Use case for certificates with embedded LEIs - current state and potential next steps

CA/B Forum Plenary Meeting

12 June 2019, Thessaloniki Greece

Stephan Wolf, CEO GLEIF
Global LEI Foundation (GLEIF)

- GLEIF is a Swiss foundation established on request of the G20 by the Financial Stability Board (FSB) in June 2014.
- GLEIF has the FSB mandate to develop and maintain for the broad public good a global LEI system that is to be used by the authorities of any jurisdiction and by the private sector.
- GLEIF is overseen by 71 regulators and 19 observers in the LEI Regulatory Oversight Committee (ROC) from 50 countries.
- GLEIF Board has 18 independent directors.
GLEIF in numbers

- **Budget 2019**: 12.6 US$
- **Partners for LEI issuing (LOUs)**: 33, and growing
- **Number of employees**: 40 from 24 countries
- **Issued LEIs on 31st of May 2019**: Over 1.4 Million
Live Demo: LEI Search 2.0
Example

Nestlé S.A.

LEI Code: KYJ7L527QQX78B93L28

(Primary) Legal Name: Nestlé S.A.

Registered At: Commercial Register (Ministry of Justice)
Handelsregister (Enlg. Amt für das Handelsregister), Switzerland, Switzerland, RA000549

Registered As: CHE-105.909.036

Jurisdiction Of Formation: CH

Entity Legal Form: Aktiengesellschaft

Entity Status: ACTIVE

BIC Code: NESNCH22XXX

Sections
- Empty fields
- Entity details
- Addresses
- LEI registration details
- LDU details
- Ultimate children (110)

Parents
- NATUREL_PERSONS (Direct Parent Exception reported) -NATUREL_PERSONS (Direct)

Direct children (86)
- Nestlé S.A.
- Maggi-Unternehmungen AG (Direct)
- Nestle Marcal S.A.C (Direct)
- Nestle de Colombia S.A. (Direct)
- Nestle Finland Oy (Direct)
- Nestle Middle East FZE (Direct)
- Nestle Middle East Manufacturing LLC (Direct)
- Nestle Lanka PLC (Direct)
- Nestle Waters Brasil - Bebidas E Alimentos Ltda. (Direct)
- Nestle Hordum Alimentos E Bebedas Ltda. (Direct)
- Nestle Brasil Ltda. (Direct)
- Nestle de Colombia S.A. (Direct)
- Nestle Dubai Manufacturing LLC (Direct)
- Nestle Middle East Manufacturing LLC (Direct)
- Nestle Lanka PLC (Direct)
- Fondation Nestlé pour l'étude des problèmes de l'alimentation dans le monde (Direct)
- Nestle (Thailand) Limited (Direct)

© 2019 GLEIF and/or its affiliates. All rights reserved.  |  CA/B Forum Plenary Meeting  |  GLEIF unrestricted  |  2019-06-12
Data Quality Roadmap

Go-live GLEIF Legal Jurisdictions Accepted Code List (✓)

Develop Extension of the Challenge Facility for Level 2 data

Data Governance API – Milestone 1
- Review and update of the Rule Setting
- Develop the PRE-CHECK API
- Migrate DQ checks
- Voluntary use by the LOUs in 2019

Data Governance API – Milestone 2
- Implement Full Check
- Improve Performance
- Preparation for adoption by the LOUs

Develop Extension of the Challenge Facility for Bulk Challenge

Further activities:
- Optimize and update the State Transition Rules
- Strengthen the XSD as a Data Quality Gate
- Extend the XML schema based on ROC policy and ISO standards

Improve Accuracy:
- Assigned category of sole proprietors (✓)
- Address elements (started ✓)
- Entity status of LAPSED LEIs (started ✓)

Improve Check for Duplicates:
- Infrastructure for stable and robust service (✓)
- Enhance algorithm for better detection of duplicates
GLEIF is participating in the ISO Working Group for the revision of the ISO 17442 standard.

GLEIF proposed that a new part be considered for the ISO 17442 standard to detail how LEIs could be embedded in ISO standard digital certificates.

GLEIF has drafted a document outlining the background and technical details for the proposed part of the standard which has been accepted for balloting by the ISO Working Group.
Leveraging an Object Identifier (OID) to place the LEI code in the digital certificate. GLEIF has registered the OID 1.3.6.1.4.1.52266.1 for this purpose.

OID 1.3.6.1.4.1.52266.2 has been reserved for embedding “roles” in digital certificates. Example: Stephan Wolf, GLEIF, CEO

Browser vendors could - based on such solution - display the LEI with a digital certificate. In addition, each LEI code allows to look up entity reference data provided in the Global LEI System. One way to achieve this would be leveraging the GLEIF LEI Look-up API for online look-up of LEI reference data.

https://en.wikipedia.org/wiki/Object_identifier
http://oid-info.com/get/1.3.6.1.4.1.52266.1
Current Status

- Certificate Authorities are beginning to offer SSL certificates including the owner’s LEI: https://www.trustcubes.com

- With this, LEIs are visible in Extended Validation (EV) certificates on websites:

- These certificates could also be used to sign emails and thus prove that the message is sent on behalf of the organization identified with the embedded LEI.
With the Annual Report 2018, GLEIF pioneers the inclusion of a Legal Entity Identifier (LEI) within digital financial documentation.

In partnership with XBRL International, GLEIF published its 2018 annual report in human and machine-readable Inline XBRL and HTML format, with GLEIF’s LEI embedded into the financial information for the first time.

It is the first official business report globally which automatically links the filing entity to its verified LEI reference data held within the Global LEI Index.

The process of embedding an organization's LEI – or that of its affiliates, subsidiaries and parent companies – within digital financial reports, allows market participants who rely on official documents to inform strategic decisions (e.g. traders, investors, regulators) to quickly and easily consolidate and verify information on a filing entity.

The Annual Report 2018 was presented and demonstrated in inline XBRL format on 22 May 2019.
Limitations

This presentation contains confidential and proprietary information and/or trade secrets of the Global Legal Entity Identifier Foundation (GLEIF) and/or its affiliates, and is not to be published, reproduced, copied, or disclosed without the express written consent of Global Legal Entity Identifier Foundation.

Global Legal Entity Identifier Foundation, the Global Legal Entity Identifier Foundation logo are service marks of Global Legal Entity Identifier Foundation.

ISO and the ISO logo are service marks of International Organization for Standardization, ITIL® and PRINCE2® are Registered Trade Marks of AXELOS Limited, PRINCE2Agile® is a Trade Mark of AXELOS Limited, EFQM is copyright of the European Foundation for Quality Management, W3C trademarks and logos are service marks of the World Wide Web Consortium. Other products and services and company names mentioned here in are the property of and may be the service mark or trademark of their respective owners.