



The Global Legal Entity Identifier Initiative – Success Yet More to Go

December 2021

The LEI is but a small step in the global data standards landscape yet a giant leap forward for financial transparency.

TABLE OF CONTENTS

LEI Historical and Current Statistical Comparison Chart	3
GLEIF’s Many Successes	4
For further Information	4

Summary of Issued, Renewed and Relationship Data

This Research Note summarizes progress of LEI issuance. It is based on [GLEIF's Dec 7, 2021 Global LEI Data Quality Report](#) and FIG's historical LEI database. GLEIF has been publishing statistics on the LEI since Jan, 2016 and LEI Relationship data since May, 2017.

Newly issued LEIs this month was 23,803, a decrease from last month's 26,309 which was the highest this year. Registered LEIs in total this month reached a landmark 2,008,191 vs. last month's 1,984,081.

The overall lapsed rate (non-renewal rate) comparing total non-renewed LEIs to total issued LEIs was 33.5%, again a new high since reporting began in 2006. The lapsed rate based upon comparison to active LEIs (1,925,130) now stands at 34.9%, also the highest over the last four (5) months since we began following this rate.

Relationship data is the recording of parent LEIs used for associating an LEI with either its immediate or ultimate parent. There are 122,939 unique legal entities reporting both parents with LEIs vs. last month's 122,761. This statistic of reporting of both parents having LEIs of a registered legal entity, that legal entity also registered with a LEI, has been decelerating over the last year, incrementally changing by first tens of digits then, last month, by single digits and this month by 178 indicating inertia in completing parent-associated LEI information. This is occurring at the same time that monthly newly registered LEIs have reached all-time highs while exceptions to registering parent LEIs have also reached all-time highs.

The statistic reported by GLEIF, "Number of LEIs with Complete Parent Information" is a misnomer. It is the total of those legal entities that have reported an exception which does not require the reporting of a parent LEI, with the number of legal entities that do report their parents LEI. The use of the term "Complete" only means that those who did not report an LEI did complete their responsibility to report that fact using a permitted exception that allowed them not to report their parent LEI. This statistic declined month-to-month for the first time, 1,755,756 this month vs. last month's 1,790,120.

Collectively, the data suggests that the momentum precipitated by the financial crisis of 2008 for a global legal entity identifier to aid in stabilizing the financial ecosystem, while successful to this point, is in danger of faltering. Success was premised on regulatory compulsion, requiring financial market participants to register for a LEI. Instead, we have many regulatory requests to register for a LEI. Of the 181 regulatory initiatives recorded on the [GLEIF website](#), 124 are requirements to register a LEI, while 57 only request it. In the US, new legislation does propose to require a legal entity identifier yet it fails to name the LEI sponsored by the GLEIF as that identifier.

LEI Historical and Current Statistical Comparison Chart

LEI Issuance & Non-renewed (Lapsed) LEIs	Year - Year 2016-2020				
	2016 Year-end	2017 Year-End	2018 Year-end	2019 Year-end	2020 Year-end
Total LEIs issued at Yr/Mo-end	481,522	975,741	1,337,925	1,542,037	1,777,458
Total Active LEIs at Yr/Mo-end					
Total Non-renewed (Lapsed) LEIs issued at Year/Month-end	139,461	169,778	313,915	459,436	585,029
Non-renewed rate – issued LEIs	29.0%	17.4%	23.5%	29.8%	32.9%
No Non-renewed rate – active LEIs					
Newly Issued	4,976	40,237	29,987	16,652	19,364
Non-renewed (Lapsed) LEIs	6,300	7,134	16,422	19,802	18,778
Net LEI Increase/Decrease	-1,324	33,103	13,565	-3,150	586
Relationship Data					
Number of Immediate & Ultimate LEI Parent Records	n/a	88,198	152,318	208,139	230,755
Number of Unique LEIs Reporting both Parent Relationships	n/a	51,944	89,826	119,637	132,096
Number of Immediate & Ultimate LEI Parent Exception Records	n/a	1,067,968	2,156,909	2,519,418	2,965,315
Number of LEIs with Complete Parent Information	n/a	572,818	1,146,554	1,341,015	1,563,458

LEI Issuance & Non-renewed (Lapsed) LEIs	Monthly Q1 2021			Monthly Q2 2021			Monthly Q3 2021			Previous Month	Current Month
	Jan 2021 Mo-end	Feb 2021 Mo-end	Mar 2021 Mo-end	Apr 2021 Mo-end	May 2021 Mo-end	Jun 2021 Mo-end	JUL 2021 Mo-end	Aug 2021 Mo-end	Sep 2021 Mo-end	Oct 2021 Mo-end	Nov 2021 Mo-end
Total LEIs issued at Yr/Mo-end	1,797,171	1,817,082	1,839,494	1,858,136	1,876,920	1,897,371	1,917,120	1,936,064	1,957,972	1,984,081	2,008,191
Total Active LEIs at Yr/Mo-end							1,838,937	1,856,856	1,877,480	1,902,225	1,925,130
Total Non-renewed (Lapsed) LEIs issued at Year/Month-end	588,972	590,265	600,952	607,065	613,400	619,579	625,679	634,079	641,656	654,465	671,991
Non-renewed rate – issued LEIs	32.8%	32.5%	32.7%	32.7%	32.7%	32.7%	32.6%	32.8 %	32.8%	33.0%	33.5%
No Non-renewed rate – active LEIs							34.0%	34.0%	34.2%	34.4%	34.9%
Monthly Averages											
Newly Issued	19,485	19,491	22,166	18,470	18,596	20,540	19,649	19,044	21,908	26,309	23,803
Non-renewed (Lapsed) LEIs	22,270	15,688	19,981	13,663	12,700	n/a	n/a	n/a	n/a	n/a	
Net LEI Increase/Decrease	-2,785	3,803	2,185	4,807	5,896	n/a	n/a	n/a	n/a	n/a	
Relationship Data											
Number of Immediate & Ultimate LEI Parent Records	232,516	234,116	236,715	236,144	238,593	243,133	247,503	250,598	253,604	256,078	260,659
Number of Unique LEIs Reporting both Parent Relationships	133,025	133,471	134,596	134,034	134,575	123,043	122,567	122,505	122,758	122,761	122,939
Number of Immediate & Ultimate LEI Parent Exception Records	3,002,881	3,041,991	3,086,072	3,125,083	3,106,747	3,200,632	3,237,720	3,274,355	3,315,958	3,366,130	3,409,980
Number of LEIs with Complete Parent Information	1,580,985	1,600,106	1,621,675	1,639,858	1,657,862	1,704,792	1,724,636	1,743,172	1,764,658	1,790,120	1,755,756

GLEIF's Many Successes

GLEIF has been successful in building out an organization to operate a vast infrastructure and system to register and maintain legal entity identifiers, the LEI, and associated reference data. It and the Regulatory Oversight Committee (ROC) have authorized 39 Local Operating Units, nearly 100 Registration Agents, and 4 Validation Agents to implement the registration of 2 million LEIs so far, producing revenue of \$100 million annually that support this new LEI infrastructure.

GLEIF has also initiated mapping services between the LEI and SWIFT's BIC codes (used to identify counterparties in payment systems transactions) and ANNA's ISIN numbers (for identifying issuers of securities). This capability gives regulators and industry members a single source for centrally locating codes to translate to and from these legacy identifiers and the LEI.

GLEIF has also initiated use of the LEI for digital certificates (the vLEI) and represented the LEI in semantic forms (XBRL and RDF protocols). It has demonstrated the use of Distributed Ledger Technology for the LEI system as a new architecture but has had no uptake from LOUs. LOUs would collectively have to move away from their legacy protocols, mainly updating of individual data bases and periodic downloading to GLEIF's central system, to a fully distributed virtual process. Such a virtual process was the original recommendation that was accepted by the Financial Stability Board when they approved the global LEI initiative.

However, success as originally envisioned required all financial market participants to register for a LEI. To date we have 2 million registered LEIs. GLEIF projects it would need to register 20 million LEIs. We expected the highest quality reference data, but we have only two-thirds of the 2 million LEIs confirmed as current and accurate. The GLEIF's Data Quality Report consistently reports a 99.9% Data Quality score.

Looking forward GLEIF has yet to implement legal entity events that may change LEI's relationships with their parents. We await fund family and government entity LEI registrations. We are still unaware of any path forward to resolve Provisional Node Identifiers, the place holder for known legal entities that are not required, under account consolidation rules, to register a parent LEI. We may also benefit from knowing the number of LEIs issued under the newly initiated Validation Agent and vLEI regimes. Finally, we have yet to see either the ROC or GLEIF reconcile account consolidation rules for parent hierarchies with risk management hierarchies.

For further Information



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