

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the UK Ministry of Housing, Communities and Local Government Transparency and Competition: A call for evidence on data on land control

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The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the UK Ministry of Housing, Communities and Local Government Transparency and Competition: A call for evidence on data on land control. GLEIF will focus its comments on using the Legal Entity Identifier (LEI) to identify beneficiaries and contractual parties in the land registry and how the LEI requirement can improve data collection capabilities in the HM Land Registry (HMLR).

First, GLEIF would like to thank the Ministry of Housing, Communities and Local Government for considering the LEI requirement as part of the land registry data improvement process. GLEIF agrees that the LEI can help HMLR to become “the world’s leading land registry for speed, simplicity and an open approach to data” by ensuring that the first foundational block is in place: unique and unambiguous identification of legal entities through a globally recognized identifier.

GLEIF would like to respond to “*Question 7: Should legal entities that are beneficiaries of contractual arrangements be asked to provide a Legal Entity Identifier? Please give reasons.*”

GLEIF applauds the Ministry’s efforts for making the land registry easily accessible, simple and transparent for all users and the suggestion that the beneficiaries of contractual arrangements should be required to provide an LEI.

GLEIF agrees that the transparency of land ownership is vital for accountability. This would benefit numerous parties - the local authorities, who would then be able to see who owns strategically important sites; developers, who would then be able to demonstrate how much land they have bought; and the public, who would then be able to easily understand who is involved in a particular property.

By leveraging the LEI as the primary identity management key in the HMLR, the Ministry of Housing, Communities and Local Government can fulfill two primary objectives at the same time: (i) offering open, public, easily accessible data to the public without compromising privacy or data protection; (ii) enabling better data aggregation and risk management thanks to granular information on the beneficiaries of contractual arrangements.

The Ministry of Housing, Communities and Local Government could also consider providing the public link to each beneficiary’s and contractual party’s LEI reference data, thereby allowing users to access the beneficiary’s basic reference data and relationship information in an easy and seamless way. Through a single click on the LEI record on the HMLR website, data users could be directed to the Global LEI Repository and access the open public reference data and relationship information of the beneficiary or related party in question. Alternatively, HMLR could incorporate real time the LEI reference data in its registry via the free of charge via the GLEIF API so the user has a one-stop shopping experience and has

all the registry as well as the LEI reference data available when accessing the HMLR repository. With the LEI, local communities and new market participants can understand fully who controls the land and who are the subsidiaries of the beneficiaries in their area.

Unlike today's fragmented nature of land records or beneficiaries, better data aggregation and processing based on a global unique identifier of entity identification, the LEI, also can help supervisory authorities to monitor the concentration risk or speculative bubbles, if any, and take necessary measures on a timely basis.

GLEIF also suggests the Ministry that for legal entity parties, the land registry entry (in respect of an option) can be modified as follows:

“Option to purchase in favour of [LEI ~~name~~] contained in a [document or deed] dated [date] made between [LEIs ~~names~~ of parties] upon the terms therein mentioned.”

The reason that the GLEIF suggests that the LEI should replace the name is name of a legal entity might change over time due to different reasons; but the LEI remains the same as long as the legal entity's personality does not change. For better data management, a shift from names to unique identifiers, such as the LEI for legal entities, would enhance the land registry datasets. Instead of legal entity names, the use of the LEI would also facilitate information sharing among different regulatory bodies within the UK as the LEIs come with the value proposition of precision and accuracy, but always with the possibility to access the reference data associated with the LEI.

GLEIF also would like to provide information to the Ministry of Housing, Communities and Local Government regarding the cost aspect of the LEI. While the LEI is a public good and access to the Global LEI Repository is free-of-charge and accessible to everyone, registrants pay a fee for obtaining an LEI. The [LEI Issuer Organizations](#) operate under the cost recovery model depending on the jurisdiction that they operate and therefore the LEI fee changes according to the jurisdiction. The lowest LEI initial registration fee offered in the UK is 50 GBP (and 38 GBP for annual renewal). GLEIF works with financial institutions, business registries, and other stakeholders in efforts to reduce the LEI fee for registrants.

For example, under [the “Validation Agent” framework](#), GLEIF pilots the potential for financial institutions issuing an LEI for each onboarded client through partnering with accredited LEI Issuing Organizations. With this framework, GLEIF would like to break the link between the “LEI registration and annual renewal fee” and “ensuring accuracy of reference data” thus minimizing the cost burden on registrants. Optimizing the quality, reliability and usability of LEI data empowers market participants to benefit from the wealth of information available with the LEI population and is at the core of GLEIF's mission. GLEIF currently is engaging in several pilot projects with financial institutions to evaluate jointly the operational, legal, and technical adjustments required to make this model a success.

GLEIF also engages with the business registry community, particularly in the European Union and the UK, to explore if the LEI can be created along with the local business registration number. In the UK, the Bank of England, has suggested the Companies House could generate LEIs as a unique global identifier either for all entities on a systematic basis as a primary identification number, or on an ad-hoc basis for entities who wish to have LEIs as a secondary identification number in its [response](#) to the UK Department for Business, Energy & Industrial Strategy Corporate Transparency and Register Reform Consultation Paper. Furthermore in the Government [response](#) to the consultation on options to

enhance the role of Companies House response to above mentioned consultation, the Department for Business, Energy & Industrial Strategy and Companies House remarked several responses highlight the benefits of the LEI and they will further consider the benefits and practicalities of requiring such information on exempt publicly listed companies and relevant legal entities.

In the European Union, the European Risk Systemic Board [suggests](#) that business registries across the Union could have a role to play in the allocation of LEIs, alongside national identifiers and European unique identifiers (EUIDs).

Finally, GLEIF would like to reiterate that the LEI provides both the legal entities and supervisory authorities the means to leverage the LEI for different purposes, thereby increasing the value for private sector and supervisory authorities.