

# LEGAL ENTITY IDENTIFIER INFORMATION

## What is a Legal Entity Identifier (LEI)?

A Legal Entity Identifier (LEI) is a unique, 20-digit alpha-numeric code based on ISO (International Organisation for Standardisation) standards that was established to enable clear identification of legal entities participating in financial transactions. The global LEI framework was set up following a recommendation by the Financial Stability Board (FSB) and there are LEI Issuing Organisations in the United Kingdom and other global jurisdictions. A global directory of financial market participants is publically available, giving greater transparency of the market.

Under EU rules, MiFID II (as amended or superseded), it is mandatory for any legal entity dealing in financial instruments to have a LEI and to report it to the national regulator. A 'legal entity' is an individual, partnership, company or organisation that is capable of creating legal rights and obligations'.

**Our clients are required to have a LEI to transact Financial Instruments with us, unless an exemption applies.**

## How to obtain a LEI?

Information on LEIs and how these can be obtained is available at the Global Legal Entity Identifier Foundation (GLEIF) website: <https://www.gleif.org/en/>. Further information can be found at: [https://www.esma.europa.eu/sites/default/files/library/esma70-145-238\\_lei\\_briefing\\_note.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-238_lei_briefing_note.pdf)

A fee is payable to all LEI Issuing Organisations and this can vary depending on the issuer. LEIs need to be renewed annually and there is a charge for renewing. You should ensure that your LEI is kept up-to-date and when you register for an LEI you should allow enough time for the Issuing Organisation to verify and process your request.

Each legal entity will need an LEI, which means:

- subsidiaries need to have their own LEI and cannot use their parent company's LEI
- fund managers, as well as their funds, need their own LEI.



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### When is a LEI not required?

There are some instances in which it is not necessary for you to obtain a LEI when trading financial instruments with us. These are set out overleaf.

#### (a) You are a Natural Person

- Natural Persons (an individual including sole traders) , will not require a LEI to transact financial instruments (other than natural persons that are registered at a business registry, or are entitled to be registered at a business registry).
- Natural Persons will need to use a 'National Identifier'<sup>1</sup> and clients will need to provide Lloyds Banking Group with their National Identifier when they trade financial instruments.

#### (b) You transact foreign exchange spot contracts only

If you only transact in foreign exchange spot contracts, you will be exempt from providing a LEI.

A contract for the exchange of one currency against another currency is excluded if under its terms delivery is scheduled to be made within a specified number of trading days. The number of trading days depends on the type of contract. There are three types of contract.

1. Exchange of **one major currency against another major currency**<sup>2</sup>. The contract is exempt if under its terms delivery is scheduled to be made within two trading days.
2. Exchange of a **non-major currency against either another non-major currency or against a major currency**. The contract is excluded if under its terms delivery is scheduled to be made within the longer of:
  - two trading days; and
  - the period generally accepted in the market for that currency pair as the standard delivery period.
3. Where the contract is one used for the main purpose of the **sale or purchase of a transferable security or a unit in a collective investment undertaking ('Securities Conversion Transactions')**. The contract is excluded if under its terms delivery is scheduled to be made within whichever is the shorter of the following:

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<sup>1</sup> For more information on National Identifiers, refer to: <https://www.esma.europa.eu/file/19000/download?token=C-6WAVJg>

<sup>2</sup> The major currencies for these purposes are the US dollar, Euro, Japanese yen, Pound sterling, Australian dollar, Swiss franc, Canadian dollar, Hong Kong dollar, Swedish krona, New Zealand dollar, Singapore dollar, Norwegian krone, Mexican peso, Croatian kuna, Bulgarian lev, Czech koruna, Danish krone, Hungarian forint, Polish zloty and Romanian leu. All other currencies are non-major currencies for these purposes



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- the period generally accepted in the market for the settlement of that security or unit as the standard delivery period; or
- five trading days.

### **(c) Your foreign exchange transaction (FX) is connected to a payment transaction ('Means of Payment')**

The Means of Payment exemption applies where **all** four of the following criteria are met.

- The FX trade must be settled physically (exempt in limited circumstances i.e. default or termination events)
- The FX trade is entered into by a "Non Financial Counterparty"<sup>3</sup>.within the meaning of Article 2(8) of EMIR
- The FX trade entered into facilitates payment for identifiable goods, services or direct investment; (For example, entering into a FX forward to have foreign currency available to settle current or future invoice for payment in that foreign currency; or entering into a FX forward to prepare for the future purchase of goods or services in a foreign currency); and
- Not be traded on a regulated trading venue.

If FX forwards and FX time options satisfy the above criteria, you can trade without providing us with a LEI.

#### **You will not qualify for the Means of Payment exemption and an LEI is required where:**

- trades are entered into for the purpose of hedging currency risk of balance sheets, or to reduce the impact of currency fluctuations on subsidy payments. (i.e. the purpose of the trade is not in order to facilitate payment for identifiable goods or services).
- a FX forward is transacted via a trading venue such as 360T. Lloyds' Arena trading platform is not a Trading Venue.

### **How to notify us if you qualify for a Means of Payment or Securities Conversion Transaction exemption?**

You should not make a representation that the Means of Payment and/or Securities Conversion Transaction exemption applies unless you have sufficient experience and expertise, either of your own, or of your professional adviser, to understand whether the relevant exclusions apply, and that you have not and will not rely on us for such understanding.

When you are onboarded to us, you will be asked to confirm to us if the exemption is applicable to you. If you represent that an exemption applies, and your circumstances change in future, you must notify your Lloyds Bank representative of this change prior to entering into the relevant Foreign Exchange transaction.

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<sup>3</sup> 'Non Financial Counterparty' is a legal entity or natural person that is not an investment firm, bank, credit institution, insurance company, fund, fund manager or broker.



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### What are the LEI codes for key Lloyds Banking Group entities?

- Lloyds Bank plc: H7FNTJ4851HG0EXQ1Z70
- Bank of Scotland plc: OQ3T05P7YR8P5YJEVI93
- Lloyds Bank Corporate Markets plc: 213800MBWEIJDM5CU638

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**DIS.LB.MLB1 (11/19)**



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