

PRESS RELEASE

ESMA highlights importance of LEI for MiFIDII/MiFIR compliance

The European Securities and Markets Authority (ESMA) has published a [Briefing](#) on the Legal Entity Identifier (LEI) as part of its efforts to raise industry awareness and facilitate compliance with the LEI requirements under MiFID II ahead of its 3 January 2018 launch.

ESMA expects market participants to take all necessary steps to ensure full compliance with the LEI requirements under MiFID II. Based on its previous experience with EMIR reporting, ESMA urges reporting entities not to delay in addressing this important matter, as advance preparation will help in avoiding backlogs and ensuring that all market participants are ready for the new regime.

Steven Maijor, Chair, said:

“ESMA expects all relevant trading venues and investment firms to comply with the MiFID II requirements on LEIs ahead of the implementation of the new regime on 3 January 2018.

“LEIs play a key role under the new MiFID data-reporting regime as well as being essential in supporting regulators work on transparency and market surveillance. It is vital that investment firms and trading venues make the necessary efforts to obtain their LEIs in good time.

“This is not a difficult process, if you make the effort now you can obtain your LEI within a short time frame, it costs a few hundred euros and will save you time and expense in the long run, while providing comfort to your clients, counterparties and regulators.”

Legal Entity Identifier

The LEI is a 20-digit, alpha-numeric code that enables clear and unique identification of legal entities participating in financial transactions. It was developed, following the financial crisis, as a global system for the identification of legal entities. It has proven to be the most robust



identification method for legal entities and as a result has been widely used by regulators in the European Union (EU) and globally. The LEI:

- is key to improving market surveillance and transparency; it also generates important benefits for businesses in terms of costs reduction, improved risk management and increased operational efficiencies;
- plays a key role in the new harmonised data-reporting regime under MiFID II and it is crucial to ensure the quality of the data reported to EU supervisors; and
- is important for firms to fulfil their reporting obligations under financial regulations. LEIs are also key for matching and aggregating market data both for transparency and regulatory purposes.



Notes for editors

1. [ESMA70-145-238 Legal Entity Identifier Briefing Note](#)
2. ESMA's mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
3. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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