

THE LEI: An Essential Attribute in European Business Wallets for Corporate Treasurers and Financial Institutions

Why Digital Identity Wallets for Businesses Must Contain the LEI
to Support Entity Identification Regulation Across the European
Financial Services Sector and Beyond



The European Business Wallet is coming

Large scale pilots are already underway and EU-wide adoption of the European Business Wallet (EBW) is targeted from 2028 onward. In line with eIDAS 2.0, EBW rollout will be preceded by the introduction of European Digital Identity (EUDI) Wallets for individual citizens, which will begin in December 2026.

European businesses are expected to benefit from the EBW in many ways. Acting as a **single digital identity tool trusted across EU borders**, these wallets will make it easier to **simplify paperwork** and **do business across EU Member States**. European companies and public sector bodies will be able to digitalize many operations and transactions that are currently conducted manually.

According to the European Commission, businesses will be able to use an EBW to 'digitally sign, timestamp and seal documents; securely create, store and exchange verified documents; and communicate securely with other businesses or public administrations' in their own jurisdiction and across all other EU Member States.



What is eIDAS2.0?

The European Digital Identity Regulation, more commonly known as eIDAS 2.0, came into force in May 2024. It updated the original eIDAS (electronic Identification, Authentication and Trust Services) Regulation published in 2014, which created one single framework for electronic identification (eID) and trust services, making it more straightforward to deliver services across the European Union.

eIDAS 2.0 creates the legal framework that requires EU Member States to make digital identity wallets available to natural persons and legal entities.

What is the European Business Wallet?

In November 2025, the 'digital package' was launched by the European Commission (EC) to ease compliance and simplification efforts for businesses by reducing their administrative burden. European Business Wallets (EBWs) were proposed as part of the package.

The European Business Wallet is a practical implementation of eIDAS 2.0 requirements for a digital identity wallet that can be used by European businesses across borders.

The EBW's success will be linked to the value it delivers for business users

While public sector bodies will be required to accept the EBW as proof of organizational identity, private-sector organizations will not be mandated to use them. Efficiency gains are expected to drive private sector adoption.

To illustrate the importance of the EBW supporting sectoral regulatory compliance, this ebook focuses on the needs of one significant European business audience - **financial services sector participants, in particular those within corporate treasury and financial institutions.**

This ebook explains why **the wallet's value to the European financial services sector is tied to its alignment with existing sectoral regulatory requirements** – many of which pre-date eIDAS 2.0 – and its ability to enable automated, secure and simplified regulatory reporting. **There is a unique and significant opportunity to streamline and automate business-to-business transactions and extend the value of the EBW beyond simply being a tool for business-to-government filings.**

“The European Business Wallets aim to streamline operations for businesses, enabling them to save time and money... Companies will not be obliged to use the European Business Wallets. The Regulation places obligations solely on public sector bodies to accept its core functions, while companies remain free to decide whether to adopt the wallets for their commercial operations or interactions with public authorities.”

European Commission

The financial services sector needs the LEI to be a mandatory additional attribute within the EBW

While the Legal Entity Identifier (LEI) is recognized within the EUDI framework architecture (the Legal Person Identification Data or LPID) as an entity identifier that may be stored within national wallets and used for relying party authentication, its 'optional' status does not guarantee its inclusion.

In order that European corporate treasurers and financial institutions can benefit from a digital compliance layer within the EBW, it is critical that the LEI is universally adopted as a mandatory additional attribute.



Fig 1. The LEI can be embedded in the LPID as an essential and authoritative reference key for the identification of legal entities across borders. The LPID, and its attributes including the LEI, is contained within the EBW.

What is the Legal Person Identification Data (LPID)?

The LPID is a standardized set of digital identity data for legal entities to be contained within the EBW. As set out in eIDAS 2.0, the LPID must contain a minimal set of attributes that prove a business's legal status across borders, to ensure privacy and stability.

These are:

- **Current Legal Name:** The official name of the organization as it appears in public records.
- **Unique Identifier:** A persistent identification number that remains constant over time to allow for cross-border tracking and verification.

The European Unique Identifier (EUID), which is the foundational identifier for legal persons within the EU's Business Registers Interconnection System (BRIS), will be the primary identifier for the EBW LPID. The LEI, however, is recognized as an optional and complementary identifier, with the added benefits of a global scope (as opposed to the European scope of the EUID), connection to an open and high quality reference data set which describes the entity holding the wallet, and the ability to satisfy the compliance requirements of EU and global financial markets.

Why is the LEI essential for financial services compliance?

The LEI is a trust pillar within financial services. EU authorities and financial supervisors around the world have integrated it into their financial services regulation to ensure safe, transparent, and well-functioning financial marketplaces. It is also a tool to monitor systemic risk and which can inform decisive action to prevent market-related crises. The LEI is permanently embedded within the financial services sector as an obligatory compliance layer for entities wishing to engage in, or facilitate, financial transactions within the EU and beyond.

What does this mean for corporate treasurers and financial institutions?

LEI use as an identity attribute is not 'optional' for this audience. It's a regulatory requirement. Beyond that, the LEI provides a bridge from classical client data management processes to the new world of digital identity.

The LEI is a globally recognized ISO 17442 standard, which identifies legal entities and links them to openly accessible and verified reference data. Global data users can access data connected to LEI records through the Global LEI Index on the GLEIF website and this data can be integrated by financial service providers into their own data offerings. This means that onboarding and lifecycle management can be automated and streamlined by extracting the LEI from the EBW, storing the LEI in the client database, and connecting that database to the Global LEI Index so that it benefits from continuous updates.

When the LEI is stored as a mandatory additional attribute within an EBW, it can be included in any wallet credential to cryptographically bind the LEI to the legal entity for higher identity assurance and to automate ongoing client data management. It provides a digital compliance layer within the EBW, which is central to creating wallet-based value to European corporate treasurers and financial institutions.

The LEI in the EBW: Automated onboarding and continuous KYC

When the LEI is integrated into the EBW it can be used for:

- **Automated onboarding** thanks to digital credential exchange which enables the digital authentication of a legal entity's existence and its authorized representatives;
- **Seamless data capture**, thanks to the LEI's extraction from the credential upon authentication and its subsequent storage in the client database;
- **Ongoing compliance.** The Global LEI System enables continuous KYC monitoring and automated data updates throughout the client lifecycle.



The LEI in the EBW: Connecting the compliance dots across the financial services sector

Availability of the LEI within the EBW supports compliance with financial services regulation, both in Europe and beyond.

The LEI is a common denominator, equivalent to a digital compliance layer, that 'connects the dots' between:

- **eIDAS Regulation** through its inclusion within the LPID as a recognized and authoritative reference key for the identification of legal entities cross-border.
- **European financial services regulation.** The LEI is the cornerstone across onboarding, financial sector reporting, and payments.
- **Global financial services regulation.** The LEI is referenced in 45 jurisdictions around the world and, notably, is required in many jurisdictions for foreign investors seeking to enter markets.



The LEI is required / recommended by regulators globally

eIDAS Regulation

- LPID

EU Financial Services Regulation

- **Onboarding:** Anti Money Laundering Regulation (AMLR)
- **Capital markets:** Markets in Financial Instruments Directive (MiFID) II, European Market Infrastructure Regulation (EMIR)
- **Payments:** Instant Payments Regulation (IPR), Transfer of Funds Regulation (FTR)
- **Crypto-Asset Regulation:** Markets in Crypto-Assets Regulation (MiCA)

Global Financial Services Regulation

- **Derivate markets (counterparties and intermediaries):** Australia, Canada, Chile, Hong Kong, Japan, Mexico, Singapore, South Africa, and the United States
- **Payments:** China, India, the UK, and the Financial Action Task Force's (FATF) Recommendation 16
- **Foreign investor registration:** India and South Korea

Fig 2. The LEIs stored in the EBW can be extracted and reused across onboarding, capital markets, payments and crypto-asset regulation. This will simplify regulatory requirements and automatic due diligence processes within the EU and beyond.

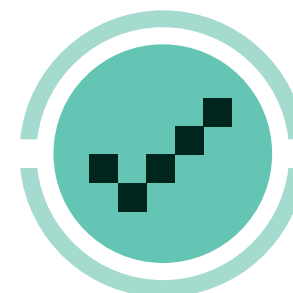
Why LEIs are critical as mandatory additional attributes in EBWs

LEIs in wallets can:

- Support the reduction of cumbersome and repetitive manual checks for corporates seeking access to financial services.
- Lower compliance costs for financial institutions undertaking financial transaction reporting.
- Future-proof payment ecosystems for emerging payment transparency requirements, such as the Financial Action Task Force (FATF) Recommendation 16.

LEIs stored within EBWs can also be used to automate the generation of verifiable LEI (vLEI) credentials for cross-border interoperability and B2B transactions. Policymakers should be looking ahead to ensure the EBW enables cross-border business both within and outside of the EU. This will support the enablement of EU businesses in international commerce and growth of the EU economy.

The vLEI is particularly relevant for complex, high-assurance use cases, where enhanced verification and stronger interoperability standards are required and the mitigation of risks, automation of processes, and transparency are essential. It is highly valuable within supply chain management (e.g. Digital Product Passports) and digital assets activity (e.g. smart contract execution).



vLEI PROTECTED

Use cases that demonstrate how the LEI augments the value of EBWs for financial services

The use cases below show how LEIs within EBWs are particularly beneficial to corporate treasurers and financial institutions.

Onboarding

The EBW will transform manual KYC processes by enabling digital credential exchanges.

When a financial institution is authenticating a new customer, or a corporate is authenticating a new supplier, LEIs can be extracted from business wallet credentials during onboarding and stored in a database. The new counterparty's profile can be connected to open public data within the Global LEI Index, allowing continuous monitoring and automated delta alerts for corporate data updates.

This permits seamless capture of verified entity data and automated customer / supplier lifecycle compliance.



Downstream financial transactions

The extraction of LEIs from EBW credentials can also facilitate:

- **Reporting facilitation:** LEIs being integrated into reporting feeds to trade repositories or other market infrastructures.
- **Fraud prevention:** Since LEIs can be used to confirm corporates / suppliers as a beneficiary of a payment in line with Verification of Payee procedure.
- **eInvoicing facilitation:** LEIs can be automatically included in QR codes generated from corporate accounts for eInvoicing.

The LEI acting as a digital compliance layer within the EBW will elevate the wallet's value as an essential identity tool for corporate treasurers and financial institutions who need to connect the compliance dots across the financial services sector.

Corporate treasurers and financial institutions: Make your voice heard. Insist your EBW contains your LEI

As a critical component of Europe's new trust services framework, EBWs should deliver value to businesses by allowing them to connect the identity compliance 'dots' – across eIDAS, EU and global financial services regulation.

The EBW can only facilitate onboarding to financial services and financial services compliance if the LEI is integrated within EBW credentials. The LEI provides a digital compliance layer which ensures compliance now, and future-proofs EBWs against further advances in regulation and digitalization in years to come.

Corporate treasurers and financial institutions are encouraged to make their needs known. This is a time-sensitive issue which is pivotal to the effectiveness of the wallet as an invaluable trust tool capable of simplifying regulatory requirements and automating due diligence processes.

It is crucially important that technical decisions taken while national wallets are being developed support the business requirements of future wallet users. It is equally important therefore that the LEI becomes an essential attribute in the EBW ecosystem and that it is considered in the upcoming implementing acts of the European Business Wallet Regulation.

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