

Briefing

June 2018

LEIs: ESMA grace period ends on 2 July 2018

Ireland Client Service Law Firm of the Year 2018
Chambers Europe Awards

Ireland Law Firm of the Year 2018
International Financial Law Review (IFLR)
Europe Awards

Advised on Equity Deal of the Year 2018 – Allied Irish Banks IPO
International Financial Law Review (IFLR)
Europe Awards

Finance Dublin Awards 2018
Arthur Cox advised on 13 Deals of the Year awarded by Finance Dublin

Ireland Law Firm of the Year 2017
Chambers Europe Awards

Best Firm in Ireland 2017 & 2016
Europe Women in Business Law Awards

Best National Firm for Women in Business Law 2017 & 2016
Europe Women in Business Law Awards

Best National Firm Mentoring Programme 2017 & 2016
Europe Women in Business Law Awards

Ireland Law Firm of the Year 2016
International Financial Law Review (IFLR)
Europe Awards

Ireland Law Firm of the Year 2016
Who's Who Legal

Americas International Tax Firm of the Year 2016
International Tax Review

Advised on the 'Deal of the Decade' – Merger of Lafarge and Holcim
Mergermarket European M&A Awards

The grace period given by ESMA in December 2017 to investment firms and trading venues in respect of their LEI-related obligations under MiFIR (the Markets in Financial Instruments Regulation) expires on 2 July 2018, and will not be renewed.

MiFIR

MiFIR required, from 3 January 2018, any entity subject to transaction reporting obligations under MiFIR to use the relevant client's Legal Entity Identifier (**LEI**) for identification purposes when reporting transactions. In-scope entities include investment firms and operators of trading venues.

THE GRACE PERIOD

In our [Legal Entity Identifiers: January 2018 Update](#), we drew your attention to the fact that, because:

- ESMA had become aware that not all investment firms would be able to obtain LEI codes from all clients that were legal persons by 3 January 2018, and
- many trading venues might need additional time to inform non-EU issuers whose financial instruments are traded on EU trading venues about the LEI requirements under

MiFIR and the Market Abuse Regulation (**MAR**),

ESMA had decided to grant a 6-month grace period.

The grace period allowed investment firms to provide a service that triggered the obligation to submit a transaction report to the client, from which it did not previously obtain an LEI code, on the condition that before providing the service, the investment firm obtained the documents required from the client to enable the investment firm to apply for an LEI code on the client's behalf.

The grace period also allowed trading venues to report their own LEI codes instead of the LEI codes of non-EU issuers while they were undergoing the process of informing non-EU issuers of the LEI requirements under MiFIR and MAR.

ESMA has now confirmed that the grace period will not be renewed when it expires on 2 July 2018.

**ESMA STATEMENT: 20 JUNE
2018**

In a [public statement](#) on 20 June 2018, ESMA noted that both it and national competent authorities (NCAs) had noted a significant increase in LEI coverage for issuers and for clients. As a result, it is not extending the 6-month grace period.

IMPACT

The end of the grace period means that NCAs will now be focusing on a common supervisory action plan (in conjunction with ESMA) to ensure compliance with LEI reporting requirements under MiFIR. ESMA has emphasised that NCAs should respect the principle of proportionality when considering supervisory actions.

FURTHER INFORMATION

For further information on LEIs, please read our previous briefings:

[Legal Entity Identifiers: January 2018 Update](#)

[Legal Entity Identifiers: Reminder \(July 2017\)](#)

[Legal Entity Identifiers: December 2016](#)



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