
Global LEI System Business Report

Q4 2017

Summary

State of play of LEI issuance and LEI growth potential

In 2017, the LEI population nearly doubled to approximately 953,000 LEIs. Of the almost 500,000 LEIs issued in 2017, 77 percent were issued in the fourth quarter: in October 2017, LEI issuing organizations issued 105,525 LEIs, followed by 118,195 LEIs in November and 163,059 LEIs in December. In December, the volume of LEIs issued daily peaked at over 10,000. Growth is particularly high in EU countries with the highest increase observed in the UK, Germany and The Netherlands, respectively. As in the previous quarter, we attribute the high rate of newly issued LEIs primarily to impacted market participants seeking to achieve compliance with the revised EU Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR), which took effect on 3 January 2018. According to MiFIR, investment firms should obtain LEIs from their clients before providing services which would trigger related reporting obligations.

The extraordinary growth managed in the fourth quarter of 2017 demonstrates the robustness of the Global LEI System and the strong capabilities built by the LEI issuing organizations to handle a massive surge in LEI registrations. This is further substantiated by the very high level of data quality maintained throughout the reporting period as demonstrated with the data quality reports published monthly by GLEIF.

Competition in the Global LEI System

The report identifies the least and most competitive markets of those with more than 1,000 LEIs based on the number of LEI issuers providing services in the country. In the fourth quarter of 2017, Germany, Belgium and the Cayman Islands proved to be the three countries where competition between LEI issuers increased most significantly. However, competition notably decreased in The Netherlands and Spain. The five most competitive markets were Bulgaria, Cyprus, Switzerland, Malta and Panama.

LEI renewal rates

The renewal rate¹ in the EU (70.2 percent) and also in non-EU countries (51.9 percent) remained essentially unchanged compared to the previous quarter. With regard to the renewal rate in non-EU countries it has to be kept in mind that this is influenced strongly by the renewal rate in the U.S (45 percent in the fourth quarter of 2017). LEIs issued to legal entities in the U.S. make up almost 15 percent of the total LEI population. About 38 percent of all LEIs that have not been duly renewed represent entities based in the U.S. Between March 2015 and March 2017, we have consistently observed an overall renewal rate of about 70 percent. Due to the high increase in the total number of LEIs in the fourth quarter of 2017, the overall percentage of LEIs in good

standing increased to 84 percent by December. However, the total absolute number of LEIs that failed to duly renew has grown by some 30,000 LEIs in 2017.

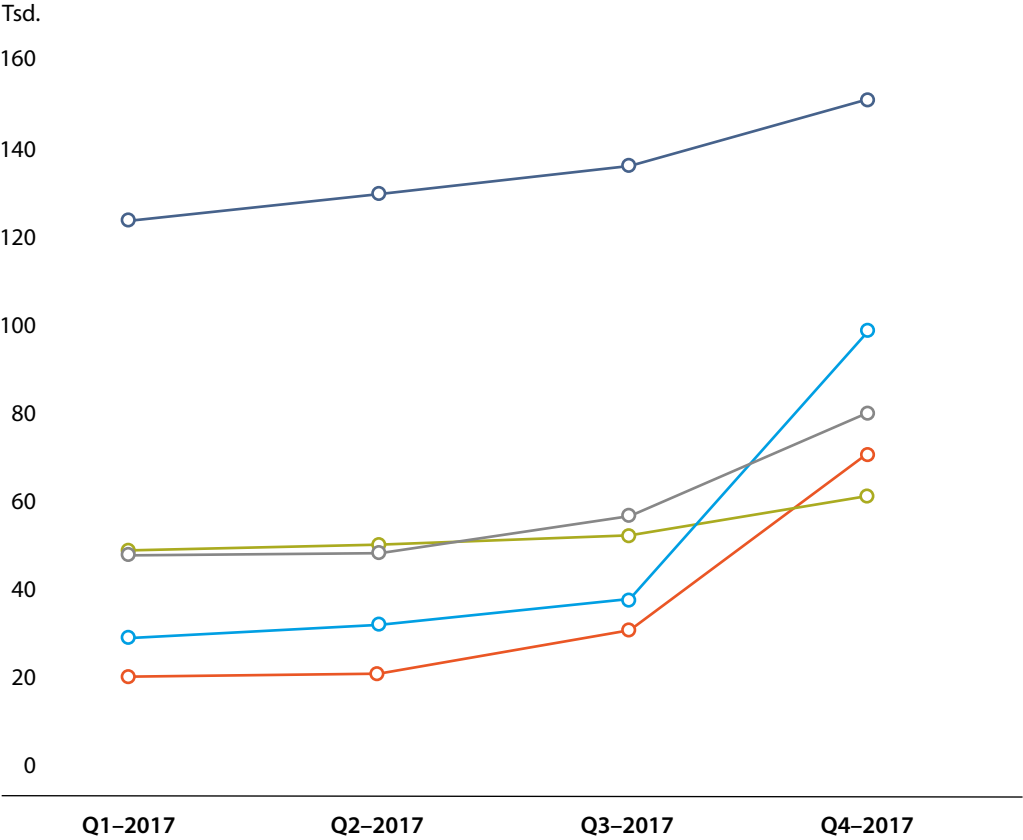
Statistics on the reporting of parent information by legal entities

In May 2017, the process of enhancing the LEI data pool, by including 'Level 2' data to answer the question of 'who owns whom', began. By the end of the fourth quarter of 2017, about 581,000 LEI registrants representing 61 percent of the total LEI population reported information on direct and ultimate parents (previous quarter: 26 percent). 28 percent of the information on direct parents reported in the fourth quarter has been fully corroborated (previous quarter: 46 percent). Only three percent of legal entities cited legal obstacles preventing them from providing or publishing parent information, i.e. to date the number of entities opting out of reporting Level 2 data remains very low. It is expected that parent information for the entire LEI population will be available during the first half of 2018, i.e. towards the end of the one-year renewal cycle after the date when collection of Level 2 data started.

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

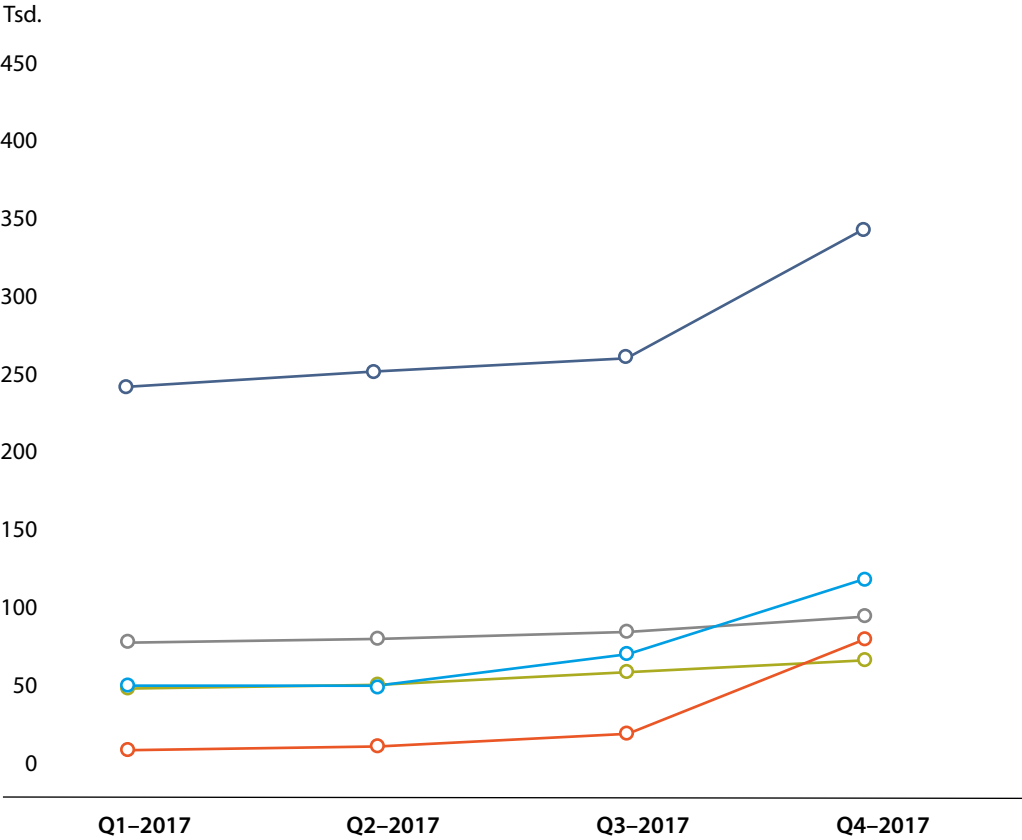
Active LEIs

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



- United States
- United Kingdom
- Germany
- Netherlands
- Italy

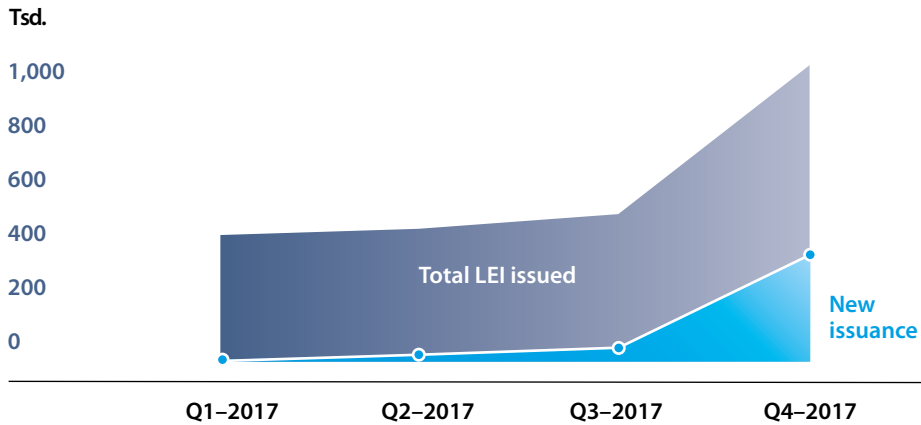
Total LEI Trend-Top 5 LEI issuers | Fig.-3



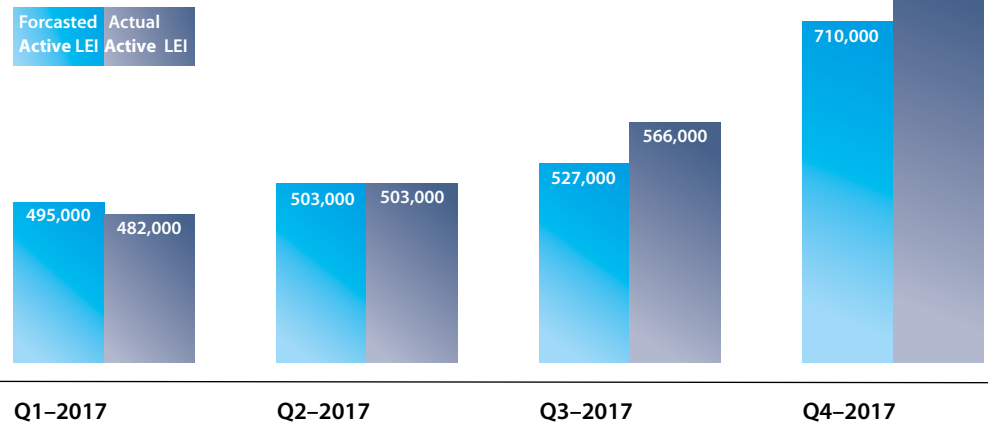
- Business Entity Data B.V.
- London Stock Exchange Plc
- WM Datenservice
- Netherlands Chamber of Commerce (KvK)
- InfoCamere SCpA, Società Consortile di Informatica delle Camere di Commercio Italiane per Azioni (InfoCamere)

Growth in Total Number of Active LEIs

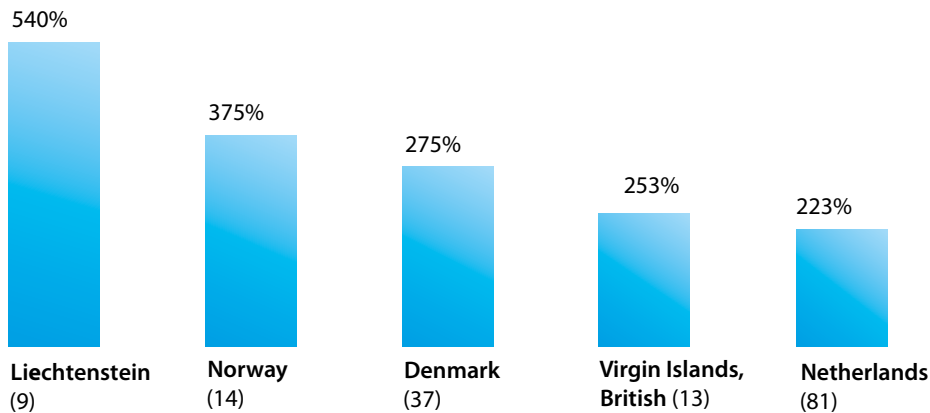
New LEI Issuance | Fig.-4



LEI Forecast | Fig.-5

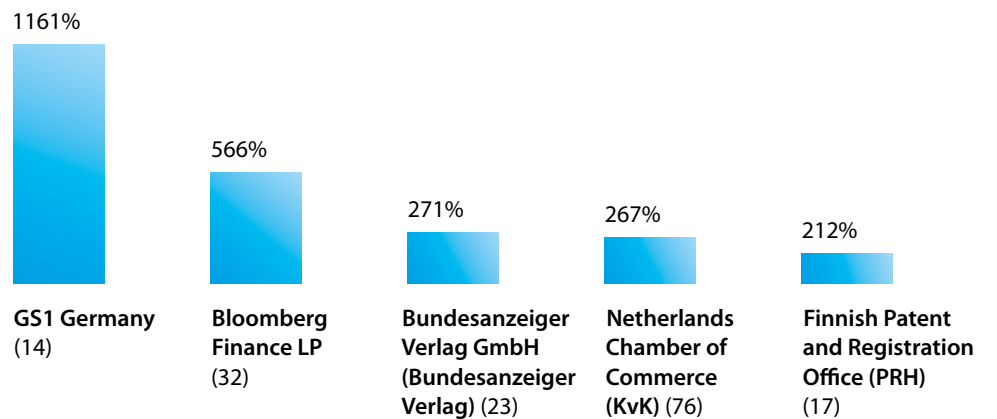


Quarterly LEI Growth – Top 5 Countries | Fig.-6¹



Growth rate of countries
Total issuance in thousands at most recent quarter-end date in parenthesis

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

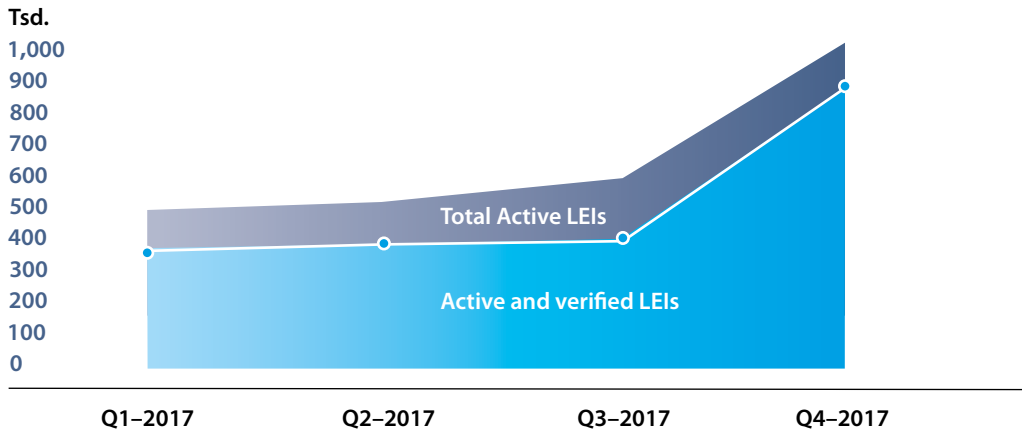


Growth rate of LEI issuers
Total issuance in thousands at most recent quarter-end date in parenthesis

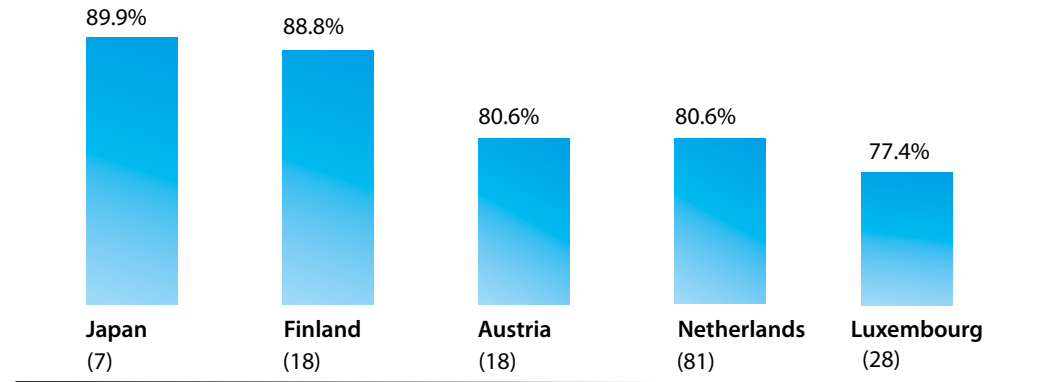
1. Analysis includes only those countries with at least 1,000 LEIs in total at the previous quarter-end date

LEI Renewal Activity

LEI Renewals | Fig.-8

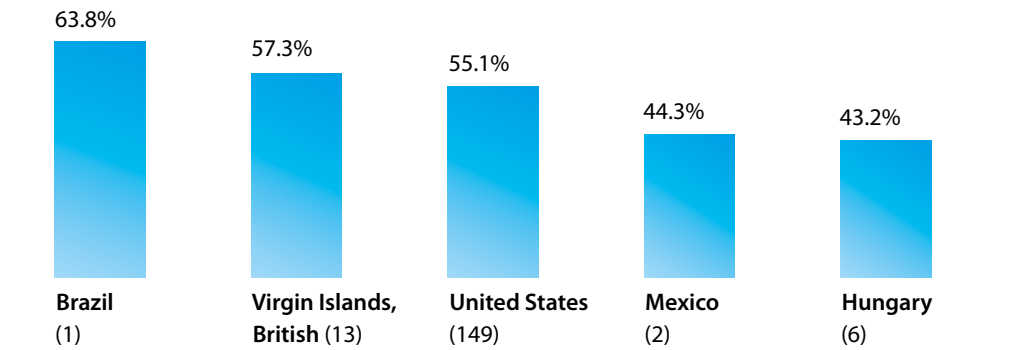


LEI Renewal – Top 5 Countries | Fig.-9¹



Renewal ratios of countries with total LEI issuance in thousands at most recent quarter-end date in parenthesis

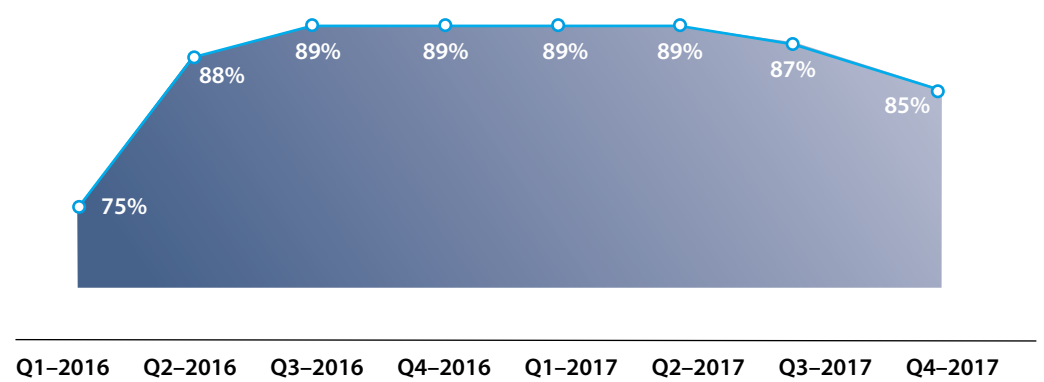
LEI non-Renewal (Lapsed LEIs) – Top 5 Countries | Fig.-10



Non-Renewal ratio of countries

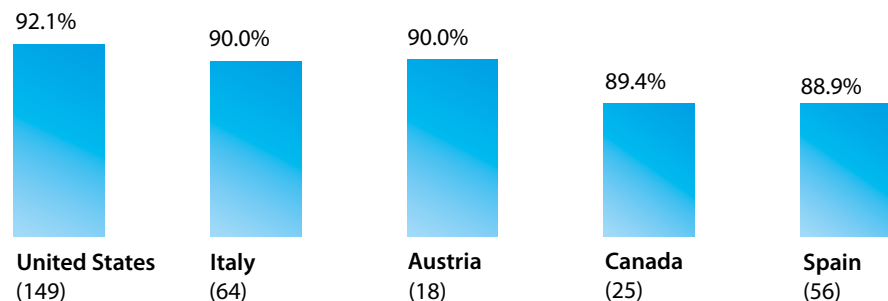
Reference Data Corroboration by LEI issuers

Percentage of Fully Corroborated LEIs | Fig.- 11



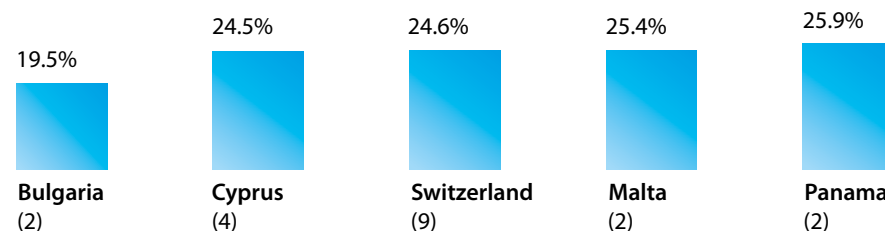
Competition amongst LEI issuers

Least Competitive (Most Concentrated) Markets¹ | Fig.-12



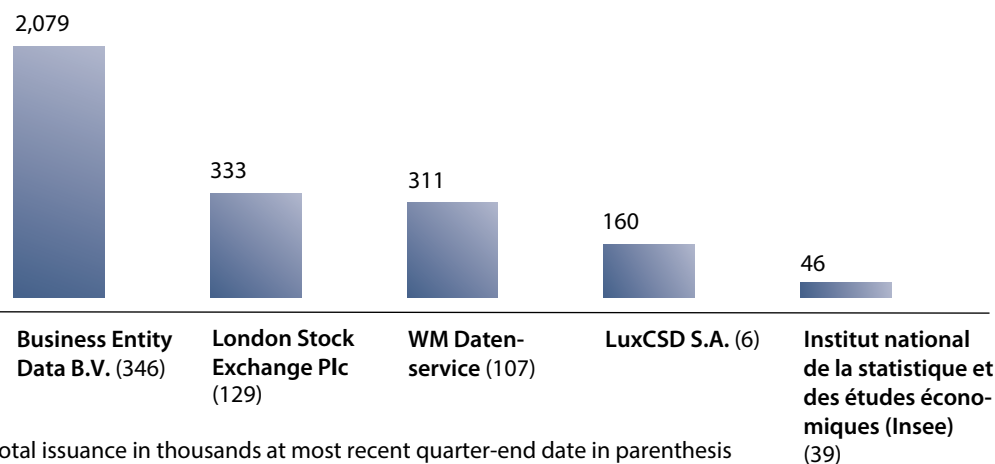
Concentration Score of countries
Total issuance in thousands at most recent quarter-end date in parenthesis

Most Competitive (Least Concentrated) Markets¹ | Fig.-13



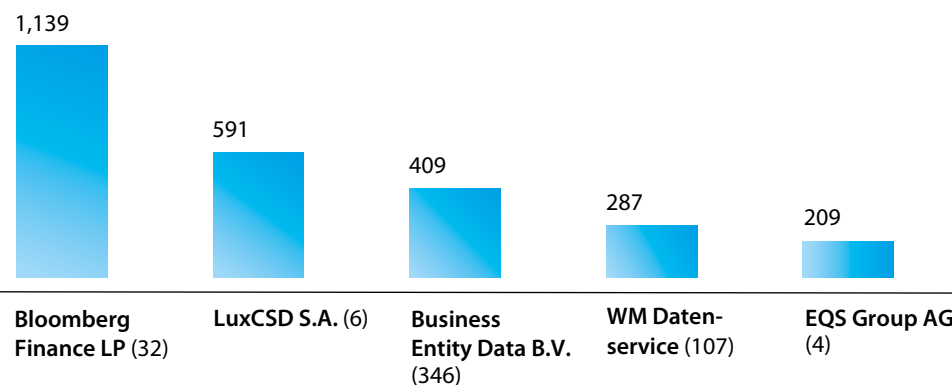
Concentration Score of countries
Total issuance in thousands at most recent quarter-end date in parenthesis

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



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

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

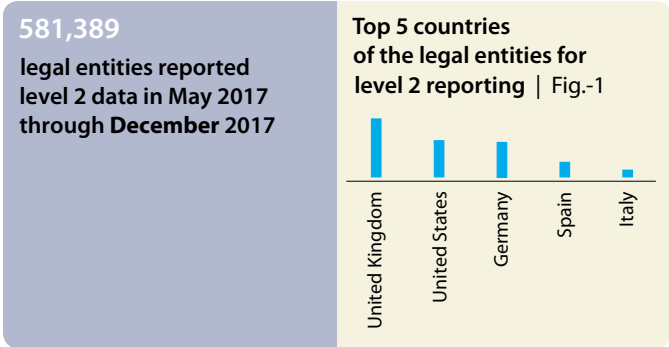


Total issuance in thousands at most recent quarter-end date in parenthesis

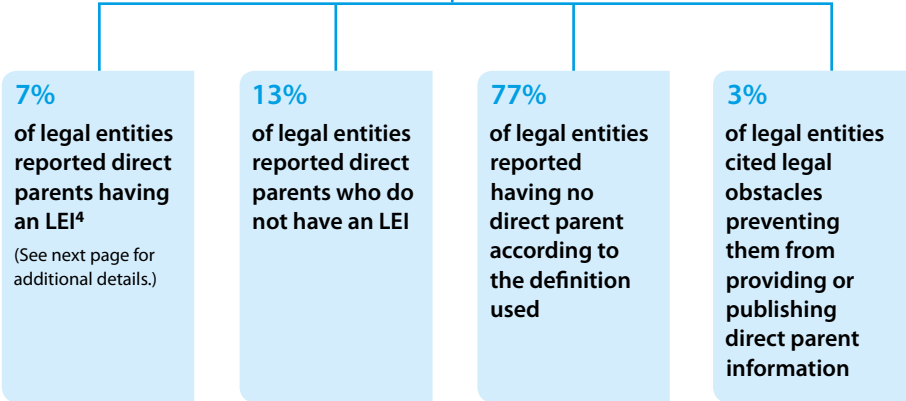
¹ Analysis includes only those countries with at least 1,000 LEIs in total at the previous quarter-end date. The higher the percentage the more concentrated LEI management is with a single LEI issuer.

**Level 2 data report
Q4 2017**

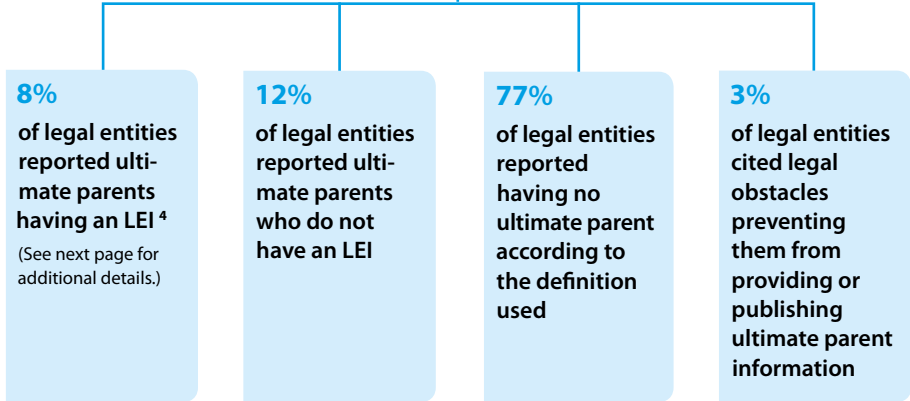
In May 2017, the process of enhancing the LEI data pool, by including 'Level 2' data to answer the question of 'who owns whom', began. The graphic below provides information on direct and ultimate parent data collected through December 2017¹.



Each legal entity reports information on its direct parent²:



Each legal entity reports information on its ultimate parent³:

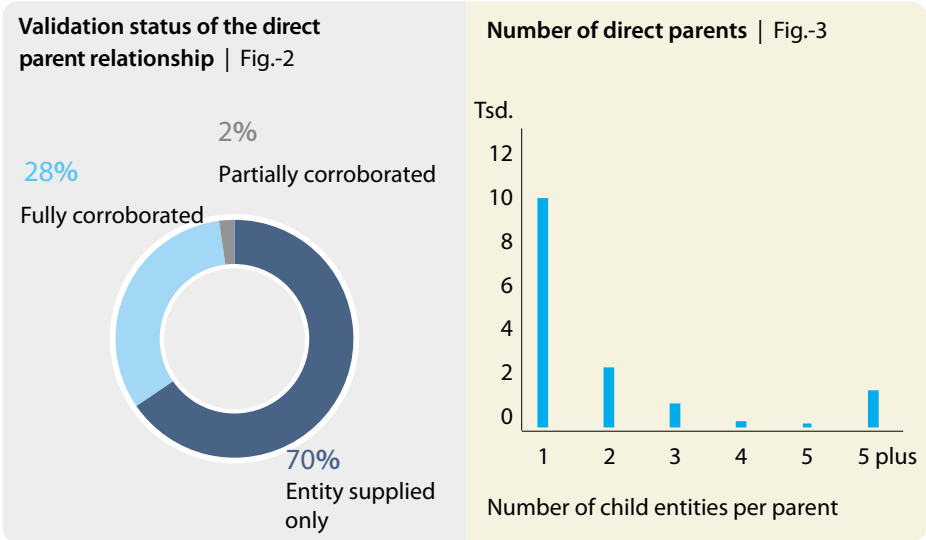


1 Referenced to level 2 relationship record CDF concatenated file dated 02 January 2018
 2 9%+ legal entities reported direct parent
 3 99.8% legal entities reported ultimate parent
 4 The definitions of ultimate and direct parent are based on percentage share of accounting consolidation as per LEI Regulatory Oversight Committee prescription. Related link <https://www.gleif.org/en/about-lei/common-data-file-format/level-2-data-reporting-exceptions-format>

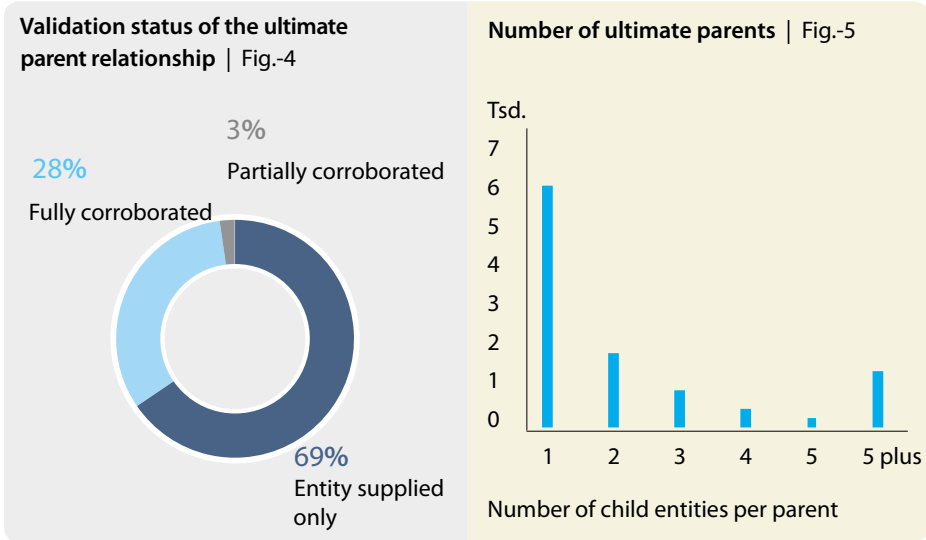
Level 2 data report
Q4 2017

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

Additional information on direct parents having an LEI



Additional information on ultimate parents having an LEI



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