



NordLEI

LEI issuer in the Nordic and Baltic region

09 April 2015 update: One year of LEI usage - A retrospective reflection on change

Although day-to-day engagements often interfere with the rare occasions available for personal reflection, it is sometimes wise to draw attention to the circumstances that previously were perceived an insurmountable obstacle, but later turned out to be a minor problem that even incurred positive values at a higher level. This certainly is applicable for the regulatory changes announced after the financial crisis, where global financial markets participants beforehand anxiously envisaged the large-scale infrastructural implementations to be undertaken. Only a few years later, the feared paradigm shift is behind and considered a natural part of the financial industry. Moreover, most of the previous new regulatory regime antagonists even have begun considering the changes a necessary and often valuable adjustment to a market previously not offering sufficient transparency and reliability.

One major change following the mentioned transformative regulatory changes was the introduction of LEIs (Legal Entity Identifiers). The new standard suddenly offered a unique and uniform way of referencing legal entities, and with only a year since the regulatory obligations for LEI usage was launched, the global register for legal entities holding a LEI today consists more than 355.000 unique records, with the overall number increasing rapidly.

During late 2013, financial market participants in the Nordics and Baltics were as hit by the new regulatory demands as the rest of the world. However, in the absence of issuers of LEIs in the region, LEI issuance was considered a tedious and often arcane process by local market participants, with little or no nearby expertise available. Throughout the time that has elapsed since the NordLEI service was launched late 2013, the financial community's awareness of LEIs as the common identifier used for counterparty referencing has matured tremendously. Where at the time in early 2014, the NordLEI customer support struggled in explaining the LEIs core essence and the rationale behind LEI usage to its first clients, today's client servicing is more about advising and assisting in updating of client records with respect to corporate events and similar occurrences affecting the record keeping of legal entity data.

Although NordLEI certainly have had a significant role in successfully introducing LEIs in the Nordics and Baltics, the true story behind success in a relationship is all about give and take. And without local banks having put trust in the NordLEI services from start, and in the absence of support from a powerful strategic partner like DTCC (the Depository Trust & Clearing Corporation), launching a service like NordLEI would have been incredibly difficult. More importantly; without the trust from the more than 7300 legal entities having had their LEIs issued through the NordLEI services, NordLEI wouldn't be near its current position as the de facto preferred service provider for LEI issuance in the region.

With this little retrospective reflection coming to an end, I'd like to express my sincere gratitude to all people having contributed so importantly to the NordLEI journey. After a first year of providing what I believe is generally perceived an efficient support to the local financial community's strive towards regulatory compliance, I will continue the journey by doing my utmost to maintain our client's appreciation of our offered services. I furthermore strongly believe that the past year has reminded us all that what was considered an almost insurmountable bureaucratic obstacle in 2013, now has turned out as a potential golden source of corporate data records. Maintained by each and every one of us, available to a community so much gaining from it.

Yours sincerely

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