

1. What is Legal Entity Identifier and what is its purpose?

Ans. The Legal Entity Identifier (LEI) is a 20-character alpha-numeric code used to uniquely identify parties to financial transactions worldwide. It has been implemented to improve the quality and accuracy of financial data reporting systems for better risk management. It is used to create a global reference data system that uniquely identifies every legal entity in any jurisdiction that is party to a financial transaction. It can be obtained from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF), the body tasked to support the implementation and use of LEI. In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL) (<https://www.ccilindia-lei.co.in/>), which is also recognised as an issuer of LEI by the Reserve Bank of India (RBI).

2. Which transactions should include LEI information?

Ans. All single payment transactions of ₹50 crore and above undertaken by entities (non-individuals) should include remitter and beneficiary LEI information. This is applicable to transactions undertaken through the NEFT and RTGS payment systems.

In case of RTGS, both customer payment and inter-bank transactions meeting the above criterion should include LEI information.

3. Is LEI required for Central Government or State Governments or Departments and Ministries thereunder?

Ans. It is not necessary for Governments or their Departments / Ministries to obtain LEI or mention LEI number for payment transactions in NEFT and RTGS. However, Corporations / Undertakings, including those fully owned by the Government, shall need to obtain LEI. All single payment transactions of ₹50 crore and above of Government Undertakings and Corporations, through NEFT / RTGS, shall include remitter and beneficiary LEI information.

4. Is LEI required for individual customer transactions?

Ans. No, LEI is not required for customer transactions where both remitter and beneficiary are individuals. For transactions, where either or both parties are non-individual/s, LEI will be required.

5. What are the technical guidelines for populating LEI in NEFT and RTGS and messages by member institutions?

Ans.

i. In NEFT payment messages, the field 7495 is a free format optional field consisting of 6 lines with 35 characters each with alphanumeric options. The first two lines of this field shall be used for capturing sender and beneficiary customer LEI information, in that order,

where applicable and available. When LEI information is captured, narration, remarks, etc., shall be part of last 4 lines of the field. The sender and beneficiary information shall be captured in following format:

7495: line 1 -> SL/20 digit sender LEI/

line 2 -> BL/20 digit beneficiary LEI/

ii. In RTGS customer payment and inter-bank messages, the optional field “<-RmtInf->” has 4 repeat tags with each having 140 characters. The first two loops of this field shall be used for capturing sender and beneficiary customer LEI information, in that order, where applicable and available. When LEI information is captured, narration, remarks, etc., shall be part of last two repeating loops of the field. The sender and beneficiary information shall be captured in following format:

<-RmtInf-> loop 1 -> /SL/20 digit sender LEI/

loop 2 -> /BL/20 digit beneficiary LEI/

6. What are the types of accounts for which LEI should be recorded?

Ans. LEI shall be recorded for all non-individual NEFT / RTGS messages / transactions. An indicative list of entity types is given by LEIL at <https://www.ccilindia-lei.co.in/Documents/FAQs.pdf>.

7. Is it required to capture counterparty LEI information i.e., Remitter in case of inward and Beneficiary in case of outward transactions by banks?

Ans. The remitting bank should ensure that LEI information for both sender and beneficiary is captured. Any inward transaction with inappropriate or no LEI should not be rejected by beneficiary bank. However, post-credit, both remitting and beneficiary banks should maintain valid and verified LEI information for all payment transactions of ₹50 crore and above.

8. Whether day to day operational transactions of ₹50 crore and above carried out by financial institutions like sub-member banks / banks / BCs / WLAs, etc., are excluded from the purview of the guidelines?

Ans. Response to Q.No.2 may be referred to for the applicable types of transactions.

9. Whether LEI would be applicable for transactions initiated by banks for their internal payments, loan disbursement to their corporates, term deposits, maturity proceedings, account closure proceedings, etc.

Ans. Response to Q.No. 2 may be referred to for the applicable types of transactions.

10. Is this change in format applicable for WEB-API messages?

Ans. The LEI instructions are applicable to all the channels being used for connecting to RTGS viz. thick-client, Web-API (through INFINET or any other approved network) and Payment Originator (PO) module.

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