

Would a further increased mandatory use of identifiers such as Legal Entity Identifier (LEI), Unique Transaction Identifier (UTI) and Unique Product Identifier (UPI) facilitate digital and/or automated processes in financial services?

NO

There are indeed areas of application (e.g. in the securities sector) where it might be useful to provide legal clarity. This would help to facilitate digital and/or automated processes for certain financial services.

In particular, identifiers could be used in capital market regulation, so that this could lead to regulatory certainty. EU-wide LEIs have a particular advantage in the provision of trust-in services for legal entities.

However, the mandatory use should be an obligation for the addressee of such a provision and not a direct or indirect obligation for intermediaries providing services to such addressees. This means that the end-user, i.e. the entity to be identified, should have a LEI and be responsible for its use, maintenance and updating. Engaging the intermediary instead of the end-user creates many operational problems that can lead to burdensome processes and serious financial damage. The provisions of EMIR or MiFID II can serve as an example. Any framework requiring the use of identifiers should therefore clarify the legal consequences for the end-user who does not or cannot provide the required identifier.

At the same time, an application in the payment sector is less appropriate. In this context, there are sufficient "identifiers" in the payment sector which would otherwise impose further bureaucratic burdens on the banking environment itself and on the relationship with and from the customer and which do not bring or offer any identifiable added value. Identifiers already exist with the "account number/IBAN" as the leading feature. For example, there are also unique transaction IDs. A "Creditor Identifier" has also been created in the direct debit area to identify debt collection customers. In this context there are also mandate references, another uniqueness.

Furthermore, such implementation issues are associated with considerable cost factors. The cost of their establishment, maintenance and enforcement in all sectors and companies would be very high and do not seem feasible. In this context, a globally harmonised approach and a globally harmonised interpretation of its composition is essential. The same applies to the question of which party should establish the UTI. The adaptation effort and thus the costs in the systems would be enormous, but would also not offer any discernible added value.