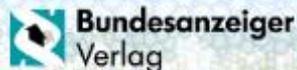


mit Unterstützung von
with the support of



EUROPEAN
BANKING
AUTHORITY



XBRL | **EUROPE**

hosted by



EUROPEAN CENTRAL BANK

EUROSYSTEM

EUROFILING XBRL WEEK IN FRANKFURT 6-7-8-9 JUNE 2017

19th XBRL Europe day | Eurofiling 23rd workshop | Tutorials | Academic Track

VALIDATING CORPORATE EXISTENCE

ALF HEIDEMANN
BUNDESANZEIGER
(GER)

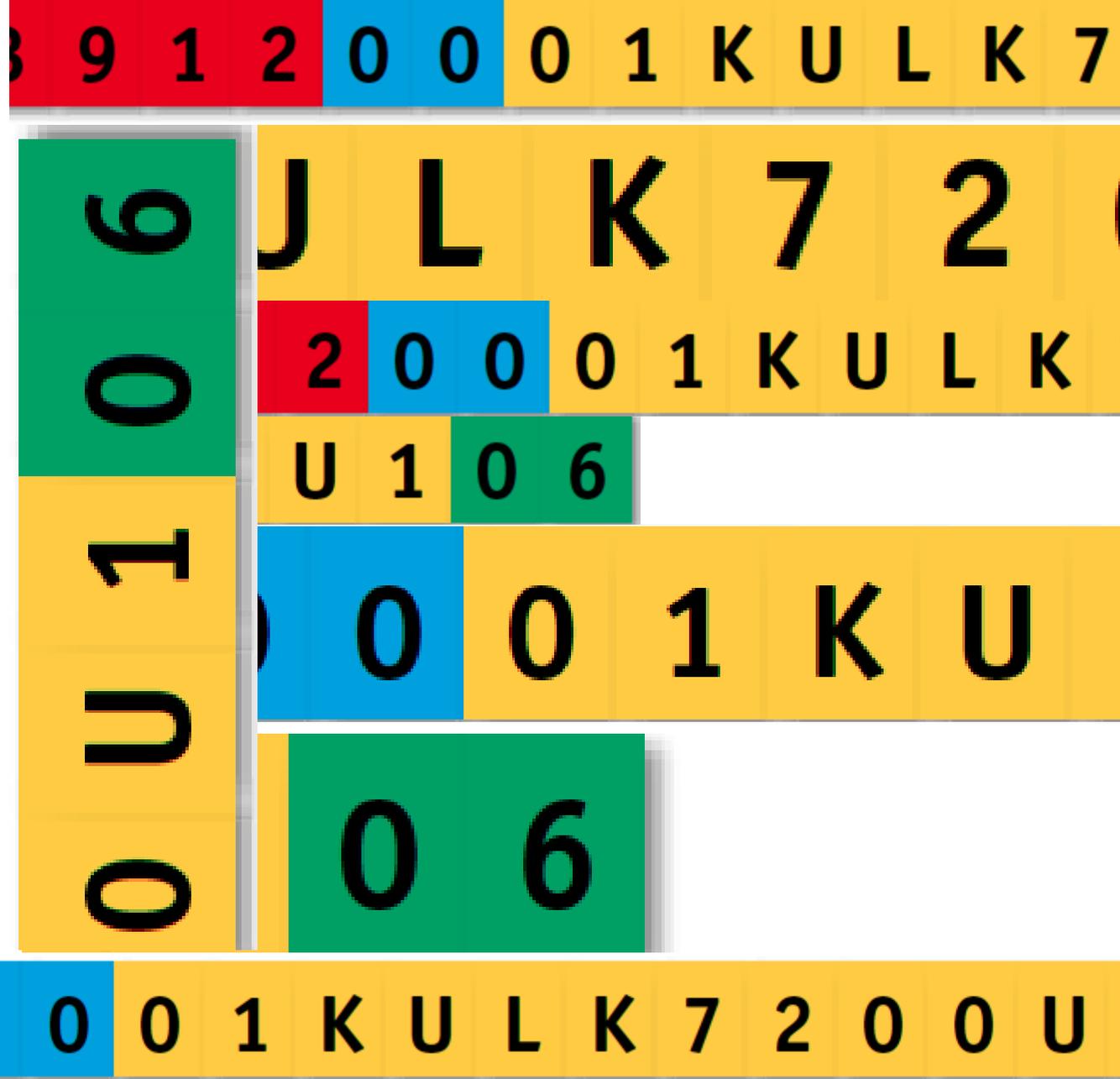
Frankfurt, June 07 2017

AGENDA

1. what is an LEI
2. resources: usage and examination process
3. level: 2 data and its meaning for a legal entity
4. what happens to the data ?
5. conclusion

1

What is an LEI?



1.1 What is an LEI?

- the LEI is an internationally valid identification number
- an LEI makes a clear identification of the contract partner and his transactions possible
- each LEI will be awarded precisely once
- it will ensure transparency for the financial markets

The Global LEI System operates in three tiers:



The Financial Stability Board (FSB) and the Group of Twenty (G20) have endorsed the LEI, Global LEI System and GLEIF.

1.3 Who Needs an LEI and for what Reason?

- companies involved in trading OTC derivatives
- Investment Funds
- Insurance Companies
- cities and municipalities



1.3 Who Needs an LEI and for what Reason?

- transparency
 - the LEI is a response of the G20 to the 2008 financial crisis
- the LEI serves as an instrument to identify the financial and non-financial counterparties
- MiFID II will require investment firms that execute transactions in financial instruments on behalf of a client firm
- the EIOPA published on October 20, 2014 guidelines for the usage of the LEI
- each and every client is obliged to renew his LEI once a year

1.2 Where can I get an LEI?

- LEIs are issued by LOUs (Local Operating Units)
- LEIReg is the issuing office of the Bundesanzeiger Verlag
- the LEI reference data (LEI- RD) are examined by LEIReg
- legally independent entities or authorized third parties can register at LEIReg (free of charge) and apply for an LEI

2.

Resources: Usage and Examination Process



2.1 The Client: Information which the Client Provides and is Provided With

- Information is key. So which information are transmitted by the client and which do we generate?



```
<xs:element name="LEIData" type="lei:LEIData" /> </xs:element>
<xs:complexType name="LEIData">
  <xs:sequence>
    <xs:element name="LEIHeader" type="lei:LEIHeaderType" /> </xs:element>
    <xs:element name="LEIRecords" type="lei:LEIRecordsType" /> </xs:element>
  </xs:sequence>
</xs:complexType>

<xs:complexType name="LEIHeaderType">
  <xs:sequence>
    <xs:element name="ContentDate" type="xs:dateTime" /> </xs:element>
    <xs:element name="Originator" type="lei:LEIType" /> </xs:element>
    <xs:element name="FileContent" type="lei:FileContentEnum2.0" /> </xs:element>
    <xs:element name="DeltaStart" type="xs:dateTime" minOccurs="0" /> </xs:element>
    <xs:element name="RecordCount" type="xs:int" /> </xs:element>
    <xs:element name="NextVersion" type="lei:HeaderNextVersionType" minOccurs="0" /> </xs:element>
  </xs:sequence>
</xs:complexType>

<xs:complexType name="HeaderNextVersionType">
  <xs:sequence>
    <xs:any minOccurs="0" maxOccurs="unbounded" processContents="lax"
      namespace="##targetNamespace" />
  </xs:sequence>
</xs:complexType>
```

2.2 Information Provided by the Client

Every entity who wants to apply for an LEI has to provide a set of minimal information about itself and its parents to the LOU. These information consist of:

- the company data
 - meaning the official name of the company concurrent to the name in the commercial register (if available)
 - the legal form
 - the legal headquarter address
 - the ISO-country code

- information about the grantee (authorized person) requesting an LEI for a company

Should the company be integrated in a group, additional data about the parent entity has to be disclosed:

- Either the LEI of the parent or, if the parent does not have an LEI:

2.2 Information Provided by the Client

- information about the according register provided that the parent is registered
- beyond that, the client has to provide further documents which confirm the existence of the company and the aforementioned information as well (commercial register excerpt and suchlike)
- information about the grantee (authorized person) requesting an LEI for a company
- also optional information like a register number and the corresponding name of the register can be provided

2.3 Information Given to the Public

As a result of issuing an LEI to a company the following information are provided to the public:

- the LEI
 - the general company data (name, location, etc.)
 - the status of the entity
 - the initial registration date
 - the registration status
 - validation sources
-
- information about the parent company:
 - the LEI (if available)
 - the general company data (name, location, etc.)
 - reporting exceptions

2.4 The Registered Information

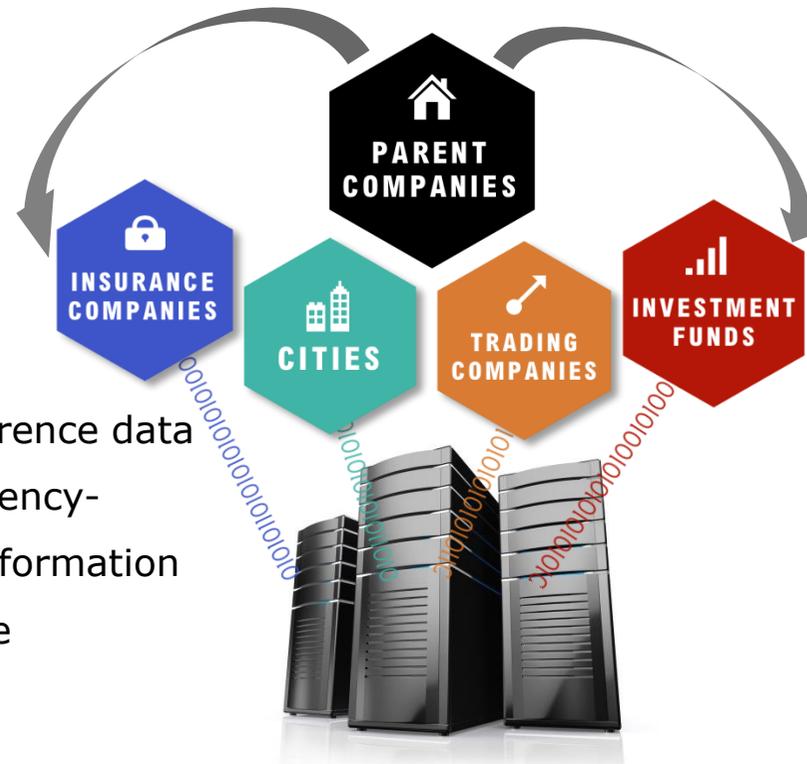
- all worldwide issued LEIs are accessible
- LEI-RD: LEI reference data: the reference data consist of those information provided by the company and those data from the commercial register
- access at: www.gleif.org

3

Level: 2 Data and its
Meaning for a Legal
Entity



3.1 The Parent-Subsidiary Relationship



- information beyond the reference data
- information lead to transparency- which leads to even more information
- information in regards to the own company or the parent



**avoidance of non transparent
business relations
(offshore companies)**

3.1 The Parent-Subsidiary Relationship

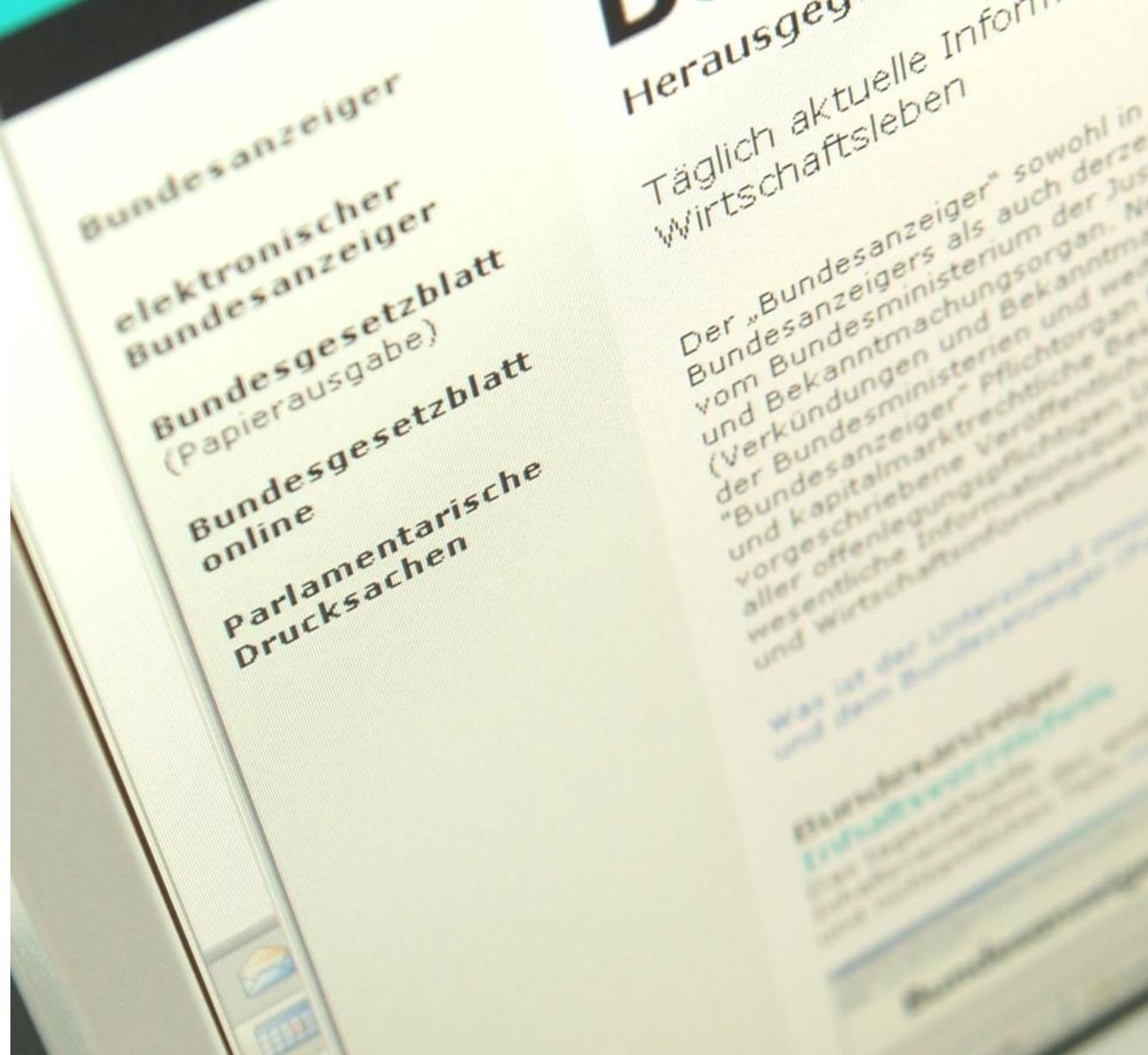
The subsidiary has to provide information (beyond the reference data) about the parent!

- Should the company be integrated in a group, additional data about the parent entity has to be disclosed:
 - either the LEI of the parent or, if the parent does not have an LEI, the general company data of the parent
 - disclosure of the annual financial statement as proof of a parent-subsubsidiary relationship
 - information about the period of the parent-subsubsidiary relationship

Beyond that, the client has to provide further documents.

4

What Happens to the Data ?



4.1 Checking the Data

After being provided with the necessary information by the entity, the work of LEIReg begins. Our staff has to examine and verify all information.

For example:

- cross-checking if the general company data are stored in a commercial register
- check the correctness of the parent data
- check if the documents have been signed by an authorized person

In the last step the LEI is issued to the Entity in an international capacity.

4.2 Level: 2 Change of Perspective

	START	Required information	Which question is answered?
Level: 1	DEC 2012	General Company Data Data from the Commercial Register	Who is who?
Level: 2	MAY 2017	General Parent Company Data Consolidated Financial Statements	Who owns whom?

5

Conclusion



5. Conclusion

- more information about other participants
- security and transparency
- the LEI as a seal of approval

The LEI serves as a simplifier for all market participants in regards to their business transactions. With the LEI opening doors to securer and faster transactions companies have much more possibilities regarding worldwide transactions.

!

THANK YOU
ALL FOR
LISTENING!

