



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2018-19/83

FMRD.FMID.No.10/11.01.007/2018-19

November 29, 2018

To

All eligible market participants

Dear Sir/Madam

Legal Entity Identifier Code for participation in non-derivative markets

The Legal Entity Identifier (LEI) code has been conceived of as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis. The LEI is a 20-character unique identity code assigned to entities who are parties to a financial transaction. Globally, use of LEI has expanded beyond derivative reporting and it is being used in areas relating to banking, securities market, credit rating, market supervision, etc. (<https://www.gleif.org/en/about-lei/regulatory-use-of-the-lei>). The LEI system has been implemented in a phased manner for participants (other than individuals) in the over-the-counter markets for rupee interest rate derivatives, foreign currency derivatives and credit derivatives in India in terms of RBI [circular FMRD.FMID No. 14/11.01.007/2016-17 dated June 1, 2017](#) and for large corporate borrowers of banks in terms of RBI [Circular DBR.No.BP.BC.92/21.04.048/2017-18 dated November 2, 2017](#).

2. In the [Statement on Developmental and Regulatory Policies, First Bi-monthly Monetary Policy Statement for 2018-19 \(Paragraph No. 8\), dated April 05, 2018](#), it was proposed to implement the LEI mechanism for all financial market transactions undertaken by non-individuals in interest rate, currency or credit markets regulated by RBI. Accordingly, draft directions in this regard were issued for public comments on [June 20, 2018](#). Based on comments received during the consultation, the directions on requirement of LEI Code for participation in non-derivative markets have been finalized as below.

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हिन्दी आसान है, इसका प्रयोग बढ़ाएँ

3. All participants, other than individuals, undertaking transactions in the markets regulated by RBI viz., Government securities markets, money markets (markets for any instrument with a maturity of one year or less) and non-derivative forex markets (transactions that settle on or before the spot date) shall obtain Legal Entity Identifier (LEI) codes by the due date indicated in the schedule given in [Annex](#). Only those entities that obtain an LEI code on or before the due dates applicable to them shall be able to undertake transactions in these financial markets after the due date, either as an issuer or as an investor or as a seller / buyer. Transactions undertaken on recognized stock exchanges are outside the purview of the LEI requirement.

4. In case of non-derivative forex transactions, while all inter-bank transactions shall be subject to LEI requirement, client transactions shall require LEI code for transactions involving an amount equivalent to or exceeding USD one million or equivalent thereof in other currencies.

5. Non-resident entities undertaking financial transactions in the relevant markets shall also require LEI code. Such entities that are not legal entities in their country of incorporation (e.g., funds operated by a non-resident parent/management company that are each registered as an FPI) shall use the LEI code of the parent/management company.

6. Entities responsible for executing transactions, reporting or for depository functions in these markets shall capture the LEI code of the transacting participants in their systems.

7. Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF) (<https://www.gleif.org/en>). In India LEI code may be obtained from Legal Entity Identifier India Ltd. (LEIL) (<https://www.ccilindia-lei.co.in>). The rules, procedures and documentation requirements may be ascertained from LEIL (https://www.ccilindia-lei.co.in/USR_FAQ_DOCS.aspx).

8. Entities undertaking financial transactions shall ensure that their LEI code is considered current under the rules of the Global LEI System. Lapsed LEI codes shall be deemed invalid for transactions in markets regulated by RBI.

9. The Directions are issued under section 45W, read with section 45U, of the Reserve Bank of India Act, 1934.

Yours faithfully

(T. Rabi Sankar)
Chief General Manager

Schedule for Implementation of LEI in the Money market, G-sec market and Forex market

Phase	Net Worth of Entities	Proposed deadline
Phase I	above Rs.10000 million	April 30, 2019
Phase II	between Rs.2000 million and Rs 10000 million	August 31, 2019
Phase III	up to Rs.2000 million	March 31, 2020