

## Regulatory environment

Regulations of particular importance for KELER Clients requiring the existence and use of the LEI code:

- Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (EMIR) entered into force on 16 August 2012 and requires financial service providers to identify clearly with unique identifiers the transacting counterparties in the reports to be submitted on derivative transactions. EMIR requires primarily the use of the so-called Legal Entity Identifier (LEI) code for identification purposes. In addition to LEI codes, the Regulation expects the codes to be valid at the time the trade is made.
- Based on Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EU (MiFID II) all investment firms, legal entities and issuers of securities listed on regulated markets are required to have LEI codes as of 3 January 2018.
- Regulation (EU) No 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDR) and the related regulations require issuers to have LEI codes and such LEI codes to be valid in the case of certain events (creation, over-issuance, conversion and (daily) over-issuance of open-ended investment units) related to dematerialized securities. In line with the provisions of the CSDR, KELER is required to check that the issuer LEI code is valid.
- Under the provisions of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 reports to the trade repository and ESMA shall include the global legal entity identifiers (LEIs).

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The communication released by ESMA on 21st of June, 2018:

<https://www.esma.europa.eu/press-news/esma-news/mifid-ii-temporary-period-leis-end-in-july-2018-esma-says>