



## Submission to the Federal Deposit Insurance Corporation

### RE: Notice of Proposed Rulemaking, Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions

Submitted by: Global Legal Entity Identifier Foundation (GLEIF)

Date: February 6<sup>th</sup>, 2026

Dear Federal Deposit Insurance Corporation (FDIC),

The Global Legal Entity Identifier Foundation (GLEIF) appreciates the opportunity to respond to the FDIC's notice of proposed rulemaking. 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 verifiable LEI (vLEI), to promote transparency, enhance fraud detection, and support innovation in stablecoin 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 FDIC is a member, in addition to the Board of Governors of the Federal Reserve System (Board), Consumer Financial Protection Bureau (CFPB), Commodities Futures Trading Commission (CFTC), Department of Treasury (DoT), Office of the Comptroller of the Currency (OCC), and the Securities Exchange Commission (SEC).

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

The "Legal Entity Identifier" or "LEI" is a 20-character, alpha-numeric code based on the ISO 17442-1:2020 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) of the Financial Data Transparency Act (FDTA). 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.

In October of 2024, the ISO 17442 standard was expanded to specify how LEIs can be embedded in digital credentials. The vLEI 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, offering a secure, verifiable approach to organizational identity and organizational credentials, namely the permissioning 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, enabling the cryptographic verification of the identity of the organization to its LEI and allows further verification that persons accessing a portal or system for filings, reports or data represent that organization. Further digital signing of filings, reports or data prevents the tampering of the filing, report or data from the point that it is signed by the organization.

## **VII. Request for Comment**

**Question 2: The proposed rule would require applicants to submit a letter application. Should the FDIC consider requiring applicants to instead submit a structured form to be developed by the FDIC? What are the advantages and disadvantages of each approach?**

GLEIF suggests that the FDIC require that submissions be prepared in structured, machine-readable format using open data standards to optimize data transparency and usability of the reported information.

If the FDIC requires applicants to submit a structured form, GLEIF requests that the FDIC designate the LEI as the primary identifier for Permitted Payment Stablecoin Issuers (PPSIs) and direct applicants to furnish their LEI within the form. A structured form offers uniformity, easier comparison, and ensures all required data is captured. The inclusion of the LEI increases data quality and validity, as the LEI and accompanying reference data can be validated against the open-source, global LEI index of legal entities. However, if the FDIC elects to retain the letter application outlined in the proposed rule, the inclusion of an LEI requirement would be equally as appropriate and beneficial.

GLEIF offers an open API for developers to access LEIs, providing real-time, free access to comprehensive legal entity data, including ownership structures and related identifiers like the Business Identifier Code (BIC) and International Securities Identification Numbers (ISINs). This access to information about ownership structures is particularly relevant to section (d)(3) of the proposed rule, which directs applicants to include “a description of the subsidiary’s ownership and control structure.” The LEI also supports automated searches, filtering, and fuzzy matching, allowing for integration into various applications for compliance, client onboarding, and data enrichment. The FDIC could utilize GLEIF’s API for the automatic verification of LEIs presented during the application process.

Furthermore, as other primary federal payment stablecoin regulators contemplate the issuance of proposed rules for entities under their supervision to become PPSIs, namely the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the National Credit Union Administration, the LEI can act a linchpin, which will enable efficient sharing of information across regulators.



**Question 3: Are the proposed filing content requirements appropriate to garner sufficient information for the FDIC to evaluate the factors described in section 5(c) of the GENIUS Act? Is it clear what information the FDIC would expect the contents of a filing to contain under the proposed rule? Are there additional types of information the FDIC should consider? Should the FDIC seek to remove any of the proposed types of information? If so, please explain how the addition or removal of such information would facilitate the FDIC's consideration of the factors.**

In addition to the proposed application requirements, the LEI can be implemented for the identification of PPSIs and more generally approved entities that participate in crypto markets, for example, stablecoin custody service providers.

More broadly, as Section 5c provides a structured process for insured depository institution subsidiaries to be considered for PPSI approval, and the Act brings core elements of the stablecoin ecosystem into a formal financial regulatory framework, this evolution necessitates robust identification and reporting systems like LEIs for compliance. Specifically, LEIs provide a crucial mechanism for BSA/AML reporting and tracking, facilitating the detailed oversight mandated by the Act. The LEI already plays an important role in international efforts to regulate digital asset market structure and address illicit finance and money laundering issues. Aligning these requirements with existing internationally recognized standards will not only promote interoperability across jurisdictions but also reduce the relative compliance burden for digital asset market participants. To that end, GLEIF supports leveraging LEI and vLEI to complement or comply with:

- The Bank Secrecy Act and sanctions screening by enabling automated entity resolution and wallet screening based on verified credentials.
- FATF Recommendation 16 (“Travel Rule”) to identify originators and beneficiaries of digital asset transfers.
  - The LEI is explicitly referenced within the interpretive note to Recommendation 16. The text states that where the originator or beneficiary of a cross-border or domestic payment or value transfer is a legal person, the LEI may accompany the transaction. This reinforces the LEI’s role in supporting transparency and traceability in global payment systems.
  - The Financial Crimes Enforcement Network (FinCEN), Department of Treasury, enforces the U.S. version of the Travel Rule, requiring financial institutions, including stablecoin issuers, to share originator and beneficiary information for transactions above a threshold.

Additionally, there are a number of existing financial regulations, both in the U.S.<sup>1</sup> and in major foreign markets, which mandate regulated entities to include an LEI in a variety of different registration and regulatory filings. For example, the European Union’s Markets in Crypto-Assets (MiCA) regulation, adopted in May 2023, requires the submission of an identifier, specifically the LEI, as part of the registration for most digital asset market participants in both the statute and

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<sup>1</sup> 17 CFR § 45.6, 12 CFR § 1610, SEC Form N-MFP



implementing regulation. This carries benefits for international information sharing, particularly for managing risks such as money laundering, terrorist financing, and other forms of illicit finance.

Under MiCA, a majority of digital asset market participants seeking to operate in the EU must obtain an LEI as part of the registration requirements of the regulation. Specifically, this includes U.S. based entities that create and issue digital assets as well as companies that provide digital asset trading and other services.

Entities issuing certain types of crypto-assets must include their LEI when registering required disclosures (e.g., in the EU register of crypto-asset white papers and issuers). This ensures that issuers of tokens are uniquely identifiable in public records, enhancing transparency for investors reviewing a token's documentation. Similarly, firms providing crypto-asset services (exchanges, custodians, etc.) are required to apply for authorization in their home EU Member State. As a prerequisite to this application, an LEI must be obtained and provided to the regulator. In practice, this means no crypto-asset service providers (CASPs) can be licensed under MiCA without a valid LEI, embedding the LEI into the operational onboarding of every service provider.

These requirements are explicitly codified in MiCA's provisions (e.g., Article 18, Article 62, and Article 109), obligating legal entities to provide an LEI during authorization and in ongoing compliance filings. By mandating the LEI, MiCA aligns with international standards, such as the FATF Travel Rule guidelines, promoting consistent and interoperable legal entity identification in transactions.

#### **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, 117) and has remained a bipartisan effort through the implementation process to date. The U.S. financial regulators 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 have enumerated 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 FDIC and future regulators continue to promulgate stablecoin regulation, GLEIF encourages regulators to incorporate statutory language on the use of identifiers to promote efficiency and transparency for both federal regulators and the entities covered by these frameworks. 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 the FDIC as party to the August 2024 rule, incorporating references to the LEI/vLEI or the FDTA’s common identifier/data standard language into the GENIUS Act and future market structure legislation will give both agencies direction on the intersection between the legislation and the FDTA. This would also give digital asset market participants clarity from the start on whether they may be expected to provide the LEI as part of their registration.

GLEIF appreciates the opportunity to provide feedback on this proposal and remains at FDIC’s disposal to further discuss and support your work. Do not hesitate to engage us in your discussions and questions related to standards.

Submitted by:

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