

The Legal Entity Identifier (LEI): Questions and Answers

What is a Legal Entity Identifier (LEI)?

The Legal Entity Identifier (LEI) is a 20-digit, alphanumeric code that connects to key reference information that enables clear and unique identification of companies participating in global financial markets. The LEI is based on the ISO standard 17442 developed by the International Organization for Standardization.

More information is available [here](#).

What is the Global Legal Entity Identifier Foundation (GLEIF)?

Established by the Financial Stability Board in June 2014, GLEIF is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI). GLEIF is headquartered in Basel, Switzerland. GLEIF services ensure the operational integrity of the Global LEI System. GLEIF also makes available the technical infrastructure to provide, via an open data license, access to the full global LEI repository free of charge to users. GLEIF is supervised by the Regulatory Oversight Committee, which is made up of representatives of public authorities from across the globe.

More information on GLEIF is available [here](#).

Why a Global LEI System?

In 2011, the Group of Twenty called on the Financial Stability Board (FSB) to provide recommendations for a global Legal Entity Identifier (LEI) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. The FSB emphasized that global adoption of the LEI underpins multiple “financial stability objectives” and also offers “many benefits to the private sector”.

More information on the Global LEI System is available [here](#).

How does the Global LEI System work?

The Global Legal Entity Identifier (LEI) System is an initiative of regulatory authorities throughout the world, working with the private sector, to unambiguously identify legal entities engaged in financial transactions through the issuance of unique LEIs.

The Global LEI System is composed of three tiers:

- Regulatory Oversight Committee: A group of public authorities from around the globe established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System.
- Global LEI Foundation (GLEIF): Founded by the Financial Stability Board in June 2014, GLEIF is a not-for-profit organization created to support the implementation and use of the LEI. GLEIF services ensure the operational integrity of the Global LEI System.
- LEI issuing organizations: LEI issuers – also referred to as Local Operating Units – supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI.

More information is available [here](#).

What kind of information is identifiable with an LEI?

The Legal Entity Identifier (LEI) connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. Simply put, the publicly available LEI data pool can be regarded as a global directory, which greatly enhances transparency in the global marketplace.

The publicly available LEI data pool is a unique key to standardized information on legal entities globally. The data is registered and regularly verified according to protocols and procedures established by the Regulatory Oversight Committee (ROC).

In the GLEIF blog post, entitled [‘The Global LEI System: A Look Back and a Look Ahead’](#) the former ROC Chair Matthew Reed recalled that the Global LEI System is designed to ultimately “answer three basic questions: Who is who? Who owns whom? And who owns what?” The information available with the legal entity reference data to date is referred to as ‘Level 1’ data. It provides the answer to the question of ‘who is who’.

On 10 March 2016 the ROC published a document, entitled ‘Collecting data on direct and ultimate parents of legal entities in the Global LEI System – Phase 1’. The paper sets forth the policy design of a process for collecting ‘Level 2’ data, to complement the existing ‘Level 1’ legal entity reference data. It describes the process of enhancing the reference data to include the ‘Level 2’ data that will answer the question of ‘who owns whom’.

More information on the process for collecting data on direct and ultimate parents of legal entities is available [here](#).

Is the LEI data publicly available?

Yes. The Global Legal Entity Identifier Foundation (GLEIF) has published the Global LEI Index. It provides information, updated daily, on all LEIs issued to date. Any interested party can easily access and search the complete LEI data pool free of charge on the GLEIF website using the web-based LEI search tool developed by GLEIF.

More information on how to access and use LEI data is available [here](#).

What entities are required to have an LEI?

As defined in ISO 17442, the standard underlying the Legal Entity Identifier (LEI), the term 'legal entity' includes, but is not limited to, unique parties that are legally or financially responsible for the performance of financial transactions or have the legal right in their jurisdiction to enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way (e.g. trust, partnership, contractual). It excludes natural persons but includes governmental organizations and supranationals.

It is important to distinguish between being eligible for an LEI and being required to have one. As defined in ISO standard 17442, any legal entity that enters into a financial transaction is eligible for an LEI. Any legal requirement to have an LEI will come from national financial regulators.

A list of regulatory initiatives relevant to LEI adoption is available [here](#).

Can individuals get an LEI?

In principle, no. It should be noted however, that on 30 September 2015, the Regulatory Oversight Committee published a statement clarifying the conditions under which individuals acting in a business capacity are eligible to obtain LEIs.

The statement is available [here](#).

While individuals themselves cannot be assigned an LEI, they can obtain a Verifiable LEI (vLEI) role credential, which verifies their identity and role within a legal entity that holds a vLEI.

Will an LEI be the same for all classes of assets (bonds, mortgages, etc.)?

Yes. The Legal Entity Identifier (LEI) is a unique identifier for any given legal entity. It is not an identifier for instruments. As a result, that legal entity will use its LEI for reporting of any type of financial transaction it enters into regardless of the asset class or when the particular asset was issued.

How may an LEI for an entity be obtained?

Legal Entity Identifier (LEI) issuers – also referred to as Local Operating Units (LOUs) – supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI.

More information on how to get an LEI is available [here](#).

Who pays for a new LEI?

There are three options:

1. If an entity registers itself and/or its subsidiaries, the entity pays the registration fee for each registration. This is referred to as basic self-registration.
2. If an entity obtains explicit permission to register a different, unrelated entity, this is referred to as assisted registration. In this case, the party performing the registration pays the fee.
3. The Validation Agent role allows financial institutions and other organizations involved in identity verification and validation to obtain and maintain LEIs for their clients in cooperation with accredited [LEI Issuing Organizations](#). Validation Agents achieve this by leveraging their business as usual client identification procedures in Know Your Customer (KYC), client onboarding or standard client refresh update processes. In most cases, the Validation Agent pays for the LEI on behalf of their client.

It is up to that authorized party to determine whether/how they get reimbursed by the party they have assisted.

It has to be noted that the level of the fees is entirely a matter of the Legal Entity Identifier (LEI) organizations listed [here](#).

Is the registration fee for an LEI a one-time fee or is it renewed?

LEIs are renewed annually. LEI issuing organizations define the fee schedule in accordance with cost recovery principles.

Of note, there could be a multi-year contract with payment at the time of LEI issuance or both an initial registration fee and an annual maintenance fee. LEI issuing organizations may also pro-rate the renewal fee when the renewal request occurs in advance of the full annual period.

In the case of Validation Agents, the Validation Agent usually maintain the LEI for their clients as part of their client services.

How can an organization become a GLEIF accredited Local Operating Unit (LOU), i.e. an LEI issuer?

An organization authorized to issue Legal Entity Identifiers (LEIs) to legal entities participating in financial transactions is referred to as a Local Operating Unit (LOU). LOUs supply registration, renewal and other services, and act as the primary interface with registrants for LEIs. An LOU may issue LEIs to legal entities in any country where it is accredited to do so.

Accreditation is the process by which the Global Legal Entity Identifier Foundation (GLEIF) evaluates the suitability of organizations seeking to operate within the Global LEI System as LEI issuers and custodians of legal entity reference data. Becoming a member of the Global LEI System via GLEIF accreditation is a globally recognized designation of commitment to data quality and customer service. Candidate organizations must meet the requirements set out in the Master Agreement, which is the contractual framework governing the relationship between GLEIF and LEI issuing organizations.

More information on how to become a GLEIF accredited LOU is available [here](#).

What if there is an error in an LEI data record?

The content of the Legal Entity Identifier (LEI) data record is referred to as the legal entity reference data. LEI owners are responsible for keeping the LEI issuing organization aware of updates to the legal entity reference data. Also, any LEI data user may challenge an LEI and/or its legal entity reference data. A challenge triggers a review of the record by the respective LEI issuing organization to determine the validity of the updated information being submitted. Verification and updates of the LEI and/or its legal entity reference data resulting from challenges are processed free of charge by the managing LEI issuer.

The Global Legal Entity Identifier Foundation (GLEIF) is responsible for monitoring LEI data quality. The GLEIF data quality management program ensures that the LEI remains the industry standard best suited to providing open and reliable data for unique legal entity identification management.

More information on the GLEIF data quality management program is available [here](#).

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