Legal Entity Identifier – review of progress and outlook
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Abstract

There have been many calls and initiatives in the past to establish unique, global, universal identifiers for businesses, and more recently for financial products and transactions. Nearly all of them failed. The Legal Entity Identifier (LEI) is the notable exception, to date.

The article presents the vision and concept of the Global LEI System (GLEIS) and recalls the history of the LEI’s emergence. It introduces The organisational design and business model of the GLEIS and reviews the current state of progress at the cross-roads between the pre-LEI System, in which over a dozen pre-local Operating Units have registered over 300,000 entities in over 180 countries, and the establishment of the formal GLEIS, which will be built around a Central Operating Unit to be created as a start-up.

The author provides an overview of the challenges the GLEIS must overcome if it is to succeed and explains why, even now, it is too early to take the success of the LEI for granted. He also explains why the success of the LEI is a necessary condition for many post-crisis reforms to become effective and for other similarly important data initiatives to even have a chance to take off beyond calls. Finally, the article looks at the possible role business registers could take up in the GLEIS.