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**ERICA (EUROPEAN RECORDS OF IFRS CONSOLIDATED
ACCOUNTS) WORKING GROUP**

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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 what 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 oversee 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), or pre-LOUs, in its current status. It is foreseen that the pre-LOUs will obtain the final nomination as LOU before December 2015. The webpages www.leiroc.org and www.gleif.org/en provide more details about the international project broadly well-known; for that reason this documents don't summarize the history and scope of the project and concentrates in the grade of implementation in Europe as well the potential use in consolidated databases. Also other European bodies, like CMFB and the 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 May 2015, 19 established LOU have provided over 350.000 LEI, covering hundreds of countries¹. This figure contrasts clearly with that of 2013, year when the LEI were below 50.000. The sharp increase in the number of institutions with a LEI provides a good understanding of the impulse given worldwide to the LEI development. .

¹ From over 80.000 in USA, 41.000 in Germany, 28.000 in Italy, 34.000 in France, 17.000 in Luxemburg, to 36 in Morocco, 14 in Nigeria, 54 in Saudi Arabia, among others; the figures detailed by country refers to December 2014

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. Currently we have registered in our database LEIs of 997 Austrian entities and of 35.017 foreign entities. About 75% of the LEIs are financial corporations. 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 28/08/2015 6527 LEI records exist for Belgium, for 6449 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 march 2014, nearly 14.000 LEI have been attributed in France, among which 6500 concerns 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 41.200 (for the most part assigned by WM) according to the open source 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 842 LEI codes have been issued for Greek companies, until end-June 2015.

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 still 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. As so, IRN has not yet issued a single LEI, keeping its status as not operational. However, IRN is expected to have made all the internal arrangements to comply with the LEI and be endorsed as LOU by the end of the 2015. Banco de Portugal has endorsed the legislation according to which the IRN will assume the functions of a full-fledged LOU.

1583 Portuguese companies have already their own LEI. From these, 852 were issued by DTCC/SWIFT CICI (USA), 388 by London Stock Exchange (United Kingdom) and 277 by WM Datenservice (Germany).

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.lei.mjusticia.gob.es/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.lei.mjusticia.gob.es/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 2015 was 12.165.

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 has 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 between² 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. 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. Among ROC plans in 2015 there is the project 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. Current use is focused on credit institutions but OeNB would appreciate a broader approach also for non-financial LEIs and for relationships. At this stage of LEI project OeNB has no concrete actions for consolidated databases.

Belgium

The NBB has adapted its 'software for reporting' to incorporate the LEI records attributed to financial institutions who are submitted to COREP and FINREP and attributed to (re)insurance companies who are submitted to Solvency II in FRA (Financial Risk Analysis) / PRIME. At the end of

² 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.

2015 those LEI codes will be introduced in the Master Data (this is a new database for prudential control that is in development).

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, since there is still a discussion going on on the role of the LEI in the different databases.

France

No plan to use it for the moment.

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). Now it became possible to match LEIs to RIAD semi-automatically with help of commercial register identifier. Within the AnaCredit project the use of LEI in banking supervision and statistics should become common.

LEI will be also included in the ICAS master data in 2016. Since there is an interface between banking supervision database and ICAS database, the LEIs for ICAS master data could be derived from the banking supervision master data in the future.

Though LEI will be 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 a supplementary 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

The Instituto de Registos e Notariado (IRN) is the Portuguese pre-Local Operating Unit of the Global Legal Entity Identifier System (GLEIS), although it is only expected to evolve into a full-fledged LOU by the end of the year. As so, IRN has not yet issued a single LEI, although it is expected to have made all the internal arrangements to comply with the LEI and be endorsed as LOU by the end of the 2015. Banco de Portugal has endorsed the legislation according to which the IRN will assume the functions of a full-fledged LOU. The first part of this legislation was published in September and it is expected that in the next couple of months several pieces of additional legislation are approved and the fees regarding the issuance and maintenance of a LEI by IRN are established.

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 will be used undoubtedly 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 to be sent to contributors companies to the CBSO non-financial corporations sample (around 10.000 companies), CBSO will introduce LEI as a field of the questionnaire of 2015, and will study the introduction of LEI in the annual accounts deposit in Mercantile Registers.

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
Austria	No	-	-	-	-	Yes	35.017	997	36.014	Yes	No
Belgium	No					Yes (but only LEI-codes attributed to financial institutions (COREP / FINREP) and to (re)insurance companies (Solvency II))				No	No
France	Yes	INSEE	7500	6500	14.000	No				No	No
Germany	Yes	WM Datenservice and Bundesanzeiger			41.200	Yes (the figures refer to the banking supervision database) ³	6.731	6.058 (of which 3.356 non-financial)	12.789	Plans	No
Greece	No	-				Yes (but only LEI-codes attributed to financial institutions) in the context of RIAD	0	131	131	Plans	No
Italy	Yes	Union of Chamber of Commerce			32.000	Yes (but only for EBA/ECBA purposes) from December '14				Plans	No

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

Portugal	Yes	Instituto de Registos e Notariado			0	Yes	199	178	377	Plans	No
Spain	Yes	Mercantile Registers	n/a	n/a	12.165	Yes (but only LEI-codes attributed to financial institutions) in the context of RIAD	n/a	n/a	182	Plans (for holdings)	No

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, several LEI codes can be provided to a single juridical unit.

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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