



## ESMA REMINDS COMPANIES OF THE IMPORTANCE OF OBTAINING THE LEI CODE BEFORE 2018

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The European Securities and Markets Authority (ESMA) has issued a [communication](#) reminding companies of the need to obtain the LEI Code before the entry into force of the MIFID II Directive and its MIFIR regulation on 3 January 2018.

ESMA urges companies to carry out the necessary formalities to obtain this 20-character long alphanumeric code that will provide them with a single identity necessary to carry out all financial transactions.

The LEI Code will be mandatory as of January 2018 for reporting transactions under MIFID II/MIFIR. The objective of this identifier is to improve the supervision of markets and their transparency.

Investment firms and credit institutions that execute transactions on financial instruments admitted to trading on a trading venue for clients that are legal persons will need the client's LEI before executing the transactions (per Article 26 of MIFIR).

The [communication](#) informs about the standards that impose the need to have the LEI code, who can request it, why it is important to have it in time, how it can be obtained, and details the types of entities that in accordance with MIFIR will need this code.

In May 2017, CNMV issued a [communication to the sector](#) on this matter.