

Legal Entity Identifier (LEI)

WM Datenservice is Europe's largest agency for the allocation of Legal Entity Identifiers (LEIs) – Application at wm-leiportal.org

- WM Datenservice has allocated LEIs since April 2013
- In October 2013, it was endorsed as global LEI allocating agency
- More than 69,000 LEIs have already been allocated by WM Datenservice

During the financial crises, it became obvious that the problem regarding the lack of data on the financial flow and the lack of transparency on the interdependency of financial institutions must urgently be addressed on a supranational level.

Accordingly, the G-20, the group of the 20 major industrial and emerging countries, has committed itself to reduce the systemic risks within the financial market and enhance the transparency of the OTC derivative markets.

In order to improve the quality of the financial market data and to reduce the level of market abuse and financial fraud, it is necessary to identify all counter-parties of a transaction by way of an unequivocal standardised reference code.

The G-20 asked the Financial Stability Board (FSB) to create a Legal Entity Identifier system (LEI) for more transparency on the financial markets.

It is aimed at allowing a global identification of all parties involved in a financial transaction in order to support the aggregation of relevant companies and detection of systemic risks at an early stage.

Besides an improved risk assessment, this new system also provides more transparency for investors. As it makes the market analysis and risk management more efficient, operational costs can be reduced and the market efficiency enhanced.

The LEI is a public good and does not conflict with any private property or licensee rights. Owing to new European regulations, it will also be usable vis-à-vis the supervisory bodies.

The LEI has not been introduced to substitute existing identifiers. Rather it will become a binding standard for the regulatory reporting in the future. Existing identifiers of the industry which are not globally standardised will be mapped into the LEIs as well.

Technically, the LEI code developed by the FSB, is a coincidental 20 character alphanumeric code as per ISO standard 17442. Additionally, it records company data like the name or the domicile as well as the date of the first participation in the LEI system or the date of the last update of the LEI data record.

WM Datenservice has issued LEIs since April 2013 and is an internationally recognized LEI allocation agency since October 2013. WM Datenservice has been a GLEIF-accredited LEI issuer since 13 April 2017.

The LEI is used to identify unequivocally all companies and funds that are subject to reporting as per the regulatory requirements.

The application for and the annual extension of an LEI can be carried out at www.wm-leiportal.org/?!lang=en.

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LEGAL ENTITY IDENTIFIER

