



**Update 21 December 2017: LEI issuing organizations added / link to ESMA statement added**

**Communication FSMA-FEBELFIN-FEB to all legal entities that carry out financial transactions:**

**The LEI, a condition for carrying out financial transactions**

### **1) For whom is this communication relevant?**

For all legal entities that carry out transactions<sup>1</sup> in financial instruments<sup>2</sup>.

### **2) What obligations apply?**

As from 3 January 2018<sup>3</sup>, banks and investment firms that carry out transactions in financial instruments must make a detailed report of these transactions to the relevant authority<sup>4</sup>, at the latest by the end of the following working day. One of the elements that must be reported is the identity of the ultimate client that ordered the transaction.

Before a bank or investment firm may provide a service resulting in a transaction carried out on behalf of its client that it is required to report, the institution in question must therefore have that **client's identifier**.

For natural persons, the national registration number serves as the identifier<sup>5</sup>, and for legal entities, the 'Legal Entity Identifier' (LEI) is used. The bank or investment firm itself also needs to have an LEI.

### **3) What must legal entities do to prepare for this obligation?**

As from 3 January 2018, legal entities that wish to carry out financial transactions must have an LEI.

**Without an LEI, it will no longer be possible to carry out transactions after that date.**

Legal entities may obtain an LEI from an LEI issuing organization, that is, an organization that is authorized by the **Global LEI Foundation (GLEIF)** for the purpose. At the moment the following LEI issuing organizations are based in Belgium: [GS1 Belgium & Luxembourg](#), [Xerius](#) and [Acerta](#). Belgian legal entities can, however, opt to request an LEI from a foreign issuing organization. A list of LEI issuing organizations is available on the [website of the GLEIF](#).

<sup>1</sup> The notion of 'transaction' is further explained in section 2.1.1. of the Communication FSMA\_2017\_08 dated 6/06/2017.

<sup>2</sup> Art. 26 (2) of the MiFIR Regulation states that the obligation applies to the following financial instruments:  
a) financial instruments which are admitted to trading or traded on a trading venue or for which a request for admission to trading has been made;  
b) financial instruments where the underlying is a financial instrument traded on a trading venue; and;  
c) financial instruments where the underlying is an index or a basket composed of financial instruments traded on a trading venue.

<sup>3</sup> This is the date from which the MIFIR Regulation must be implemented.

<sup>4</sup> For Belgium, the competent authority is the FSMA.

<sup>5</sup> For natural persons who are not Belgian nationals, the passport or identity card of their own nationality, among others, will serve as the identifier.

A bank or investment firm can also request an LEI for its clients if it is given a mandate to do so. Clients can contact their bank to know if it offers that service.

#### **4) Further information**

The reader is asked to consult the [communication FSMA 2017 08](#) dated 6/06/2017 [section 2.2.1 of this Communication will be updated, and it is possible already to obtain an LEI from a Belgian issuing organization].

The reader is also asked to consult the [Briefing](#) from the European Securities and Markets Authority on the Legal Entity Identifier (LEI), as well as its [Statement](#) on the smooth implementation of the LEI.