



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 transactions¹ in financial instruments².

2) What obligations apply?

As from 3 January 2018³, banks and investment firms that carry out transactions in financial instruments must make a detailed report of these transactions to the relevant authority⁴, 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 identifier⁵, 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](#).

¹ The notion of 'transaction' is further explained in section 2.1.1. of the Communication FSMA_2017_08 dated 6/06/2017.

² 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.

³ This is the date from which the MIFIR Regulation must be implemented.

⁴ For Belgium, the competent authority is the FSMA.

⁵ 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.