

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the European Securities and Markets Authority (ESMA) Draft Technical Standards under the European Crowdfunding Service Providers (ESCP) Regulation Consultation Paper

May 2021

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the European Securities and Markets Authority (ESMA) Draft Technical standards under the European Crowdfunding Service Providers (ESCP) Regulation Consultation Paper.

GLEIF welcomes the inclusion of the LEI for identifying CSPs and project owners in Annex I, Annex VI, Annex IX and Annex X. GLEIF agrees that the use of common standards and the creation of standardized formats and procedures is key for a creating framework effective and transparent ECSPs framework.

First, GLEIF would like to respond to *Question 6: Do you agree with the list of information set out in draft RTS to be provided to the Competent Authority of the Member State where the applicant is established? If not, what other information should ESMA further specify?*

According to the Article 12 of the Regulation (EU) 2020/1503, for the authorization as a as a crowdfunding service provider (a) the name (including the legal name and any other trading name to be used) of the prospective crowdfunding service provider, the internet address of the website operated by that provider, and its physical address; (b) the legal form of the prospective crowdfunding service provider; and (c) the articles of association of the prospective crowdfunding service provider shall be provided.

GLEIF is pleased to see that ESMA suggests the LEI as a mandatory data field in Annex I “Application for Authorization as Crowdfunding Service Provider”. GLEIF would like to stress that mandating the LEI as proposed can make several data fields in the template to be provided to the National Competent Authority unnecessary such as the legal name, physical address, registration number and legal form given the LEI Reference Data already include all those fields. ISO also has established a standard for Entity Legal Forms, ISO 20275, for which GLEIF has taken on the role of operational maintenance of the standard entity form code lists and accompanying reference data, having been appointed through ISO process by the Swiss Association for Standardization (SNV). Among other things, GLEIF is responsible for identifying existing entity legal forms and assigning a unique ELF code to each entity legal form in accordance with the ISO 20275 standard. The current version, released in November 2020, lists more than 2,900 entity legal forms across more than 165 jurisdictions. The list contains legal forms/types in their native language, such as limited liability companies (Ltd), Gesellschaft mit beschränkter Haftung (GmbH) or Société Anonyme (SA). The ELF Code List assigns a unique code to each entity legal form.

Mandating the LEI for the authorization application of a crowdfunding service provider can facilitate the cross-border services of such firms. When a crowdfunding service provider is authorized to provide crowdfunding services in a Member State other than the Member State whose competent authority granted authorization, the identity of this crowdfunding service provider can be quickly and seamlessly established.

Lastly, GLEIF would like to comment on Question 11: *Do you agree with the extent of the provisions that ESMA proposes to specify the ECSPR's requirements for the KIIS model? Please also state the reasons for your answer.*

GLEIF agrees with ESMA that the key investment information sheet (KIIS) is crucial for investors to reflect the nature, risks, and complexity of crowdfunding project offers. Prospective investors need information on the key features of financial products to make informed investment decisions.

GLEIF welcomes the inclusion of the LEI in Article 4 of Annex IX for identifying the crowdfunding service provider in the KIIS. ESMA suggests in Article 6 that hyperlinks may be included as indicated in the KIIS model, which would be possible to add a hyperlink to the entity's LEI. In that case, with a single click on the KIIS, investors can access the crowdfunding service provider's basic business card and ownership information within the open and publicly accessible Global LEI Repository.