



Enabling global identity
Protecting digital trust

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Consumer Financial Protection Bureau’s proposed rule on personal financial data rights

December 29th, 2023

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Consumer Financial Protection Bureau (CFPB) on the proposed rule for personal financial data rights.

Consultations and proposed rules are opportunities to re-consider existing identifier schemes with longer term vision for a broader, standardized, and consistent use of global standards and open sharing across US and global regulations.

First, some background information on the LEI and GLEIF.

The LEI is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The code connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions including their ownership structure. The LEI and its associated reference data are accessible to all as open, public data. The LEI is the only global standard for legal entity identification.

Established by the Financial Stability Board in June 2014 under the mission of improving financial stability and transparency due to the aftermath of the financial crisis, GLEIF is tasked to support the implementation and use of the LEI. Even though the primary and initial usage and adoption of the LEI predominantly was in financial markets and financial instruments, the LEI is use case agnostic and therefore has been embraced by different industry sectors and regulators since its introduction by the Regulatory Oversight Committee, in which the CFPB is an active member, and the Financial Stability Board in 2012.

The LEI was previously included in the Home Mortgage Disclosure Act, Regulation C, by the CFPB, to identify financial institutions, including credit unions. Further details on the use of the LEI in regulatory initiatives is provided [here](#).

GLEIF would like to respond to the inclusion of the LEI in the proposed, specifically sections § 1033.341 and § 1033.321:

GLEIF supports the CFPB’s proposal for the inclusion of the LEI in both sections § 1033.321 (Interface Access) and § 1033.341 (Information about the Data Provider). The rule states that a data provider has a reasonable basis for denying access to a third party if, a third party does not make certain information available, including the LEI, in both human-readable and machine-readable formats. The proposed rule also requires data providers to provide the following identifying information, including the LEI, on its public website. As CFPB states, the inclusion of the LEI “would help the data provider confirm the third party’s identity.” Furthermore, the LEI will also facilitate outreach to the third party



for due diligence purposes and conduct research for due diligence purposes. GLEIF also suggests that the LEI can be used to confirm the legal name submitted by third party since the legal name is part of the open LEI reference data set.

Reported data is more useful when it contains a consistent identifier, like the LEI, opposed to names or different and optional identifiers. Reporting of non-standardized data will lead to inconsistent submissions and in terms of comparability, ultimately more work on behalf of the CFPB.

On December 23rd, 2022, Financial Data Transparency Act (FDTA) became law, with its inclusion as a title within the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023. The FDTA directs eight financial regulators, including the Commission, to adopt standardized data reporting practices for information collected from regulated entities, and mandates the adoption of an open, non-proprietary legal entity identifier to allow for easy and consistent matching of filings from the same entity across different financial regulators. The adoption of open data standards through the FDTA will improve transparency and accountability for federal agencies and the public, and can also accelerate policy innovation. GLEIF asserts that the LEI is the only legal entity identifier that fully meets the requirements specified in the FDTA. Currently, the FDTA is in a two-year implementation phase which will culminate with a joint-rulemaking from the financial regulators outlined in the new statute. In order to fulfill the forthcoming requirements of the law, the CFPB has an opportunity in the interim to consider requiring the LEI in future proposed rules and when determining final rules that include the LEI, as opposed to voluntary inclusion requirements.

Lastly, GLEIF has created the digital equivalent of the LEI, the verifiable Legal Entity Identifier, or "[vLEI](#)". The vLEI is a digitally signed credential that makes an LEI instantly and strongly verifiable when presented in digital form, enabling digital interactions that utilize the vLEI to have a high level of assurance about the identity of the actors (both official and functional representatives) and the organizations they represent. The vLEI offers a secure, verifiable approach to organizational identity and organizational credentials which are capabilities which will be needed as the U.S. agencies seek to comply with the Executive Order requiring Zero Trust Architecture. By requiring the LEI now, the CFPB would ensure that LEIs are assigned for all applicant entities, which in opens the possibility of leveraging the vLEI in the future for information posted by data providers, or submissions by other parties into repositories, to be signed securely with vLEIs.

GLEIF remains at your disposal to further discuss and support the CFPB in your work. Do not hesitate to engage us in discussions and questions related to the LEI in future rules.

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