

Response of GLEIF to the Organization Identifier Working Group (ORCID) ID Request for Information.

November 2017

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide you with its comments on the Request for information published by ORCID in September 2017. GLEIF will limit its comments specifically to the GLEIF's views on the use of Legal Entity Identifier (LEI) in the consultation.

1. Describe your organization's interest in organizational identifiers

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.

The Legal Entity Identifier (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 participating in financial transactions.

Although the LEI had its origin in financial regulatory reporting, LEIs can be used in any use case in which a legal entity needs to be uniquely and persistently identified.

2. Describe the resources your organization could bring to the development of the open organization identifier registry.

The Global LEI System can be leveraged by ORCID and the open PIIR as the only global free online source that provides open, standardized and high quality legal entity. By leveraging the LEI as the unique identifier, can save costs by eliminating duplicate data collection.

3. The RFI notes that ORCID is interested in ideas about business models for sustaining the Registry. Please find the following ideas from GLEIF regarding the cost recovery model of the Global LEI System.

In the Global LEI System, generally costs are recovered by Local Operating Units (LOUs), also called LEI issuers, via fees paid by the legal entity to the LOU for LEI issuance or annual renewal. LOUs are able to structure their fee model as long as the LOU complies with the cost recovery principle. For example, one LOU does not charge any fee to legal entities registering for LEIs and instead cost is covered by a regulator in that country.

Other fee models also could be considered such as a "zero fee for the legal entity" model. Firms that largely benefit from the operational improvements of having the LEI as a primary identifier could fund LEI issuance. GLEIF suggests an identifier system could use either model, one based on payment by the entity requesting the identifier or one based on the entity primarily benefiting from the standardization.

GLEIF receives its funding from fees paid by the LOUs. The fee is calculated based on the number of revenue-generating LEIs maintained by the LOU. The structure of the Master Agreement between GLEIF and each LOU, allows flexibility as annually the contribution fee structure and amounts are determined by GLEIF in consultation with its governing and oversight body, the LEI Regulatory Oversight Committee (LEI ROC).