Global LEI System
Business Report
Q4 2019
Summary

LEI issuance and LEI growth potential:
State of play
At the end of the fourth quarter of 2019, the total LEI population was around 1.5 million. Over 60,000 LEIs were issued during this quarter, compared to approximately 41,000 in the previous quarter. This represents a quarterly growth rate of 4.2% (previous quarter: 2.9%).

In the fourth quarter, China featured the highest quarterly LEI growth rate at a jurisdiction level (122.5%) followed by Turkey (13.9%), India (10.2%), Mauritius (9.8%) and Estonia (9.1%). Growth in China and India can primarily be attributed to regulatory initiatives mandating the use of the LEI. The growth in Turkey is driven by the ISIN-LEI mapping project, which mandates the use of the LEI among all issuers. In Estonia, growth may be attributed to the country-wide promotion of a digital society campaign and recent local market activity.

Competition in the Global LEI System
The report identifies the least and most competitive markets of those with more than 1,000 LEIs, based on the number of LEI issuers providing services in the jurisdiction. In the fourth quarter of 2019, the Netherlands, Italy, China, Spain, and Finland were the five least competitive markets in descending order. The five most competitive, also in descending order, were Lithuania, Romania, Portugal, Latvia and Malta. It is worth noting that the five least competitive markets are jurisdictions with local governmental authorities acting as LEI Issuers, indicating that legal entities seem to have a strong preference to working with these local operating units (LOUs).

In the fourth quarter of 2019, many markets exhibited increasing competition among LEI Issuers. In particular, the United States, Australia and the Scandinavian countries (Sweden, Norway and Denmark) have shown more relatively equal market shares among the LOUs operating in these jurisdictions.

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

In the fourth quarter of 2019, the overall renewal rate of 66.7% was lower than the previous quarter (70%). At the end of the quarter, 69.2% of all LEIs were in good standing (last quarter: 72.1%).

The renewal rate in the EU dropped to 67.3% (previous quarter: 71.2%). In non-EU jurisdictions, it was also lower at 58% (previous quarter: 59.8%). In the reporting period, the five jurisdictions which demonstrated the highest renewal rates were Japan (91.3%), Finland (90.5%), Liechtenstein (87.1%), India (83.5%), and Norway (79.8%). Brazil (56.8%), the United States (55.4%), the United Kingdom (54.2%), the Russian Federation (49.1%) and Canada (47%) had the highest non-renewal rates.

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

In the fourth quarter of 2019, the percentage of fully corroborated Level 1 reference data within the entire LEI population increased slightly to 80.6% from 80.1% in the previous quarter.

Statistics on the reporting of parent information by legal entities
In the fourth quarter of 2019, approximately 1.29 million LEI registrants representing 90% of the total LEI population had reported information on direct and ultimate parents. 99.9% of LEI registrants who obtained a newly issued LEI or renewed an existing LEI in this quarter reported parent information.

1 This includes jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date.
2 Registration requirements vary based on jurisdiction. Please see the GLEIF Registration Authorities list for further detail: https://www.gleif.org/en/about-lei/code-lists/gleif-registration-authorities-list
Total Number of Active LEIs by Jurisdictions | Fig.-1
Active LEIs

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

Total LEI Trend-Top 5 LEI Issuers | Fig.-3
Growth in Total Number of Active LEIs

New LEI Issuance | Fig.-4

Quarterly LEI Growth – Top 5 Jurisdictions | Fig.-6

LEI Forecast | Fig.-5

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

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

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

LEI Renewal | Fig.-8

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Active LEIs</th>
<th>Active and Verified LEIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2-2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3-2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>56.8%</td>
</tr>
<tr>
<td>United States</td>
<td>55.4%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>54.2%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>49.1%</td>
</tr>
<tr>
<td>Canada</td>
<td>47.0%</td>
</tr>
</tbody>
</table>

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

LEI Renewal – Top 5 Jurisdictions | Fig.-9

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>91.3%</td>
</tr>
<tr>
<td>Finland</td>
<td>90.5%</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>87.1%</td>
</tr>
<tr>
<td>India</td>
<td>83.5%</td>
</tr>
<tr>
<td>Norway</td>
<td>79.8%</td>
</tr>
</tbody>
</table>

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

Reference Data Corroboration by LEI issuers

Percentage of Fully Corroborated LEIs | Fig.-11

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2019</td>
<td>78.8%</td>
</tr>
<tr>
<td>Q2-2019</td>
<td>79.6%</td>
</tr>
<tr>
<td>Q3-2019</td>
<td>80.1%</td>
</tr>
<tr>
<td>Q4-2019</td>
<td>80.6%</td>
</tr>
</tbody>
</table>

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

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

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

- Netherlands (103) - 88.2%
- Italy (112) - 87.5%
- China (13) - 86.7%
- Spain (107) - 86.5%
- Finland (29) - 85.6%

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

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

- Lithuania (1) - 14.0%
- Romania (3) - 14.3%
- Portugal (7) - 15.9%
- Latvia (1) - 17.2%
- Malta (4) - 19.3%

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

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

- Business Entity Data BV (434) - 4,882
- London Stock Exchange (169) - 599
- EQS (49) - 579
- WM Datenservice (134) - 464
- CORPME (99) - 183

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

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

- EQS (49) - 2,472
- Bloomberg (90) - 1,930
- Ubisecure (23) - 1,424
- WM Datenservice (134) - 499
- Business Entity Data BV (434) - 274

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

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

The higher the percentage the more concentrated LEI management is with a single LEI issuer.
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 20191.

<table>
<thead>
<tr>
<th>Top 5 jurisdictions of the legal entities for level 2 reporting</th>
<th>Fig.-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>141,731</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>139,409</td>
</tr>
<tr>
<td>Germany</td>
<td>109,133</td>
</tr>
<tr>
<td>Spain</td>
<td>102,224</td>
</tr>
<tr>
<td>Italy</td>
<td>98,689</td>
</tr>
</tbody>
</table>

1,339,018 legal entities reported level 2 data by the end of Q4 2019

Each legal entity reports information on its direct parent2:

- 7% of legal entities reported direct parents having an LEI (See next page for additional details.)
- 5% of legal entities reported direct parents who do not have an LEI
- 80% of legal entities reported having no direct parent according to the definition used
- 8% of legal entities cited legal obstacles preventing them from providing or publishing direct parent information

Each legal entity reports information on its ultimate parent3:

- 8% of legal entities reported ultimate parents having an LEI4 (See next page for additional details.)
- 4% of legal entities reported ultimate parents who do not have an LEI
- 80% of legal entities reported having no ultimate parent according to the definition used
- 8% of legal entities cited legal obstacles preventing them from providing or publishing ultimate parent information

---

1 Referenced to level 2 relationship record CDF concatenated file dated 02 January 2020.
2 99.9% legal entities reported direct parent.
3 99.9% legal entities reported ultimate parent.
4 The definitions of ultimate and direct parent are based on percentage share of accounting consolidation as per LEI Regulatory Oversight Committee prescription.

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