

Legal Entity Identifiers – A Guide

Introduction

Certain investors who are deemed to be Legal Entities must obtain a Legal Entity Identifier (LEI) in order to continue to receive investment services after 3rd January 2018, when new European legislation, the Markets in Financial Instruments Directive (MiFID II) takes effect in the UK.

More information is available on the Financial Conduct Authority's website at

<https://www.fca.org.uk/markets/mifid-ii/legal-identity-identifier-lei-update>

1. What is a Legal Entity?

Legal entities include Trusts (but not Bare Trusts), Companies (Public and Private), Pension Funds (but not Self-invested Personal Pensions), Charities and Unincorporated Bodies.

2. What is an LEI?

An LEI is a 20-character alphanumeric reference code that is unique to each legal entity.

3. Why do legal entities require an LEI?

The LEI is used as the identifier for the legal entity whenever it undertakes investment activity or an investment firm undertakes investment activity on its behalf in a reportable financial instrument such as equities and bonds. The unique LEI enables regulatory authorities in the UK and the rest of Europe to monitor trading activity with specific emphasis on market abuse and market manipulation.

The Global Legal Entity Identifier Foundation (GLEIF) has overall responsibility for the LEI system. More information can be found at

<https://www.gleif.org/en/>

4. Who is responsible for obtaining an LEI?

The legal entity is responsible for obtaining an LEI.

5. What is the deadline for obtaining an LEI?

Legal entities must have obtained an LEI by 3rd January 2018. The issuing organisations will have to process a significant number of applications prior to the implementation date and legal entities should consider applying as early as possible in order to ensure they have an LEI by the due date.

6. What happens if the legal entity fails to obtain an LEI by 3rd January 2018?

Investment firms will not be able to provide the legal entity with investment services. The absence of an LEI means that investment firms will be unable to execute trades on behalf of the legal entity. Investment firms offering discretionary and advisory managed services, where they have accepted an obligation to monitor on an ongoing basis the suitability of the legal entity's portfolio, will be forced to terminate their service as they are unable to take a decision to trade or make a personal recommendation. Consequently, the investment firm cannot meet their obligations to the legal entity.

7. Where can a Legal Entity obtain an LEI?

A list of LEI issuing organisations is available on the GLEIF website at

<https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations>.

These include

The London Stock Exchange (<http://www.lseg.com/LEI>)

Irish Stock Exchange (<http://www.ise.ie/Products-Services/LEI-Services/>).

Both websites outline the process to be followed and the documentation to be submitted.

8. Is there a cost for obtaining an LEI?

Yes. The cost of obtaining an LEI will be available from the issuing organisation.

9. Does a Legal Entity have to renew its LEI?

Yes, LEIs have to be renewed on an annual basis and whoever applies for the LEI will be responsible for renewing it. There is a charge for renewing the LEI.