



The Global Legal Entity Identifier – All New Initiatives Now in Place
September 2021

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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Introduction

The Global Legal Entity Identification Foundation (GLEIF) has been busy since its founding charter was established in 2012. Since then, it has put in place its legal and organization foundations; established its Board, management and staff; and built its operational and technology processes and systems. Most recently it has initiated new concepts to spur voluntary LEI registration beyond its founding registration concept of regulatory mandates for LEI adoption.

This Research Note reports on recent developments and annual, month-end and year-to-date LEI issuance. It is based on [GLEIF's Sep 7, 2021 Global LEI Data Quality Report](#) and FIG's historical LEI database. GLEIF has been publishing statistics on the Legal Entity Identifier (LEI) since January, 2016 and LEI Relationship data since May, 2017.

LEI Historical and Current Statistics Comparison Chart

LEI Issuance & Non-renewed (Lapsed) LEIs	Year - Year 2016-2020					Monthly Q1 2021			Monthly Q2 2021			Current Month	
	2016 Year-end	2017 Year-End	2018 Year-end	2019 Year-end	2020 Year-end	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
Total LEIs issued at Yr/Mo-end	481,522	975,741	1,337,925	1,542,037	1,777,458	1,797,171	1,817,082	1,839,494	1,858,136	1,876,920	1,897,371	1,917,120	1,936,064
Total Active LEIs at Yr/Mo-end												1,838,937	1,856,856
Total Non-renewed (Lapsed) LEIs issued at Year/Month-end	139,461	169,778	313,915	459,436	585,029	588,972	590,265	600,952	607,065	613,400	619,579	625,679	634,079
Non-renewed rate – issued LEIs	29.0%	17.4%	23.5%	29.8%	32.9%	32.8%	32.5%	32.7%	32.7%	32.7%	32.7%	32.6%	32.8%
Non-renewed rate – active LEIs												34.0%	34.0%
	Monthly Averages												
Newly Issued	4,976	40,237	29,987	16,652	19,364	19,485	19,491	22,166	18,470	18,596	20,540	19,649	19,044
Non-renewed (Lapsed) LEIs	6,300	7,134	16,422	19,802	18,778	22,270	15,688	19,981	13,663	12,700	n/a	n/a	n/a
Net LEI Increase/Decrease	-1,324	33,103	13,565	-3,150	586	-2,785	3,803	2,185	4,807	5,896	n/a	n/a	n/a
Relationship Data													
Number of Immediate & Ultimate LEI Parent Records	n/a	88,198	152,318	208,139	230,755	232,516	234,116	236,715	236,144	238,593	243,133	247,503	250,598
Number of Unique LEIs Reporting both Parent Relationships	n/a	51,944	89,826	119,637	132,096	133,025	133,471	134,596	134,034	134,575	123,043	122,567	122,505
Number of Immediate & Ultimate LEI Parent Exception Records	n/a	1,067,968	2,156,909	2,519,418	2,965,315	3,002,881	3,041,991	3,086,072	3,125,083	3,106,747	3,200,632	3,237,720	3,274,355
Number of LEIs with Complete Parent Information	n/a	572,818	1,146,554	1,341,015	1,563,458	1,580,985	1,600,106	1,621,675	1,639,858	1,657,862	1,704,792	1,724,636	1,743,172

Summary of Issued, Renewed and Relationship Data

Newly issued LEIs this month was 19,044, slightly below the monthly average of the past two years of 19,364. Registered LEIs in total reached 1,936,064. This rate of new registered LEIs, in the context of the goal of 20 million LEIs to be registered by 2017, will fall significantly short of this goal unless the newly initiated Validation Agent and vLEI projects are successful. Toward this end, the first set of Validation Agents include the China Financial Certification Authority; the NMB Bank (Zimbabwe); Ubisecure, a Vendor of LEI services; and JP Morgan Chase. We anticipate GLEIF will reporting in the future on LEIs registered through these new initiatives.

The overall lapsed rate (non-renewal rate) comparing total non-renewed LEIs to total issued LEIs was 32.8%, a rate consistently in the range of 32.6% - 32.9% over the last two years. The lapsed rate based upon comparison to active LEIs stands at 34.0%, the same as last month, the two months we have been following this rate.

Potential for Fraud

If the non-renewal rate does not decline over time, whether by voluntary efforts or regulatory compulsion, it will leave the financial community vulnerable to fraud when using a lapsed LEI. This is possible as Lapsed LEIs are permitted in the EU countries where over 70% of LEIs are registered. Further, with attempts to register LEIs for smaller registrants as part of the Validation Agent concept, such business entities are looking to obtain a LEI to bestow a status of a good credit risk to uninformed counterparties, lenders or trade partners.

For further Information



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