



To: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Consumer Financial Protection Bureau (CFPB); Federal Housing Finance Agency (FHFA); Commodity Futures Trading Commission (CFTC); Securities and Exchange Commission (SEC); Department of the Treasury (Treasury), collectively “The Agencies”.

Regarding: Financial Data Transparency Act (FDTA) Joint Data Standards

OCC Docket ID OCC-2024-0012

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NCUA–2023–0019

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SEC File No. S7-2024-05

Docket No. CFPB-2024-0034

October 15th, 2024

Dear Secretaries and Chief Counsels of the financial regulatory agencies,

I write to you in my capacity as co-chair of the Standards Advisory Group (SAG) of Technical Committee 68 of the International Organization for Standardization (ISO) TC 68/AG2.

ISO is an independent, non-governmental international organization with a membership of 163 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

ISO/TC 68 is the Technical Committee within ISO tasked with developing and maintaining international standards covering the areas of banking, securities, and other financial services. The Standards Advisory Group (SAG) as an Advisory Group of ISO/TC 68 acts as an advisory sounding board to support and engage with regulators on financial services standards requirements, for the effective and efficient use and development of financial services standards, delivered using a cooperative relationship approach. The SAG enables a proactive dialogue with regulators on financial services standards matters.

The SAG’s objectives are:

- Provide a forum for mutual assistance between the global regulatory community and ISO in carrying out their respective authorities and responsibilities with respect to financial services standards;
- Aid the adoption and promotion of consistent standards, where possible;

- Effectively deal with common issues collectively and consistently; and
- Encourage strong and open communication within the regulatory community and with the industry concerning financial services standards.

The SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standards setting body with practitioner-led experience in the development and use of standards.

The SAG is pleased to provide comments on the Financial Data Transparency Act (FDTA) Joint Data Standards. The SAG appreciates the effort, coordination and thoroughness put forth by the Agencies' legal counsels and chief data officers in organizing these proposed rules and appreciates the level of detail that describes the ISO standards included in the joint proposed standards.

The SAG will comment on the establishment of the LEI as the legal entity identifier data standard in the proposed joint rule and on the use of the LEI to identify legal entities related to the filer of a particular report, such as a subsidiary or parent of the filer (Section B – The Legal Entity Identifier), Section C. Other Common Identifiers and Section D. Data Transmission and Schema and Taxonomy Format Standards.

### ***Section B. Legal Entity Identifier:***

The SAG supports the Agencies' proposal to establish the International Organization for Standardization (ISO) 17442-1:2020<sup>1</sup>, Financial Services - Legal Entity Identifier (LEI) as the legal entity identifier joint standard. The LEI directly fits the definition of the required legal entity identifier standard in the FDTA<sup>2</sup>.

The LEI is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by 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 that meets the criteria established by the FDTA and outlined in the joint proposed standards.

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, The Global LEI Foundation (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-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 Board, CFTC, OCC, FDIC, CFPB, SEC, and Treasury are active members. The NCUA is a ROC observer, as is the Municipal Securities Rulemaking Board (MSRB), which is overseen by the SEC.

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<sup>1</sup> The SAG will use "ISO 17442" when referring to the ISO standard. ISO standards are subject to a review cycle every 5 years and therefore the inclusion of the year in the full standard name is subject to change.

<sup>2</sup> A common, non-proprietary legal entity identifier for regulated organizations. The entity identifier must be available under an "open license," which in existing law (per 44 U.S.C. § 3502(21)) means "a legal guarantee that a data asset is made available - at no cost to the public; and with no restrictions on copying, publishing, distributing, transmitting, citing, or adapting such asset."

## **Section B. Legal Entity Identifier - The use of the LEI to identify legal entities related to the filer of a particular report, such as a subsidiary or parent of the filer:**

The joint proposed rules request comment on the use of the LEI to identify legal entities related to the filer of a particular report, such as a subsidiary or parent of the filer. The process for registration for an LEI supports this requirement. An entity eligible to receive an LEI or its authorized representative may obtain a LEI code. Explicit permission from the LEI registrant for a third party to perform the LEI registration on behalf of the LEI registrant is required to satisfy the requirements of LEI registration. A duly authorized representative of a parent company can obtain LEIs on behalf of a subsidiary.

## **Section C. Other Common Identifiers:**

The SAG supports the inclusion of ISO standard identifiers listed in Section C: Other Common Identifiers , most notably the Unique Product Identifier (UPI, ISO 4914), Classification of Financial Instruments (CFI, ISO 10962), Country Codes (ISO 3166), Currency Codes (ISO 4217), and Date and Time Format (ISO 8601).

The SAG also suggests that the recent expansion of the ISO 17442 standard could be considered to complement the use of the LEI. ISO 17442 Part 3, published in October 2024, specifies how to embed the LEI in vLEIs, which are digitally signed credentials that makes an LEI instantly and strongly 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.

vLEIs leverage the LEI to make assertions about a legal entity. The foundational assertion is the identity of the legal entity organization, represented by its LEI code, referencing to the data in the Global LEI System (GLEIS). The vLEI securely binds the LEI of an organization so that the identity of that organization, represented by its LEI, can be verified back to the GLEIS. The GLEIF, the manager of the GLEIS, is the Root of Trust for the vLEI ecosystem and infrastructure making this binding and verification possible. Additional types of vLEI credentials also include assertions regarding the identity of a person acting on behalf of an organization and the role the person plays in or for an organization.

The main use cases for vLEIs are digital signing, authentication and permissioning. vLEIs can be used to sign data submissions, such as eXtensible Business Reporting Language (XBRL), and documents, such as PDFs, and in many other business processes and transactions.

The vLEI offers a secure, verifiable approach to organizational identity and organizational credentials which are capabilities which will be needed as the U.S. agencies seek to comply with the Executive Order requiring Zero Trust Architecture, especially for authentication and permissioning for applications run by the US agencies.

The SAG also suggests the Digital Token Identifier (DTI, ISO 24165) may be relevant for the data standardization of the agencies. The DTI standard is recognized as the global standard for the identification of digital tokens, including security tokens representing financial instruments in tokenised form, other real-world asset backed tokens such as fiat-backed stablecoins, and the wider universe of unbacked crypto-assets such as cryptocurrencies. The DTI standard is being increasingly adopted by market stakeholders and recognised by regulators across various digital asset markets.

As the Registration Authority for the ISO standard, the DTI Foundation<sup>3</sup> follows strict ISO governance requirements of fair, reasonable, and non-discriminatory (FRAND) principles. The DTI code is open and may be freely reproduced, distributed, transmitted, or otherwise used by anyone for any purpose, commercial or non-commercial. Ancillary services are not required as a condition to access core DTI data.

The DTI Product Advisory Committee (PAC) as the core governance committee provides stewardship and oversight to the implementation of the ISO 24165 standard. The DTI PAC currently comprises over 25 members representing a cross-section of crypto and digital asset market stakeholders, including global institutional investors, standard-setting bodies, academics, asset managers and market infrastructure providers from various regions globally

#### **Section D. Data Transmission and Schema and Taxonomy Format Standards**

The SAG also recommends that the Agencies consider including additionally the Universal Financial Industry Messaging Scheme, ISO 20022, among the standards established in the joint rules. This standard provides a methodology for the creation of financial messages and provides a semantic foundation for financial services. ISO 20022 includes the LEI as part of the data model and corresponding financial messaging. It is already leveraged in several contexts for the construction of standardized regulatory reports in the financial industry and has wide adoption by financial market infrastructures for the delivery of payments and other financial transactions. ISO 20022 provides a crucial mechanism for linking and aggregating data to detect and mitigate systemic risk and prevent market manipulation, among other important regulatory purposes of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Furthermore, ISO 20022 is already under consideration within the CFTC and part of the Board's FedNow implementation plan, which initiates in 2025.

Thank you and regards,

[signed]

Karla McKenna

Co-Chair of the ISO/TC68/AG2

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<sup>3</sup> <https://dtif.org/dti-foundation/>