

Press Release

GLEIF Advances Digital Trust and Identity for Legal Entities Globally

Confirmed demand from pharmaceutical, healthcare, telecom, financial services and automotive sectors prompts launch of cryptographically verifiable LEI development program

10 December 2020 – Basel – The Global Legal Entity Identifier Foundation (GLEIF) is to extend the Global LEI System to create a fully digitized LEI service capable of enabling instant and automated identity verification between counterparties operating across all industry sectors, globally.

Following a series of 2020 research initiatives, GLEIF today invites stakeholders from across the digital economy to engage in a cross industry development program to create an ecosystem and credential governance framework, together with a technical supporting infrastructure, for a verifiable LEI (vLEI), a digitally verifiable credential containing the Legal Entity Identifier (LEI).

By embedding new and existing LEIs in Verifiable Credentials¹, the vLEI will create a cryptographically secure chain of trust that replaces today's manual processes required to access and confirm an entity's LEI data.

The vLEI will give government organizations, companies and other legal entities worldwide the capacity to use non-repudiable identification data pertaining to their legal status, ownership structure and authorized representatives in a growing number of digital business activities, such as approving business transactions and contracts, onboarding customers, transacting within import/export and supply chain business networks and submitting regulatory filings and reports.

"The global LEI system is unique in its capacity to provide regulated and standardized global identities for legal entities everywhere," comments Stephan Wolf, CEO, GLEIF. "Our next step is to secure the process of presenting and verifying LEI data digitally, so it can be used across the digital economy in corporate ID use-cases. This year, GLEIF has begun exploring technical approaches across a number of industry sectors, with the aim of identifying an open and universally interoperable model. We're excited to now formalize the vLEI development program and invite broader engagement to help us unlock the power of the LEI for all industry sectors around the world."

Drummond Reed, Steering Committee Member, Trust-over-IP-Foundation, comments: "The vLEI has the potential to become one of the most valuable digital credentials in the world because it is the hallmark of authenticity for a legal entity of any kind. The family of digital credentials in the GLEIF vLEI Governance Framework can serve as a chain of trust for anyone needing to verify the legal identity of an organization or of a person legally acting on that organization's behalf. The demand this will create for LEIs — and the impact it will have on adoption of self-sovereign identity — cannot be overestimated. It will be a sea change for digital trust infrastructure that will benefit every country, company, and citizen in the world."

¹ 'Verifiable Credential' is defined by the Worldwide Web Consortium's Verifiable Credentials Working Group [here](#).

GLEIF is already engaged in research partnerships and technical trials with stakeholders in pharmaceutical, healthcare, telecom, automotive and financial services sectors. A range of blockchain, self-sovereign identity and other decentralized key management propositions are currently being explored.

Chris Ingrao, Chief Strategy Officer of Lumedic, a Tegria company, a US-based Health Information Logistics firm piloting the vLEI, comments: “Lumedic recently launched the Lumedic Exchange, the first healthcare ecosystem of its kind dedicated solely to community-driven standards development for patient-intermediated information exchange using verifiable credentials. It is attracting a multinational membership from a broad array of industries and needs to ensure all members are fully registered legal entities with strong accountability. The vLEI will enable us to standardize on a digital credential attesting to that status from all Lumedic Exchange members providing both efficiency and assurance.”

Steve Meizanis, Global Product Head of Symbology and LEI Services at Bloomberg LP, comments: “Bloomberg’s two vLEI proof-of-concept trials signal a clear opportunity to broaden the usage and increase adoption of the LEIs in digitized corporate activities. It also increases the scope for new and existing LEI issuers to offer vLEI services, strengthening the Global LEI System as a whole.”

GLEIF has collaborated with Deloitte to identify that demand generation for the vLEI will occur through a combination of existing LEI use-cases, including regulatory mandates for financial reporting, growth market segments in relation to new use-cases, such as Know Your Customer (KYC) procedures, and the broader digital economy, including strong anticipated growth in the area of self-sovereign Identity-enabled business ecosystems.

Derek Ryan, Partner, Deloitte, comments: “This is an exciting time for the self-sovereign identity industry. Universally trusted digital identities among both businesses and individuals are set to play a central role in our fast-evolving digital economy. Until now the absence of a trusted governance authority able to link digital identities with real world legal entities has presented an industry-wide barrier to innovation. GLEIF is very well positioned to overcome this barrier by extending the LEI as a critical component of the global digital economy. The potential value that will be unlocked by the vLEI is substantial, as it enables government authorities and identity service providers to embrace efficient new digital platforms, create new digital ecosystems and to end the reliance on repetitive manual identity verification steps which account for high annual costs across the global economy.”

-ENDS-

Additional GLEIF partner quotes supporting the vLEI

“The use of the LEI for fully distributed verifiable credentials provides a missing capability in distributed identity. The value extends far beyond financial services to e-commerce, trade services, and governmental reporting. The LEI in this way reinforces the value the ISO 17442 standard as the world of organizational identity in the digital world evolves.”

Jim Northey, Chair, ISO TC 68

“Obtaining a vLEI needs to be a core element to every company’s digital transformation strategy. This is especially true with any organization that works with financial and health data. Consumers and partners need to be able to trust and verify the identity of these organizations. We are

committed to leveraging the combination of vLEIs, verified credentials standards, and cryptographic key management to drive broad scale adoption of digital identities, profiles, and the BurstIQ secure data network that was purpose built to exchange identity and health data.”

Frank Ricotta, CEO, BurstIQ

“Provenant is delighted to be working with GLEIF to help introduce verifiable Legal Entity Identifiers (vLEI) to the telecom industry. Telecom struggles to consistently identify originators of voice calls and messages, resulting in robocalls and spam. We believe GLEIF's effectiveness as a global root of trust for the financial sector could powerfully address cross-channel, cross-jurisdictional trust challenges faced by the telecom industry. We look forward to working with GLEIF to develop new solutions that utilize GLEIF and the vLEI to bring new levels of trust and verifiability to communications networks globally.”

Randy Warshaw, Founder, Provenant

Full resolution images and logos can be downloaded via this link

<https://www.gleif.org/en/newsroom/gleif-graphics-images>

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Relevant link

<https://www.gleif.org/en>

Glossary of terms

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The LEI connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. Each LEI contains information about an entity's ownership structure, answering the questions of 'who is who' and 'who owns whom'. It provides a universally recognized identifier paired with essential entity data, rigorous verification processes and high data quality.

About the Global Legal Entity Identifier Foundation (GLEIF)

Established by the Financial Stability Board in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI). GLEIF is headquartered in Basel, Switzerland.

GLEIF services ensure the operational integrity of the Global LEI System. GLEIF also makes available the technical infrastructure to provide, via an open data license, access to the full global LEI repository free of charge to users. GLEIF is overseen by the LEI Regulatory Oversight Committee, which is made up of representatives of public authorities from across the globe. For more information, visit the GLEIF website at <https://www.gleif.org/en>.

History of the Global LEI System

In 2011, the Group of Twenty (G20) called on the Financial Stability Board (FSB) to provide recommendations for a global Legal Entity Identifier (LEI) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. The FSB emphasized that global adoption of the LEI underpins multiple "financial stability objectives" and also offers "many benefits to the private sector".

Source:

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