



Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Commodity Futures Trading Commission’s proposed rule on large trader reporting requirements

August 28th, 2023

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Commodity Futures Trading Commission (Commission) proposed rule for large trader reporting requirements.

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 agnostic and therefore has been embraced by different industry sectors and regulators since its introduction by the Regulatory Oversight Committee, in which the Commission is an active member, and the Financial Stability Board in 2012. Further details on the use of the LEI in regulatory initiatives is provided [here](#). The LEI currently exists in 43 various U.S. laws and regulations and globally the LEI exists in more than 280 regulations and 60 policy recommendations. In 2012, the Commission was the first regulator to require the LEI when the Commission implemented swap reporting requirements.

Response to proposed rule:

GLEIF supports the Commission’s proposal to use the LEI to identify the Special Account Controller and more broadly supports the proposed changes for Submission Standards (Section 17 (g), (h), 17.03(d)) to modernize data standards. 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 Commission



The inclusion of the LEI within the proposed rule presents an opportunity for the Commission to capitalize on recent proposed rules that seek to add the LEI in various form types. There have been several consultations that specifically mention the LEI from [Bureau of Consumer Financial Protection](#) and [U.S. Customs and Border Protection](#). This year, the Securities and Exchange Commission (SEC) issued multiple proposed and final rules that also included the LEI. Furthermore, the Commission and the SEC issued joint proposed rules to include LEI in Form PF. By implementing the LEI in various reporting protocols, the Commission sets forth a comprehensive and consistent identification scheme highlighted by the LEI that can be shared across financial regulators.

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, not 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.

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

Submitted by:

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