



The Global LEI Initiative – A Plan to Fulfill the Mission

May 2022

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

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Summary of this Month's Issued, Renewed and Relationship Data

The new issuance rate continues at a rate somewhat less than the six (6) year monthly average of 22,043. Newly issued LEIs this month was 19,137 vs. last month's 20,963. Registered LEIs in total reached 2,122,684 vs. last month's 2,102,303.

The overall lapsed (non-renewal) rate comparing total non-renewed LEIs to total issued LEIs was 34.9% vs last month's 34.7%. A recent metric, the lapsed rate based upon comparison to active LEIs stands at 36.5% vs. last month's 36.2%. GLEIF has yet to articulate a strategy for renewing LEIs. Only about 2/3 of LEIs are renewed annually as required by GLEIF while the lapsed rate continues to climb.

Relationship data is the recording of registrants having reported LEIs for one or both parents. This month there were 333,405 parent LEIs vs. last month's 320,093 and the prior month's 268,297. The large month-to-month jump (51,796) seen in the past and prior month is an anomaly. It may be attributable to either updating previously supplied erroneous data or renewed interest in catching up on reporting parent LEIs, a critical data point in the hierarchies of relationship data. These relationships are critical to performing risk analysis as such analysis requires aggregating transaction data up through the hierarchies of control and influence of parent and child LEIs.

Relationship data also records permitted exceptions for opting-out of identifying a parent LEI. This month, there was a total of 3,625,804 LEI exceptions vs. last month's 3,585,611. This number has been relatively stable over time, increasing at 2 X monthly issuance which indicates both ultimate and intermediate parents either don't exist or are opting out for registering parents under permitted exceptions.

Statistics on LEI Issuance, Renewals and Parent LEIs

This chart summarizes progress of LEI issuance and its corresponding Relationship Data initiative based on [GLEIF's May 8, 2022 Global LEI Data Quality Report](#) and FIG's historical LEI database

LEI Issuance & Non-renewed (Lapsed) LEIs	2016 Year-end	2017 Year-End	2018 Year-end	2019 Year-end	2020 Year-end	2021 Year-end	Jan 2022 Mo-end	Feb 2022 Mo-end	Mar 2022 Mo-end	Apr 2022 Mo-end
Total LEIs issued at Yr/Mo-end	481,522	975,741	1,337,925	1,542,037	1,777,458	2,038,661	2,050,428	2,080,671	2,102,303	2,122,684
Total Active LEIs at Yr/Mo-end						1,954,190	1,973,745	1,992,796	2,012,137	2,031,394
Total Lapsed (non-renewed) LEIs	139,461	169,778	313,915	459,436	585,029	690,397	706,066	719,726	729,095	740,759
Non-renewed rate – issued LEIs	29.0%	17.4%	23.5%	29.8%	32.9%	33.9%	34.3%	34.6%	34.7%	34.9%
Non-renewed rate – active LEIs						35.3%	35.8%	36.1%	36.2%	36.5%
Newly Issued	4,976	40,237	29,987	16,652	19,364	30,777	21,767	20,243	20,963	19,137
Relationship Data										
Number of Immediate & Ultimate LEI Parent Records	n/a	88,198	152,318	208,139	230,755	264,013	266,408	268,297	320,093	333,405
Number of Unique LEIs Reporting both Parent Relationships	n/a	51,944	89,826	119,637	132,096	123,079	123,438	123,786	123,798	123,923
Number of Immediate & Ultimate LEI Parent Exception Records	n/a	1,067,968	2,156,909	2,519,418	2,965,315	3,468,286	3,508,031	3,546,379	3,585,611	3,625,804
Number of LEIs with Complete Parent Information	n/a	572,818	1,146,554	1,341,015	1,563,458	1,786,117	1,863,483	1,874,328	1,895,012	1,915,565

Note: In 2016 the GLEIF began recording LEIs and in 2017, LEI Relationship data, in its databases. Since 2016 the GLEIF has been publishing statistics on LEI issuance and renewals, and since May, 2017, on LEI Relationship data.

The Risk Management Mission of the Global LEI Initiative

“There is widespread agreement among the public authorities and financial industry participants on the merits of establishing a uniform global system for legal entity identification. Such a system would provide a valuable ‘building block’ to contribute to and facilitate many financial stability objectives, including: improved risk management in firms....”

“The potential benefits of the LEI include: to support authorities in fulfilling their mandates to assess systemic risk and maintain financial stability.....”

“The FSB LEI Implementation Group should as soon as possible develop proposals for additional reference data on the direct and ultimate parent(s) of legal entities and relationship or ownership data more generally....The group should work closely with private sector experts in developing the proposals.”

Financial Stability Board
[A Global Legal Entity Identifier for Financial Markets](#)

June 8, 2012

Early Adoption of the LEI by Global Systemically Important Banks (G-SIBs)

The 30 Global Systemically Important Banks - G-SIBs - 8 headquartered in the US, 8 in the European Union, and 3 in the UK have a unique role to play in adopting the LEI. The G-SIBs were designated as systematically important, recognizing the systemic risk they impose on the global financial system. This is due to their interdependencies amongst each other, and with most of the world’s financial market participants as clients and counterparties. It should be easier for these three G-SIBs groups, each with a single headquarter regulator, to get on with completing the LEI mission then requiring, as is today, regulators in 238 countries to mandate, first the LEI, then their renewals, then LEIs for each parent of a legal entity.

These same G-SIBs are also exclusively engaged in implementing the Basel Committee on Banking Supervision’s BCBS239 principles for collecting and aggregating financial data. The LEI and its parent relationship structures, as stated in BCBS239 and reiterated in the FSB’s LEI Peer Review, is an essential pillar of such aggregation.

A Plan of Action

The US Treasury and its Financial Stability Oversight Counsel (FSOC) should engage the eight US headquartered G-SIBs to finish the mission of populating the LEI and its use in risk aggregation. The Treasury will soon have additional power to mandate a common legal entity identifier if the Financial Transparency ACT (HR2989) becomes law. It was passed by the House and is now with the Senate for consideration.

The risk data aggregation mission of BCBS239, which requires the accurate relationship data, should also be part of finishing the LEI mission. Fortunately, GLEIF has already created the path to assisting with this approach - engaging the G-SIBs to become Validation Agents. This will allow them to onboard their clients and pass their validated information on to its chosen LOU for registration and issuance of a LEI.

To assure proper hierarchical constructs of their own LEIs, the eight US headquartered G-SIBs should enlist the services of the four largest public auditors that audit one or more of these banks. They are best able to interpret the accounting consolidation rules for LEI hierarchies. This will assure the completeness of the LEI data as a starting point. Later these hierarchies can be adjusted to accommodate risk analysis under BCBS239 Principles for data aggregation. A volunteer advisory board made up of risk professionals from the Global Association of Risk Managers and/or the Professional Risk Managers International Association should be enlisted at that time.

A First Step

We observe that the eight US G-SIBs uniquely and exclusively come together in a lobbying trade association, the Financial Services Forum. It is an advocacy organization whose members are exclusively the CEOs of the eight US headquartered G-SIBs. Government at the highest level should engage them all at once through the Financial Services Forum. Thereafter, with a template in hand, other G-SIBs and their regulators can be engaged.

For further Information



Allan D. Grody

Financial InterGroup - USA

New York, New York USA

Tele. +1 917 414 3608

Email agrody@financialintergroup.com

www.financialintergroup.com

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