

Frequently asked questions regarding Level 2 data

Level 2 data: Who owns whom

In an effort to establish links between international companies and data associated with open, standardized, high-quality LEIs, it is now mandatory to provide information on Level 2 data.

Level 2 Relationship / Données de Niveau 2

The next step is to update the LEI database to include Level 2 data that answers that question “who owns whom?” The data identifies direct and ultimate parent companies of legal entities and vice versa so that entities belonging to individual companies can be researched.

How do I input Level 2 Data / Comment entrer les informations « Level 2 Data? »

The GMEI Utility portal will provide forms to register and renew LEIs in order to:

- Research and understand who an entity’s direct and ultimate consolidating parents are
- Provide information on parents with no LEIs
- Provide opt-out reasons when necessary

The way to research and select a direct or ultimate parent is similar to the research and selection function currently available on the GMEI Utility Portal used to declare such relationships.

How do I determine what data to provide? / Comment déterminer l’information à fournir?

With Level 2 data, the “Direct and Ultimate Parent” relationship report is now based on the direct and ultimate consolidating accounting relationship rather than on the percentage of ownership.

The following rules apply when providing relationship data:

- List the LEIs of ultimate and direct parents, if available – or –
- Provide the reason for excluding one or both relationships, if necessary (see opt-out reasons below). Otherwise:
- If the ultimate and/or direct parent does not have a registered LEI and no reason to opt out, provide the parent’s legal name, address, and registration authority.
- If the entity is an international subsidiary, provide the information for the headquarters rather than the direct and ultimate parents.

What if one or both parents have no LEI? Et si un ou les deux parents n’ont pas de LEI?

If one or both parents have no LEI, steps will be taken to enter the legal name, address, and business register information, if applicable. This information will be available on the portal and via the updated bulk services templates.

What if I'm not able to provide this information? / Quoi faire si je ne peux fournir cette information?

In some cases, an entity may not be able to report the parent relationship and may need to exclude one or both relationships. Reporting exceptions include:

- No LEI: The parent entities do not have an LEI, the relationship is still unknown, or the relationship has yet to be defined because there is no parental LEI.
- Individuals: There is no parent according to the definition because the entity is controlled by individuals with no legal intermediary entity that meets the definition of an accounting consolidating parent.
- Non-consolidated: There is no parent according to the definition because the entity is controlled by corporate entities who are not required to prepare consolidated financial statements.
- Unknown individual: There is no parent according to the definition because there is no known individual who controls the entity (e.g., diverse ownership).
- Legal obstacles: The legislative or regulatory barriers of the jurisdiction prevent this information from being disclosed.
- Consent not obtained: Parental consent was necessary as part of the applicable legal framework and the parent did not consent or could not be contacted.
- Binding legal commitments: Binding legal commitments (other than the laws and regulations of the jurisdiction), such as articles governing the legal entity or contract, prevent the information from being disclosed.
- Risk of harm: the child entity tried to consult the parent company about the reporting of parental information but was unable to ensure no harm would be caused in a way that appropriately prevented liability risks for the child entity.
- Major disclosure: Reporting the information would adversely affect the legal entity or individual involved. This includes reasons generally accepted by public authorities in similar situations, on the basis of the entity's statement.

For more detailed information on Level 2 data, consult the FAQs document in the "Reference Documents" section https://www.gmeiutility.org/Attachments/GMEI_Level2_FAQ.pdf.

You can also find more information on the GLEIF website:

<http://www.gleif.org/>