Response of the Global Legal Entity Identifier Foundation (GLEIF) to the European Payments Council on E-invoice Electronic Presentment and Presentment Service Message Definition Report Document

August 2019

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Payments Council (EPC) on E-invoice Electronic Presentment and Presentment Service Message Definition Report Document. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

First of all, GLEIF would like to thank to EPC for proposing LEI as a data element, under the "CustomerIdentificationType" under the MessageBuildingBlock "Activation Data" for EIPPCreditorEnrollmentRequestV01. GLEIF would like to suggest EPC Multi-Stakeholder Group to request LEI as the only required identifier under "CustomerIdentificationType" for legal entities; since, in addition to the LEI, the current proposal include also "AnyBIC" and "Other" data elements, which one of these values must be used. Standardized use of LEI for all legal entities in the credit enrollment message would guarantee the unique and unambiguous identification of the debtor required by the creditor.

GLEIF had responded to the LEI in the Payments Market Discussion Paper published by the Payments Market Practice Group (PMPG) in 2016. GLEIF had highlighted that while the Business Identifier Code (BIC) currently used in payment messages can address businesses, including branches, locations, back office departments, trading desks etc., BICs are not legal entity identifiers and also do not provide unique representation of a legal entity. In February 2018, GLEIF and SWIFT introduced the first open source relationship file that matches a BIC assigned to an organization against its LEI. The BIC-to-LEI relationship file is built upon a mapping process established by SWIFT and certified by GLEIF. It is published in CSV format and is updated on a monthly basis.

Therefore, LEI could be considered as the only required identifier under "CustomerIdentificationType" for legal entities.

GLEIF also would like to suggest EPC to consider LEI as a data element for following:

For EIPPCreditorEnrollmentRequestV01, under "CreditorEnrollment" MessageBuildingBlock:

- TradingName

- Creditor

- UltimateCreditor

For EIPPDebtorActivationRequestV01, under "DebtorActivation" MessageBuildingBlock:

- Debtor

- Creditor

- DebtorSolutionProvider

- CustomerIdentification

- Creditor

EPC has highlighted the benefits in the ISO 20022 Business Justification document for introducing the *Enrolment* message that it would allow the individual B2C customers (Payers) to look up into EIPP Directories for a Payee's identity and its capability to propose the EIPP service. Similarly, the Payees can benefit from the implementation of the *Enrolment* message to inform their customer base about the details including their identity and that they support the request-to-pay functionality.

It is stated in the Business Justification Document that through the use of Activation message, the Payers will have a secure tool to express their consent to receive request-to-pay and related invoices.

These benefits clearly demonstrate that unique and unambiguous way of identification of all parties is essential for maximizing this potential gain from the service messages. As a universally unique identifier based on an international standard, LEI can be considered a relevant attribute in many applications where authenticated transactions are relevant. LEI is a quality-controlled unique identifier supported by a transparent infrastructure of local identity validation and a centralized open data challenge service and provides standardized reference data, which shows any eligible entity in a network of ownership and other relationships.

GLEIF also has taken the necessary steps to include the LEI on the EU Electronic Address Scheme (EAS) code list so that the LEI can be used in EU eInvoicing.

Therefore, requesting LEI for all data elements, where a legal entity exists, could help to standardize the unique verification of all related parties, contribute to overall transparency and confidence for all market participants.