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# GMEI Corporate Actions Guidance

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v 1.0

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February 2016

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## Table of Contents

Document Rationale and General Guidance .....	2
Types of Corporate Action related to an LEI .....	3
Change of Legal Name .....	3
Change of Registered Address .....	3
Change of Headquarters Address (Operational Address).....	3
Mergers and Amalgamations .....	3
Mergers .....	3
Amalgamations .....	4
Dissolved (see also Liquidation).....	4
Liquidation (see also Dissolved).....	4
In Administration .....	4
Suspended.....	4
Liquidated .....	4
Acquisition.....	4
Re-domestication.....	5
Re-organization .....	5
Conversion.....	5
Glossary of Terms.....	6
Registered Address .....	6
Headquarters Address .....	6
Challenge(s) .....	6
Duplicate Reference Identifier .....	6
Entity Status.....	7
Expiration (Date of Expiry).....	7
Expiration (Reason for Expiry) .....	7
Persistence.....	7

## Document Rationale and General Guidance

The main reason behind this document is to ensure that the impact of a corporate action is correctly reflected against a certain legal entity identifier (LEI). It is vital that an LEI code is not duplicated (uniqueness), and that no entity should have more than one LEI (exclusivity). Each unique LEI code may only be issued to a single organization or firm and codes will not be recycled by any local operating unit (LOU). The main objective of global identification is to have a single code that identifies a single legal entity on a global basis, not just within a given LOU.

An LEI is issued in order to uniquely identify all parties to financial transactions for the purpose of systemic risk analysis. Each legal entity must therefore have only one identifier which is universally recognized. That being the case, it is important that when corporate actions take place against an entity, existing LEI's are updated accordingly. Before updating your record please ensure that the corporate action has taken place and the information is available in the public domain, this will ensure the record passes our validation checks. Please note guidance in this document has been generalized and we understand that each action is unique, if you believe your corporate action differs from the below information, feel free to contact us at [customerservice@gmeiutility.org](mailto:customerservice@gmeiutility.org).

## **Types of Corporate Action related to an LEI**

### **Change of Legal Name**

If your legal entity has changed legal name, you must update your LEI accordingly. You may only change an LEI's legal name if the name change relates to the same single entity that applied for the LEI.

### **Change of Registered Address**

If your legal entity has changed registered entity address, you must update your LEI accordingly. The registered address of the entity should be provided and listed according to the documentation of incorporation, and is not to be confused with an operational address.

### **Change of Headquarters Address (Operational Address)**

If your legal entity has changed its headquarters entity address, you may update your LEI accordingly. The headquarters address of the entity may be considered as the premises from which a legal entity engages in day to day operations.

### **Mergers and Amalgamations**

Mergers and amalgamations are similar corporate actions and the terms are often used interchangeably across the finance industry. These actions may also be referred to as consolidation. Generally speaking they both involve the coming together of the assets and liabilities of two or more legal entities with the result being a single legal entity.

### **Mergers**

A merger will be defined as having taken place when the resulting legal entity is a continuation of one of the parties to the merger. This entity is referred to as being the 'surviving' entity.

If your LEI was the surviving party then the entity status should be recorded as "Active". No further action will be required as a result of the merger but may require other amendments if the merger was accompanied by another corporate action. A frequent example of this would be the surviving entity undergoing a name change.

If your LEI was the non-surviving party then the entity status will need to be recorded as "Inactive" and the record state should be amended to "Duplicate" if the surviving has an LEI assigned. The "Duplicate Reference" field will need to contain the LEI of the surviving entity.

## Amalgamations

Also referred to as “Consolidation”, amalgamation typically refers to the merger and acquisition of smaller companies into larger companies. The differences between mergers and amalgamations are minor and the terms are loosely used across the financial industry. Amalgamations must be fully investigated to ensure the entity does not fail persistence. When an entity is involved in an amalgamation it generally becomes inactive as the assets and liabilities of the amalgamating companies are combined in order to create a new amalgamated company. If your entity has been involved in an amalgamation you must update your LEI to reflect this. As above amalgamated companies generally cease to exist, as such the new entity would need to register for a separate LEI code.

## Dissolved (see also Liquidation)

Legal entities that are in dissolution have begun the winding up process, and although not yet dissolved are generally under some restrictions. If your entity is in dissolution it may be marked as “Active”, no further action is required on your LEI until such time as the entity is dissolved.

## Liquidation (see also Dissolved)

Legal entities that are in liquidation will generally “liquidate” their assets in order to raise capital and pay off debts. If your entity is in liquidation it may be marked as “Active” and no further action is required on your LEI until such time as the entity is dissolved.

## In Administration

Legal entities that are in administration are generally in some sort of financial difficulty, but can still trade and operate normally, albeit under supervision from court appointed representatives. If your entity is in the entity status should be recorded as “Active”.

## Suspended

An entity may be suspended from activities by a regulatory authority (e.g. a financial regulator). The reasons for this vary, but include failure to pay amounts outstanding or to file tax returns or other reports. If your entity is suspended the entity status should be recorded as “Active”.

## Liquidated

Legal entities that have been liquidated have been dissolved (see above).

## Acquisition

An acquisition occurs when one company takes over another and establishes itself as the new owner. In general, the target company still exists as an independent legal entity controlled by the acquirer. Changes in ownership are not required to be reported, however you may update your “Ultimate Parent LEI” by following the instructions in our [User Guide](#).

## **Re-domestication**

Re-domestication refers to a change in domicile (state or country) of a legal entity. If your legal entity has re-domesticated you must update the registered entity address accordingly. You may be asked to provide documentation to show that the new address relates to the same legal entity. If during the re-domestication the original legal entity has dissolved (i.e. through a merger) and a new entity has been created, you will have to register for a separate LEI.

## **Re-organization**

Re-organization refers to a change in the structure or ownership of a legal entity through a merger or consolidation, acquisition, transfer, recapitalization or change in identity. As with re-domestications, if your legal entity has re-organized you must update the registered entity address accordingly. In order to ensure the LEI passes persistence rules, you may be asked to provide documentation proving that the new address relates to the same legal entity.

## **Conversion**

Conversions typically refer to a change in a legal entities legal form, or a conversion to another jurisdiction. If your legal entity has converted legal form or place of domicile, you must update the LEI accordingly. In order to ensure the LEI does not fail persistence you may be asked to provide documentation to verify the change. Please see re-domestication if your entity has changed jurisdiction. If your entity has undergone a conversion you will need to amend the “legal form” field. You may also need to amend the legal name if the change in legal form is reflected in the entity name. In order to ensure the LEI does not fail persistence you may be asked to provide documentation to verify the change.

# Glossary of Terms

## Registered Address

A registered office is the official address of an incorporated company, association or any other legal entity. Generally it will form part of the public record and is required in most countries where the registered organization or legal entity is incorporated. A registered physical office address is required for incorporated organizations to receive official correspondence and formal notices from government departments, investors, banks, shareholders and the general public.

## Headquarters Address

We consider the headquarters to be the premises that serve as the managerial and administrative centre of an organization.

## Challenge(s)

The GMEI utility allows users to challenge the data associated with an existing entity. Details on raising challenges against existing LEI's can be found in our [User Guide](#).

## Duplicate Reference Identifier

The Duplicate Reference Identifier field will be populated in two scenarios:

If the Record State of the entity being viewed is "DUPLICATE":

- The record being viewed is a duplicate of another record, either due to merger and acquisition activity or because an entity with an existing LEI was registered. This duplicate record could be managed by the GMEI utility, or by another pre-LOU. The Duplicate Reference Identifier field points to the entity record that acquired the current entity, or is the older record in cases where the entity was registered twice. Entity records with a Record State of "DUPLICATE" will continue to exist on the GMEI utility Portal and be part of the GMEI Issued Database until further guidance is given.

If the Record State of the entity being viewed is not "DUPLICATE":

- The record being viewed is the successor of a merger, or is the oldest record in cases where an entity was registered twice. The Duplicate Reference Identifier(s) listed are the LEIs that are duplicates of the record being viewed. The LEI of the record being viewed will be the correct LEI to use in all trading and reporting.

## Entity Status

Entity status indicates whether the entity itself is active or inactive.

- ACTIVE is assigned to an entity that has independent legal status. Active entities include solvent companies in normal operation, as well as those entities which are in administration, in receivership, or bankrupt, but which still have legal status.
- INACTIVE is assigned for entities that no longer have independent legal status as a result of dissolution.

## Expiration (Date of Expiry)

The date of expiry indicates when the entity expired. Rules and processes for the utilization of this field are being defined by the GLEIF.

## Expiration (Reason for Expiry)

The expiry field details why the entity or record has become expired. Rules and processes for the utilization of this field are currently being defined.

## Persistence

A rule to ensure an LEI assigned to a distinct legal entity is not transferred to another separate distinct legal entity. Any attempts to change the identity of an LEI to that of another distinct legal entity will not be accepted.

*If you have any questions about the information provided in this document or require assistance with processing a corporate action for your LEI, feel free to contact our customer service team at the following email address: [customerservice@gmeiutility.org](mailto:customerservice@gmeiutility.org).*