

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Department of Commerce Bureau of Economic Analysis (BEA) on Proposed Rules Amending the Reporting Requirements for Direct Investment Surveys: BE-10, Benchmark Survey of US Direct Investment Abroad

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The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Department of Commerce Bureau of Economic Analysis (BEA) on Proposed Rules Amending the Reporting Requirements for Direct Investment Surveys: BE-10, Benchmark Survey of US Direct Investment Abroad. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

GLEIF would like to thank BEA for proposing to add a question to collect the 20-digit LEI of each US parent and their foreign affiliate on the BE-10A, BE-10B and BE-10C forms. Indeed, as stated in the proposed rule, identifying each and every US parent and their foreign affiliate with the LEI, an international authoritative identifier, is particularly relevant in the case of identifying entities across borders, sectors and for cross-cutting issues for reporting and statistical purposes.

Another advantage of the identification of each US and foreign affiliate with LEI could be that LEI supports various legal forms such as funds and trusts. Given it is stated in the proposed rule that the BE-10 survey form will be modified to include more options for the US reporter, including trusts, identification of different company categories through LEI could add additional value in the consistency and quality of the collected data. The value proposition of LEI has already been recognized by several U.S. regulators such as the Federal Reserve, Consumer Financial Protection Bureau, Municipal Securities Rulemaking Board, National Association of Insurance Commissioners, U.S. Treasury and Federal Energy Regulatory Commission, which utilize LEI. U.S. Customs and Border Protection is working on a project to enable the U.S. Government to use a “common language” employed by the Trade industry and establish a more accurate and efficient method of communication between U.S. government agencies involved in monitoring trade activity. The LEI is envisioned as a possible identifier of shippers, sellers, and manufacturers of goods that enter the U.S.

The LEI offers both public and private sectors users a one-stop approach to identifying legal entities and their parents, which has the potential to take the complexity out of business transactions. Each LEI contains information about an entity’s ownership structure, answering the questions of ‘who is who’ and ‘who owns whom’. Via the Global LEI Index, GLEIF makes available the largest online source that provides open, standardized and high-quality legal entity reference data. No other global and open entity identification system has committed to a comparable strict regime of regular data verification.

In September 2019, GLEIF has released the GLEIF API. This new API gives developers access to the full LEI Data search engine functionality, including filters, full-text and single-field searches of legal entity and ownership data, and "fuzzy" matching of important data fields such as names and addresses. Through using GLEIF API, one can search for LEIs via entity names and BIC codes and investigate corporate ownership structures.