

LEI – general info and basic guidelines to procure it 1

LEI (Legal Entity/Entrepreneur Identifier)

Purpose, Application and Procurement

1. What are LEIs?

LEIs are identification codes that enable consistent and accurate identification of all Legal entities/Entrepreneurs that are parties in:

- OTC derivatives transactions, including non-financial institutions. They enable a legal party to a financial transaction to be identified precisely.
- Bonds traded on trading venues (Stock Exchange, MTS, Brokers...)
- financial instruments where the underlying is a financial instrument traded on a trading venue;
- financial instruments where the underlying is an index or a basket composed of financial instruments traded on a trading venue

The LEI links back to a data set of critical information about the transacting entity, which can also include information on the ultimate ownership of the entity.

2. Why are LEIs so important? What are the benefits of a standard LEI?

This is a fundamental requirement for the reporting data collected by regulators post the financial crisis. Without a comprehensive LEI system it would be extremely difficult for regulatory authorities across the globe to discharge their supervisory function effectively.

The adoption and implementation of universal LEIs will enable regulators to more accurately and rapidly aggregate data across different jurisdictions to better understand the total exposure of a corporate or financial entity and to facilitate monitoring of systemic risk. LEIs will also facilitate accurate reporting by the correct Legal entity/Entrepreneur and enable financial institutions to improve their own counterparty risk management. Furthermore, for risk managers in all financial institutions, a standard LEI will increase the effectiveness of tools aggregating their exposures to counterparties across the globe.

3. What does the LEI look like?

The LEI is a unique 20-character alphanumeric code, defined in the ISO 17442 standard which is assigned to all entities that are counterparties to financial transactions.

The reference data record accompanying each LEI would, at a minimum, include:

1. the official name of the Legal entity/Entrepreneur as recorded in the official registers;
2. the registered address of that Legal entity/Entrepreneur;
3. the country of formation;
4. codes for the representation of names of countries and their subdivisions;
5. the date of the first LEI assignment; the date of last update of the LEI information; and the date of expiry, if applicable.

ČSOB has already got LEI form of: **Q5BP2UEQ48R75BOTCB92**

4. What is the scope of LEI, short-term and long-term? Derivatives now, what's next?

It is anticipated that any Legal entity/Entrepreneur that enters into a financial transaction will be eligible for an LEI. Other participants in financial transactions as deemed necessary in the future (including exchanges, utilities, registrars, regulators, and industry organizations) will also be eligible. The initial priority for the allocation of LEIs is to cover the legal parties involved in derivatives transactions, particularly the various classes of swaps (Credit, Interest Rate, Equity etc.). **Reporting of derivatives transactions under new legislative mandate started in Europe in Q1 2014 (February 12, 2014.) For bonds traded on trading venues the obligation starts from 3.1.2018.** LEI – general info and basic guidelines to procure it 2.

5. What does the method for reporting LEI's?

LEIs are typically used for reporting to Trade Repositories (for derivatives transactions/bonds) and/or directly to regulatory authorities. They tend to be required as part of the data set to be reported to authorities under regulatory mandate. Most trade repositories and regulatory authorities offer various channels; web browser, Ftp, SWIFT, etc. for delivery of reports containing LEIs. The registration of LEIs with the global LEI system is done via a web-portal based system. The obligation to report specific transaction under EMIR (European Market Infrastructure Regulation) relates to both financial institutions & banks and non-financial entities, e.g. SME and corporate clients.

6. Where can I procure LEI?

- 1) LEI is to be asked in local providers so-called LOUs (Local Operating units), which is the entity that is authorised to assign LEI.
- 2) Centrální depozitář cenných papírů (CDCP) assigned the LEI in the Czech Republic.

An LEI is valid for one year from the day of its assignment or renewal.

Unless renewed, the LEI cannot be used for the identification of the Legal Entity/Entrepreneur after its expiry.

7. How clients get LEI via Centrální depozitář cenných papírů

On-line registration for LEI assignment can be done through electronic website of CDCP (www.cdcp.cz) Request for assignment LEI can authorized person on behalf of the company (usually employee of the company).

LEI assignment form is available on:

<https://www.cdcp.cz/index.php/en/other-bussiness/lei-legal-entity-identifier/lei-assignment>

Fee amount for the Allocations and Maintenance of LEIs:

Allocation is 1.875,- CZK or 75,- EUR

Annual maintenance fee is 1.375,- CZK or 55,- EUR (the fee is not charged in the first year of the LEI validity)

Updating client's data and transfer of LEI – **free of charge**

List of Tariffs of CDCP for the Allocation and Maintenance of LEIs

https://www.cdcp.cz/images/dokumenty/cenik_cdcp/CSDP_price_list_01012018.pdf

Other details on LEI assignment you can find on:

https://www.cdcp.cz/images/dokumenty/pravidla_predpisy_cdcp/pravidla/CSDP_LEI_Assignment_Rules.pdf
<https://www.cdcp.cz/index.php/en/lei-pre-lei-legal-entity-identifier>

8. Revalidation of LEI

Effective from June 1, 2017, the conditions and the process of lengthening the LEI changed due to new legislation of GLEIF (Global LEI Foundation) and ROC (Regulatory Oversight Committee). The LEI extension should also include information regarding parent companies that are related to consolidation according to accounting standards. Companies are entitled not to disclose the information about their parent company, but they have to choose the reason for non-publication in their application.

CDCP sends 6 weeks before the expiration date of the LEI e-mail with **request to update the data**. E-mail contains a link to the LEI portal through which an update can be made. The user logs in to the portal via LEI and password. If the user does not know the password or forgets it, he can fill in the LEI and the contact email to which it will be delivered a link to fill in a new password. After updating through the LEI Portal, is possible to pay an LEI extension fee. When the authorized person updates and confirms all the data, he/she will receive a CDCP email with a **payment instruction to pay the annual fee**. After the payment of the fee, the LEI validity is renewed for a year.

If the update is not made or/and the annual fee is not paid, the LEI will be revoked and it will not be possible to use it for EMIR reporting.

9. Updates of LEI data

Following the new GLEIF and ROC legislative requirements, a **new LEI update service** has been enabled through which the LEI holder can add or update the necessary information about the company.

Update and review of company data is performed through the LEI Portal on the CDCP website. The user logs in to the portal via LEI and password. If the user does not know the password or forgets it, he can fill in the LEI and the contact email to which it will be delivered a link to fill in a new password.

Other details on LEI assignment you can find on:

https://www.cdcp.cz/images/dokumenty/pravidla_predpisy_cdcp/pravidla/CSDP_LEI_Assignment_Rules.pdf
<https://www.cdcp.cz/index.php/en/lei-pre-lei-legal-entity-identifier>

10. Are there any other LEI providers?

Yes there are, nevertheless ČSOB has only communicated with WM Datenservice and can recommend it for any Czech Legal entity because provided LEI which fulfills EMIR reporting duty.

The List of other LEI providers:

http://www.leiroc.org/publications/gls/lou_20130318.pdf

All information is valid to date: 1.1.2019

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