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**ERICA (EUROPEAN RECORDS OF IFRS CONSOLIDATED  
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**Legal entity identifier (LEI) project**

**European Committee of Central Balance Sheet Data Offices (ECCBSO)**



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## I. INTRODUCTION. LEI PROJECT CONTENT AND LIMITS

This short document provides the basic elements of information to know which is the current situation of the implementation of LEI project in the ERICA WG countries and the foreseeable use in its consolidated accounts databases. A summary table provides the insights of these pieces of information. A final chapter provide a short list of open questions still not known by ERICA WG members and that would be interesting to be submitted to scrutiny in the short-term.

Accordingly to the mandate provided by G-20 to the FSB (Financial Stability Board) to implement a LEI worldwide, the Regulatory Oversight Committee (ROC) was built in 2012; in June 2014 the FSB created the Global Legal Entity Identifier Foundation (GLEIF), a Swiss Foundation overseen by the ROC, with the aim to define the technical standards, keep the central database of LEIs and monitor the compliance of the Local Operating Units (LOU) of the Global LEI System.

In October 2015, the GLEIF added a search function, where you can check if an entity has a LEI, or access the reference data associated to a LEI, including verifying whether the LEI is current and can be used in regulatory reporting (“issued” or “pending transfer”). From October 2015, new institutions that wish to become LEI issuers (that is, LOU, or Local Operating Units) need to be accredited by the GLEIF, which has to monitor their compliance with the standards of the Global LEI System. Current pre-LOUs, are yet under the process of official accreditation. The GLEIF also assumed the tasks of defining and maintaining the operational and technical standards of the system, using a quality criteria based on ISO 8000 and ISO 25024; that represents currently the application of daily quality checks to the work done by each LOU.

The ROC will continue to uphold the governance principles of and to oversee the Global LEI System, in the broad public interest, including the development of policy standards for the LEI. During 2016, ROC has commissioned the GLEIF for the development of the “Level 2 data”, in order to collect data on direct and ultimate parents of legal entities.

The webpages [www.leiroc.org](http://www.leiroc.org) and [www.gleif.org/en](http://www.gleif.org/en) provide more details about the international project broadly well-known; for that reason this documents doesn't summarize the history and scope of the project and concentrates in the grade of implementation in Europe as well as the potential use in consolidated databases. Also other European bodies, such as the Committee on Monetary Financial and Balance of Payments Statistics (CMFB) and the Statistics Committee (STC), are analysing the LEI development from different perspectives, so a collaborative surveillance with other institutions will create synergies in the monitoring process.

The standard used to create LEI is a globally agreed standard: ISO 17442. Its success is out of question: with figures obtained in August 2016, 28 established pre-LOU (Operational Issuers

endorsed by the ROC) have provided over 450.000 LEI, covering 195 countries<sup>1</sup>. This figure contrasts clearly with that of December 2013 where they were below 50.000 LEI. The sharp increase in the number of institutions with a LEI provides a good understanding of the impulse given worldwide to the LEI development.

Finally, it is to be highlighted that the European and Securities Market Authority (ESMA) has decided to use LEI in order to properly and uniquely identify each financial issuer by National Storage Mechanisms (OAM).

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<sup>1</sup> From over 112.000 in USA, 45.600 in Germany, 43.600 in Italy, 30.200 in France, 21.400 in Luxemburg, to 47 in Morocco, 162 in Nigeria, 92 in Saudi Arabia, among others; the figures detailed by country refers to August 2016 (<https://www.gleif.org/en/lei-data/global-lei-index/lei-statistics>)

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## II. SITUATION OF THE IMPLEMENTATION IN EACH COUNTRY

### Austria

In Austria there is no LOU established so far. Austrian credit institutions that have to self-register for LEI have to address one of the existing pre-LOUs (most of them addressed to WM Datenservice in Frankfurt). In the master data management system of Oesterreichische Nationalbank ("Observ") LEI is already implemented as a data field. Per 08/2016 we register in our database LEIs of 2.821 Austrian entities and of 45.400 foreign entities. About 80% of total LEIs are financial corporations. The share of financial corporations for Austrian LEIs is even higher (91%). LEIs are reported directly from the Austrian credit institutions to OeNB. Moreover there is a data exchange with WM Datenservice (Frankfurt) where OeNB also receives LEIs.

The master data system Observ is operated within the statistical division of OeNB and is available for all areas of the bank. Thus data can be used for all purposes (statistics, supervision, economics, etc.).

### Belgium

So far, there is no Belgian LOU. Each institution in Belgium that has to register itself for a LEI is free to choose one of the existing pre-LOUs. Per 26/08/2016 8.397 LEI records exist for Belgium, for 8.180 LEI codes the status of the entity is described as active. This figure is based on the data extracted by SWIFT.

### France

INSEE is in charge of managing LEI in France.

<https://lei-france.insee.fr/index>

As of September 2016, nearly 25.000 LEI have been attributed in France, among which 6.600 concern investment funds and 500 money market funds

### Germany

WM Datenservice (GEI-Portal- <https://www.geiportal.org>) and Bundesanzeiger (CEIReg - <https://www.ceireg.de>) are registered as pre-LOUs in Germany. Both are private companies.

The total number of LEIs being assigned to German entities as of August 2015 is above 42.700 (for the most part assigned by WM) according to the open source [http://openleis.com/legal\\_entities/search/registered\\_country\\_code/DE](http://openleis.com/legal_entities/search/registered_country_code/DE).

### Greece

In Greece, still no pre-LOU has been established. However, through the worldwide operating pre-LOUs, a total of 913 LEI codes have been issued for Greek companies, until end-July 2016.

## **Italy**

The National Chambers of Commerce are pre-LOU and are involved in the assignment of LEI code. LEI Italy is the service dedicated to Italian legal subject (companies and investment funds). The process of accessing and demanding of a LEI code is totally automatic by the website: <https://lei-italy.infocamere.it/leii>.

The total amount of issued LEI codes in Italy until August 2015 was 34.000.

## **Portugal**

The Instituto de Registos e Notariado (IRN) is the Portuguese pre-Local Operating Unit of the Global Legal Entity Identifier System (GLEIS), although it has not evolved yet into a full-fledged LOU. IRN has not yet issued a single LEI, keeping its status as not operational because it is still pending a decree-law from the Ministry of Justice essential for IRN being operational. Moreover, Banco de Portugal has endorsed the legislation according to which the IRN will assume the functions of a full-fledged LOU.

1.866 Portuguese companies have already their own LEI.

## **Spain**

The pre-LOU (Local Operating Unit) that provides the primary interface for the register of the Spanish LEI is the Mercantile Registers, a body that belongs to the Ministry of Justice. A webpage of the Ministry of Justice allows the creation and register of new LEI codes in a full on-line system, at <https://www.lei.mjusticia.gob.es/>.

Related to the access to query the LEI of a Spanish company, this has been totally automated, and can be obtained (in Spanish and English) in the website: <https://www.justicia.lei.registradores.org/pgBusqueda>

There are several options of searching, company by company, using its LEI, is national identification code and also by name. Also there is an option available to download all the list of LEI in an xml format, at <https://www.justicia.lei.registradores.org/pgDescargaXmIs> Any interested user can download what has been considered "basic data" in the aforementioned webpage.

The total amount of issued LEI codes in Spain until August 2016 was 17.476.

### III. FEASIBILITY OF LEI USE IN CBSO: PLANS OF USE IN CBSO CONSOLIDATED DATABASES

Introduction:

- a) It seemed that LEI in Europe would be only available for those entities involved in EMIR legislation. Therefore, only non-financial companies and groups using derivatives OTC were planned to have a LEI. But the good news is that EBA recommended to European Supervisors to use LEI for the analysis of large exposures. So, if this happens, it can be foreseen that non-financial corporations and groups, more than it was thought, will have a LEI available.
- b) On the other hand, to obtain a LEI (or preLEI) cost money<sup>2</sup> and therefore could be expected no special interest from non-financial institutions to ask for one LEI, in case it is not obliged.
- c) ROC prepared in 2014 the list of elements to be included in LEI. See at [http://www.leiroc.org/publications/gls/lou\\_20140620.pdf](http://www.leiroc.org/publications/gls/lou_20140620.pdf). In principle, the elements included could be of interest for the CBSO. Information about LEI itself, legal name, legal address, headquarters address, legal form, and others, evidently are of interest and would be used by CBSOs.
- d) Moreover, information about the relations among subsidiaries and parent companies would be of the utmost importance for CBSOs consolidated databases, and for ERICA as well. As said in the introduction, ROC commissioned in march 2016 to GLEIF to advance in the standardization of this kind of information.

#### Plans of use by CBSO in consolidated databases. Details by country:

##### Austria

Oesterreichische Nationalbank already implemented LEI as a data field in its master database hosted by Statistics department. Statistics department is also in charge of matching the LEIs for national entities to RIAD (Register of Institutions and Affiliates Database). Additionally the future use for LEI within AnaCredit project is very probable.

Current use is mainly focused on credit institutions but OeNB would appreciate a broader approach also for non-financial LEIs and for relationships. In respect with non-financial entities, LEI was also implemented as a new data field in CoCAS (Common Credit Assessment System). Currently (as per August 2016) we have 236 Austrian entities with LEI in CoCAS.

##### Belgium

The NBB has adapted its 'software for reporting' to incorporate the LEI records attributed to financial institutions and (re)insurance companies in Belgium that are monitored by the Prudential

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<sup>2</sup> The price charged to obtain LEI codes differs among countries, varying between 100-200 Euros to obtain the LEI and between 25-100 Euros to maintain it annually.



Supervision of the NBB. This new database “Master Data” which registers the available LEI codes, is operational since March 2016. Since the LEI record is not a mandatory field, the LEI code cannot be used as unique identifier. When the code is available, it will be considered in the Master Data and it can be linked to other NBB systems (eCorporate, OneGate, FRA).

There is no concrete purpose in the near future to collect the LEI-codes attributed to non-financial institutions in the NBB. As a result there is no presently intention to consider the LEI code as a unique identifier for non-financial institutions.

## **France**

LEI item is under integration in our local database

## **Germany**

There is no central master data system in Bundesbank so far, so that different units interested in the use of LEI (banking supervision, statistics, ICAS) implemented LEI in their own master data systems separately.

In Bundesbank LEI is used as an attribute in the master database of banking supervision department. Statistics department is in charge of matching the LEIs for national entities in RIAD (Register of Institutions and Affiliates Database). Within the AnaCredit project the use of LEI in banking supervision and statistics should become common since RIAD will be used as a master data system for AnaCredit.

LEI was included in the ICAS master data since March 2016. All LEIs, obtainable in RIAD, will be matched and uploaded in ICAS master database only once. The new LEIs will be entered manually in the ICAS master data.

Though LEI was included in the ICAS master database, at the moment there are no concrete plans for the use of LEI for consolidated database.

## **Greece**

Bank of Greece is already using LEI, as an attribute in RIAD (Register of Institutions and Affiliates Database), for the sector of Financial Corporations. As a next step in RIAD, it will use LEI also for the sector of Non-Financial Corporations. Furthermore, Bank of Greece will use LEI as an identity code, in the on-going project of the creation of its Analytical Credit Dataset.

## **Italy**

CBSO is planning to use the LEI code as an attribute in the database.

## **Portugal**

In the annual report of accounts (IES), non-financial corporations, financial institutions and insurance companies fill in LEI, on a voluntary basis, in the group structure information. This annual report is the primary source of annual information in CBSO. In this way, information about group structure of non-financial corporations is uploaded in a database which contains, for 2015 data, 177 LEI for Portuguese companies and 276 for foreign companies. However, individual and consolidated accounts database are not using LEI yet.

In the master database of Banco de Portugal, which identify all Portuguese non-financial and financial companies, LEI already exist mainly for financial institutions under the Banco de Portugal supervision. In RIAD, 182 financial institutions have LEI, 26 from insurance sector and 1 belonging to public administration. Finally, under the on-going project of Analytical Credit Database LEI will also be used by the end of 2017.

## **Spain**

Banco de España is using LEI in its Regulation and Supervision Department databases to keep record of the financial institutions identifications. More precisely, the Statistics Department also have LEI as a field in some of our databases identifications, being prepared to interact with RIAD data. And in the case of Banco de España CBSO, LEI is used in its current task of maintenance of the directorate and data of Holding companies (work done in the domain of Financial Accounts of the Economy). Also the CBSO would like to use LEI, when available, to keep this record in its Groups Structure database. In the questionnaire of 2015 data sent to contributors companies to the CBSO non-financial corporations sample (around 10.000 companies), CBSO has introduced LEI as a field; also under a proposal done by Banco de España´CBSO, the official questionnaire for the legal deposit of annual accounts to be deposited in the Mercantile Registers in 2016 has included LEI, to be provided voluntarily by companies that have a LEI. This information will be received from September 2016 in CBSO.

## IV. IV LEI. SUMMARY OF KEY ELEMENTS BY COUNTRY

	Pre-LOU in the country?		Pre-LOU: number of LEI given			Use in NCB (database)				Use in CBSO	
	Yes/No	Institution	Financial	Non-financial	Total	Yes/ No	Number of Foreign LEI	Number of National LEI	Number of Total LEI	Yes/ No/ Plans	Plans in Consolidated database
<b>Austria</b>	No	-	-	-	-	Yes	35.017	997	36.014	Yes	No
<b>Belgium</b>	No					Yes (but only LEI-codes attributed to financial institutions (COREP / FINREP) and to (re)insurance companies (Solvency II))				No	No
<b>France</b>	Yes	INSEE	7500	6500	14.000	No	16	24.682	24.698	Yes	No
<b>Germany</b>	Yes	WM Datenservice and Bundesanzeiger			42.738	Yes (the figures refer to the banking supervision database, both for financial and non-financial entities) <sup>3</sup>	12.969	10.084 (of which 6.494 non-financial)	23.053	Plans	No
<b>Greece</b>	No	-				Yes (but only LEI-codes attributed to financial institutions and to specific NFCs) in the context of RIAD	0	171	171	Plans	No
<b>Italy</b>	Yes	Union of Chamber of Commerce			32.000	Yes (but only for EBA/ECBA purposes) from December '14				Plans	No
<b>Portugal</b>	Yes	Instituto de Registos e Notariado			0	Yes (IES and RIAD)	370	429	799	Yes	No
<b>Spain</b>	Yes	Mercantile Registers	n/a	n/a	15.010	Yes (but only LEI-codes attributed to financial institutions) in the context of RIAD	n/a	n/a	13.535	Yes (for hodlings)	No

<sup>3</sup> For Germany: The number of national LEIs entered by statistics department in the context of RIAD is about. 5.800.

## V LIST OF CURRENT DOUBTS ON LEI USE

This chapter offers the list of doubts that ERICA WG members have about the use of LEI that will try to clarify in the next meetings:

1. LEI is an identifier created for individual corporations. There will be the possibility to have a specific LEI to identify a group (the financial statements of a consolidated group), to differentiate it from the LEI of the parent company?

2. Could therefore, depending in the previous answer, use LEI as an identifier in the ERICA and national databases of consolidated accounts, as well in the databases of groups' structures?

3. Is it undoubtedly that the relation between a corporation and LEI is unique and bilateral? It seems that in the case of multinationals, some special purpose vehicles, created to finance the group, some LEI codes can be provided to a single juridical unit. On top of that, certain LOUs have provided in the past LEI codes that provoke problems of use, for example, some Portuguese and Spanish companies whose LEI (20 digits) is formed only with numbers (not letters among these 20 digits); this has created afterwards problems to use this identifier in Excel. For that reason, pre-LOUs have decided to give a new LEI for the same institution.

4. Some CBSO are involved in the process of providing data to RIAD about holdings (non financial corporations that because its financial activity will be included in RIAD list). To those that are not involved in derivatives markets and that are not included in ECB regulations, it will be possible to obtain a LEI from them, without their active participation asking for the identification to the LOU of its country? Who will pay for obtaining the LEI?

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