

## Response of GLEIF to the UK Department for Digital, Culture Media & Sport Consultation regarding Security of Network and Information Systems

September 2017

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the consultation, entitled 'Security of Network and Information Systems' published by UK Department for Digital, Culture Media & Sport in August 2017. GLEIF will limit its comments specifically to the GLEIF's views on the use of Legal Entity Identifier (LEI) in the consultation.

Security requirements for operators of essential services

Question 7: Do you believe these high level principles cover the right aspects of network and information systems security to ensure that risks will be appropriately managed?

NO

Question 8: If NO, can you clarify what aspects you believe are missing and recommend how we could address these?

The Global Legal Entity Identifier Foundation (GLEIF) would like to thank the UK Department for Digital, Culture Media and Sport Security for the opportunity to comment on the Network and Information Systems Public Consultation.

Established by the Financial Stability Board in June 2014, GLEIF is tasked to support the implementation of the Legal Entity Identifier (LEI). The foundation is backed and overseen by the LEI Regulatory Oversight Committee representing public authorities from around the globe that have come together to jointly drive forward transparency within the global financial markets. Regulators globally, therefore, play a key role in facilitating the expansion of the LEI system and its related benefits by requiring LEIs to be used broadly in regulatory reporting and other supervisory practices and with usefulness and applicability beyond the banking and financial sector.

GLEIF is a supra-national not-for-profit organization making available the only global online source that provides open, standardized and high quality legal entity reference data. GLEIF is, by its statutes, agnostic to any particular commercial or political interests. GLEIF is uniquely positioned in the entity identification market. GLEIF is headquartered in Basel, Switzerland.

GLEIF recommends that the area of consistent entity identification also should be addressed in the design and implementation of the NIS Directive by the UK. There are requirements under the NIS Directive for coordination and communication that would make the use of the LEI beneficial as a

standard global identifier for the identification of the legal entities that are operators of essential services and the authorities that supervise the process.

Examples include:

- The UK Government proposes to nominate multiple sector-based competent authorities, rather than a single competent authority, when designating competent authorities for NIS, thus requiring the coordination and communication referred to above;
- There is a requirement for the operators of essential services to file incident reports with the UK NIS single point of contact, which would forward the incidents on to the competent authorities. The LEI could be useful on both the reporting and receiving ends, to organize incidents as communication and resolution is carried out among the operators of essential services, the UK NIS single point of contact and the competent authorities. This involves monitoring, warning, resolution, documenting and analysis of incidents;
- Finally, there are proposed high level security principles, one of which is having ‘appropriate organizational structures, policies and processes in place to understand, assess, and systematically manage security risks to the network and information systems supporting essential services’ which includes understanding and managing security risks to the network and information systems supporting the delivery of essential services that arise as a result of dependencies on external suppliers, namely the supply chain of the operators of essential services.
- The UK NIS single point of contact also will need to communicate with the single points of contact in each EU member states, both in terms of summaries of incidents and to inform on incidents that affect both the UK and EU. A global identifier such as the LEI will allow both the UK and EU to be able to identify the affected operators of essential services in a standard way.

In addition to operators of essential services, the Directive also applies to three types of Digital Service Providers (DSPs) - online marketplaces, online search engines and cloud computing services – which requires that DSPs identify, and take appropriate and proportionate technical and organizational measures, to manage the risks posed to their security of network and information systems.

GLEIF has been working on leveraging the LEI within digital certificates which would allow for the first time a persistent global identification code to be present in digital certificates. This work may be relevant for the risk management and monitoring of DSPs under the NIS Directive. With the presence of the LEI in each digital certificate, for the first time successively issued digital certificates will be able to be linked to each other and to the digital service providers that they identify. GLEIF would like to offer to explore this aspect further with the UK Government as it works to implement the NIS Directive.