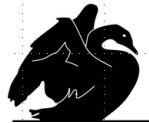


An introduction to the LEI

*CVA Blockchain and XVA Coins
by Advanced Blockchain Solutions Limited*



CVA
Services

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CVA Services GmbH

What is the LEI?

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Legal Entity Identifier¹

This identifier allows for the unambiguous, unique identification of entities engaged in financial transactions. The development of this identifier and its associated standards are the result of international collaboration between authorities and the private sector.

The Legal Entity Identifier (LEI) is a unique 20-character alphanumeric code based on the ISO 17442 standard developed by the International Organization of Standardization, which is assigned to legal entities that are counterparties to financial transactions. The LEI code itself is neutral, with no embedded intelligence or country codes which would create unnecessary complexity for users.

The LEI provides public "business card" information such as: Legal Name, Address, Country of Formation, Legal Form, Business Registry information and status codes.

Four key principles underlie the LEI:

It is a global standard.

A single, unique identifier is assigned to each legal entity.

It is supported by high data quality.

It is a public good, free of charge for all users.

The reporting of LEI and Legal Entity Reference Data is conducted daily by LEI issuing organizations using the Common Data File format.

1) www.gleif.org

Regulatory drivers for the use of LEI in the USA and EU

Dodd Frank Act, EMIR, and bilateral margining

EIOPA

Solvency II

CRA

MAR

Transparency Regime

AnaCredit

MiFID / MiFIR

With every regulation entered or entering into force, the broad availability and distribution within legal entities in the EU will increase, providing an wide set of company data

LEI and CVA²

The most obvious application of hierarchy information is in counterparty risk management and its application in credit analysis, for credit value adjustments (CVA), for position limits and for market risk analysis. The discussion of this issue amongst LEI data and risk modelling experts indicates that, even if the many challenges of recording relationships and relationship types are overcome, the global LEI system will fall a long way short of providing all the information needed for hierarchy based counterparty risk modelling and management.

2) Counterparty Risk Management and the Global Legal Entity Identifier (LEI)
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2528436

How the usage of LEI can help your business

Improve risk management.

Increase operational efficiency.

More accurate calculation of exposures.

Simplify regulatory reporting.

Ensure counterparties for any business process.

Unique counterparty identification globally.

[How to get a LEI](#)

<https://www.gleif.org/en/lei-focus/how-to-get-an-lei#>

[How to get the full LEI database](#)

<https://www.gleif.org/en/lei-data/gleif-concatenated-file/lei-download#>



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