



FINNISH PATENT AND REGISTRATION OFFICE

We help you succeed.

Our LEI journey



History

- PRH has issued LEIs since 2014 and became fully accredited LOU (=Local Operating Unit) in 30th of Jan 2018



Statistics (11th of May 2018)

- PRH is issuing LEIs only to legal entities "LEs" which has been registered to Finnish Business Information System "BIS"
- PRH is managing 20.895 LEI Records
 - The demand has been a big surprise
- In total all Finnish LEs have 22.444 LEIs
 - *1549 LEIs of Finnish LEs are managed by some other LOU than PRH*

Nordic statistics (11th of May 2018)

■ Nordic LEIs:

■ 46.811 Denmark

■ 44.619 Sweden

■ 22.444 Finland

■ 20.085 Norway

■ 723 Iceland

■ In total 134.682 Nordic legal entities have an LEI

Fees & royalties

- A fee for a new LEI issued by PRH costs 86.80 € (24 % VAT included)
- PRH charges 37,20 € fee for annual LEI renewal
- Due to a high demand of LEIs PRH decreased fees (new: 144,46 € -> 86,8 € and renewal 86,8 € -> 37,2 €)
- For each LEI issued or renewed a LOU must contribute 17 \$ royalty to GLEIF (Global legal entity identifier foundation)
 - GLEIF has a plan to decrease the royalty as global LEI population grows

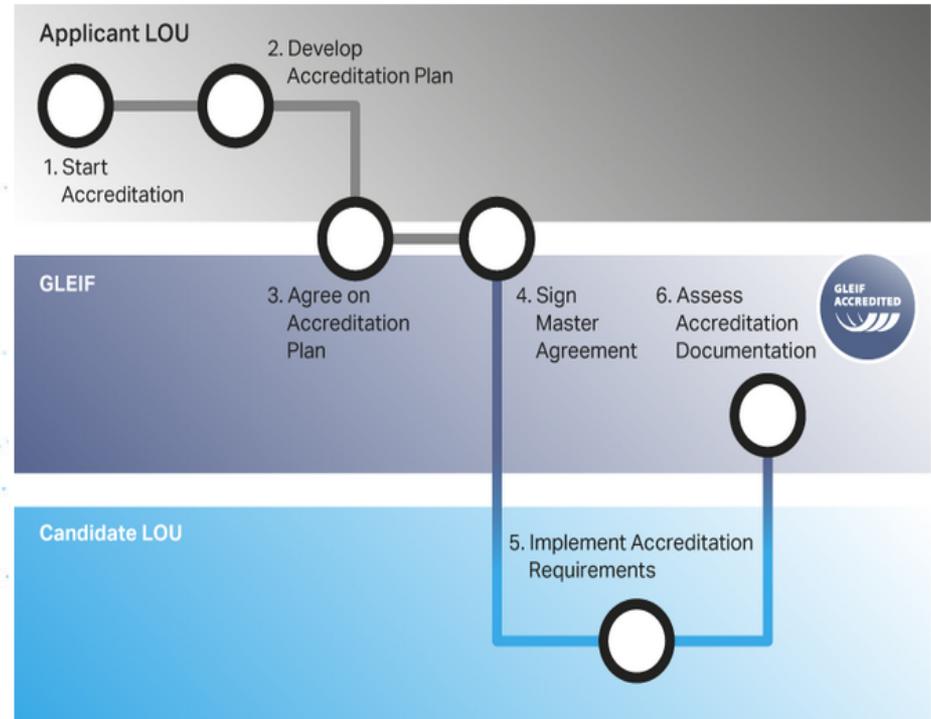
Why did PRH pursued accreditation certificate?

- Ministry of Economic Affairs and Employment wanted that Finnish legal entities would have a domestic option where to apply an LEI code
- Accreditation was also a requirement to continue issuing LEIs after 2017



The Accreditation Process

1. PRH started Accreditation process was started late May 2017
2. The Accreditation Plan was sent to GLEIF on 30th of June 2017
3. GLEIF & PRH agreed on the plan on 11th of September 2017
4. The Master Agreement was signed 15th of September
5. PRH sent all accreditation documentation to GLEIF for assessment on 29th of September and started implement the requirements
6. PRH was requested to send additional information several times: the last request came 11th of Dec 2017
7. PRH completed & received the accreditation certificate on 30th of Jan 2018
8. The accreditation schedule for PRH was very tight



Mistakes during/after the accreditation

- Many mistakes were done due to misinterpretation of the GLEIF documents
- Mistakes must be corrected swiftly so that they are in compliance with GLEIF rules
- Mistakes are expensive and hard to fix sometimes and requires communication towards our clients like sending letters

Plan to become an LOU?

- If you plan to pursue the accreditation, be prepared that it's not a small task and requires a lot of time resources
- Ask me what not to do, I will gladly help.
- There are ready made solutions by private companies for sale

Costs of accreditation to PRH

- Building IT-system (case handling): ~1.000.000 €
- Electronic notification form: ~ 34.000 €
- Outsourced legal consulting: ~18.000 €
- Translation services: ~ 20.000 €

= ~ **1.190.000 €** ("Level 2 system + accreditation)

Costs prior to accreditation were ~250.000 € (Level 1 system)

These calculations do not include PRH's man years

Required man years for daily LEI operations in PRH

- 2 case handlers
- 1 person to file notifications to our case handling system
- Communication department efforts

Challenges after the accreditation

- To keep up with:
 - GLEIF data requirements
 - GLEIF rules are very complicated and sometimes we have hard time to understand them correctly which can lead to very tricky situations
- Luckily GLEIF is very understanding and gladly helps solving issues we have had

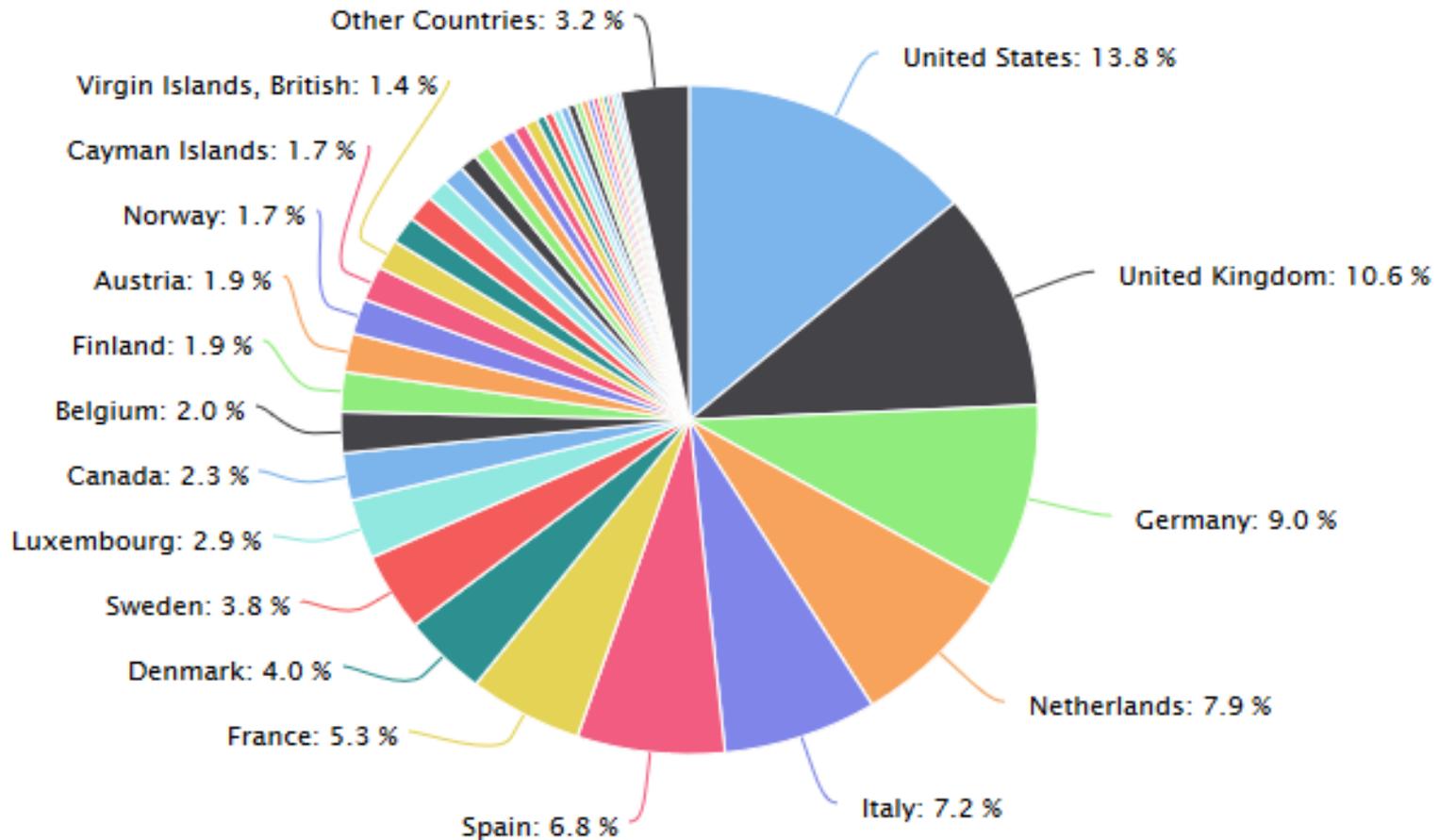
Does being an LOU create value for a business register?

- Global LEI population is growing and LEI is gaining importance as an international business identifier.
- GLEIFs vision is "One identity behind every business"
- We believe that issuing LEIs is important service for our business register
- Total LEIs issued globally: 1.186.552 (18th of May 2018)

Value?

- Finnish financial supervisor (FIVA) is pleased that a public Finnish authority is issuing LEIs and PRH is closely cooperating with FIVA concerning LEI matters
- Finnish legal entities are happy that they can get the LEI from an LOU which is domestic and trustable

LEIs by country globally (~1,2 milj.)



- **Thank you for your attention!**
- <https://www.gleif.org/en/about-lei/gleif-accreditation-of-lei-issuers> (learn more about the accreditation programme)
- Global LEI statistics:
<https://www.gleif.org/en/lei-data/global-lei-index/lei-statistics#>
- Questions?
 - henrik.raiha@prh.fi (I will help if I can)
 - Our LEI homepage: <https://www.prh.fi/en/leicodes.html> (in english)
<https://www.prh.fi/sv/index.html> (på svenska)