**International system of “business fingerprints” will slash prices for SMEs and consumers, says new global trade report**

***18 April:*** SMEs can boost supply chain transparency and make trading across borders cheaper, faster, simpler and more sustainable by embracing a unified system of global “business fingerprints”, according to a report from the International Chamber of Commerce United Kingdom, the World Trade Board and the Global Legal Entity Identifier Foundation (GLEIF).

***Scaling the Use of Digital Identities in International Trade***takes stock of the use cases of 20-digit combinations of letters and numbers called Legal Entity Identifiers (LEIs). Similar to a company number, each unique sequence corresponds to a particular business, creating a global standard for cross-jurisdiction party identification and a shared identity framework for international trade.

LEIs allow governments, regulators, banks and businesses to better understand global trading ecosystems. This strengthens visibility to supply chain risks and opportunities for businesses of all shapes, sizes and geographies, helping to enhance trust, lower risk, cut administration processes and reduce costs.

In the current system, banks, companies and governments have to separately verify and authenticate the identity of every buyer or seller in a heavily paper-based, overly complex and fragmented environment. As a result, a single cross-border trade can take up to three months to transact, involving 30 parties, 40 documents and 200 data elements. This outdated way of doing business ultimately passes the financial burdens of inefficiency onto consumers and SMEs, forcing them to pay higher prices to trade and purchase goods.

With the implementation of the Electronic Trade Documents Act last year, companies can now eliminate paper-based processes and begin standardising the trading system in ways that were previously impossible. LEIs make it easier to understand global supply chain, identify trading parties, onboard new businesses seeking to export and import, and closely monitor suppliers of critical goods and services as we move from paper to digital trade processes. Embracing a common identity framework is therefore key to strengthening critical supply chains and underpinning the way we trade internationally in the future.

**Chris Southworth, secretary general of the International Chamber of Commerce United Kingdom, said:**

“The passage of the Electronic Trade Documents Act into UK law was a paradigm shift in international trade, but far more must be done to realise the benefits of this long-overdue modernisation. Current identity infrastructure is not fit for purpose and is stalling trade digitalisation.

“Governments – in the UK and abroad – must do more to incentivise the uptake of LEIs as business fingerprints across the trading community and their global supply chains. Without a wholesale change in approach to accelerate adoption, creating an efficient, data-driven trade infrastructure fit for the 21st century will be too slow to capture the economic benefits on offer.”

**Simon Paris, chair of the World Trade Board and chief executive of Finastra, said:**

“The World Trade Board’s 2023 ‘[*Financial Inclusion in Trade Roadmap*](https://worldtradesymposium.com/world-trade-views/financial-inclusion-trade-roadmap-world-trade-board-seeks-industry-feedback-collaboration)’ highlighted the adoption of digital identities, such as the Legal Entity Identifier (LEI), as one of the critical factors necessary to enable fair access to trade finance for SMEs. Our Roadmap called for best practice guidelines on LEI issuance and utilisation, as well as a clear explanation of the benefits across economic sectors. We are delighted to have collaborated on this new report to highlight the advantages of LEI adoption for companies, particularly SMEs, which are notably underrepresented in the global trade arena.”

**Stephan Wolf, chief executive of GLEIF, said:**

“Security in trust and trade connected with payments means acceleration, cost saving, fraud protection, SME inclusion, and customer satisfaction on a global scale. The LEI and its digital twin, the virtual LEI, are essential building blocks for achieving these objectives.”

**Ram Iyer, founder and chief executive of Vayana, said:**

“Vayana proudly supports this pioneering study on Legal Entity Identifiers (LEIs) in collaboration with GLEIF, the World Trade Board, and ICC. LEI is a vital tool for enhancing transparency and efficiency in global trade and commerce. Rubix Data Sciences (Rubix) - a portfolio company of Vayana, is India’s first LEI Validation Agent and works closely with Legal Entity Identifier India Ltd (LEIL) to validate applicant data before LEIs are issued, thus protecting the integrity of the LEI system. Rubix also creates awareness about LEIs amongst Indian business entities and assists them in obtaining LEIs seamlessly.

This report highlights the pivotal role of LEIs in facilitating Trade Transactions and Reducing Risks, especially for SMEs. We are committed to driving LEI adoption in India and overseas, empowering businesses to integrate with the global economy.”

**Paul Baker, founder and chairman of International Economics, said:**

“Being the unique globally recognised identification system for legal entities, LEIs are a cornerstone for digital trade, and an essential trigger for efficiency and trust in cross-border transactions.”

**Note to editors:**

**Please note this press release and the related report are under embargo until 00:01 on 18 April.**

*Scaling the Use of Digital Identities in International Trade* will be launched today (18 April) at the C4DTI Digital Trade Conference and Awards. For more information about the conference, please visit <https://c4dti.co.uk/digital-trade-conference/>

**About the International Chamber of Commerce United Kingdom:**

ICC United Kingdom is the UK representative office of the International Chamber of Commerce, the largest world business organisation representing 45 million companies in 170 countries. ICC’s mission is to promote inclusive, sustainable and green trade. Its rules underpin $25 trillion of global trade. For more information, visit <https://iccwbo.uk>

**About the World Trade Board:**

The World Trade Board, initiated by Finastra, is dedicated to promoting equitable trade practices. It convenes global leaders, innovative thinkers, industry influencers and subject matter experts from the finance, business, policy and technology communities to identify and amplify best trade practices, foster connections and collaboration, and provide thought leadership. The World Trade Board leads the [World Trade Symposium](https://worldtradesymposium.com/about) and coordinates various working groups and programmes to enable dialogue and shape a more inclusive vision of trade. For more information, visit [worldtradesymposium.com/world-trade-board](https://worldtradesymposium.com/world-trade-board)

**About GLEIF:**

Established by the Financial Stability Board in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI) and its digital counterpart the verifiable LEI (vLEI). GLEIF is headquartered in Basel, Switzerland.

GLEIF’s mission is to manage a network of global partners to provide trusted services and open, reliable data for unique legal entity identification worldwide. GLEIF makes available the technical infrastructure to provide, via an open data license, online access to the full global LEI database free of charge to users. GLEIF is overseen by the Regulatory Oversight Committee, which is made up of representatives of public authorities from across the globe.

Diversity and inclusion underpin GLEIF’s values. This is reflected in its workforce of approximately 60 staff from over 20 nations, its operational excellence, and its commitment to open, global participation in the Global LEI System. For more information, visit [gleif.org](https://www.gleif.org)

**About International Economics:**

International Economics is an independent consultancy firm, providing strategic advisory services in the areas of international business strategy, trade and investment. It specialises in policy advice and business solutions on emerging trends in e-commerce and digital trade, data governance and policies, and regional digital trade agreements. For more information, visit [www.tradeeconomics.com](http://www.tradeeconomics.com)

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