

Press release

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FSB explores options to promote broader adoption of the Legal Entity Identifier (LEI) in cross-border payments

The Financial Stability Board (FSB) today published a [report exploring options to improve the adoption of the Legal Entity Identifier \(LEI\)](#), in particular for use in cross-border payments.

G20 Leaders in 2012 encouraged global adoption of the LEI to support authorities and market participants in identifying and managing financial risks. Widespread coverage has already been achieved in over-the-counter derivatives and securities markets. Today's report explores the benefits that could accrue from the use of the LEI in cross-border payment transactions and sets out recommendations and options to promote broader LEI adoption in order to assist in achieving the goals of the [G20 roadmap to enhance cross-border payments](#).

The G20 roadmap to enhance cross-border payments has launched several initiatives to reduce frictions in data processes, including by promoting the use of common message formats, data exchange protocols, conversion and mapping approaches from legacy formats and standardised data. To address data handling issues and improve compliance processes, it is also examining the scope for a global unique identifier that links to account information in payment transactions. This could facilitate straight-through processing, reducing costs, enhancing accuracy and increasing speed in transactions. It could also assist market participants in meeting Know-Your-Customer (KYC) requirements. As part of this work, the FSB has been requested by the G20 to explore options to improve the LEI's adoption.

This report, which was produced in close coordination with the Global LEI Foundation (GLEIF), the LEI Regulatory Oversight Committee (ROC) and national authorities, sets out a series of recommendations for promoting the use of the LEI in cross-border payments and highlights the potential benefits of the LEI in supporting straight-through processing and assisting in KYC.

The FSB will review progress in implementing the recommendations and publish a progress report by end-2024, together with a review of progress in implementing the recommendations of the [LEI peer review](#).

Notes to editors

The G20 made enhancing cross-border payments a priority during the Saudi Arabian Presidency in 2020. Making cross-border payments, including remittances, faster, cheaper, and more transparent and inclusive, while ensuring their safety and security, would have

widespread benefits for citizens, businesses, and economies worldwide, supporting economic growth, international trade, global development, and financial inclusion.

The LEI was developed by the FSB to uniquely identify counterparties to financial transactions across borders, and thereby to improve financial data for a variety of purposes; for instance, to support a more accurate and timely aggregation of data on the same entity from different sources, especially on a cross-border basis. The FSB published a Thematic Review on Implementation of the LEI in May 2019.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.