

This is with reference to the RBI circular "Introduction of Legal Entity Identifier for Large Value Transactions in Centralized Payment Systems" vide RBI/2020-21/82 DPSS.CO.OD No.901/06.24.001/2020-21 dated 5th January 2021.

As per the circular, RBI has decided to introduce the LEI system for all payment transactions of value INR 500 Mio and above done via Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT). The circular will be effective from April 1, 2021.

The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide. It was conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis.

From April 1, 2021, it will be mandatory to include remitter and beneficiary LEI information while initiating RTGS and NEFT transaction for payments over INR 500 Mio.

In the interim, we advise you to obtain LEI in case you undertake large value transactions (INR 500 Mio and above). The circular states that "Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF), the body tasked to support the implementation and use of LEI. In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL) (<https://www.ccilindia-lei.co.in>), which is also recognized as an issuer of LEI by the Reserve Bank under the Payment and Settlement Systems Act, 2007".