

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Partnership for Carbon Accounting Financials' (PCAF) Public Consultation on New Methods and Guidance

February 2025

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Partnership for Carbon Accounting Financials' (PCAF) public consultation on new methods and guidance, aiming to address the complex, evolving needs of the financial industry through practical, industry-led methodologies that enable financial institutions to take meaningful and measurable steps to a lower carbon economy.

GLEIF will focus its comments on the use of the ISO 17442 Legal Entity Identifier (LEI) in the PCAF's proposed initiatives for developing a guidance aligned with international best practices. Specifically, GLEIF proposes adding the LEI as a required field in the emissions reporting templates.

GLEIF would like to respond to *GENERAL* Question 136: *"If you have any further feedback on the content of this Consultation Draft that is not addressed by the questions above, please provide it here."*

The use of the ISO 17442 LEI by reporting entities provides a 'one stop shop' for counterparty identification, detailing all relevant information without raising additional administrative burdens. The widely accessible nature of the LEI, combined with the fact that it is already required in other pieces of legislation for the financial services sector (e.g., Payments, AML, MiFID, MiCA) is a sign of its useability.

The LEI could improve the alignment of reporting across different regulatory frameworks by providing a common identifier that can be recognized across financial systems, thereby supporting better comparability of data. This would reduce administrative burdens on entities, improve data integrity, and enhance the ability of regulators to monitor compliance with the taxonomy.

To fully leverage the LEI for the PCAF guidance, GLEIF would like to further propose the following clarifications in the context of data collection and reporting:

- Removing any data elements in the reporting templates that are duplicative with the LEI reference data. This will reduce regulatory reporting burden and fully leverage the globally standardized reference data associated with the LEI.
- Introducing a statement clarifying that the LEI must conform with the [Regulatory Oversight Committee policy](#) (ROC). The ROC was established in November 2012 to coordinate and oversee the Global LEI System. The ROC is composed of more than 65 financial markets regulators and other public authorities including ESMA. The inclusion of

this statement is a necessary step to ensure the LEI is leveraged in the most efficient manner, most notably by ensuring that the reference data included is regularly updated.

In addition, integrating the LEI into the PCAF's proposed guidance can be informed by best practices implemented in other jurisdictions and frameworks that have successfully adopted standardized entity identification. Notably:

- The LEI is required, where available, under the final [EU Regulatory Technical Standards \(RTS\) under the Sustainable Finance Disclosure Regulation \(SFDR\)](#) .
- InvestEuropeEU has updated its ESG Reporting Guidelines, which now include the LEI as one of the accepted Standards to ensure the precise Identification of companies. Please see more details [here](#).
- In China, the LEI is required based on the [Guidelines for Environmental Information Disclosure of Financial Institutions in Shenzhen](#).
- Financial Stability Board (FSB) - [Recommendations for supervisory and regulatory approaches to climate-related risks and calls for continued progress on disclosures](#). (...) Adding the LEI of financial institutions' counterparties in data reporting templates could contribute to increasing the reliability of climate-related data used and reported by financial institutions.
- The U.S. Securities and Exchange Commission (SEC): [Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices](#) (proposal)
- XBRL US. has also [suggested](#) that the U.S. Environmental Protection Agency (EPA) should require the use of the LEI by facilities submitting the GHG emissions data so that parent companies can be appropriately associated with their subsidiary facilities. The Sustainability Accounting Standards Board (SASB) recommended usage of the LEI to identify legal entities in its [XBRL Taxonomy](#).
- In the B-20 paper on Funding sustainability Efforts, the usage on LEI is mentioned in the paper as a recommended action under the use Case 3: "Interoperability of Regulatory Frameworks and Taxonomies." Source: <https://www.businessatoecd.org/hubfs/Funding%20Sustainability%20Efforts%20Joint%20Business%20at%20OECD-B20-IOE%20Paper%202024.pdf>
- One of the most influential taxonomies in the industry, the Global Reporting Initiative (GRI) also includes the LEI on its Sustainability Taxonomy.

GLEIF remains at the PCAF's disposal to discuss and support its work. Please do not hesitate to engage us in discussions and questions related to the LEI in current and future consultations.