

# Legal Entity Identifier Information

## What is a Legal Entity Identifier (LEI)?

A Legal Entity Identifier (LEI) is a unique, 20-character alpha-numeric code based on ISO (International Organisation for Standardisation) standards that was established to enable clear identification of legal entities participating in financial transactions and to improve transparency in derivative markets. This enables every legal entity or structure that is a party to a relevant financial transaction to be identified in any jurisdiction.

Under UK MiFID II<sup>1</sup>, clients must have a valid LEI before executing a transaction in a financial instrument. If you are a legal entity or structure, including a company, charity or trust dealing in financial instruments, you will need to make arrangements to obtain a valid LEI if you want us to act on your instructions.

**Our clients are required to have a valid LEI to transact Financial Instruments with us unless an exemption applies.**

## How to obtain an LEI?

Information on LEIs and how these can be obtained is available at the Global Legal Entity Identifier Foundation (GLEIF) website: <https://www.gleif.org/en> and <https://www.leiroc.org/>. Further information can be found at: [https://www.esma.europa.eu/sites/default/files/library/esma70-145-238\\_lei\\_briefing\\_note.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-238_lei_briefing_note.pdf)

A fee is payable to all LEI Issuing Organisations and this can vary depending on the issuer. LEIs need to be renewed annually and there is a charge for renewing. You should ensure that your LEI is kept up-to-date and when you register for an LEI you should allow enough time for the Issuing Organisation to verify and process your request. We will not be able to execute a trade on your behalf if you are eligible for an LEI but do not have a valid LEI.

Each legal entity will need an LEI; this means for example:

- subsidiaries need to have their own LEI and cannot use their parent company's LEI.
- fund managers, as well as their funds, need their own LEI.

## When is an LEI not required?

There are some instances in which it is not necessary for you to obtain an LEI when trading financial instruments with us. These are set out below.

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<sup>1</sup> [UK MiFIR – Legal Entity Identifiers | FCA](#)

## a. You are a Natural Person

- Natural persons (e.g. Individuals or sole traders), will not require an LEI to transact financial instruments (other than natural persons that are registered at a business registry, or are entitled to be registered at a business registry).
- Natural persons will need to use a 'National Identifier'<sup>2</sup> and clients will need to provide Lloyds Bank with their National Identifier when they trade financial instruments<sup>3</sup>.

## b. You transact foreign exchange spot contracts only

If you only transact in foreign exchange spot contracts, you will be exempt from providing an LEI.

A contract for the exchange of one currency against another currency is excluded if under its terms delivery is scheduled to be made within a specified number of trading days. The number of trading days depends on the type of contract. There are three types of contracts.

1. Exchange of one major currency against another major currency<sup>4</sup>. The contract is exempt if under its terms delivery is scheduled to be made within two trading days.
2. Exchange of a non-major currency against either another non-major currency or against a major currency. The contract is excluded if under its terms delivery is scheduled to be made within the longer of:
  - two trading days; and
  - the period generally accepted in the market for that currency pair as the standard delivery period.
3. Where the contract is one used for the main purpose of the sale or purchase of a transferable security or a unit in a collective investment undertaking ('Securities Conversion Transactions exemption'). The contract is excluded if under its terms delivery is scheduled to be made within whichever is the shorter of the following:
  - the period generally accepted in the market for the settlement of that security or unit as the standard delivery period; or
  - five trading days.

A trading day is defined as a day of normal trading in the jurisdictions of both of the currencies that are exchanged.

Where the currency exchange involves converting through a third currency for liquidity purposes, or the standard delivery period for currency exchange involves a third currency's jurisdiction, then trading day is defined as a normal day of trading in the jurisdictions where both currencies are exchanged and in the third currency's jurisdiction.

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<sup>2</sup> For more information on National Identifiers, refer to: Annex II of Commission Delegated Regulation (EU) 2017/590 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) and regulations made under that Act.

<sup>3</sup> Financial Instrument means, without limitation, financial and commodity derivatives, structured investment products, and transferable debt securities and any other financial instruments which we may provide from time to time, including all foreign exchange derivative contracts. More information can be found at: [financial instrument - FCA Handbook](#)

<sup>4</sup> The major currencies for these purposes are the US dollar, Euro, Japanese yen, Pound sterling, Australian dollar, Swiss franc, Canadian dollar, Hong Kong dollar, Swedish krona, New Zealand dollar, Singapore dollar, Norwegian krone, Mexican peso, Croatian kuna, Bulgarian lev, Czech koruna, Danish krone, Hungarian forint, Polish zloty and Romanian leu. All other currencies are non-major currencies for these purposes.

### **c. Your foreign exchange transaction (FX) is connected to a payment transaction ('Means of Payment')**

The Means of Payment exemption is a contract where one of the parties to the contract:

- sells currency to the other party which that other party will use to pay for specific goods or services or to make a direct investment; or
- buys currency from the other party which the first party will use to achieve certainty about the level of payments that it is going to receive:
  - for specific goods or services that it is selling; or
  - by way of a direct investment.

The Means of Payment exemption applies where all four of the following criteria are met.

- The FX trade must be settled physically (exempt in limited circumstances i.e. default or termination events)
- The FX trade is entered into by a person which is not a "Financial Counterparty"<sup>5</sup>. within the meaning of Article 2(8) of UK EMIR.
- The FX trade entered into facilitates payment for identifiable goods, services or direct investment; and
- Not be traded on a regulated trading venue.

If FX forwards and FX time options satisfy the above criteria, you can trade without providing us with a LEI.

### **You will not qualify for the Means of Payment exemption and an LEI is required where:**

- trades are entered into for the purpose of hedging currency risk of balance sheets, or to reduce the impact of currency fluctuations on subsidy payments. (i.e. the purpose of the trade is not in order to facilitate payment for identifiable goods or services). a FX forward is transacted via a trading venue such as 360T. Lloyds' Arena trading platform is not a Trading Venue.

### **How to notify us if you qualify for a Means of Payment or Securities Conversion Transaction exemption?**

You should not make a representation that the Means of Payment and/or Securities Conversion Transaction exemption applies unless you have sufficient experience and expertise, either of your own, or of your professional adviser, to understand whether the relevant exclusions apply, and that you have not and will not rely on us for such understanding.

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<sup>5</sup> A Financial counterparty is a regulated entity in the UK, such as an investment firm, credit institution (e.g. bank), insurance undertaking, reinsurance undertaking, an undertaking for collective investments in transferable securities (UCITS) and where relevant its management company, an occupational pension scheme, an alternative investment fund, or a central securities depository.

When you are onboarded to us, you will be asked to confirm to us if the exemption is applicable to you.

If you represent that an exemption applies, and your circumstances change in future, you must notify your Lloyds Bank representative of this change prior to entering into the relevant foreign exchange transaction.

## What are the LEI codes for key Lloyds Banking Group entities?

- Lloyds Bank plc: H7FNTJ4851HG0EXQ1Z70
- Bank of Scotland plc: OQ3T05P7YR8P5YJEVI93
- Lloyds Bank Corporate Markets plc: 213800MBWEIJDM5CU638

Bank of Scotland is a trading name of Bank of Scotland plc, which is a subsidiary of Lloyds Banking Group plc. Bank of Scotland plc's registered office is at The Mound, Edinburgh EH1 1YZ, and it is registered in Scotland under no.SC327000. Bank of Scotland plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 169628.

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