For Immediate Attention:

It is Time to Obtain a Legal Entity Identifier (LEI)

Forthcoming global regulations will shortly require the reporting of LEIs for a wider universe of over-the-counter (OTC) derivatives transactions. This will apply to entities in Asia-Pacific in many cases. Other regulators, including those in the US and Europe, already require market participants to obtain LEIs. Firms large and small need to act now to ensure they comply.

What is an LEI?
The LEI is a unique 20-character ISO identifier for a legal entity that participates in a financial transaction. Once a legal entity obtains an LEI code, it stays with the legal entity for its existence. Special rules apply for ‘natural persons’. For more information, visit: www.gleif.org.

Where do LEI requirements exist?
Based on a Group-of-20 (G-20) declaration that encourages global adoption of the LEI, G-20 regulators globally already require or are expected to require entities to obtain an LEI. This includes but is not limited to:
- Europe:
  - The European Market Infrastructure Regulation (EMIR) and the revised Markets in Financial Instruments Directive and Regulation (MIFID II/MIFIR) affects non-EU market participants in many cases.
- North America:
  - The Commodity Futures Trading Commission (CFTC)
  - The Reserve Bank of India (RBI)
  - The Australian Securities and Investments Commission (ASIC)
  - The Hong Kong Monetary Authority (HKMA) / Securities and Futures Commission (SFC)
- Asia-Pacific:
  - The Australian Financial Markets Council (AFMC)
  - The HKMA/SFC expects a process to be in place to request LEIs from clients after implementation of the first phase on April 1, 2019.
- Asia:
  - The HKMA/SFC expects a process to be in place to request LEIs from clients after implementation of the first phase on April 1, 2019.
  - Under RBI rules, only entities that obtain an LEI annually to ensure the data is accurate.

Why do I need to obtain an LEI now?
Upcoming implementation dates and the expiration of time-limited relief mean market participants in Asia-Pacific and elsewhere must obtain an LEI in a variety of circumstances.
- Expiration of ASIC exemptive relief means all submissions to trade repositories must be made with an LEI as the first priority identifier beginning April 1, 2019.
- The HKMA/SFC expects a process to be in place to request LEIs from clients after implementation of the first phase on April 1, 2019. Reporting entities must have an LEI by this date.
- Under RBI rules, only entities that obtain an LEI code shall be able to undertake transactions in government securities markets, money markets, and non-derivative FX markets, either as issuer or as a seller or buyer, using a phased implementation schedule beginning April 30, 2019.

How do I obtain an LEI?
Contact:
- Any LEI issuer (http://isda.link/gleifissuelei), or
- The sales/relationship contact at your counterparty firms.

An LEI is generally issued within 24 to 48 hours of application. Registration costs vary, averaging US$100; renewals average US$65.

Questions?
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