

Legal Entity Identifiers (LEIs)

According to the Joint Consultation Conclusions Paper on enhancements to the OTC Derivatives Regime for Hong Kong issued by Securities and Futures Commission and Hong Kong Monetary Authority in June 2018, you are encouraged to apply for a legal entity identifier (LEI) for trading in over-the-counter derivatives. Please find below a description of what is LEI and how to obtain a LEI.

What is a LEI?

An LEI is a unique 20-digit, alpha-numeric code assigned to a legal entity based on the ISO 17442 standard. It connects to key reference information that enables the clear and unique identification of legal entities participating in financial transactions. It is an initiative endorsed by the Group of Twenty Finance Ministers and Central Bank Governors (G20) and administered by the Global LEI System as a public good.

How to obtain an LEI?

LEIs are issued by "Local Operating Units" (LOUs) of the Global LEI System. The list of LOUs accredited by the Global LEI Foundation can be found on the GLEIF website:

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

Some of these registries serve a given country while others offer services to entities worldwide. They may be differences as well in the languages available, facilities to register many entities in bulk, and price, among others. We invite you to check the websites of these registries to find the one that best suits your needs.

These websites also provide information on the process for obtaining an LEI, which complies with general principles set by the ROC, in particular:

- Self-registration: Only an entity eligible to receive an LEI or its authorized representative may obtain a LEI code. The permission of the LEI registrant to perform an LEI registration on its behalf by a third party is considered to satisfy the requirements of self-registration only if the registrant has provided explicit permission for such a registration to be performed.
- The LOU will collect a minimum set of reference data on the entity (e.g. name of the entity and address).
- This reference data has to be confirmed or certified by the entity seeking an LEI. Entities are requested to periodically verify the continued accuracy of their reference data (eg, at least through yearly certification)
- The LOU is required to check each entry against reliable sources (public official sources such as a business registry, private legal documents) prior to publishing the LEI and associated reference data. This explains a delay between the request for an LEI and the publication of the LEI.
- LOUs generally charge a fee for issuing the LEI as well as for validating the reference data upon issuance and after each yearly certification.