

Global LEI System Business Report

Q1 2019

Summary

LEI issuance and LEI growth potential: State of play

At the end of the first quarter of 2019, the total LEI population neared 1.36 million. Approximately 53,000 LEIs were issued in the first quarter of 2019 compared to approximately 55,000 in the fourth quarter of 2018. This represents a quarterly growth rate of 4.1% in the first quarter (previous quarter: 4.4%).

In the first quarter, China featured the highest LEI growth rate at a jurisdiction level (115.3%) followed by Turkey (48.3%), Mauritius (24.8%), India (23.6%), and Australia (12.9%). Growth in China, India, Turkey and Australia is primarily attributed to regulatory initiatives mandating the use of the LEI.

Competition in the Global LEI System

The report identifies the least and most competitive markets of those with more than 1,000 LEIs, based on the number of LEI issuers providing services in the jurisdiction. In the first quarter of 2019, Italy, Netherlands, Spain, Finland and Czech Republic were the five least competitive markets in descending order. Romania, Lithuania, Portugal, Malta and Bulgaria were the five most competitive markets in descending order.

LEI renewal rates

The annual renewal process ensures that the legal entity and the LEI issuing organization review and re-validate the legal entity reference data at least once per year. The Global LEI System is unique in providing absolute transparency on the timeframe when data has last been verified.

In the first quarter of 2019, the overall renewal rate of 70.8% remained essentially unchanged compared to the previous quarter (70.1%). (This includes jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date). At the end of the first quarter of 2019, 73.4% of all LEIs were in good standing (previous quarter: 76%).

It is worth noting that about 170,000 LEIs were issued in the first quarter of 2018, due to the impact of the revised EU Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR), which took effect on 3 January 2018. Approximately 67% of these, which were due for renewal in the first quarter of 2019, were renewed on time.

The renewal rate in the EU increased from 70.3% to 71.7%. In non-EU jurisdictions, it improved to 59.7% (previous quarter: 57.6%). In the reporting period, these five jurisdictions demonstrated the highest renewal rates: India (95.5%), Finland (93.5%), Japan (91.9%), Liechtenstein (91.1%) and Norway (85.7%). Brazil (54.9%), the United States (53.9%), South Africa (48.3%), the United Kingdom (46.6%), and the Russian Federation (46.3%) were the top five jurisdictions demonstrating the highest non-renewal rates.

Level 1 reference data corroboration

The business card information available with the LEI reference data, e.g. the official name of a legal entity and its registered address, is referred to as 'Level 1' data. It provides the answer to the question of 'who is who'. The Level 1 data is considered fully corroborated if, based on the validation procedures in use by the LEI issuer, there is sufficient information contained in authoritative public sources to corroborate the information that the legal entity has provided for the record. If this is not the case, the business card information available with an LEI record is classified as 'entity-supplied only'.

In the first quarter of 2019, the percentage of fully corroborated Level 1 reference data within the entire LEI population increased from 78.2% to 78.8%.

Statistics on the reporting of parent information by legal entities

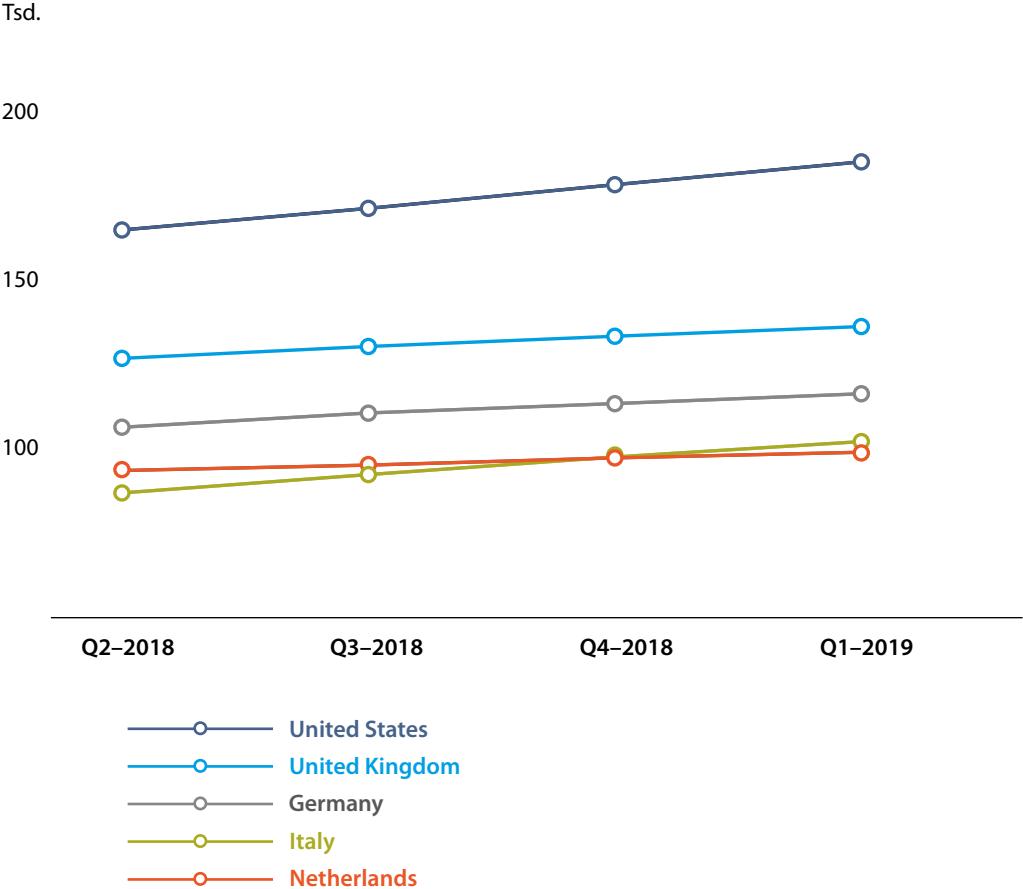
In the first quarter of 2019, approximately 1,200,000 LEI registrants representing 88% of the total LEI population had reported information on direct and ultimate parents. 99.9% of LEI registrants who obtained a newly issued LEI or renewed an existing LEI in this quarter reported parent information.

In the reporting period, 7% of legal entities reported a direct parent that has an LEI (previous quarter: 6%). The percentage of legal entities reporting an ultimate parent that has an LEI remains stable at 7%.

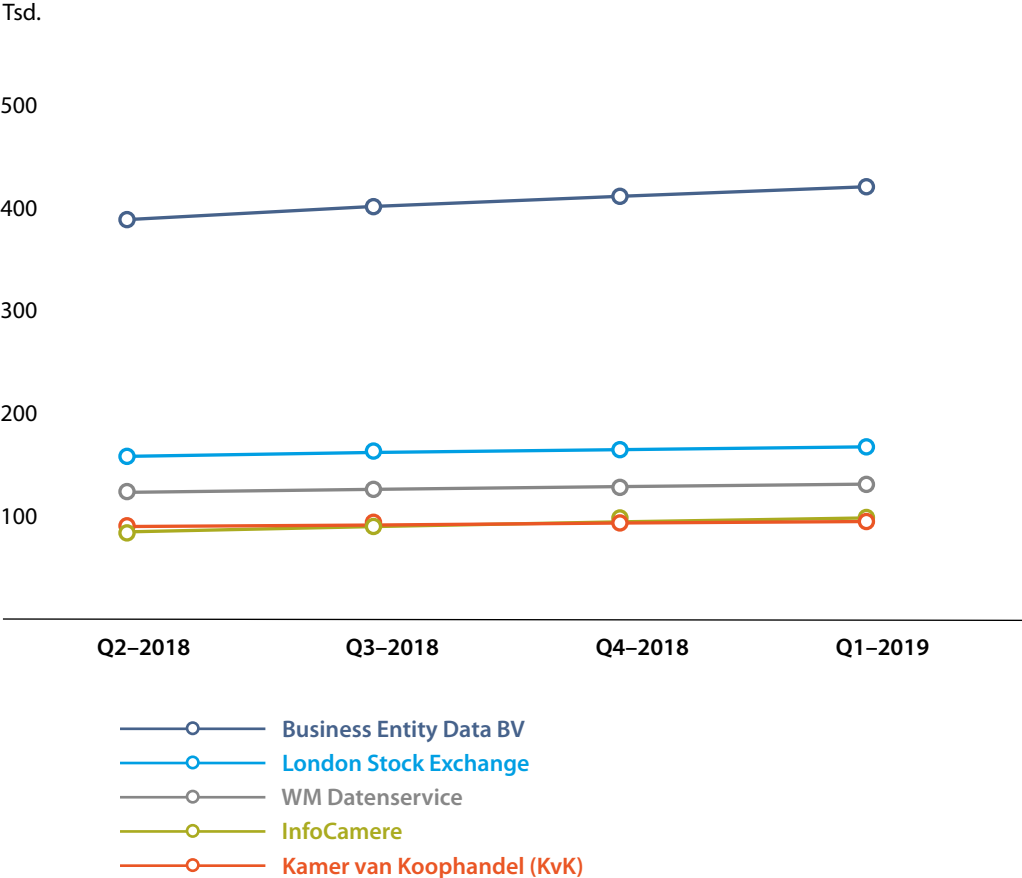
The share of legal entities that cited legal obstacles preventing them from providing or publishing parent information decreased from 9.6% to 8.6%.

Active LEIs

Total LEI Trend-Top 5 Jurisdictions | Fig.-2

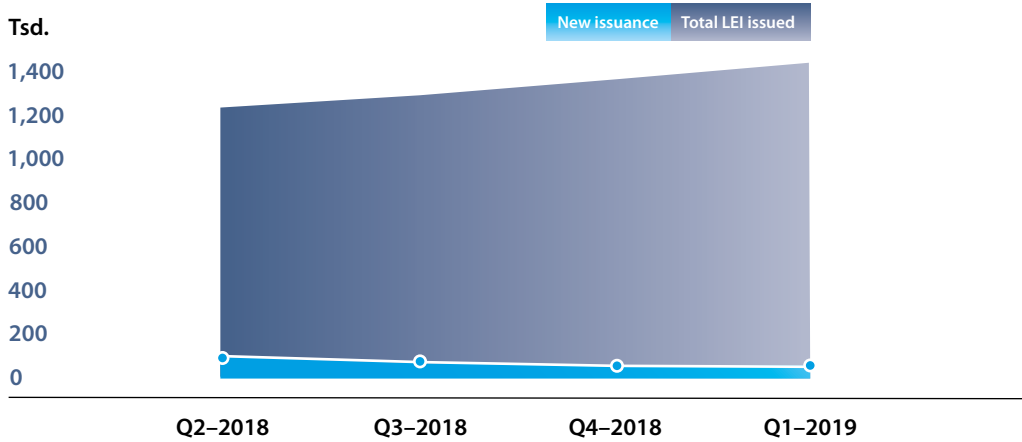


Total LEI Trend-Top 5 LEI issuers | Fig.-3

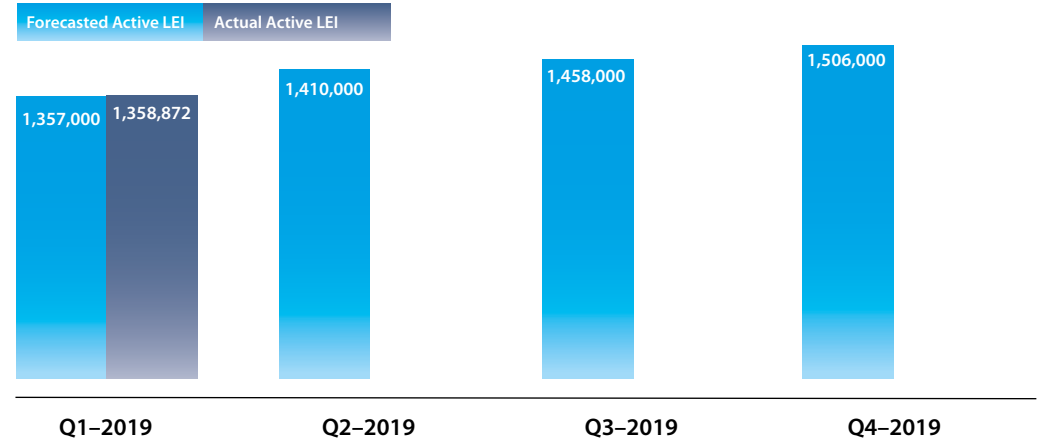


Growth in Total Number of Active LEIs

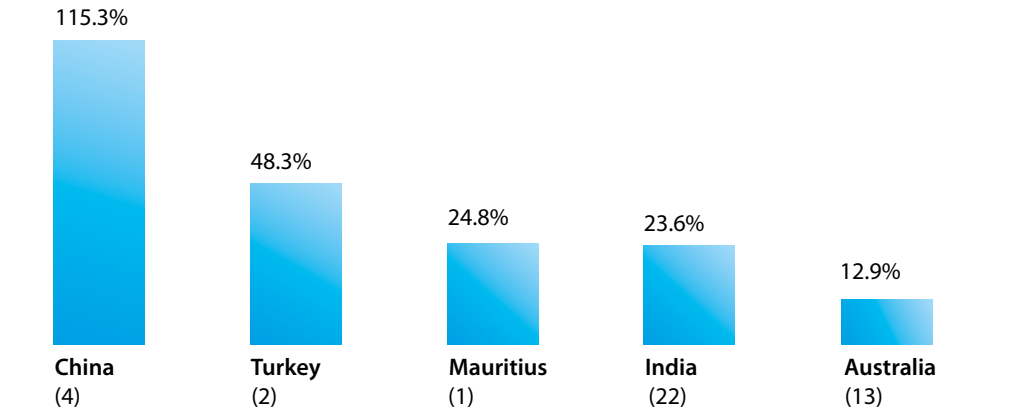
New LEI Issuance | Fig.-4



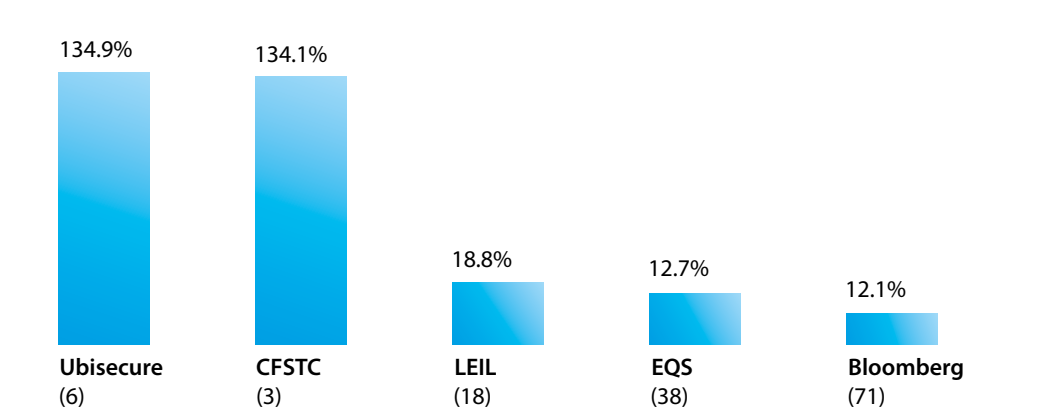
LEI Forecast | Fig.-5



Quarterly LEI Growth – Top 5 Jurisdictions | Fig.-6¹



Quarterly LEI Growth – Top 5 LEI issuers | Fig.-7



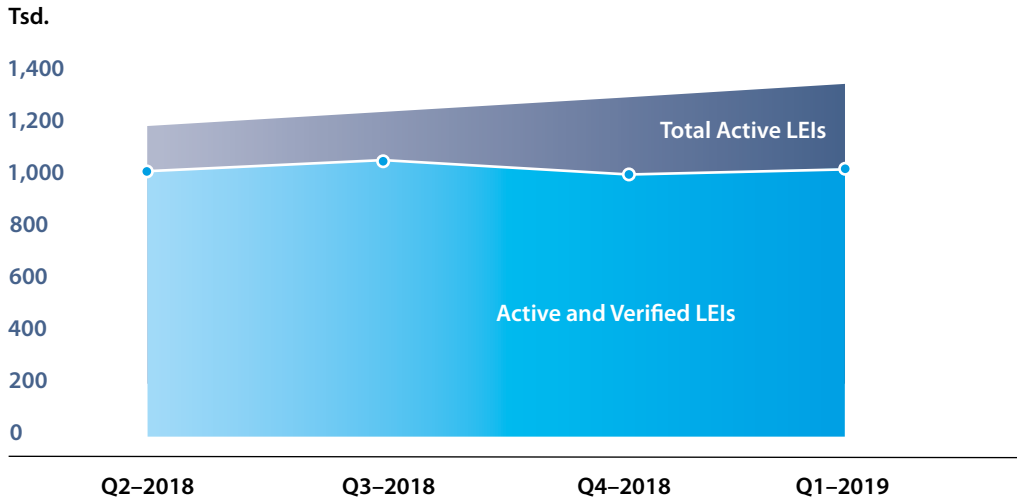
Growth rate of jurisdictions
Total issuance in thousands at most recent quarter-end date in parenthesis

Growth rate of LEI issuers
Total issuance in thousands at most recent quarter-end date in parenthesis

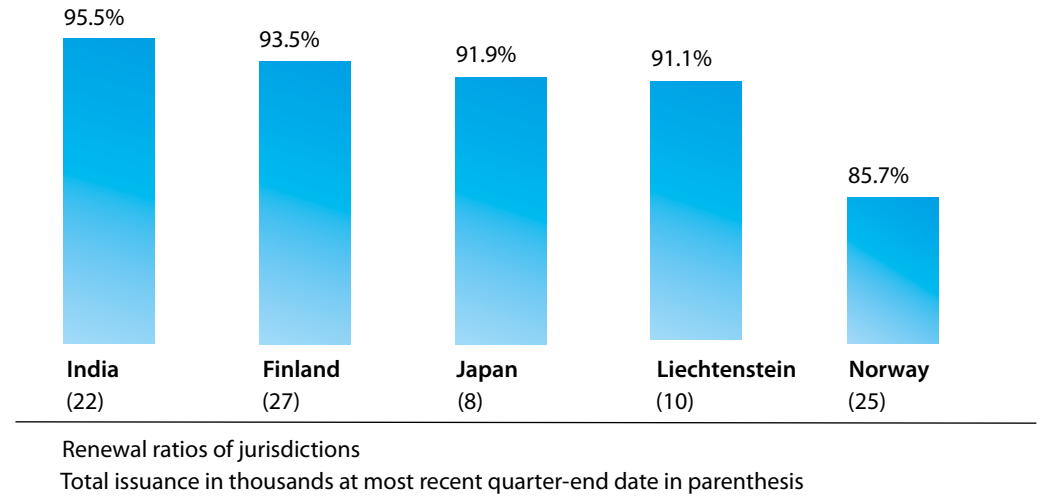
1. Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date

LEI Renewal Activity

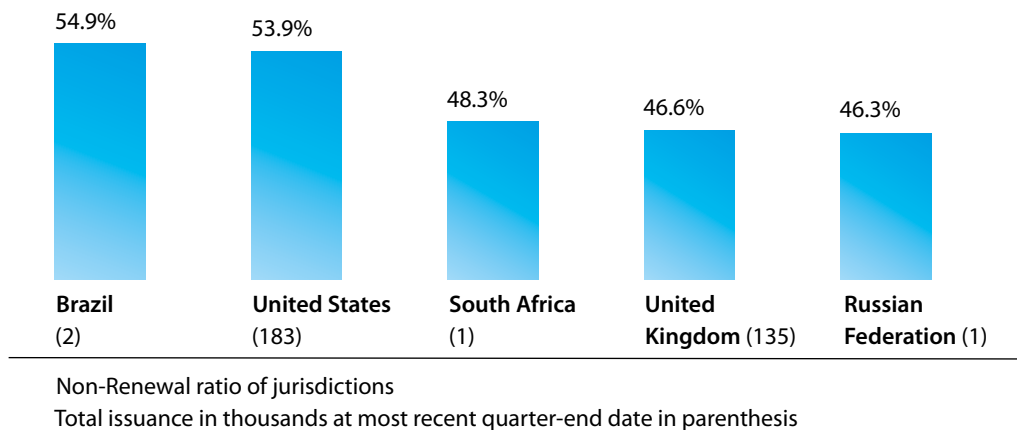
LEI Renewal | Fig.-8



LEI Renewal – Top 5 Jurisdictions | Fig.-9¹

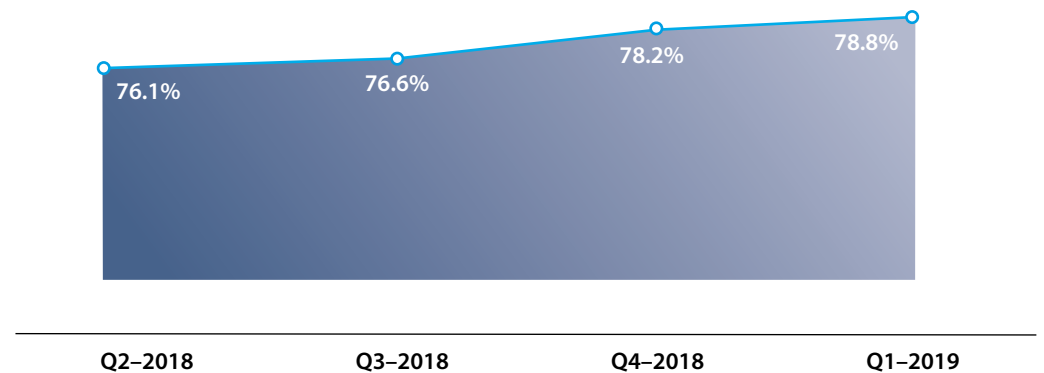


LEI non-Renewal (Lapsed LEIs) – Top 5 Jurisdictions | Fig.-10¹



Reference Data Corroboration by LEI issuers

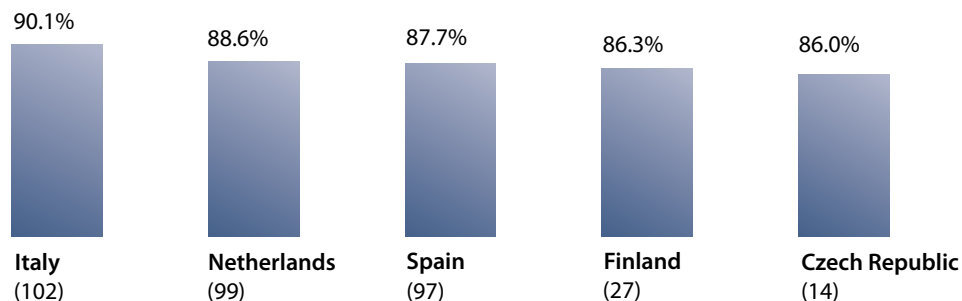
Percentage of Fully Corroborated LEIs | Fig.- 11



1. Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date

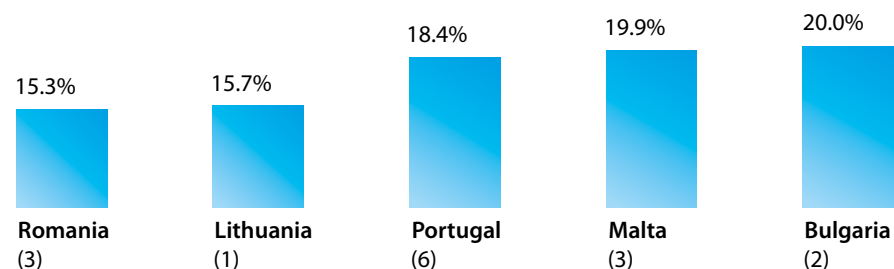
Competition amongst LEI issuers

Least Competitive (Most Concentrated) Markets | Fig.-12¹



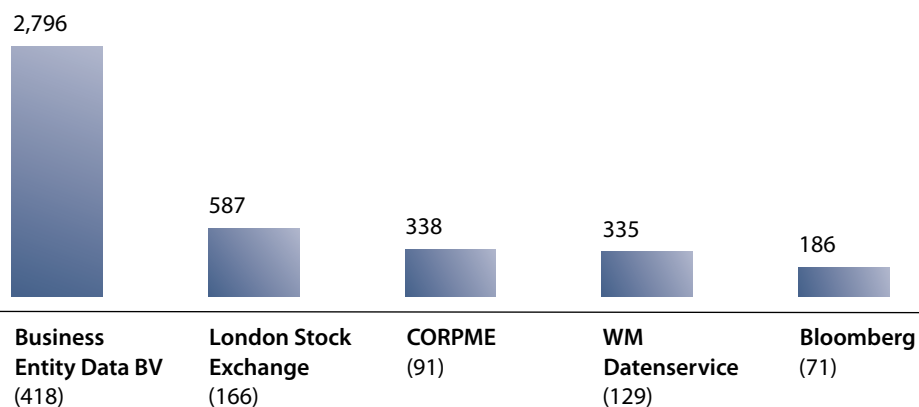
Concentration score of jurisdictions
Total issuance in thousands at most recent quarter-end date in parenthesis

Most Competitive (Least Concentrated) Markets | Fig.-13¹



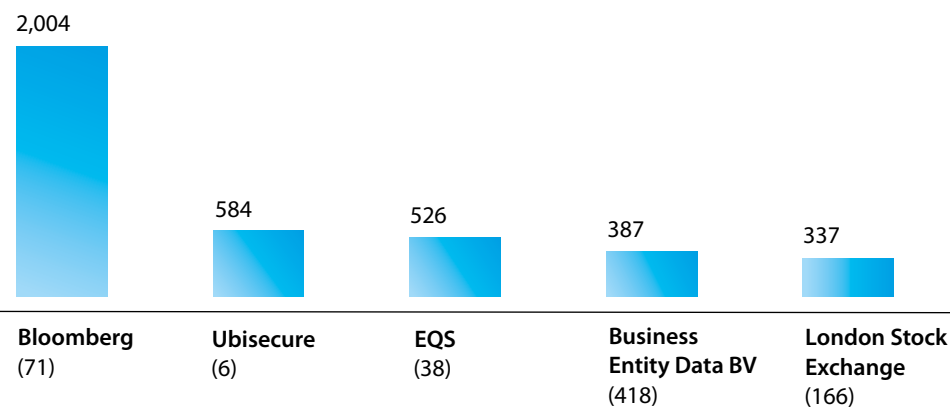
Concentration score of jurisdictions
Total issuance in thousands at most recent quarter-end date in parenthesis

Transfers out of LEIs – Top 5 LEI issuers | Fig.-14



Number of LEIs transferred out
Total issuance in thousands at most recent quarter-end date in parenthesis

Transfers in of LEIs – Top 5 LEI issuers | Fig.-15

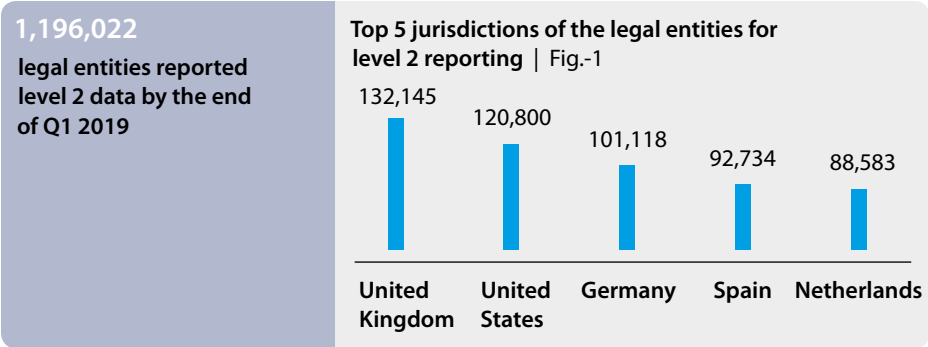


Number of LEIs transferred in
Total issuance in thousands at most recent quarter-end date in parenthesis

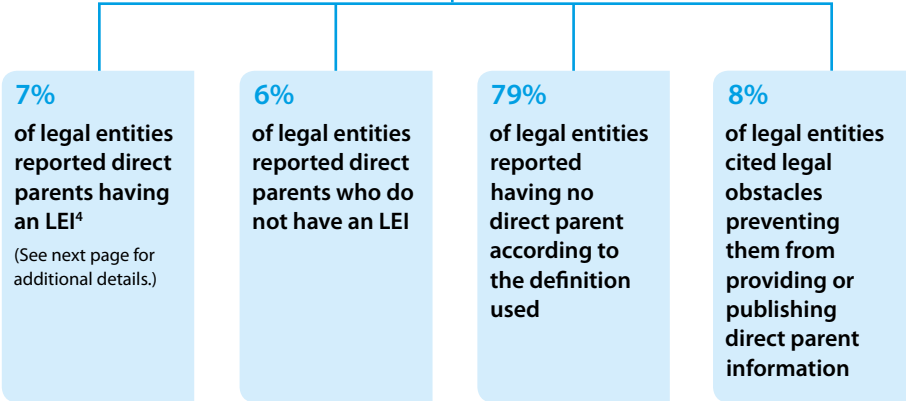
¹ Analysis includes only those jurisdictions with at least 1,000 LEIs in total at the previous quarter-end date. The higher the percentage the more concentrated LEI management is with a single LEI issuer.

**Level 2 data report
Q1 2019**

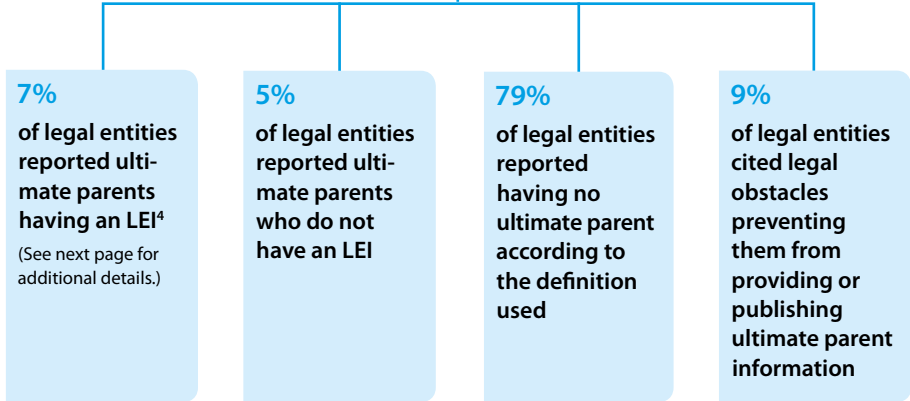
In May 2017, the process of enhancing the LEI data pool, by including 'Level 2' data to answer the question of 'who owns whom', began. The graphic below provides information on direct and ultimate parent data collected through March 2019¹.



Each legal entity reports information on its direct parent²:



Each legal entity reports information on its ultimate parent³:

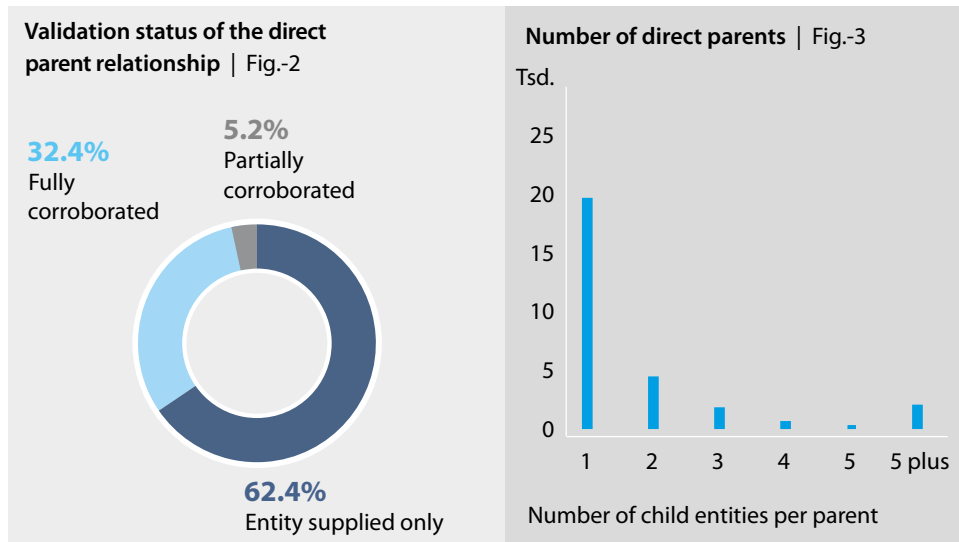


1 Referenced to level 2 relationship record CDF concatenated file dated 02 April 2019
 2 99.9% legal entities reported direct parent
 3 99.9% legal entities reported ultimate parent
 4 The definitions of ultimate and direct parent are based on percentage share of accounting consolidation as per LEI Regulatory Oversight Committee prescription. Related link <https://www.gleif.org/en/about-lei/common-data-file-format/level-2-data-reporting-exceptions-format>

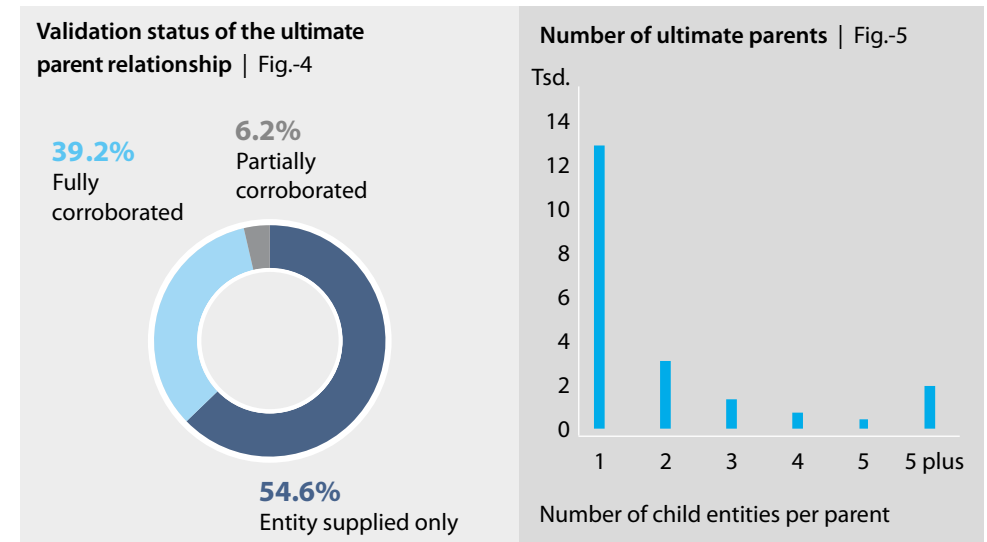
Level 2 data report Q1 2019

Identification of the direct and ultimate parents of a legal entity with an LEI allows users to research entities owned by individual companies. It provides a better understanding of the entity from which a company or individual is buying goods or services or in which it is investing. The following charts provide additional information on relationships where the direct or ultimate parents are identified by an LEI.

Additional information on direct parents having an LEI



Additional information on ultimate parents having an LEI



DISCLAIMER: All figures of this Global LEI System Business Report are derived from the Global Legal Entity Identifier Foundation (GLEIF)'s LEI-Common Data File (CDF) format version 2.1, Relationship Record (RR) CDF format version 1.1 and Reporting Exceptions format version 1.1 excluding LEIs with registration statuses DUPLICATE, ANNULLED, MERGED and RETIRED. While every care has been taken in the compilation of this information, GLEIF will not be held responsible for any loss, damage or inconvenience caused because of inaccuracy or error within the Global LEI System Business Report. The text and graphic content of the Global LEI System Business Report may be used, printed and distributed ONLY with the copyright information displayed (© Copyright Global Legal Entity Identifier Foundation (GLEIF)).