

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the European Commission on the eIDAS Review | Technology providers, providers of trust services not covered by eIDAS, interest representation organizations of technology providers, standardization organizations

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The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Commission on the eIDAS Review | Technology providers, providers of trust services not covered by eIDAS, interest representation organizations of technology providers, standardization organizations. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

Within the eIDAS Regulation, the Legal Entity Identifier (LEI) is already accepted as an optional attribute for legal entities' data sets in transactions between eIDAS nodes, i.e. interfaces between national eID infrastructures. The LEI can be used within eIDAS-compliant digital certificates as the eIDAS Regulation includes a tag for digital identification tools such as the LEI to be embedded within certificates and seals to support identity validation and management.

Making the use of the LEI as mandatory (as the preferred identifier when available) in legal entities' data sets in transactions between eIDAS nodes would further increase the interoperability of the eIDAS framework, making cross-border electronic transactions more efficient and secure. The use of the LEI allows for a persistent identification code to be present throughout successively issued digital certificates, thus enhancing trust in internet transactions and providing reliable and trustworthy information on the ownership and authenticity of electronic documents and, thereby transactions. Consumers and businesses would benefit from increased transparency in the EU's Digital Single Market.

Central action is required to ensure efficient implementation of legal entity identity for regulation leveraging the eIDAS framework. The Revised Payment Services Directive (PSD2) provides an excellent example:

PSD2 introduces a mix of approaches for identifying legal persons. For example, it introduces a new identifier for Third Party Payment Service Providers (TPPs) (the PSP identifier) – this is administered and maintained nationally by the National Competent Authority (NCA). The PSP identifier must be embedded in the TPP's eIDAS/PSD2 Certificate to enable authentication between TPPs and banks. So within one regulation the following results:

- the eIDAS/PSD2 certificate is not usable for any other digital transaction partly because it contains an identifier customized for the PSD2 implementation;
- each NCA maintains a register with its own identifiers for banks, TPPs, and the NCA itself thereby rendering it difficult to aggregate data within the PSD2 ecosystem;

- the PSP ID identifier cannot be used to connect to other data sources, enable analysis, or facilitate any other digital communications outside the PSD2 protocol.

What if the LEI were used instead? The eIDAS/PSD2 certificate could be parsed and, using the publicly available LEI lookup API, banks could get a clearer picture of the TPP it is engaging with. TPPs would not need to put in place another process for managing another company identifier. NCAs could implement a less complex structure for recognizing TPPs. In total, all parties gain in efficiency and the PSD2 framework is rendered more interoperable, thereby also facilitating a more integrated EU payments market.

By updating and expanding the use of the LEI within the eIDAS regulation, EU authorities would ensure interoperability of the framework and support the 'once-only-principle'. This seemingly minimal addition will significantly reduce the complexity and cost – both people and technology-related – associated with due diligence and validation of customers, partners and suppliers. Furthermore, it could lead to further efficiencies as use of the LEI matures. For example, LEI codes could replace the reference data of a legal entity within an eIDAS compliant digital certificate, as well as the issuer, making certificate handling faster (less payload). The most current information about the legal entity could be obtained on demand from the Global LEI System via Application Programming Interfaces (APIs).

LEI can function effectively when used in digital certificates as well as Verifiable Credentials systems. Therefore, the LEI delivers value to both the more mature product - digital certificates - and the more recent innovation of Verifiable Credentials, being ready to be used in future ledger technologies.