INTERNATIONAL STANDARD

ISO 17442-1

First edition
2020-08

Financial services — Legal entity identifier (LEI) —

Part 1: **Assignment**

Services financiers — Schéma d'identifiant d'entité légale (IEL) — Partie 1: Attribution

Reference number
ISO 17442-1:2020(E)

© ISO 2020



COPYRIGHT PROTECTED DOCUMENT

© ISO 2020

All rights reserved. Unless otherwise specified, or required in the context of its implementation, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

ISO copyright office
CP 401 • Ch. de Blandonnet 8
CH-1214 Vernier, Geneva
Phone: +41 22 749 01 11
Email: copyright@iso.org
Website: www.iso.org

Published in Switzerland

Contents

Page

Foreword ... **iv**
Introduction ... **v**
1 Scope ... **1**
2 Normative references ... **1**
3 Terms and definitions ... **2**
4 Structure of the LEI ... **3**
5 Check digit pair ... **3**
5.1 General ... 3
5.2 Calculating the check digit pair ... 4
6 LEI data record ... **4**
Annex A (informative) **LEI check digit pair calculation and verification examples** ... **6**
Bibliography ... **8**

© ISO 2020 – All rights reserved

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 68, *Financial services*, Subcommittee SC 8, *Reference data for financial services*.

This first edition of ISO 17442-1, along with ISO 17442-2, cancels and replaces ISO 17442:2019, which has been technically revised.

The main changes to ISO 17442:2019 are as follows:

— clarification that international branches of entities that meet certain conditions may be assigned LEIs;

— addition of new attributes to the LEI data record concerning identification of the direct and ultimate parent of a legal entity;

— addition of new attributes of the LEI data record concerning the status of the entity and the data record, and events that cause the data record to change;

— addition of new attributes of the LEI data record in relation to investment funds;

— clarification regarding certain existing attributes of the LEI data record.

A list of all parts in the ISO 17442 series can be found on the ISO website.

Any feedback or questions on this document should be directed to the user’s national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

© ISO 2020 – All rights reserved

Introduction

Legal entity identification is an integrated and necessary component of financial 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 in the records of these transactions to facilitate monitoring of the exposure to individual counterparties and the resulting concentration risk.

Moreover, financial institutions are subject to a variety of obligations to report transactions and exposures to financial regulators in order for them to have effective oversight of financial markets and risks in the financial system, at both national and global levels.

All of this needs to be achieved while the support for straight through processing (STP) is maintained.

This document 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 an LEI code that contains no embedded intelligence;

— defines an 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 an LEI scheme that is reliable and an LEI code that is persistent;

— defines an LEI scheme that is extensible and free from limitation on use and redistribution.

It is important that the reference information described in Clause 6 of this document is kept up to date at all times.

© ISO 2020 – All rights reserved

Financial services — Legal entity identifier (LEI) —

Part 1: Assignment

1 Scope

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

It is applicable to "legal entities", which include, but are 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 includes governmental organizations, supranationals and individuals when acting in a business capacity[1)], but excludes natural persons. It also includes international branches as defined in 3.5.

The LEI is designed for automated processing. It can 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;

— international branches;

— all entities that issue equity, debt or other securities for other capital structures;

— all entities listed on an exchange;

— all entities that trade financial instruments or are otherwise parties to financial transactions, including business entities, pension funds and investment vehicles such as collective investment funds (at umbrella and sub-fund level) and other special purpose vehicles that have a legal form;

— all entities under the purview of a financial regulator and their affiliates, subsidiaries and holding companies;

— sole traders (as an example of individuals acting in a business capacity);

— counterparties to financial transactions.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements 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*

ISO 8601 (all parts), *Data elements and interchange formats — Information interchange — Representation of dates and times*

1) As stated by the LEI Regulatory Oversight Committee on 30 September 2015.

© ISO 2020 – All rights reserved

ISO 20275, *Financial services — Entity legal forms (ELF)*

3 Terms and definitions

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

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at https://www.iso.org/obp

— IEC Electropedia: available at http://www.electropedia.org/

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 legal address in the jurisdiction in which the entity is established

3.4
investment fund
collective investment scheme (or pooled investment) beneficially owned by multiple investors and managed on behalf of those investors by an asset manager or by the fund itself

EXAMPLE Umbrella funds as well as sub-funds under an umbrella structure, hedge funds and private equity funds.

3.5
international branch
unincorporated establishment of a legal entity that meets the criteria determined by the Legal Entity Identifier Regulatory Oversight Committee in its policy on *Including data on international/foreign branches in the Global LEI System*[3]

3.6
direct parent
lowest-level legal entity that prepares consolidated financial statements that include those of the entity concerned

3.7
ultimate parent
highest-level legal entity that prepares consolidated financial statements that include those of the entity concerned

3.8
fund management entity
main management entity of a fund that is legally responsible for the constitution and operation of the fund

Note 1 to entry: A separate entity to which the fund management entity may delegate the day-to-day management of a fund's investments would not fall within this definition.

© ISO 2020 – All rights reserved

3.9
umbrella structure
investment fund with one or more than one sub-funds/compartments where each sub-fund/compartment has its own investment objectives, separate investment policies and strategies, segregation of assets and separate investors, and which has segregated liability between sub-funds/compartments

3.10
master-feeder relationship
relationship between two investment funds, in which one (the feeder fund) is exclusively, or almost exclusively, invested in one or more other funds that have identical investment strategies (master funds), according to the legal constitution of the feeder fund

3.11
legal entity event
event that causes a change to the reference or relationship information in the LEI data record for a legal entity

4 Structure of the LEI

This document uses the following conventions for data element representations:

a) Character representations:

- a: upper-case letters (alpha characters A–Z only);
- n: digits (numeric characters 0–9 only);
- c: upper-case alphanumeric characters (A–Z and 0–9 only).

b) Length indications:

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

The format of the LEI shall be:

— 18!c2!n.

The LEI consists of 20 alphanumeric characters decomposed as follows:

— characters (18!c) without separators or “special” characters;

— the 19th and 20th characters (2!n) shall be the check digit pair, as calculated from the scheme defined in this document.

5 Check digit pair

5.1 General

The check digit pair shall be calculated based on the simplified procedure defined in ISO/IEC 7064 (MOD 97-10) after the conversion of the leftmost 18 alphanumeric characters into a character string consisting only of digits. The check digit pair is used to verify that the LEI code is properly formed.

Valid check digit pairs are in the range of [02 .. 98]. 00, 01 and 99 are not valid LEI check digit pairs.

If the check digit pair has been calculated correctly, when the entire 20-character LEI is converted to numbers following the process described in 5.2, step 1, and divided by 97 as described in 5.2, step 3, the remainder shall be “1”.

© ISO 2020 – All rights reserved