454**	**13,078,809**
Net surplus / (loss)	0	0	237,453	237,453
Other comprehensive income	0	-4,739	0	-4,739
Total comprehensive income	0	-4,739	237,453	232,714
Balance as of December 31, 2022	**55,927**	**23,689**	**13,231,907**	**13,311,523**
Net surplus / (loss)	0	0	-278,878	-278,878
Other comprehensive income	0	-25,814	0	-25,814
Total comprehensive income	0	-25,814	-278,878	-304,692
Balance as of December 31, 2023	**55,927**	**-2,125**	**12,953,029**	**13,006,831**

Notes to the Consolidated Financial Statements

1. Information on GLEIF

The accompanying consolidated financial statements present the operations of Global Legal Entity Identifier Foundation (hereinafter: "GLEIF" or "the Foundation") with its registered office in Basel, Switzerland and its subsidiary (together referred to as the "GLEIF Group").

GLEIF is a foundation according to Swiss civil law and registered under no. CHE-200.595.965 in the commercial register of Basel-Stadt, Switzerland. The address of the Foundation is St. Alban-Vorstadt 12, 4052 Basel, Switzerland. In February 2015, GLEIF began operating a permanent establishment in Frankfurt am Main, Germany, where the main operating activities of the Foundation are located.

GLEIF was founded on June 26, 2014, by the Financial Stability Board, an association under Swiss law. The purpose of GLEIF is to establish, maintain, and monitor the Global Legal Entity Identifier System ("Global LEI System"), which provides a worldwide unique identification number (the "LEI") for all parties of financial transactions.

The establishment of this system has been required by the Heads of State and Government of the Group of Twenty, calling the Financial Stability Board to coordinate the work among the regulatory bodies. Prior to the foundation of GLEIF, the Financial Stability Board established the Regulatory Oversight Committee ("LEI ROC"), which had set forth requirements for the structure of the Global LEI System and for the managing, monitoring, and standard-setting functions, as well as the internal structure and the funding of GLEIF. The LEI ROC has, as stipulated in Article 4 of the GLEIF Statutes, the regulatory oversight of the Global LEI System, including the activities of GLEIF in the broad public interest.

GLEIF is under supervision of the Swiss Supervisory Board of Foundations since the establishment of GLEIF in June 2014.

The consolidated financial statements were authorized for publication by the Board of Directors on May 23, 2024.

2. 2 Basis of Presentation and Summary of Material Accounting Policies

2.1 General

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). GLEIF also prepares a set of statutory financial statements in accordance with the Swiss Code of Obligations.

These consolidated financial statements are presented in U.S. dollars (US$), with rounding to the nearest dollar, unless otherwise stated.

The consolidated financial statements are prepared on the historical cost basis, unless otherwise stated in the accounting policies.

The accounting policies set out below are unchanged from the prior period and have been applied consistently throughout both periods.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of GLEIF and its subsidiary as at 31 December 2023. Control is achieved when the GLEIF Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the GLEIF Group controls an investee if, and only if, the GLEIF Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the GLEIF Group has less than a majority of the voting or similar rights of an investee, the GLEIF Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

Based on corporate governance and any additional agreements, companies are analyzed for their activities and variable returns, and the link between the variable returns and the extent to which their relevant activities could be influenced.

The GLEIF Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the GLEIF Group obtains control over the subsidiary and ceases when the GLEIF Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the GLEIF Group gains control until the date the GLEIF Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the GLEIF Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the GLEIF Group are eliminated in full on consolidation.

If the GLEIF Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Scope of consolidation

As of December 31, 2023, the GLEIF Group consists of GLEIF and its subsidiary "GLEIF Americas, a New Jersey nonprofit corporation" (hereinafter: "GLEIF Americas") with its registered seat in Jersey City, New Jersey, United States of America. The subsidiary was incorporated on May 1, 2020 and is consolidated since then. Article 3.01 of the bylaws states that at each time the majority of the board members must be affiliated with GLEIF. The members of initial board of trustees are officers and employees of GLEIF. Board members are elected or re-elected by the majority of the existing trustees.

2.3 Foreign currency

The functional currency of GLEIF is the U.S. dollar, as the Foundation generates its revenues and receives almost all cash flows from the LEI issuers (also referred to as Local Operating Units ("LOUs")) in this currency. The functional currency of GLEIF Americas is the U.S. dollar as well.

Transactions that are denominated in a currency other than U.S. dollar are recorded at the spot exchange rate on the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are retranslated into U.S. dollars, applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in financial income / expense.

The exchange rates of the most significant foreign currencies are:

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Swiss Franc to U.S. dollar	1.1933	1.0832
Euro to U.S. dollar	1.1050	1.0666

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates and excluding taxes or duty. Revenue is recognized over the term of the license period on an accrual basis.

The revenue of GLEIF is based on arrangements with the LEI issuers to pay to GLEIF a fixed service fee for each LEI issued and served by the respective issuer.

The license period of a LEI is one year from the date of issuance or renewal. During this period, the LEI issuers are responsible for managing and maintaining the integrity and accuracy of the LEI entry data and of the associated changes. The services provided by GLEIF to the LEI issuers relate to quality assurance, standardization, and certain other work with regard to the LEI issuers' management of LEIs. Accordingly, the revenue of GLEIF is related to the service periods of the LEIs. On a straight-line basis, GLEIF recognizes the revenue over the terms of the contracts between the LEI issuers and the LEI users, and defers the revenue that is allocated to the portion of the LEI service periods remaining after the balance sheet date. The outstanding portion of the LEI service periods is estimated based on quarterly performance reports of each LEI issuer. If the arrangement with a LEI issuer is terminated, the LEI issuer is charged the outstanding service fees until the respective end of the license periods of the managed LEIs.

Under the "master agreement" arrangement, the LEI issuer pays a quarterly service fee based on all active LEIs under its management at the end of the quarter. For service fees under this agreement, GLEIF only reflects in the balance sheet and as revenue 50 % of the quarterly service fee for new / renewed LEIs during the quarter. The remaining 50 % that has neither been earned nor billed at the end of the quarter is not shown in the balance sheet and only recognized in the subsequent quarter.

2.5 Government grants

A government grant or assistance is recognized only when there is reasonable assurance that the relevant group entity will comply with any conditions attached to the grant and the grant will be received. The grant is recognized as income over the period necessary to match with the related costs, for which they are intended to compensate, on a systematic basis. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognized as income in the period in which it is receivable. A grant relating to assets (capitalized expenditure) is recognized as deferred income (liability), and released in accordance with the amortization of the related assets.

2.6 Interest

Interest income and expense are recognized using the effective interest method. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

2.7 Income taxes

Since 2015, the Foundation's activities are located in Basel, Switzerland and in Frankfurt am Main, Germany. GLEIF is free from Swiss income taxes based on an assessment of the tax authority Basel-Stadt, Switzerland. In Germany, the activities of GLEIF to manage and monitor the Global LEI System are free from corporate and trade tax on income by law.

GLEIF Americas is exempt from federal income tax under Internal Revenue Code (IRC) Section (c)(3).

2.8 Provisions

A provision is recognized in the balance sheet when a group entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognized in the income statements.

Provisions for pension obligations are recognized by using the projected unit credit method based on reasonable assumptions for the long-term expected rate of salary increases and benefit increases, demographic assumptions, and long-term interest rates as of the balance sheet date. The related plan assets are recognized at their fair value in accordance with IAS 19.

2.9 Lease commitments

At inception of a contract, the GLEIF Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the GLEIF Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of IT equipment for the GLEIF data centers the GLEIF Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The GLEIF Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the GLEIF Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the GLEIF Group's incremental borrowing rate. Generally, the GLEIF Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the GLEIF Group's estimate of the amount expected to be payable under a residual value guarantee, if the GLEIF Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and low-value leases are recognized as expenses on a straight-line basis. Lease arrangements with a residual lease term under 12 months on the date of initial application are treated as short-term leases.

2.10 Tangible fixed assets

GLEIF Group tangible fixed asset items are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of each item. Tangible fixed assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives of all items of tangible fixed assets are as follows:

Technical and computer equipment	3 to 5 years
Motor vehicles	6 years
Office equipment	6 to 10 years

2.11 Intangible fixed assets

Separately acquired intangible fixed asset items are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of each item. After initial measurement, intangible fixed assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives of the intangible fixed assets.

The estimated useful lives of intangible fixed assets are as follows:

Software	3 to 5 years

As at the end of current financial year, GLEIF Group did not have intangible fixed assets with an indefinite useful life.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the GLEIF Group mainly include cash and cash equivalents, long- and short-term security deposits, and receivables from LEI issuers' fees. Financial liabilities of the GLEIF Group mainly comprise payables to vendors and to employees and Board Directors. GLEIF Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). Based on their nature, financial instruments are classified as financial assets, and financial liabilities measured at cost or amortized cost, and financial assets and financial liabilities measured at fair value.

Financial instruments are recognized on the balance sheet when a group entity becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e., purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only included in determining the carrying amount if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category – cash and cash equivalents, loans and receivables, financial liabilities measured at amortized cost – to which they are assigned.

Cash and cash equivalents

The GLEIF Group considers all highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value and have less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

Loans and receivables

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Impairment losses on trade and other receivables are recognized using separate allowance accounts.

Financial liabilities

The GLEIF Group measures financial liabilities at amortized cost using the effective interest method.

2.13 Accounting pronouncements applied in the financial statements

GLEIF Group has applied all IFRS accounting pronouncements that are effective for this reporting period. The GLEIF Group has not adopted any standards that have already been issued but that are not yet effective for this reporting period. The amendments had no material effect.

Amendments to standards	Description	Mandatory application
IFRS 17	Insurance Contracts, including amendments to IFRS 17 and amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Jan. 1, 2023
IAS 1	Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	Jan. 1, 2023
IAS 8	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Jan. 1, 2023
IAS 12	Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023
IAS 12	Amendments to IAS 12 Income Taxes: Temporary relief from accounting for deferred taxes arising from the OECD's international tax reform	Jan. 1, 2023

2.14 Not yet adopted recent accounting pronouncements

The following pronouncements issued by the IASB are not yet effective and have not yet been adopted by the Foundation:

Pronouncement	Description	Mandatory application	Anticipated effect
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, including Deferral of Effective Date, as well as Non-current Liabilities with Covenants	Jan. 1, 2024	No material effect expected
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	Jan. 1, 2024	No material effect expected
IAS 7, IFRS 7	Amendments to IAS 7 Statements of Cash Flows, IFRS 7 Financial Instruments – Disclosures: 'Supplier Finance Arrangements'	Jan. 1, 2024	No material effect expected
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	Jan. 1, 2025	No material effect expected

2.15 Critical accounting estimates

The financial statements are prepared in accordance with IFRS as issued by the IASB. The material accounting policies, as described above and in this section, are essential to understanding the GLEIF Group's results of operations, financial positions, and cash flows. Some of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions. Some of these assumptions may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates may have a material impact on the results of operations, financial positions, and cash flows.

Revenue recognition on service contracts

The allocation of revenue relating to the Foundation's service contracts with LEI issuers to the appropriate accounting periods is based on reasonable estimates of the timing of the underlying LEI service contracts between the LEI issuers and the LEI users. The Foundation receives quarterly reports from the LEI issuers detailing the number of LEIs renewed or newly issued by the LEI issuers. GLEIF has applied estimates, assuming that the issuance and renewal of each LEI, as well as the related start of a standard one-year service period, are distributed on a straight-line basis within the reported quarters. Changes in these estimates may lead to an increase or decrease of revenue.

3. Statement of Comprehensive Income

3.1 Fee revenue

The revenues split in regions (based on the legal seat of the LEI issuers) as follows:

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Europe	12,921,327	12,090,166
Asia	1,206,216	1,047,770
North and South America	1,323,969	1,171,621
Other regions	75,412	73,263
Fee revenues	**15,526,924**	**14,382,820**

While a significant portion of the overall GLEIF fees are from LEI issuers with a legal seat in Europe, the underlying cash flows of GLEIF are generated by a very geographically diverse population of LEI registrants. Within Europe, 44.6% of the revenue is concentrated on four LEI issuers.

3.2 Personnel expenses

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Wages and salaries	8,344,353	7,301,041
Social contributions and expenses for pension and care	1,055,207	911,792
Personnel expenses	**9,399,560**	**8,212,833**

The personnel expenses consist of the fixed and accrued variable remuneration as well as the bonus accrual for employees employed by the GLEIF Group. Social, pension, and care contributions are also included as part of these expenses.

As of year-end 2023, GLEIF Group employed 62 (2022: 59) employees. The average headcount for 2023 is 61 (2022: 57) employees.

Pension plan

Under Swiss law, GLEIF has to arrange for an affiliation contract with a pension fund for the Swiss employees to comply with legal requirements. The pension fund has to provide at least occupational benefits according to law.

In 2015, GLEIF set up a pension plan in Switzerland with AXA Vorsorgestiftung as a collective foundation. Based on the plan rules and pension law in Switzerland, the plan qualifies as a defined benefit scheme under IFRS. The insurance plan is contribution-based and contains a cash balance benefit formula. Under Swiss law, the pension fund guarantees the vested benefit amount as confirmed annually to members.

The collective foundation of AXA guarantees a 40% coverage of the retirement accounts covered by an insurance policy. The other assets are pooled for all affiliated companies. The collective foundation can adjust risk and cost contributions according to the circumstances. The employer has to cover at least half of all contributions. The collective foundation is able to withdraw from the contract with the employer. In that case, the company needs to affiliate with another pension institution.

GLEIF recognized pension cost of US$ 16,260 (2022: US$ 13,379) within personnel expenses and net interest expenses of US$ 1,173 (2022: US$ 92), and paid employer and employee contributions of US$ 15,743 (2022: US$ 9,957) to the scheme.

Actuarial losses of US$ 20,041 (2022: US$ 5,450 gains) from the defined benefit obligation, plus US$ 5,773 losses (2022: US$ 10,189) from the return on plan assets have been recognized as other comprehensive income.

The defined benefit obligation amounted to US$ 279,499 on December 31, 2023 (December 31, 2022: US$ 197,365), net of the plan assets of US$ 200,286 (December 31, 2022: US$ 152,355). A net pension liability of US$ 79,213 (December 31, 2022: US$ 45,010) was recognized in the balance sheet as of December 31, 2023.

The weighted average duration of the obligation is 16.0 (2022: 13.7) years. The employee and employer contributions expected for the next fiscal year are US$ 17,316 each.

For the calculation of the defined benefit obligation, a discount rate of 1.50% (2022: 2.30%) and a long-term salary increase rate of 2.0% (2022: 1.0%) is used. Mortality, risk of disability, and turnover rates are set in accordance with the statistical database BVG 2020.

A sensitivity analysis was performed for the most important parameters that influence the pension obligation of the employer. The discount rate and the assumption for salary increases are modified by a certain percentage. Sensitivity on mortality is calculated by changing the mortality with a constant factor for all age groups, resulting in a change of the longevity for the ages by one year longer or shorter as the baseline value. The sensitivity analysis results are as follows:

	Dec. 31, 2023	Dec. 31, 2023
	US$	US$
Defined benefit obligation with a change of		
Discounting rate by +0.25 % / -0.25 %	268,924	291,039
Interest rate by +0.25 % / -0.25 %	284,703	274,471
Future salary increases by -0.25 % / +0.25 %	277,492	281,468
Life expectancy -1 year / +1 year	277,107	281,886
Pension increase by +0.25 % / -0.25 %	284,098	275,150

Investment of assets is carried out by the governing bodies of AXA Vorsorgestiftung or by mandated parties. The structure of the plan assets by classes is as follows:

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Cash and cash equivalents	8,151	5,622
Equity instruments	63,631	43,954
Debt instruments	61,108	45,219
Real estate	45,686	38,546
Other	21,711	19,014
Total plan assets at fair value (quoted market price)	**200,287**	**152,355**
Total plan assets at fair value (non-quoted market price)	**0**	**0**
Plan assets	**200,287**	**152,355**

3.3 Other operating expenses

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Rental	152,665	159,079
Contractors	342,134	324,046
Travel and entertainment	788,902	469,569
IT consulting and development	278,378	195,368
IT service and maintenance	753,117	820,408
Website translation expenses	184,803	140,922
Telephone and communication, office expenses	105,797	125,717
Consulting and advice	986,032	687,250
Public relation advice	523,933	483,293
Legal advice	247,094	254,236
Tax advice, accounting and audit	192,117	186,176
Advertising	128,721	94,802
Data acquisition	79,172	12,351
Staff training expenses	63,939	35,520
Insurance premiums	48,444	49,250
Disposal of fixed assets	3,090	13,819
Other	39,519	37,111
Other	**4,917,857**	**4,088,917**

3.4 Other operating income

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Release of prior year liabilities	178,700	81,659
Refunds and reimbursements	11,870	980
Other	7,816	20,694
Other operating income	**198,386**	**103,333**

3.5 Subsidies and donations

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Subsidy granted in 2016	1,217	5,031
Income from subsidies and donations	**1,217**	**5,031**

In 2016, GLEIF received assistance from a government authority of the region of Hesse, Germany ("Hessisches Ministerium für Wirtschaft, Verkehr und Landesentwicklung"). The assistance was limited to a maximum of EUR 250,000. In order to receive the assistance, GLEIF was required to incur certain qualifying expenditures. GLEIF complied fully with the terms of the subsidy and in turn received the full amount of EUR 250,000 (US$ 260,725).

The portion of the subsidy attributable to capital expenditures (tangible and intangible fixed assets), advance payments, and deferred expenses has been deferred and is amortized over the useful life of the associated fixed assets.

GLEIF Group has not benefited from any other form of government assistance. No unfulfilled conditions or other contingencies attached to government assistance have been recognized.

3.6 Financial income / expense

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Interest income	89,412	4,942
Interest expense	-95,940	-131,232
Currency translation gains	1,152,642	1,622,209
Currency translation losses	-1,121,376	-1,855,399
Financial result	**24,738**	**-359,480**

The net currency translation gains result from payment of invoices in foreign currency as well as the translation of monetary balances as at the end of 2023.

4. Balance Sheets

4.1 Receivables from LEI issuers' fees

As in the prior year, all receivables from LEI issuers' fees are due after the balance sheet date. As of the balance sheet date, there are no indications that the receivables will not be settled and thus, allowances are not considered material and therefore not recorded.

4.2 Current and non-current financial assets

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Receivables due from vendors	7,759	8,157
Other current financial assets	3,786	3,729
Current financial assets	**11,545**	**11,886**

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Deposit due later than one year		
Office premises	141,440	136,525
Non-current financial assets	**141,440**	**136,525**

The balance outstanding as of December 31, 2023, relates mainly to a security deposit for the lease contract that the Foundation entered into in 2015.

The outstanding deposits receivable analysis is as follows:

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Deposits receivable later than five years	141,440	136,525
Total deposits receivable	**141,440**	**136,525**

4.3 Other current assets

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
VAT refunds		
Germany	20,494	76,302
Switzerland	35,479	16,804
Prepaid IT licenses and maintenance	136,752	150,158
Prepaid data acquisition costs	133,333	0
Annual newsletter subscriptions	12,172	9,327
Prepaid insurances	22,580	25,087
Prepaid travel expenses	24,405	19,961
Prepaid public relation advice	1,727	2,258
Prepaid training costs	13,636	2,368
Other prepaid expenses	24,232	12,404
Receivables due from employees	16,053	9,367
Prepaid membership fees	13,156	167
Reimbursements due from social organizations	2,254	6,403
Other	701	0
Other current assets	**456,974**	**330,606**

4.4 Cash and cash equivalents

The position consists of current bank accounts, call money and cash on hand.

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
UBS Switzerland AG	7,243,589	3,633,200
Sparkasse Langen-Seligenstadt	4,451,100	7,108,501
TD Bank, N.A.	133,664	533,903
Cash on hand	296	42
Cash and cash equivalents	**11,828,649**	**11,275,646**

4.5 Intangible fixed assets

The carrying amounts of all intangible fixed assets are as follows:

	GLEIS IT Solutions	Other intangible assets	Prepay-ments	Total
	US$	US$	US$	US$
2022				
Accumulated cost	2,995,719	276,056	187,788	**3,459,563**
Accumulated depreciation	-1,494,294	-276,056	0	**-1,770,350**
Carrying amount as of Dec. 31, 2022	1,501,425	0	187,788	**1,689,213**
Reconciliation				
Carrying amount as of Jan. 1, 2022	838,075	48,436	581,775	**1,468,286**
Additions	142,011	0	487,384	**629,395**
Transfer - Accumulated cost	870,225	0	-870,225	**0**
Disposal - Accumulated cost	0	0	-11,146	**-11,146**
Depreciation	-348,886	-48,436	0	**-397,322**
Carrying amount as of Dec. 31, 2022	1,501,425	0	187,788	**1,689,213**

	GLEIS IT Solutions	Other intangible assets	Prepay-ments	Total
	US$	US$	US$	US$
2023				
Accumulated cost	3,010,152	281,903	167,564	**3,459,619**
Accumulated depreciation	-1,688,543	-276,154	0	**-1,964,697**
Carrying amount as of Dec. 31, 2023	1,321,609	5,749	167,564	**1,494,922**
Reconciliation				
Carrying amount as of Jan. 1, 2023	1,501,425	0	187,788	**1,689,213**
Additions	27,716	5,847	237,950	**271,513**
Transfer - Accumulated cost	258,174	0	-258,174	**0**
Disposal - Accumulated cost	-271,457	0	0	**-271,457**
Depreciation	-465,706	-98	0	**-465,804**
Disposal - Accumulated depreciation	271,457	0	0	**271,457**
Carrying amount as of Dec. 31, 2023	1,321,609	5,749	167,564	**1,494,922**

The GLEIS IT solutions contain specific developed software for the maintenance and quality assurance of the GLEIS databases as well as data exchange tools for the communication between GLEIF Group and the LEI issuers.

The other intangible assets contain standard software licenses and the ERP system.

All intangible fixed assets stem from external developments or purchases.

4.6 Tangible fixed assets

The carrying amounts of all tangible fixed assets are as follows:

	Technical and computer equipment	Office equipment	Motor vehicles	Prepayments	Total
	US$	US$	US$	US$	US$
2022					
Accumulated cost	572,013	223,179	64,558	0	**859,750**
Accumulated depreciation	-459,317	-193,339	-1,795	0	**-654,451**
Carrying amount as of Dec. 31, 2022	112,696	29,840	62,763	0	**205,299**
Reconciliation					
Carrying amount as of Jan. 1, 2022	98,151	51,401	0	10,515	**160,067**
Additions	74,630	5,902	64,558	0	**145,090**
Transfer - Accumulated cost	10,515	0	0	-10,515	**0**
Disposal - Accumulated cost	-56,585	-3,368	-70,466	0	**-130,419**
Depreciation	-68,916	-26,474	-1,795	0	**-97,185**
Disposal - Accumulated depreciation	54,901	2,379	70,466	0	**127,746**
Carrying amount as of Dec. 31, 2022	**112,696**	**29,840**	**62,763**	**0**	**205,299**
2023					
Accumulated cost	611,825	224,459	64,558	8,794	**909,636**
Accumulated depreciation	-458,536	-214,014	-12,557	0	**-685,107**
Carrying amount as of Dec. 31, 2023	153,289	10,445	52,001	8,794	**224,529**
Reconciliation					
Carrying amount as of Jan. 1, 2023	112,696	29,840	62,763	0	**205,299**
Additions	119,297	1,280	0	8,794	**129,371**
Transfer - Accumulated cost	0	0	0	0	**0**
Disposal - Accumulated cost	-79,485	0	0	0	**-79,485**
Depreciation	-75,614	-20,675	-10,762	0	**-107,051**
Disposal - Accumulated depreciation	76,395	0	0	0	**76,395**
Carrying amount as of Dec. 31, 2023	153,289	10,445	52,001	8,794	**224,529**

No asset is pledged as security for liabilities of the GLEIF Group. Nevertheless, in accordance with general purchase conditions in Germany, most vendors will withhold the legal ownership of assets delivered until the purchase price is fully paid.

4.7 Leases

Leases are accounted for as described in section 2.9. As a lessee, GLEIF Group has concluded contracts for real estate and technical and computer equipment.

The carrying amounts of all right-of-use assets are as follows:

	Land and buildings US$	Technical and computer equipment US$	Total US$
2022			
Accumulated cost	4,166,237	2,251,421	**6,417,658**
Accumulated depreciation	-1,350,897	-1,589,557	**-2,940,454**
Carrying amount as of Dec. 31, 2022	2,815,340	661,864	**3,477,204**
Reconciliation			
Carrying amount as of Jan. 1, 2022	3,020,992	1,415,342	**4,436,334**
Additions	149,971	-11,107	**138,864**
Depreciation	-355,623	-742,371	**-1,097,994**
Carrying amount as of Dec. 31, 2022	2,815,340	661,864	**3,477,204**
2023			
Accumulated cost	4,419,015	2,031,982	**6,450,997**
Accumulated depreciation	-1,738,449	-1,650,544	**-3,388,993**
Carrying amount as of Dec. 31, 2023	2,680,566	381,438	**3,062,004**
Reconciliation			
Carrying amount as of Jan. 1, 2023	2,815,340	661,864	**3,477,204**
Additions	252,778	471,892	**724,670**
Disposal - Accumulated cost	0	-691,331	**-691,331**
Depreciation	-387,552	-752,318	**-1,139,870**
Disposal - Accumulated depreciation	0	691,331	**691,331**
Carrying amount as of Dec. 31, 2023	2,680,566	381,438	**3,062,004**

In October 2019, GLEIF agreed to an adjustment of the rental contract with the lessor of the Frankfurt office premises. The new minimum lease term runs until December 2025. An option to extend the lease term until December 2030 was agreed upon. GLEIF considers it as highly probable that this option will be used by GLEIF.

The outstanding discounted lease payments have the following maturities:

	Dec. 31, 2022 US$ Land and buildings	Dec. 31, 2022 US$ Technical and computer equipment
Maturities of discounted lease payments		
Not later than one year	390,643	702,173
Later than one year and not later than five years	1,473,044	0
Later than five years	1,016,548	0
Total lease payments	**2,880,235**	**702,173**

	Dec. 31, 2023 US$ Land and buildings	Dec. 31, 2023 US$ Technical and computer equipment
Maturities of discounted lease payments		
Not later than one year	439,893	230,524
Later than one year and not later than five years	1,658,820	249,452
Later than five years	772,191	0
Total lease payments	**2,870,904**	**479,976**

In addition, the following amounts were recognized in the statement of comprehensive income in 2022 and 2023:

	Jan. to Dec. 2022 US$ Land and buildings	Jan. to Dec. 2022 US$ Technical and computer equipment
Impact on the Statement of Comprehensive Income		
Interest expense	-69,279	-40,092
Expenses for variable lease payments	-93,406	0
Total	**-162,685**	**-40,092**

	Jan. to Dec. 2023 US$ Land and buildings	Jan. to Dec. 2023 US$ Technical and computer equipment
Impact on the Statement of Comprehensive Income		
Interest expense	-65,864	-28,870
Expenses for variable lease payments	-85,129	0
Total	**-150,993**	**-28,870**

Cash outflows related to lessee activities in 2023 amounted to US$ 1,272,502 (2022: US$ 1,271,589).

4.8 Payables to vendors

The current payables to vendors, including accrued payables, are due or will become due within three months after the balance sheet date.
Normal payments terms agreed with the vendors range between 7 and 30 days after invoicing.

4.9 Deferred revenue

The deferred revenue is accrued in accordance with the outstanding portions of LEI service periods within the Global LEI System. See sec. 2.4 above.

	2023 US$	2022 US$
Amortization in the following year		
until March 31	165,782	0
until June 30	68,262	0
until September 30	10,629	0
until December 31	0	0
Total deferred revenue	**244,673**	**0**

4.10 Financial liabilities

	Dec. 31, 2023 US$	Dec. 31, 2022 US$
Leasing liabilities falling due later than one year and not later than five years	1,908,272	1,473,044
Leasing liabilities falling due later than five years	772,191	1,016,548
Long-term financial liabilities	**2,680,463**	**2,489,592**
Leasing liability portion falling due within one year after the balance sheet date	670,417	1,092,816
Short-term bank liabilities	21,246	6,223
Liabilities due to LEI issuers	5,464	25,089
Current financial liabilities	**697,127**	**1,124,128**
Total financial liabilities	**3,377,590**	**3,613,720**

The short-term bank liabilities reflect the balances on the GLEIF Group's credit card accounts.

The liabilities due to LEI issuers arise from the annual true up of the volume of LEIs managed by the LEI issuers.
If the effective annual fee is lower than the amounts paid in advance, GLEIF issues a credit for such an overpayment.

Further details of lease liabilities are provided in section 4.7.

The reconciliation of the changes in liabilities arising from financing activities with the related cash flows is shown in the following table:

			Jan. to Dec. 2023			Jan. to Dec. 2022
	Leasing liabilities	Short-term bank liabilities	**Liabilities from financing activities**	Leasing liabilities	Short-term bank liabilities	**Liabilities from financing activities**
	US$	US$	US$	US$	US$	US$
Carrying amount as of Jan. 1	3,582,408	6,223	**3,588,631**	4,746,588	7,812	**4,754,400**
Additions	724,670	0	**724,670**	129,723	0	**129,723**
Changes from financing cash flows	-1,189,324	12,253	**-1,177,071**	-1,116,437	-1,816	**-1,118,253**
Interest accrued	94,734	0	**94,734**	109,371	0	**109,371**
Currency revaluation	138,392	2,771	**141,163**	-286,837	227	**-286,610**
Carrying amount as of Dec. 31	3,350,880	21,247	**3,372,127**	3,582,408	6,223	**3,588,631**

4.11 Other payables

	Dec. 31, 2023	Dec. 31, 2022
	US$	US$
Wage and church tax payables	111,347	102,716
Social security liabilities	49,613	26,517
Outstanding vacation	203,938	179,407
VAT payable		
Russia	0	0
Variable salary	772,797	660,823
Bonuses	761,389	714,888
Other liabilities due to employees	8,376	25,681
Other payables	**1,907,460**	**1,710,032**

The variable remuneration to GLEIF Group employees is accrued for in 2023 in accordance with the employment contracts. The bonuses to employees are accrued in accordance with board and management decisions.

The outstanding vacation liability in 2023 reflects the accrued salary and social contribution payments for the respective time.

4.12 Organizational capital

The Foundation's initial paid-in foundation capital in an amount of CHF 50,000 was contributed by the Financial Stability Board, according to Article 7 of the GLEIF Statutes. With the consent of the GLEIF Board of Directors, the Financial Stability Board is permitted, but not obliged, to make additional contributions.

According to Article 10 of the GLEIF Statutes, any surplus generated by GLEIF is dedicated to pursue the purposes of the Foundation. Any distribution payment to Directors, employees, or third parties, other than those made with the consent of the GLEIF Board of Directors and in accordance with the Foundation's purpose, is not permitted.

The Foundation's capital does not entitle the founder to receive distributions or any repayment of the capital contributed.

According to the Statutes, GLEIF must operate on a not-for-profit basis. In order to ensure the sustainable performance of the Foundation, the GLEIF Board of Directors and GLEIF management believe that a reasonable level of total capital reserve is necessary.

The consolidated total comprehensive income generated in 2023 will be allocated to the GLEIF Group's reserves. Together with the retained surplus and other reserves, the consolidated total organizational capital is US$ 13,006,831.

5. Financial Instruments

5.1 Additional disclosures on financial instruments

The following table presents carrying amounts of each category of financial assets and financial liabilities:

	Dec. 31, 2023	Dec. 31, 2022
	Carrying amount	Carrying amount
	US$	US$
Financial assets measured at cost or amortized cost		
Long-term security deposits	141,440	136,525
Receivables from LEI issuers fees	2,010,929	2,373,249
Cash and cash equivalents	11,828,649	11,275,646
Receivables due from vendors	7,759	8,157
Other non-derivative financial assets	3,786	3,729
	13,992,563	**13,797,306**
Financial liabilities measured at cost or amortized cost		
Payables due to vendors	599,830	802,608
Liabilities due to Board Directors	15,395	15,518
Leasing liabilities	3,350,880	3,582,408
Liabilities due to banks	21,247	6,223
Liabilities due to LEI issuers	5,464	25,089
	3,992,816	**4,431,846**

All financial assets and liabilities are measured at cost or amortized cost.

The carrying amounts of cash and cash equivalents, LEI issuers' fee and other receivables, and vendor payables with a remaining term of up to twelve months, other current financial assets and liabilities represent a reasonable approximation of their fair values, mainly due to the short-term maturities of these instruments. With regard to the non-current financial liabilities from leasing contracts, the fair value as of December 31, 2023 is considerably lower than the carrying amount due to the overall changes in interest rates in 2023.

The realization and valuation of the financial assets and liabilities mentioned above generated a net foreign currency gain of US$ 87,884 (2022: net foreign currency loss of US$ 238,847).

Total interest income / expense and bank transaction expenses from financial instruments are:

	Jan. to Dec. 2023	Jan. to Dec. 2022
	US$	US$
Total interest income	88,351	2,372
Total interest expense	94,734	131,140
Total bank transaction expenses	10,313	7,834

The bank transaction expenses are presented under the operating expenses.

5.2 Financial risk management

The GLEIF Group's operating business as well as its intended future investment and financing activities are affected by changes in foreign exchange rates and interest rates. GLEIF Group identifies, analyzes, and manages the associated market risks in order to optimize the allocation of the financial resources. The GLEIF Group seeks to manage and control these risks primarily through its regular operating and financing activities.

Foreign currency exchange rate risk

The operating structure of GLEIF Group exposes the GLEIF Group to foreign currency exchange rate risks, particularly regarding fluctuations between the U.S. dollar and the Swiss franc as well as the Euro, in the ordinary course of business. Based on an annual budget and monthly interim statements, the GLEIF Group plans the future financial disbursements in each significant transaction currency to mitigate the risk exposure to unpredicted and unwanted currency exchange expenses.

IFRS 7 requires the presentation of the effects of hypothetical changes of currency relations on surplus and equity using a sensitivity analysis. The changes of currency prices are related to all financial instruments outstanding at the end of the reporting period. To determine the net foreign currency risk, the financial instruments are categorized according to their foreign currency, and a 10% increase or decrease is assumed for the transaction currency.

The following table shows the effect for the two main foreign transaction currencies.

	2022 Effect on equity US$	2022 Effect on surplus US$
10% Increase of transaction currency		
Swiss Franc	23,267	23,267
Euro	369,877	369,877
	393,144	**393,144**
10% Decrease of transaction currency		
Swiss Franc	-23,267	-23,267
Euro	-369,877	-369,877
	-393,144	**-393,144**

	2023 Effect on equity US$	2023 Effect on surplus US$
10% Increase of transaction currency		
Swiss Franc	14,561	14,561
Euro	238,958	238,958
	253,519	**253,519**
10% Decrease of transaction currency		
Swiss Franc	-14,561	-14,561
Euro	-238,958	-238,958
	-253,519	**-253,519**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises whenever interest terms of financial assets and liabilities are different. Due to the increase of interest rates during the fiscal year 2023, and the higher spread between interest rates for assets and liabilities, GLEIF Group's interest rate risk remained at a moderate level. Certain operating resources, particularly office facilities, are financed through medium- to long-term interest-bearing leasing contracts, so any future replacement of such leases would incur additional interest costs. On the other hand, GLEIF Group can generate significantly higher interest income from cash funds in the future.

Liquidity risk

Liquidity risk results from the GLEIF Group's potential inability to meet its financial liabilities, in particular for ongoing cash requirements from operating activities.

The GLEIF Group management is able to mitigate liquidity risks due to the quarterly instalments and quarterly invoicing agreed in both kinds of arrangements with the LEI issuers and the repeating cash structure of the most operating expenses.

Credit risk

Credit risk from fee receivables and other financial receivables includes the risk that receivables will be collected late or not at all. These risks are analyzed and monitored by the management. The GLEIF Group mitigates the default risks by assessing the financial strength of an LEI issuer candidate during the accrediting and monitoring processes. However, default risk cannot be excluded with absolute certainty. The maximum default risk amount is the carrying amount of the financial asset. No collateral or insurance is agreed with regard to the default risk.

GLEIF Group has two major banking relationships. The majority of its cash holdings is concentrated within one of these banks.

6. Other Information and Disclosures

6.1 Related party transactions

Related individuals of GLEIF Group include the members of the Foundation's Board of Directors, the Chief Executive Officer and the senior management, as well as the members of the Regulatory Oversight Committee. Related organizations include the Financial Stability Board.

The following table discloses the current and prior year transactions with related parties and payables due by December 31, 2023, and December 31, 2022:

	Jan. to Dec. 2023	Dec. 31, 2023	Jan. to Dec. 2022	Dec. 31, 2022
	Expenses	**Liabilities**	**Expenses**	**Liabilities**
	US$	US$	US$	US$
Board directors				
Travel expense reimbursement	163,359	15,395	95,411	15,518
Key management personnel				
Fixed remuneration	1,232,127	0	1,098,567	0
Variable remuneration and bonus	359,612	370,241	386,677	393,455
Travel expense reimbursement	72,766	6,177	64,926	2,980
	1,827,864	**391,813**	**1,645,581**	**411,953**

The Directors did not receive remuneration for their services as Directors of the GLEIF Board, with the exception of the reimbursement of their travel costs.

The 2023 and 2022 travel reimbursement expenses and liabilities for the Board Directors include claimed expenses as well as accrued expenses for outstanding reimbursement.

The key management personnel of GLEIF consist of the CEO, the CFO, the Head of Business Operations, the Head of Service Management, and the General Counsel.

The expenses for the pension scheme for Swiss employees in the favor of the senior management were US$ 10,780 (2022: US$ 13,379)

6.2 Observance of the GLEIF Statutes' requirements

The purpose of GLEIF is to act as the operational arm of a Global Legal Entity Identifier System and thereby to support on a not-for-profit basis the implementation of a global Legal Entity Identifier in the form of a reference code to identify uniquely legally distinct entities that engage in financial transactions, as per Article 3 of the GLEIF Statutes. The Board of Directors observed that all expenses and disbursements of GLEIF were made to pursue the purpose of the Foundation, in accordance with Swiss law and the GLEIF Statutes.

6.3 Auditor fees

US$ 37,319 audit fees related to professional services rendered by the Foundation's independent auditors, Ernst & Young Ltd, Basel, Switzerland, were accrued for fiscal year 2023.

6.4 Subsequent events

GLEIF is not aware of any significant subsequent event after the balance sheet date that would require disclosure.

7. Board of Directors, Secretary, and Chief Executive Officer

The Foundation's Board of Directors consisted of the following individuals during the fiscal year 2023:

Steven A. Joachim (Chair of the Board)	resigned in June 2023
T. Dessa Glasser (Chair of the Board)	
Sandra Boswell	resigned in June 2023
Hany Choueiri	
Changmin Chun	
Salil Jha	
Zaiyue Xu	
Amy A. Kabia	
Javier Santamaría	
Vivienne Artz	
Kaoru Mochizuki	
Jacques Demaël	
Nassib Abou Khalil	resigned in June 2023
Gabriela Styf Sjoman	
Katia Walsh	
Angela Jimoh	nominated in July 2023
Luis Monteiro	nominated in July 2023
Omofolarin Alayande	nominated in July 2023

The first Directors were nominated in December 2013 by the Founder, the Financial Stability Board, and appointed at the inception of the Foundation on June 26, 2014, as per Article 14 of the GLEIF Statutes. Article 17 of the GLEIF Statutes stipulates that Directors are eligible for a term of three years, renewable (with consent of the Board of Directors) for an additional term of three years.

The nomination procedure for new Members of the Board of Directors is coordinated by the Chairman of the Board. Irrespective of this procedure, the Founder has the right to remove or nominate a Director of the Board based on a recommendation of the LEI ROC, as defined in Article 15 of the GLEIF Statutes.

The Chief Executive Officer is Stephan Wolf, residing in Wiesbaden, Germany. He started in his role in October 2014.

The Board of Directors appointed Nicola Dearden, Switzerland, as Corporate Secretary with effect from 26 June 2023.

Signing authorities have been established as per GLEIF Statute Article 35 “Signatures”.

Basel, May 23, 2024

Independent Auditor's Report

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To the Board of Directors of
Global Legal Entity Identifier Foundation, Basel

Basel, 23 May 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Global Legal Entity Identifier Foundation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 10 to 33) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Ernst & Young Ltd

Yana Toengi
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

Daniel Rohrer
(Qualified Signature)
Licensed audit expert

Overview of Professional Advisors

Advisor	Country of Origin	Type of Service
A&S Financial Advisory Firm	Japan	Payroll advice and processing
AD&M Abogados Y Consultores SLP	Spain	Payroll advice and processing
ADM in Swiss SARL	Switzerland	Payroll advice and processing
ADP Inc	USA	Payroll advice and processing
Arent Fox LLP	USA	Legal advice
AZB & PARTNERS	India	Legal advice
Bird & Bird LLP	Germany	Legal advice
Brix + Partners LLC	USA	Payroll advice and processing
CMS Hasche Sigle	Germany	Legal advice
CMS von Erlach Partners Ltd.	Switzerland	Legal advice
CMS von Hasche Sigle China	China	Legal advice
Ernst & Young AG	Switzerland	Audit
Estudio Chaloupka	Argentina	Legal advice
Eversheds Sutherland Ltd.	Switzerland	Legal advice
Hahn & Hahn Inc	Republic of SA	Legal advice
Hengeler Mueller	Germany	Legal advice
Joanknecht & Van Zelst	Netherlands	Payroll advice and processing
Joanknecht & Van Zelst	Netherlands	Legal advice
KIM & CHANG	Korea	Legal advice
MME Legal Ltd.	Switzerland	Legal advice
Niederer, Kraft & Frey AG	Switzerland	Legal advice
Okuyama & Sasajima	Japan	Legal advice
R. Arora & Associates	India	Legal advice
Rödl & Partner GmbH Rechts-	Germany	Legal advice
Rohner & Erni Tax AG	Switzerland	Tax advice
Tricor Payroll Services Pte Ltd	Singapore	Payroll advice and processing
Tricor WP Corporate Services Pte.	Singapore	Legal advice
White Horse Law Limited	UK	Legal advice
WP StB Christian Hecht	Germany	Payroll advice and processing
WP StB Christian Hecht	Germany	Tax advice

Abbreviations

AML	–	Anti-Money Laundering
ANNA	–	Association of National Numbering Agencies
BIC	–	Business Identifier Code
BIS	–	Bank of International Settlements
CA	–	Certificate Authority
CHAPS	–	Clearing House Automated Payment System
CIPS	–	Chinese Cross-border Interbank Payment System
CPMI	–	Committee on Payments and Market Infrastructure
CTF	–	Counter-Terrorist Financing
DSI	–	Digital Standards Initiative
EBA	–	European Banking Authority
EEA	–	European Economic Area
ERP	–	Enterprise Resource Planning
ESG	–	Environmental, Social, and Corporate Governance
EUCLID	–	European Centralized Infrastructure for Supervisory Data
EUDI	–	European Union Digital Identity
EWC	–	EU Digital Wallet Consortium
FATF	–	Financial Action Task Force
FPI	–	Foreign Portfolio Investors
FSB	–	Financial Stability Board
G20	–	Group of 20
GBI	–	Global Business Identifier
GLEIF	–	Global Legal Entity Identifier Foundation
GLEIS	–	Global Legal Entity Identifier System
ICC	–	International Chamber of Commerce
ISIN	–	International Securities Identification Number
ISO	–	International Organization for Standardization
KYC	–	Know Your Customer/Know Your Client
LEI	–	Legal Entity Identifier
MAS	–	Monetary Authority of Singapore
MIC	–	Market Identifier Code
MiCA	–	Markets in Crypto-Assets
MSMEs	–	Micro, small and medium-sized enterprises
OWF	–	OpenWallet Foundation
PEP	–	Politically Exposed Person
RBI	–	Reserve Bank of India
ROC	–	Regulatory Oversight Committee
SEBI	–	Securities Exchange Board of India
SIMAH	–	Saudi Credit Bureau
S/MIME	–	Secure/Multipurpose Internet Mail Extensions
UNDP	–	United Nations Development Programme
VASP	–	Virtual Asset Service Provider
vLEI	–	Verifiable LEI

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