

LEGAL ENTITY IDENTIFIER (LEI)



In June 2012, the G20 endorsed measures for the development of a unique identifier code, the Legal Entity Identifier (LEI), for parties to financial transactions. Amongst other objectives, the purpose was to facilitate improved risk management in firms and to enable better quality and accuracy of financial data.

Since June 2012, regulatory authorities in several jurisdictions have required the use of the LEI in various regulatory initiatives.

In Europe, forthcoming regulation Markets in Financial Instruments Regulation (MiFIR), requires the use of the LEI for reporting certain transactions to national competent authorities.

A list of the various current and proposed regulatory activities requiring the use of the LEI can be found on the Global Legal Entity Identifier Foundation (GLEIF) website at <https://www.gleif.org/en/about-lei/regulatory-use-of-the-lei>

This communication contains information on what a “Legal Entity Identifier” (LEI) is and the process to obtain one.

1. WHAT IS A LEGAL ENTITY IDENTIFIER (LEI)?

The LEI is a 20-digit, alphanumeric code based on the ISO standard 17442 developed by the International Organization for Standardization. It uniquely identifies legally distinct entities that engage in financial transactions using key reference information.

Once assigned to an entity, the code remains attached to the legal entity for its entire lifetime.

For example, BNP Paribas Securities Services' LEI is 549300WCGB70D06XZS54.

For more information on LEI structure, visit: <https://www.gleif.org/en/about-lei/iso-17442-the-lei-code-structure>

2. WHY DO I NEED AN LEI NOW?

New European rules will require both EEA and non-EEA legal entities to obtain an LEI in a variety of circumstances.

From 3rd January 2018: The revised Markets in Financial Instruments Directive and Regulation (MiFID II/ MiFIR) require investment EEA firms, including their branches worldwide, to report to competent authorities

all transactions within the scope of the reporting obligations, using the client's LEI. The reports will be used by European regulators to monitor suspicious activity.

Even if you are not required to report trades yourself under MiFIR, if you wish to enter into a transaction with an entity that has its own reporting obligations under MiFIR, you will be required to have an LEI.

A LEI is required for each legal entity;

- Each fund, SICAV or subfund being a legal entity is required to have his LEI
- For any fund or subfund not being a legal entity, then the LEI of the Asset Manager must be provided
- A subsidiary cannot rely on parent's LEI.

Even if:

- They are not an EEA entity;
- They are not operating or domiciled in the EEA;
- They are not directly subject to EU regulations;
- They are the non-reporting counterparty;
- They had no previous obligation to obtain one.

3. HOW DO I OBTAIN AN LEI?

Obtaining an LEI is simple:

- ✓ **Contact your preferred LEI issuer – also referred to as Local Operating Unit (LOU).** For instance, in France, the accredited LOU is Institut National de la Statistique et des Etudes Economiques (INSEE).

LOUs provide application, renewal and other services. You are not limited to using an LEI issuer in your own country and you can use the registration services of any LOU that is accredited and qualified to approve LEI registrations within its authorized jurisdiction(s).

To choose an LEI issuer: please see the GLEIF website at <https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations> for a current list of LEI issuing organizations.



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✓ After payment is made (see below), the LOU will verify the reference data and issue an LEI which is compliant with the LEI standard.

This process usually takes a couple of days but if you apply close to 3rd January 2018, there may be delays, given the volume of applicants.

4. DO I HAVE TO PAY TO REQUEST AN LEI?

Yes, you have to pay for an LEI. The price varies depending on the issuing body and will cost approximately 150-200 EUR for the initial LEI issuance, and an approximate annual renewal fee of 100 EUR.

5. DO I NEED TO MAINTAIN MY LEI?

Yes. The LEI of each legal entity must be renewed annually to remain valid and accurate. Once issued for a specific entity, an LEI is not reused for other entities, even if it lapses.

In case of changes related to an entity (e.g. name/address/merger with another company), you have to go to your LOU's website to update the reference data according to the LOU's procedure.

It is your responsibility to make the adequate changes and to inform BNP Paribas Securities Services of any LEI modification.

6. FURTHER QUESTIONS RELATING TO LEI?

You may find further questions and answers on LEIs at the following websites:

- **GLEIF**
www.gleif.org
<https://www.gleif.org/en/about-lei/questions-and-answers>
- **LEI ROC**
www.leiroc.org
<https://www.leiroc.org/faq/index.htm>
- **INSEE**
www.insee.fr
https://lei-france.insee.fr/aide?request_locale=en

FOR ADDITIONAL INFORMATION, PLEASE CONTACT YOUR RELATIONSHIP MANAGER

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