



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

RBI/2017-18/ ---

FMRD.FMID. No. /11.01.007/2017-18

June 20, 2018

To

All eligible market participants

Dear Sir/Madam

Draft Directions on requirement of Legal Entity Identifier Code for participation in non-derivative markets

Please refer to Paragraph 8 of the [Statement on Developmental and Regulatory Policies, First Bi-monthly Monetary Policy Statement for 2018-19, dated April 05, 2018](#), wherein, it was proposed to implement the Legal Entity Identifier (LEI) mechanism for all financial market transactions undertaken by non-individuals in interest rate, currency or credit markets regulated by RBI.

2. 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>).

3. 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](#).

4. It has now been decided to implement the LEI system for non-derivative financial markets as well. Participants, other than individuals, undertaking transactions in the markets regulated by RBI viz., Government securities markets, money markets and foreign exchange markets, shall

obtain LEI codes as per the schedule given in the [Annex](#). Only those entities that obtain an LEI code on or before the due dates will be able to undertake transactions in these financial markets after the due date. Transactions undertaken on recognized stock exchanges are outside the purview of the LEI requirement.

5. LEI is not required for transactions in foreign exchange markets involving an amount of less than USD 0.1 million or equivalent thereof in other currencies.

6. Entities operating trading and reporting platforms in these markets are required to capture the LEI code of the transacting participants.

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.

9. These directions are issued under Section 45(W) of the RBI Act, 1934.

Yours faithfully

(T. Rabi Sankar)
Chief General Manager

Annex**Schedule for Implementation of LEI in the Money market and G-sec market**

Phase	Entities	By Date
Phase I	Entities with Net Worth above Rs 10000 mn	October 31, 2018
Phase II	Entities with Net Worth between Rs 2000 mn and Rs 10000 mn	January 31, 2019
Phase III	Entities with Net Worth between Rs 700 mn and Rs 2000 mn	April 30, 2019
Phase IV	Entities with Net Worth between Rs 700 mn and below	July 31, 2019

Schedule for Implementation of LEI in Forex market for Cash, Tom and Spot transactions

Phase	Entities	By Date
Phase I	Entities with Net Worth above Rs 10000 mn	January 31, 2019
Phase II	Entities with Net Worth between Rs 2000 mn and Rs 10000 mn	April 30, 2019
Phase III	Entities with Net Worth between Rs 700 mn and Rs 2000 mn	July 31, 2019
Phase IV	Entities with Net Worth between Rs 700 mn and below	October 31, 2019