

# Driving Global Transparency and Efficiency for Banks & Registries

Realising the Value of Legal Entity Identifiers (LEI)



## INTRODUCTION

In an increasingly interconnected and regulated global economy, identifying and verifying legal entities is paramount. The Legal Entity Identifier (LEI) system is addressing this challenge by offering a standardised, globally recognised, low-cost solution to identify legal entities. This short paper explores the transformative potential of LEIs, emphasising the role of LEI in fostering transparency, efficiency, and compliance across financial ecosystems.

The LEI is more than just a code—it is a cornerstone of trust and reliability in business transactions, enabling organisations to answer critical questions: “Who is who?” and “Who owns whom?” Close to 3 million LEIs have been issued globally and the system is rapidly expanding, with projections indicating it will double in scale within the next five years. As open standards, automation and digitisation continue to reshape financial systems, the LEI stands as a beacon of organisation identification and reliability.

## WHAT IS THE LEGAL ENTITY IDENTIFIER?

The LEI is a unique 20-digit alphanumeric code assigned to legal entities such as corporations, financial institutions, and government bodies. Developed as part of a global initiative by the G20 and the Financial Stability Board (FSB), the LEI provides a standardised approach to entity identification. Key attributes of LEIs include:

- **Global Standards:** The LEI is the only globally recognised and ISO-standardised organisation identifier (ISO 17442). This ensures universal acceptance across industries and jurisdictions.
- **Validation and Renewal:** LEI reference data is validated against official sources, and its validity must be renewed annually. This process ensures data accuracy and reliability.
- **Accessibility:** LEI records are freely accessible and publicly searchable, enabling transparency and open data sharing. This open-access model supports regulatory compliance and fosters trust in business relationships.

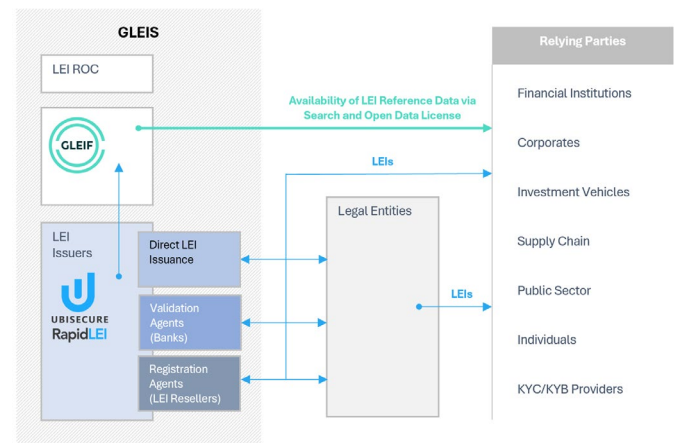
The LEI framework also includes a dual-layer approach to data. Level 1 data answers the “who is who” question by providing details such as the entity’s official name, address, and country of incorporation. Level 2 data delves deeper, addressing “who owns whom” by revealing parent company relationships.

## THE VALUE PROPOSITION OF LEI

The LEI offers significant benefits across various domains, transforming how organisations manage regulatory compliance, client onboarding (KYC/KYB), and cross-border transactions. Key value propositions include:

1. **Enhanced Transparency:** The LEI system’s ability to track ownership structures and entity hierarchies supports compliance with global regulations, such as anti-money laundering (AML) and Know Your Customer (KYC) mandates. This transparency reduces the risk of fraud and promotes accountability.
2. **Improved Interoperability:** Standardised entity identifiers streamline collaboration across jurisdictions and sectors, simplifying processes for regulators, financial institutions, and corporations alike.
3. **Cost Savings:** By minimising manual processes and reducing administrative overheads, LEIs enable organisations to optimise their resources while meeting regulatory requirements efficiently.

## THE GLEIS ECOSYSTEM



The Global LEI System (GLEIS) represents a pivotal innovation for legal entity identification, fostering collaboration among stakeholders and ensuring system-wide reliability. Established under the guidance of the G20 and managed by the Global Legal Entity Identifier Foundation (GLEIF), the ecosystem operates on principles of transparency, efficiency, and standardisation.

## Key Stakeholders in GLEIS

1. **LEI Regulatory Oversight Committee (ROC):** As the governing body, the ROC provides strategic direction and ensures the LEI system remains aligned with global financial stability objectives. According to the ROC, "The LEI is integral to reducing systemic risks and improving transparency in financial markets."
2. **Global LEI Foundation (GLEIF):** Tasked with managing the operational framework of GLEIS, GLEIF plays a central role in ensuring the integrity and accessibility of LEI data. Former GLEIF CEO Stephan Wolf highlights, "The GLEIS provides a trusted, open infrastructure that benefits regulators, businesses, and the broader financial ecosystem."
3. **LEI Issuers:** These entities (formally known as Legal Operating Units or LOUs), accredited by GLEIF, are responsible for the issuance and management of LEIs. LEI Issuers manage registration, renewal, and updating of LEI records to ensure the organisation identity data within the GLEIS remains valuable and reliable to Relying Parties. The GLEIF has accredited only a small number of LEI Issuers.
4. **Validation Agents (VA):** VAs streamline processes by integrating LEI issuance into client onboarding and transaction workflows. VAs can typically be banks, fintech or business registries.
5. **Registration Agents (RA):** RAs assist LEI Issuers scale by registering LEIs for clients in their local verticals or jurisdictions.
6. **Relying Parties:** Financial institutions, counter parties, regulators, and other entities rely on LEI data to enhance compliance, mitigate risks, and support informed decision-making, especially in cross border trading. The open data licence ensures that LEI information is accessible to all Relying Parties.

## VISION FOR THE BANKING SECTOR & BUSINESS REGISTRIES

The cost of LEI varies by accredited LEI Issuer. The cost per LEI comprises of the GLEIF fee, jurisdictional charges for company document verification against official sources and LEI Issuer operational costs. GLEIF currently charges a standard fee of \$11 per LEI issued, with a reduced fee provided for Validation Agents. This model allows the LEI Issuer to charge only nominal fees for LEI issuance, making this global organisation identifier extremely accessible to organisations of all sizes, especially when deployed via Validation Agents.

## Banks & Financial Institutions

For banks, the GLEIS ecosystem offers numerous advantages both as an accessible dataset of organisation identity and relationships and by collaborating with an LEI Issuer to operate as a Validation Agent (VA). Benefits include:

**Client Regulatory Compliance:** Legal Entity Identifiers (LEIs) are mandated by over 300 regulations globally, encompassing areas such as financial reporting, trading, and anti-money laundering (AML) requirements. By becoming VAs banks can streamline client compliance efforts. This approach enables efficient management of the LEI lifecycle, mitigates risks of regulatory breaches, and ensures smooth operations in global markets on behalf of their clients.

**Streamlined Onboarding:** By utilising standardised LEI data, banks can meet Know Your Customer (KYC), anti-money laundering (AML), and other regulatory requirements with greater ease, accuracy and at a lower cost.

**Enhanced Risk Management:** The "who owns whom" data provided by LEIs allows banks to assess counterparty risk more effectively, reducing exposure to fraudulent or non-compliant entities.

**Operational Efficiency:** Integration of LEI issuance into existing systems through Validation Agents simplifies onboarding and transaction workflows, saving time and reducing costs while minimising the risk of absent or lapsed client LEIs.

## Business Registries

As the GLEIS expands, Business Registries will play an increasingly important role as Validation Agents to efficiently issue LEIs at "source". This potentially will further positively affect the unit economics of the LEI, lowering costs in jurisdictions where the Registry may charge for access to business records to aid with application verification. Other benefits include:

**Authoritative and Reliable Data Sources:** Business registries maintain up-to-date and verified records of legal entities. This authoritative data can include real-time updates and ensures accuracy and validity of LEI information.

**Regulatory Alignment:** Registries are often government-backed or regulated, which adds credibility to their role as VAs. Their integration into national or regional legal systems ensures alignment with compliance standards.



**Trust and Recognition:** Businesses and financial institutions already trust registries as reliable sources of corporate information. Acting as VAs enhances this trust and strengthens their role in global identity management.

**Synergies with Business Registration Processes:**

Registries can seamlessly integrate LEI validation into existing workflows, such as business incorporation, licence renewals, or updates to entity information. This streamlines processes and reduces friction for businesses.

Business Registries and the GLEIS are becoming increasingly harmonious, as evidenced by UK Companies House in January 2025:

Read more: [GLEIF and Companies House Link Up to Boost Identifiability of UK Businesses](#)

**Validation Agents – the low cost, streamlined solution to issuing LEI**

Being a Validation Agent for the Legal Entity Identifier (LEI) system significantly lowers the cost of obtaining and maintaining LEIs because it leverages an organisation's existing Know Your Customer (KYC) and due diligence processes to validate entity data. This integration reduces duplication of effort, as the data required for LEI issuance and renewal is already collected and verified by the Validation Agent. This is recognised with reduced GLEIF fees and verification costs, leading to significantly lower costs for even low volume issuance. Naturally, high volume issuance leads to even further reduced costs.

For banks or business registries, this translates into operational efficiencies and cost savings while enhancing client service by simplifying the LEI process for their customers. Moreover, by streamlining LEI adoption, these institutions promote greater transparency and trust in financial transactions, helping to strengthen regulatory compliance and risk management practices across their networks. This dual benefit of cost efficiency and improved compliance positions Validation

Agents as key enablers in the global push for standardising entity identification.

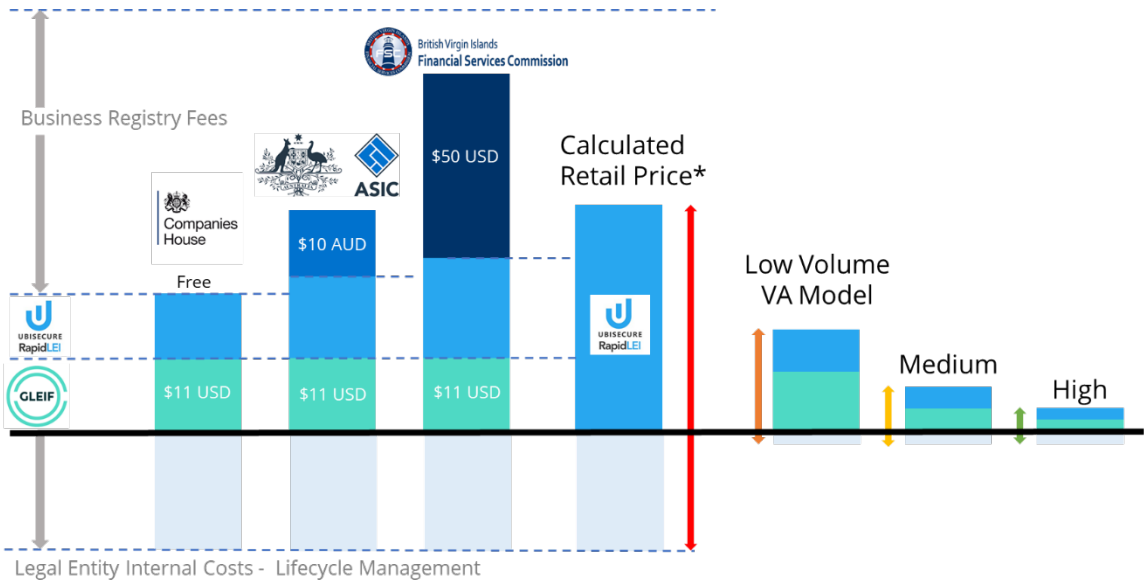
**MINIMISING THE LAPSED LEI UNIVERSE**

As of recent reports, when reviewed globally across all LEI Issuers approximately 40% of all published LEIs are in a lapsed state. Lapsed statistics vary by LEI Issuer, with RapidLEI maintaining an industry leading 80% renewal rate.

See more: [GLEIF Policy Conformity Dashboard](#)

While many lapsed LEIs are due to legitimate business closures, a significant portion could be avoided with proactive management. For banks and financial institutions, ensuring the validity of their clients' LEIs is critical to avoid transaction disruptions and regulatory fines. Automated renewal processes and centralised management systems, such as those offered by RapidLEI, are essential to mitigating these risks.

By understanding the costs of LEIs, organisations can make informed decisions about their LEI management strategies, ensuring compliance at the lowest cost while optimising internal resources.



## LEI AND REGULATIONS – UK SPOTLIGHT

In the United Kingdom, several regulations mandate the use of Legal Entity Identifiers (LEIs) for legal entities engaged in financial transactions. These requirements align with global efforts to improve transparency and risk management in financial markets. For a comprehensive list of regulations requiring the LEI see the [GLEIF LEI Regulations](#) database. Below is an overview of various key UK regulations requiring LEIs:

### **UK Markets in Financial Instruments Regulation (UK MiFIR)**

Under UK MiFIR, investment firms are prohibited from executing trades on behalf of clients eligible for an LEI if the client does not possess one. This requirement ensures accurate transaction reporting and enhances market transparency.

### **European Market Infrastructure Regulation (UK EMIR)**

EMIR mandates the reporting of derivative transactions to trade repositories. Entities involved in such transactions must obtain an LEI to comply with reporting obligations, facilitating the monitoring and reduction of systemic risk.

**Market Abuse Regulation (MAR):** MAR requires market operators to collect an LEI for each issuer with securities admitted to trading. This measure aids in the detection and prevention of market abuse by ensuring the clear identification of market participants.

### **Financial Conduct Authority (FCA)**

**Requirements:** The FCA has stipulated that, effective from October 1, 2017, all issuers of securities admitted to the Main Market of the London Stock Exchange must provide an LEI. This requirement supports the FCA's efforts to enhance market integrity and transparency.

### **CHAPS (Clearing House Automated Payment System)**

From May 1<sup>st</sup>, 2025, the Bank of England mandates the use of LEIs for all direct participants in CHAPS. LEIs uniquely identify participants in the high-value payment system, improving transparency, systemic risk monitoring, and operational efficiency. This aligns with the Bank's broader adoption of global data standards to support financial stability.

## Supporting Resources: CHAPS eBook

Ubisecure RapidLEI has published a free eBook with detailed insights and guidance on the adoption of ISO 20022 and LEIs in the CHAPS system. This eBook is designed to help financial institutions and other stakeholders understand and implement the necessary changes effectively. It details the rationale for integrating LEIs into CHAPS and other payment systems. The eBook highlights the importance of LEIs in:

- Strengthening risk management frameworks.
- Enhancing the traceability of high-value payments.
- Supporting international efforts for harmonised financial data standards.

Legal entities operating within the UK financial markets should ensure compliance with these regulations by obtaining and maintaining a valid LEI. Failure to do so may result in the inability to execute financial transactions or fulfil regulatory reporting obligations.

Download free eBook:

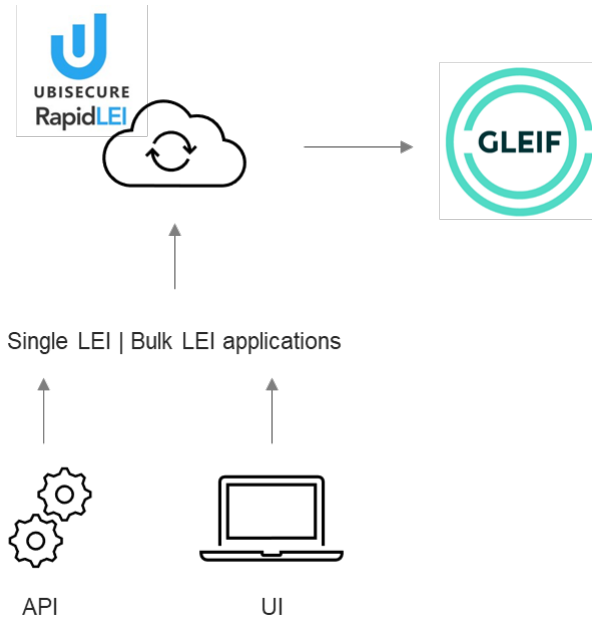
[Decoding LEI Requirements for the CHAPS ISO 2022 Enhanced Data Policy.](#)

For more details and to stay updated on any further changes, stakeholders are encouraged to regularly consult the Bank of England's communications and updates on the implementation of ISO 20022 in CHAPS.

[Policy Statement on ISO 20022 Enhanced Data in CHAPS](#) (Bank of England)

## THE RAPIDLEI ADVANTAGE – AUTOMATION & SCALE

Ubisecure's RapidLEI platform employs automation and innovation to enhance the LEI system. As the leading LEI issuer globally, managing the largest universe of LEIs by any accredited LEI Issuer, RapidLEI offers a seamless and efficient approach to LEI issuance and management.



Key features include:

**Scalability:** Supports single or bulk LEI applications for legal entities, funds and trusts through an intuitive user interface (UI) or API integration. This flexibility caters to organisations of all sizes.

**Efficiency:** Automated verification against trusted sources and real-time publication to the Global LEI System (GLEIS) ensure rapid and reliable LEI issuance.

**Cost Reduction:** By eliminating manual processes and enabling bulk operations, RapidLEI reduces administrative costs associated with LEI management.

**Compliance Leadership:** Accredited to issue in almost all jurisdictions worldwide, and recognised for deploying GLEIF Validation Agents (VAs) within the GLEIS and ensuring alignment with global standards, RapidLEI drives compliance and policy conformity.

## INTEGRATING LEI INTO FINANCIAL INSTITUTIONS

Managing LEIs without leveraging automation can be complex, resource-intensive, and error-prone. By integrating LEIs into existing workflows, banks and financial institutions can optimise their processes, improve compliance, and enhance client experiences.

### Workflow Without LEI Automation

Traditionally, banks and financial institutions face a multi-step process to manage LEIs during client onboarding and regulatory compliance. These steps often involve:

- Collecting and validating data and documents from clients.
- Identifying the need for an LEI to meet compliance or regulatory requirements.
- Requesting client consent and additional evidence for LEI application.
- Validating registration data and performing pre-issuance checks.
- Assigning and publishing the LEI to the GLEIS database.

This manual approach is labour-intensive and incurs significant costs for both banks and clients. Moreover, the reliance on multiple stakeholders and manual validation increases the risk of errors and delays.

### Workflow with RapidLEI Integration

By contrast, integrating LEIs into existing KYC/KYB workflows through RapidLEI's platform simplifies and accelerates the process. Key improvements include:

**Seamless Integration:** Leveraging existing systems minimises disruption to current workflows.

**Real-Time Issuance:** Automated pre-issuance checks and validation enable synchronous LEI registration during client onboarding or transactions.

**Cost Efficiency:** Bulk upload capabilities and API integration eliminate redundancies, reducing both operational and administrative costs.

RapidLEI's streamlined approach allows financial institutions to focus on their core operations while ensuring compliance with global regulations.

## Case Study: RapidLEI's Impact

RapidLEI's innovative solutions have made it the preferred choice for leading banks, fintechs, and KYC providers worldwide. By offering centralised and automated LEI lifecycle management, RapidLEI has:

**Accelerated Onboarding:** Synchronous registration and automated processes have reduced onboarding times, enhancing client experiences.

**Lowered Costs:** By eliminating manual interventions, RapidLEI has enabled significant cost savings for its clients.

**Expanded Adoption:** Chosen by three-quarters of approved GLEIF Validation Agents, RapidLEI continues to drive the global adoption of LEIs as a compliance and transparency tool.

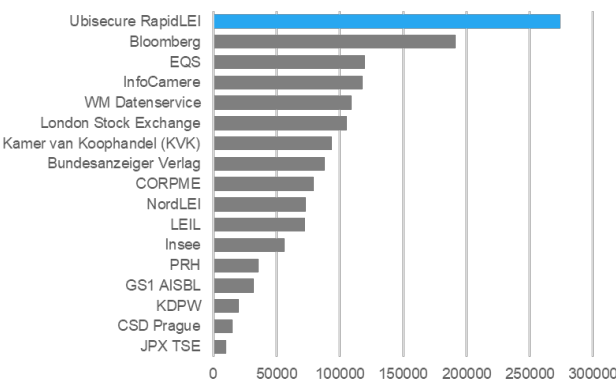
**“Becoming a Validation Agent to issue LEIs as part of existing procedures means greater efficiency for both the bank and our clients. It makes perfect sense to consolidate procedures.”**

**Thomas Louis**  
Global Markets Chief Data Officer, BNP Paribas

## WHY RAPIDLEI?

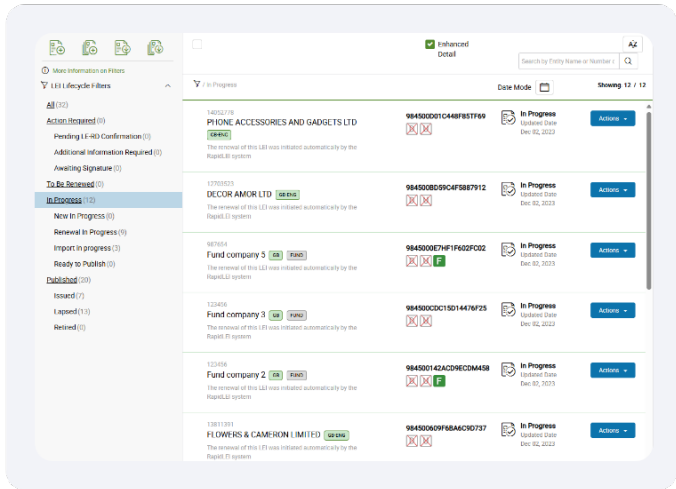
RapidLEI has emerged as a global leader in the LEI ecosystem, offering unique advantages that set it apart from competitors. Key reasons why organisations choose RapidLEI include:

Largest LEI Issuer Globally



**Global Leadership:** RapidLEI is the #1 LEI issuer globally, accounting for one in three new LEIs issued worldwide. This leadership underscores its commitment to quality, efficiency, and innovation.

**Technology-Driven Solutions:** RapidLEI's advanced technological infrastructure ensures scalable, secure, and reliable LEI issuance. Its API and bulk application features enable seamless integration with existing systems, making it ideal for organisations of all sizes.



**Policy Conformity Excellence:** RapidLEI consistently achieves high compliance standards, including leading the deployment of GLEIF's Policy Conformity Flag. This achievement demonstrates its dedication to aligning with global regulatory requirements.

Statistics				
LEI ISSUER		JURISDICTIONS		
LEI Issuer	Overall Conformity	Registration Status	Parent Relationships	Total LEIs
Ubisecure	278,908 (78.64%)	283,725 (80.00%)	346,853 (98.36%)	354,639
Bloomberg	173,096 (37.77%)	208,089 (45.41%)	312,095 (68.17%)	458,189
InfoCamere	128,720 (72.56%)	132,783 (74.85%)	163,833 (92.34%)	177,381

**Customer Trust:** Trusted by three-quarters of approved Validation Agents (VAs), including banks, fintechs, and KYC providers, RapidLEI's reputation speaks to its reliability and performance.

**Simple Business Model:** With a straightforward and transparent business model, RapidLEI makes it easy for organisations to issue and manage LEIs. Its user-friendly interface and automated processes minimise complexity and maximise efficiency.

**Proven Track Record:** Since GLEIF accreditation in 2018, RapidLEI has consistently delivered innovative solutions that address the evolving needs of global financial ecosystems. Its partnerships with numerous Validation Agents and a global network of Registration Agents further validate its market position.

**Expert Customer Support:** A dedicated client service team offers live person support across multiple time zones and locations. Dedicated account management help Validation Agent partners integrate, deploy and grow their LEI client base.

By choosing RapidLEI, organisations gain a trusted partner that combines technological innovation with deep expertise in LEI management. This partnership not only ensures compliance but also empowers its partners to navigate the complexities and opportunities of the dynamic global organisation identity market.

## THE FUTURE OF LEI

The LEI's potential extends far beyond its current applications. As the number of issued LEIs is projected to double in the next five years, their role in global financial ecosystems will become even more critical. Future developments include:

**Broader Adoption:** Expansion into new sectors and use cases, such as supply chain, electronic bills of lading, corporate transparency and ESG reporting.

**Enhanced Interoperability:** The integration of emerging technologies like blockchain and artificial intelligence (AI) is revolutionising the efficiency and utility of LEIs. A significant innovation in this space is the development of LEI-based Verifiable Credentials (vLEI). These credentials extend the LEI's capabilities by not only identifying organisations and their parental relationships but also verifying the roles and authorisations of individuals acting on behalf of those entities.

**Regulatory Alignment:** Continued collaboration with regulators to address evolving compliance requirements.

As the GLEIS ecosystem evolves, its focus remains on expanding adoption and interoperability. Collaboration with emerging technologies, such as blockchain and artificial intelligence, promises to enhance the utility and scalability of LEIs. Moreover, ongoing partnerships with global regulators will ensure the system adapts to the dynamic needs of financial markets and cross border trade.

**By leveraging the robust framework of the GLEIS, banks and financial institutions can navigate modern trade with confidence and precision, reducing fraud and positioning themselves as leaders in transparency and accountability.**

## CONCLUSION

The Legal Entity Identifier is not just a compliance tool; it is a highly cost-effective strategic enabler for global financial ecosystems. By providing a standardised and transparent approach to entity identification, the LEI fosters trust, reduces complexity, and drives operational efficiency.

Platforms like RapidLEI are at the forefront of this transformation, enabling organisations to issue and manage LEIs at scale, while harnessing the power of automation and innovation to meet the growing demands of the interconnected world.

**Talk to RapidLEI:**

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