

BS ISO 17442:2012



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Financial services — Legal Entity Identifier (LEI)

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**Financial services — Legal Entity
Identifier (LEI)**

Services financiers — Schéma d'identifiant d'entité légale (IEL)



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Foreword

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ISO 17442 was prepared by Technical Committee ISO/TC 68, *Financial services*.

Introduction

Legal entity identification is an integrated and necessary component of financial services transactions. Entering into business relationships requires “Know Your Customer” processes to be initiated and maintained for the duration of these relationships and any longer term data retention requirements to be addressed. Parties involved in financial transactions need to be identified within these transactions. Then the risk of each party and the resulting concentration risk also need to be measured. All of this is to be achieved while the support for straight through processing (STP) is maintained.

Following the global financial crisis, the need for regulators to identify legal entities, both nationally and across the global markets, has been raised as a critical need. More specifically, regulators are asking for standards to be used within the solutions they are developing to address the data collection and analysis needs resulting from the crisis.

This International Standard fulfils the need for legal entity identification of the global financial services industry and the regulatory community. Its key provisions are that it

- enables unique identification globally of entities requiring a legal entity identifier (LEI),
- defines a LEI code that contains no embedded intelligence,
- defines a LEI code that is interoperable with other standards and existing reference data and can be applied globally to support the financial services industry,
- leverages the expertise of ISO/TC 68 in defining and maintaining identifier standards,
- defines a LEI scheme that is reliable and a LEI code that is persistent, and
- defines a LEI scheme that is extensible and free from limitation on use and redistribution.

Financial services — Legal Entity Identifier (LEI)

1 Scope

This International Standard specifies the elements of an unambiguous legal entity identifier (LEI) scheme to identify the legal entities relevant to any financial transaction.

The term “legal entities” includes, but is not limited to, unique parties that are legally or financially responsible for the performance of financial transactions or have the legal right in their jurisdiction to enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way (e.g. trust, partnership, contractual). It excludes natural persons, but includes governmental organizations and supranationals.

The LEI is designed for automated processing. It may also be conveniently used in other media interchange when appropriate (e.g. paper document exchange).

NOTE Examples of eligible legal entities include, without limitation:

- all financial intermediaries;
- banks and finance companies;
- all entities that issue equity, debt or other securities for other capital structures;
- all entities listed on an exchange;
- all entities that trade stock or debt, investment vehicles, including mutual funds, pension funds and alternative investment vehicles constituted as corporate entities or collective investment agreements (including umbrella funds as well as funds under an umbrella structure, hedge funds, private equity funds, etc.);
- all entities under the purview of a financial regulator and their affiliates, subsidiaries and holding companies;
- counterparties to financial transactions.

2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 3166 (all parts), *Codes for the representation of names of countries and their subdivisions*

ISO/IEC 7064, *Information technology — Security techniques — Check character systems*

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

3.1

legal entity

legal person or structure that is organized under the laws of any jurisdiction

3.2

supranational

governmental or non-governmental entity that is established by international law or treaty or incorporated at an international level

3.3

address of legal formation

current address of legal formation in the jurisdiction in which the entity is established

3.4

investment vehicle

mutual fund, pension fund or alternative investment fund constituted as a corporate entity or collective investment agreement (including umbrella funds as well as sub-funds under an umbrella structure, hedge funds, private equity funds, etc.)

4 Structure of the LEI

This International Standard uses the following conventions for data element representations¹⁾.

a) Character representations:

- n: digits (numeric characters 0 to 9 only);
- a: uppercase letters (alpha character, A–Z only, without “special” characters such as blanks, separators or punctuation).

b) Length indications:

- nn!: fixed length;
- nn: maximum length.

The format of the LEI shall be

- 18!an2!n.

The LEI consists of 20 characters decomposed as follows:

- characters (18!an) without separators or “special” characters;
- the 19th and 20th characters (2!n) shall be the check digit or digits, as calculated from the scheme defined in this International Standard.

5 Check digits

5.1 General

The check digits shall be calculated based on the scheme defined in ISO/IEC 7064 (MOD 97-10). See Annex A.

The check digits are used to verify the LEI.

5.2 Checking the check digits

5.2.1 Convert letters to digits in accordance with the following:

1) Based on ISO 8908:1993 (International Standard withdrawn), 3.2.

A = 10	F = 15	K = 20	P = 25	U = 30
B = 11	G = 16	L = 21	Q = 26	V = 31
C = 12	H = 17	M = 22	R = 27	W = 32
D = 13	I = 18	N = 23	S = 28	X = 33
E = 14	J = 19	O = 24	T = 29	Y = 34
				Z = 35

5.2.2 Apply the check character system, MOD 97-10, in accordance with ISO/IEC 7064.

5.2.3 If the remainder is 1 (one), the number is valid.

5.3 Generating the check digits

5.3.1 Add “00” to the right-hand end of the LEI.

5.3.2 Convert alpha characters into numeric characters in accordance with 5.2.1.

5.3.3 Apply the check character system, MOD 97-10, in accordance with ISO/IEC 7064.

6 LEI data record

In order to ensure an unambiguous identification of the legal entities, a set of data attributes shall be provided by any requestor. The LEI data record shall be composed of the following data attributes.

- The official name of the legal entity as recorded in the business registry, or with the fund manager for collective investment vehicles, or otherwise in the entity’s constituting documents. Where applicable, the name of the business registry in which the entity was formed and the identifier of the entity in the business registry should be recorded.
- The address of the headquarters of the legal entity or the address of the fund manager.
- The address and the country of legal formation as represented in ISO 3166.
- The date of the first LEI assignment.
- The date of last update of the LEI set of information.
- The date of expiry and reason for expiry, if applicable. For entities with a date of expiry, the reason for the expiry should be recorded and, if applicable, the LEI of the entity or entities that acquired the expired entity.

Annex A (informative)

LEI check digit validation example

A.1 Concept

For illustration purposes only, the first example uses an alphanumeric string that is short enough to be tested using a spreadsheet.

Example LEI:

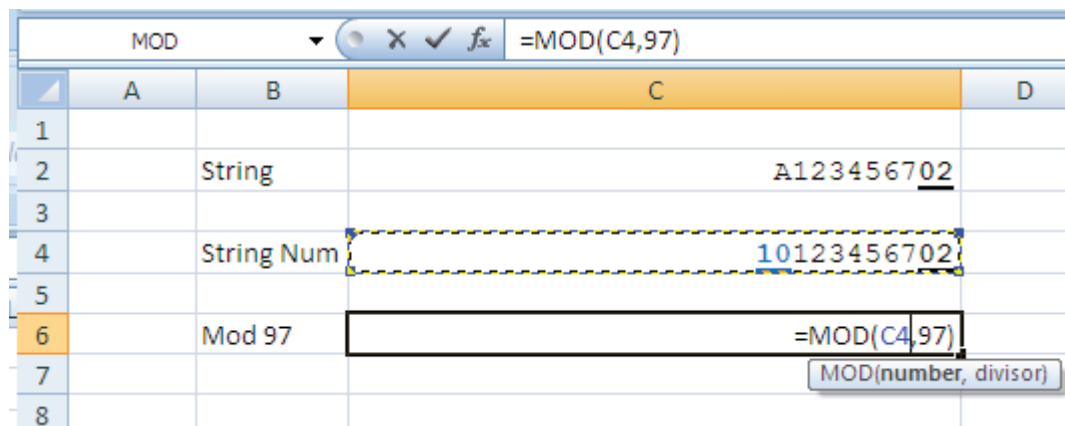
A123456702

A.1.1 Convert letters to digits in accordance with the equivalence table given in 5.2.1:

10123456702

A.1.2 Calculate the modulo 97²⁾ of the above number:

1



The check digit, 02, is shown to be valid, as the result is 1.

A.2 Validating the check digits of an LEI

Example LEI:

F50E0CWSQFAUV09Q8Z97

A.2.1 Convert letters to digits in accordance with the equivalence table given in 5.2.1:

1550142412322826151030312492683597

2) Modulo 97 is the remainder of the division of a number by 97.

A.2.2 Calculate the modulo 97 of the above number³⁾:

1

The LEI, F50EOCWSQFAUVO9Q8Z97, is shown to be valid, as the result is 1.

3) The number is too large to be validated using a spreadsheet.

Bibliography

- [1] ISO 8908:1993, *Banking and related financial services — Vocabulary and data elements*

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