



**Submission to the Commodity Futures Trading Commission (CFTC)**

**RE: Listed Spot Crypto Trading Initiative**

**Submitted by: Global Legal Entity Identifier Foundation (GLEIF)**

**Date: August 8<sup>th</sup>, 2025**

Dear Acting Chairman Caroline D. Pham,

The Global Legal Entity Identifier Foundation (GLEIF) appreciates the opportunity to respond to the CFTC's listed spot crypto trading initiative. As the not-for-profit organization tasked with operating the Global Legal Entity Identifier System (GLEIS), GLEIF proposes the integration of the Legal Entity Identifier (LEI) and its cryptographically verifiable counterpart, the vLEI, into the legislative framework to enhance transparency, compliance, and innovation in digital asset markets.

**First, some background on GLEIF:**

Established by the Financial Stability Board (FSB) 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 (Legal Entity Identifier, ISO 17442). 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 (ROC), in which the CFTC is a member, in addition to the Board of Governors of the Federal Reserve System (Board), Consumer Financial Protection Bureau (CFPB), Department of Treasury (Treasury), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Securities Exchange Commission (SEC).

In 2012, the CFTC was the first regulator to require the LEI when the CFTC implemented swap reporting requirements via the Dodd-Frank Wall Street Reform and Consumer Protection Act, which mandates the use of LEIs for identifying counterparties in swap transactions.

**The LEI and the verifiable LEI (vLEI):**

The "Legal Entity Identifier" or "LEI" is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). The LEI uniquely and unambiguously identifies a legal entity and which meets the requirements of section 124(c)(1). The LEI is nonproprietary, and the LEI data is made publicly available under an open license, free of charge to any interested user. The LEI connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions including their ownership structure.

GLEIF suggests that the CFTC consider the LEI for the identification of Designated Contract Markets (DCMs). Many of future exchanges likely already have an LEI due to Dodd-Frank as well as various other financial regulations. To ensure accurate, reliable data and the utility of the LEI as an entity identifier, GLEIF also recommends to require the LEI be kept current for DCMs, which is consistent with existing swap counterparty reporting requirements today. The LEI allows the CFTC to better monitor and analyze data, identify related entities, and assess systemic risk. It also promotes transparency and standardization in financial markets.

In October of 2024, the ISO 17442 standard was expanded to specify how LEIs can be embedded in digital credentials. The vLEI (verifiable LEI) is a digital credential that makes an LEI instantly and cryptographically 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 and the organizations they represent.

The vLEI addresses critical needs to tackle emerging identity-based risks, namely the permissions and authentication of organizational identity and the digital signing and submission of official documentation (such as regulatory filings, reports, data submissions), including the signing of the content therein. vLEIs are digital credentials that leverage the LEI to indicate the identity of a legal entity and enable verification of the organization as well as persons representing the organization. The vLEI offers a secure, verifiable approach to organizational identity and organizational credentials.

### **Background on the Inclusion of the LEI in FDTA Joint Proposed Rules**

GLEIF also wants to provide an update on the Financial Data Transparency Act, which was enacted as Title LVIII of the FY23 NDAA (P.L. 117–263). The Act passed the House on suspension earlier that Congress (H.R.2989, 118) and has remained a bipartisan effort through the implementation process to date. Nine regulators, including the SEC and CFTC, proposed joint rules to implement the statute in August 2024. Eight of the regulators were required by statute to participate, and the CFTC opted voluntarily to participate. The FDTA as enacted amends subtitle A of the Financial Stability Act of 2010 (Financial Stability Act) by adding a new section 124, which directs the Agencies jointly to issue regulations establishing data standards for (1) certain collections of information reported to each Agency by financial entities under the jurisdiction of the Agency, and (2) the data collected from the Agencies on behalf of the Financial Stability Oversight Council (FSOC). The term “data standard” is defined by the statute as a standard that specifies rules by which data is described and recorded, and its core is a legal entity identifier.

The statute outlines specific criteria in the language below that an identifier must meet to be used for the data standard:

“(c) DATA STANDARDS.—

“(1) COMMON IDENTIFIERS; QUALITY.—The data standards established in the final rules promulgated under subsection (b)(2) shall—

“(A) include common identifiers for collections of information reported to covered agencies or collected on behalf of the Council, which shall include a common nonproprietary legal



entity identifier that is available under an open license for all entities required to report to covered agencies; and

“(B) to the extent practicable—

“(i) render data fully searchable and machine-readable;

“(ii) enable high quality data through schemas, with accompanying metadata documented in machine readable taxonomy or ontology models, which clearly define the semantic meaning of the data, as defined by the underlying regulatory information collection requirements;

“(iii) ensure that a data element or data asset that exists to satisfy an underlying regulatory information collection requirement be consistently identified as such in associated machine-readable metadata;

“(iv) be nonproprietary or made available under an open license;

“(v) incorporate standards developed and maintained by voluntary consensus standards bodies; and

“(vi) use, be consistent with, and implement applicable accounting and reporting principles.”

In section II(B) of the August 2024 proposed joint rule, the agencies propose to establish the International Organization for Standardization (ISO) 17442-1:2020, Financial Services—Legal Entity Identifier (LEI) as the legal entity identifier joint standard required by the statute. The agencies enumerate the reasons why the LEI fits the criteria outlined in the statute and why other identifiers were considered and not included in the rule.

As the CFTC and SEC work on digital asset regulation, GLEIF appreciates your consideration of incorporating statutory language on the use of identifiers to promote efficiency and transparency. This alignment with the FDTA would be beneficial because the FDTA statute mandates two sets of rulemakings: first, the joint rulemaking for the financial agencies to establish the data standard/identifier (released August 2024), and second, a series of individual agency-specific rulemakings that apply the final data standard to their information collections. With both the SEC and CFTC party to the August 2024 rule, incorporating references to the LEI/vLEI or the FDTA’s common identifier/data standard language into the market structure legislation will give both agencies direction on the intersection between the legislation and the FDTA. It would also give digital market participants clarity from the start on whether they may be expected to provide an identifier as part of their registration.

GLEIF remains CFTC’s disposal to further discuss and support your work. Do not hesitate to engage us in your discussions and questions related to standards.

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