

Response of the Global Legal Entity Identifier Foundation (GLEIF) on the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget Request for information

February 2018

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments on the Request for Information of the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, focusing on the Federal Statistical System’s effort to improve federal statistics. GLEIF will limit its comments specifically to the GLEIF’s views on the use of Legal Entity Identifier (LEI) in the RFI.

In 2011, the Group of Twenty (G20) called on the [Financial Stability Board \(FSB\)](#) to provide recommendations for a global [Legal Entity Identifier \(LEI\)](#) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe.

First, GLEIF proposes that the Global LEI System can be leveraged by the US Federal Statistical System as a data source. The Global LEI System is the only global free online source that provides open, standardized and high quality data on legal entities, while avoiding lock-in and cost with vendor proprietary identifiers.

Further, GLEIF notes in the background provided for the RFI that an important component of the transformation of the Federal Statistical System will be based on combining data from multiple sources to produce statistical products and information. The LEI can be leveraged as the key unique identifier within data sets on legal entities that would allow data from multiple sources to be more easily combined to produce the required statistical products and information.

The background for the RFI also notes that important work in the area of combining data from multiple sources already has been conducted and has been published by the National Academies report on Innovations in Federal Statistics. GLEIF is pleased to see reference to the LEI in this report.

The LEI and the operation of the Global LEI System contain important features to support the relevance of the LEI as fit-for-purpose as a key identifier in the area of statistics.

The LEI is based on an international standard. The LEI is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The LEI code connects to key reference information that enables clear and unique identification of legal entities.

The Global LEI System defines uniqueness ensuring that each LEI code is issued only once and no entity should have more than one LEI. Prior to issuance of the LEI, there are two levels of checks for duplicates in the Global LEI System – one at the LEI issuer within its own database and the second from the LEI issuer to the Global LEI Foundation across all LEIs issued or in the process of being issued. LEIs also never

are reused or re-issued and historical information is archived and not deleted from the Global LEI system.

LEI records are geocoded for both, legal address and headquarters address of the legal entity represented. Geocode data available includes for both addresses: Longitude and latitude values, normalized address string, normalized address separated by fields (e.g. mapped street, mapped house number, mapped postal code), date when geocoding was performed, match level (how precise could an address be geocoded: e.g. city, street, house number).

All geocode data can be provided in machine readable format, either XML, JSON, CSV or Excel format. The data can be provided for download in files or via an application programming interface (REST API).

GLEIF's file downloads and API access is provided in real-time and available in machine readable format (files in standard formats XML, JSON, CSV, Excel and application programming interface (REST API) in JSON).

All data access is provided via https encrypted transmission. GLEIF has Service Level Agreements in place to provide services with an availability of 99.9% each month.

Starting 1 May 2017, the LEI data pool was enhanced to include information on 'who owns whom'.

This allows the identification of direct and ultimate parents of a legal entity and, vice versa. For entities that have or acquire an LEI after May 2017, entities registering for or renewing LEIs must report:

- Their 'ultimate accounting consolidating parent': Defined as the highest level legal entity preparing consolidated financial statements
- Their 'direct accounting consolidating parent': Defined as the lowest level legal entity that prepares consolidated financial statements that consolidate the entity.

In both cases, identification of the parent is based on the accounting definition of consolidation according to either US GAAP (United States Generally Accepted Accounting Principles), IFRS (International Financial Reporting Standards), or a locally recognized standard.

The LEI issuers verify the relationship information based on public documents if available, or other sources. The information collected is published in the Global LEI System and therefore freely available for public authorities and market participants.

The legal entity may report an exception given it does not have a direct or ultimate parent according to the accounting consolidation standard used or it claims a legal restriction which prevents it from providing information.

It is planned that additional relationship types will be defined over time by the LEI Regulatory Oversight Committee (LEI ROC).

GLEIF's quality management program includes a set of measurable quality criteria using standards developed by ISO. These are criteria such as the completeness, comprehensiveness and integrity of the LEI data records. Instituting a set of defined quality criteria establishes a transparent and objective benchmark to assess the level of data quality within the Global LEI System.

The GLEIF data quality program allows the quality of the LEI data pool (the publicly available information on legal entities identifiable with an LEI) to be monitored, assessed and further optimized. As a result, users across the global market place can easily identify, and benefit from, the continuously increased reliability and usability of the LEI population. Using software developed by GLEIF, the LEI data records made available by the LEI issuing organizations are checked daily against the defined quality criteria. These checks identify whether the data records are consistent and plausible. GLEIF sends a daily report detailing the results of the performance assessment to the LEI issuing organizations. GLEIF currently performs the data quality checks based on the [LEI-Common Data File format version 2.1](#).

In addition, GLEIF has developed a methodology to score the level of LEI data quality. The 'LEI Total Data Quality Score' represents the percentage of all LEI data records that successfully passed checks performed to identify whether the records meet the defined quality criteria during the reporting period. The checks performed by GLEIF are detailed in the document 'Data Quality Rule Setting' (available [here](#)). To continuously improve the GLEIF data quality management program, the checks are refined on an ongoing basis. For each report, the quality of the LEI data pool is assessed by applying the checks as set out in the latest version of the document 'Data Quality Rule Setting'.

GLEIF hopes that Chief Statistician of the United States and the Statistical and Science Policy Branch will consider the LEI as a necessary component in its efforts to transform the Federal Statistics System.