



ICC IDENTITY MANAGEMENT GUIDE

For all parties involved in international supply chains

1. Using this guide

The production and distribution of goods and/or services are increasingly organised in global value chains supported by electronic communication. Exporters and importers and their service providers for logistical, banking, insurance and for computer support services need to be able to communicate with each other electronically with high quality data.

This requires that all market participants need to make choices which data are relevant to structure and maintain their business processes in the most efficient and secure way for their part of the international end-to-end supply chain. This guide gives guidance which data of subjects and objects are available for market participants (and their service providers) of the international supply chain.

2. Why are correct data relevant for international businesses

There are three business drivers for this ICC guide:

- **International Trade:** businesses are faced with data of multiple identification systems for subjects and objects in their part of the international supply chain which creates operational costs and risks.
- **Digital Economy:** businesses become more and more part of one or more digitalised ecosystems which requires an unique “end-to-end” identification of subjects and objects in the digitalized supply chain, especially in view of the rapidly growing e-commerce business and for their (cross-border) payments.
- **Compliance challenges:** businesses need to be more aware of the importance of correct data for identity management for among more reporting to the government agencies to avoid compliance risks (Customs, Security, AML, CFT, Sanction regimes, IPPC, etc.)

These three drivers have an impact on the identification of:

- **Subjects** (legal entities and natural persons with rights and obligations) that are interconnected (legally and digitally) in the supply chain;
 - Traders: exporters and importers, manufacturers, retailers etc.
 - Service providers: banks, insurers, carriers, logistics, etc.
 - Government agencies: Customs, VAT, FIUs, NSOs (Statistics), Food and Drugs Administrations, etc.
- **Objects** (entities without rights and obligations) that are owned by market participants of the supply chain:
 - Locations where legal entities have their operations;
 - Means of transport: vessels, aircrafts, trucks, rail wagons, barges, etc.;
 - Packaging equipment: sea- and aircraft containers, pallets, roll containers and other reusable packaging equipment;
 - Product-identifiers: barcodes, QR codes, etc.;
 - Certified (spare) parts identifiers (e.g. aviation, military);
 - Documents: Bills of Lading, ATA-carnets, Certificates of Origin, Health Certificates, Insurance Policies/Certificates, etc.;
 - Immaterial objects such as software, brands, patents, IP-rights etc.

The identifiers for the identification of subjects and objects used in end-to end supply chains, should be neutral for the type of technology used by the business partners included in the supply chain. The identifiers (and attached attributes) used should be traceable and verifiable with the standard and the available register.

This guide is intended to support managers of international businesses (and their service providers) with the development and maintenance of their data and identity management challenges of subjects and objects within their supply chain.

Data management is increasingly important for a multitude of business functions like sales, procurement, finance, technology, transport, compliance and reporting to the government agencies.

3. Opportunities for the value chain

Global value chains require worldwide harmonization of public law as well as globally applicable private rules and regulations, technical standards and networks for identities of subjects and objects among business partners to ensure:

- High quality of the data to identify products and services in the value chain;
- High quality of data of/for each supply chain partner (for both international businesses and government agencies);
- Low operational costs of the data used in the supply chain;
- Opportunities for further digitalization of the end-to-end supply chain processes;
- Digital reporting to government agencies in order to mitigate compliance risks (e.g. “who is who”, “who owns whom” and “who owns what”).

A high-quality identity management process for both subjects and objects will significantly reduce trade barriers, operational costs and risks for partners in the supply chain and facilitate reporting requirements to government agencies at the same time.

4. KYC(C) and KYS Challenges for international businesses

International business are faced with increasingly stringent compliance requirements for the supply chain and for their payments, known as Know Your Customer (KYC), Know Your Customer’s Customer (KYCC) and Know Your Supplier(s) (KYS).

Lawmakers require that businesses take a responsibility to comply with legislation that underpins public policies regarding custom duties, sanctions, AML and CFT, food and drugs, etc. and require that businesses take care of the correct data in their reporting requirements. Each jurisdiction created multiple legal forms and one or more business registers with none harmonized rules and standards and different access rules which make access for international businesses complex.

Government agencies are expected to monitor and enforce KYC(C) and KYS, customs and other compliance requirements.

5. Relevant legislation and legal requirements for businesses

Several legal requirements (hard public law, soft private “law” and contract law) have a severe impact on the business processes in the value chain and the specifications for data on subjects and objects in business process systems of international businesses.

5.1 Hard law principles transposed in national laws:

- CDD (customer due diligence) requirements:
Financial institutions need to comply with the CDD policies of the BIS BCBS that are transposed in national law. This requires correct and actual data of businesses in the ledger systems of banks for trade finance and for cross-border payments that banks initiate or receive among more via the SWIFT and other (banking) networks.
- Sanctions and export controls:
The United Nations and national authorities (such as the US and the EU) publish Sanction Lists and overviews of Dual Use Goods and Export Controls.
- FATF requirements (AML/CFT) (and reporting to the FIUs):
The Financial Action Task Force (FATF) published in June 2019 (and October 2019) its 40 Recommendations on combating money laundering and financing of terrorism and proliferations including among more for reporting of suspicious transactions to the Financial Intelligence Units, wire transfers and record keeping. The participating FATF countries are expected to include the recommendations in their legislation. The FIUs should monitor the execution of the implementation by market participants in the FATF jurisdiction involved. The FIUs of over 160 countries cooperate in the Egmont Group.
- Cross-border Trade Regulations:
Taxation (customs duties, excises, VAT) and non-fiscal requirements (e.g. health, food & consumer safety, IP-rights, child labour, environmental etc.).
- Data disclosure requirements:
Businesses that have trading relations which each other should disclose who they are and who (which natural persons) represents their business. Much of those data are available in the over 750 national business registers. Disclosure of those data is not only relevant for B2B purposes but also for the B2G reporting to government agencies.
- Reporting requirements
In a growing number of jurisdictions businesses are required to report statistical and/or financial and cross-border payment data to government agencies with the use of the XBRL standard. The reporting obligations require high quality data of subjects and objects, a/o to avoid compliance risks (IP, AML, CFT, Sanction regimes, IPPC, etc.).

5.2 Soft law - Public Sector Requirements:

- UN Guidelines on multinational enterprises;
- OECD Guidelines for multinational enterprises;
- OECD Due diligence for responsible business conduct.

5.3 Soft law - Industry/sector Requirements:

Industry/sector agreements include requirements and specifications of data of subjects and objects, such as:

- ICC Incoterms® 2020;
- ICC-standard for documentary credits (UCP 600) and eUCP 2.0 standard for documentary credits;
- ICC URC 522 Uniform Rules for Collections and eURC version 1.0 Uniform rules for collections: supplement for Electronic Presentation;
- ICC Uniform Rules for Bank Payments Obligations (URBPO);
- ICC WCF standards on Certificates of Origin;
- ICC URDTT (Draft Uniform Rules for Digital Trade Transactions)
- ISP98 (International Standby Practice) of ICC;
- GS1 source/origin of the goods for custom purposes and consumer protection in relation to product reliability of suppliers (document)
- Master Agreements or “Rule Books” for cross border payments (SWIFT, European Payments Council, BAFT);
- Wolfsberg Group: Principles for compliance to mitigate AML-CFT risks (Question 10), relevant for correspondent banking relations;
- NGO conventions such as those for clothing, diamonds, timber etc.

5.4 Legal requirements for contractual relations with business partners:

- “Who is who” and “who owns whom” requirements of public procurement and business procurement processes;
- International businesses and other traders use a limited number of legal forms (see ISO 20275 ELF (Entity Legal Form) standard);
- These legal forms have their own specific rights and obligations as specified in the private law and tax laws (corporate tax, VAT) of the jurisdiction involved. Some of these laws may even vary within jurisdictions (e.g. by region/state)
- Digitalization of Identification, Authentication and Authorization processes require clarity and legal certainty on the roles of officeholders of legal entities and their corporate seals and digital signatures.

6. Set-up of identity management for businesses

International business should adopt policies to ensure high quality identification of their business partners (subjects) and the objects they are dealing with.

Relevant topics to consider for the design of corporate policies are a/o:

- What are best practices for effective identity management processes?
- CDD (Customer Due Diligence) and EDD (Enhanced Due Diligence) requirements;
- Legal entities (only) and/or inclusive their parents?
- UBOs: when relevant for exporters and importers;
- Record Preservation Procedures as mentioned in the 40 recommendations of FATF to meet governmental agencies’ requirements.

There are specific requirements for financial institutions for account openings, identification of individuals (customers or beneficial owners or authorized signatories), for corresponding banks and legal entities, specified in the BIS General Guide to Account Opening.

7. Global identification systems

There are two categories of identification systems: Subjects and Objects.

7.1 Existing identification systems for subjects:

- Public:
 - Business registers based on the legislation of specific jurisdictions, using technical standardises that are not harmonised globally. An overview of some 750 national and regional/local business registers is available on www.gleif.org. These business registers do not necessarily include all legal forms of their jurisdictions. Access to these business registers for users and available data differ per jurisdiction;
 - LEI ISO 17442, a unique identifier for legal entities and the mandatory disclosure of their parent(s) and ultimate parent(s), developed and maintained by GLEIF based on a G20-FSB mandate (data are free of charge without registration to any user);
 - TIN: the Trader Identification Number, developed by the WCO, provides technical standards and guidance for establishing a globally unique TIN for the exchange of AEO master data and the efficient identification of economic operators;
 - EU (DG TAXUD): EORI numbers for all AEOs in the European Union;
 - EU (DG MOVE) RAKC database on supply chain security for verification of Regulated Agents and Known Consignors;
 - Etc.
- Private (not for profit):
 - GLN/GS1 code ISO 6532 for the partners in the logistical supply chain;
 - BIC code, issued by SWIFT (ISO 9362) and among more used for cross-border payments;
 - SITA number, issued by IATA for business partners in the aviation industry;
 - CCSs: there are 23 national/local Cargo Community Systems providing CCS-specific EDI-IDs to forwarders and other stakeholders in air cargo supply chains;
 - ICANN Number (website domain names registration protocol for the URLs of businesses, government agencies, etc.);
 - IP addresses: RIPE takes care of the IP addresses and their database contains registration information for networks and coordinates the IPv4 and IPv6 standards for IP addresses;
 - Etc.
- Private (for profit, delivering also additional commercial information):
 - DUNS;
 - Moody's;
 - Etc.

7.2 Existing identification systems for objects (to be completed):

- Aviareto, managing body of the International Registry of Mobile (Flying) Assets.
- Lloyd List Intelligence: marine information
- IMO number: a unique identifier for ships registered ship owners and management companies, issued by the International Maritime Organization;

- Shipping containers: ISO 6346, issued and registered by the Bureau of International Containers;
- Vehicle Identification Number (VIN): a unique code used by the global automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds, as defined in ISO 3779 (content and structure) and ISO 4030 (location and attachment).
- GS1 product identifiers;
- ISO 18004 2015 QR codes to identify products
- ICC Certificates of Origin;
- Etc.

8. Global Legal Entity Identifier Foundation (GLEIF)

In 2012, the G20 decided to create a Global Legal Entity Identifier System and mandated the Financial Stability Board (FSB) to implement this decision. The FSB founded GLEIF (Global Legal Entity Identifier Foundation) in June 2014. GLEIF is mandated to develop and maintain the global LEI system. GLEIF is subject to oversight of the LEI ROC with public agencies of the majority of G20-FSB and some other countries.

The LEI (Legal Entity Identifier) is a 20-character alpha-numeric code based on the ISO 17442 LEI standard developed by ISO (International Organisation for Standards) which connects key reference data enabling clear and unique identification of legal entities participating in (financial) transactions. There is only one LEI per legal entity (unlike other systems of businesses identifiers where legal entities may have more than one identifier).

The global LEI system is designed to support international (and domestic) businesses with the identification of their business partners of any industry and of government agencies.

This system is based on the following principles:

- The LEI (Legal Entity Identification) is a unique identifier of legal entities. Any legal entity can only have one LEI;
- The ISO 17442 LEI standard was developed for this purpose
- The LEI can be allotted to any legal entity of any legal form (ISO 20275) acknowledged by any jurisdiction by accredited LEI issuers of GLEIF
- The LEI is designed as a broad global public good for the benefit of all users of the public and private sector;
- The LEI data are by design free of charge for accessibility of the data for any user;
- The high quality of the LEI data is ensured by a quality program with monthly public available reports of each LEI issuer
- High quality mappings with other identifiers of subjects (ISO 9362 BIC) and objects (ISO 6166 ISIN) available (and others planned to be added)

The LEI data of legal entities include reference data of that entity, including the type of legal form, the data of the local/national business register, the direct legal parent and/or the ultimate legal parent.

Appendix: list of abbreviations

AEO	The WCO Authorized Economic Operator Program aims to provide a solid Customs-Business Partnership; a secure, transparent and predictable trading environment.	www.wcoomd.org
AML	Anti-Money Laundering	www.fatf-gafi.org
BCBS	Basel Committee Banking Supervision	www.bis.org/bcbs
BIC	Bureau of International Containers	www.bic-code.org
BIC	Business Identifier Code: ISO 9362 BIC (register available on www.swift.org)	www.iso9362.org
BIS	Bank of International Settlements	www.bis.org
BR	Business Register, there are about 750 business registers globally.	www.gleif.org
CDD	Customer Due Diligence	www.bis.org
CFT	Counter Terrorist Financing	www.fatf-gafi.org
DUNS	Dun & Bradstreet - D-U-N-S® Number	https://www.dnb.com/duns-number.html
EDD	Enhanced Due Diligence	www.fatf.org
Egmont	The Egmont group is the association of the FIU's.	www.egmontgroup.org
ELF	Entity Legal Form: ISO 20275 ELF standard with a global register of legal forms available on the GLEIF website.	www.gleif.org www.iso20275.org
FATF	Financial Action Task Force. The global money laundering and terrorist financing watchdog.	www.fatf.org
FIU	Financial Intelligent Unit (organization that monitors the FATF recommendations in the participating FATF countries).	www.fatf.org
GLEIF	Global Legal Entity Identifier Foundation, mandated by the G20-FSB to develop and maintain the Global Legal Identifier System program of legal entities, subject to oversight of the LEI ROC of the G20 and other countries.	www.gleif.org www.leiroc.org
GLN	Global Location Number (GLN), used by companies to identify their locations	www.gs1.org
GS1	Global non-profit organization that takes care of among more the barcode	www.gs1.org
ICANN	Internet Corporation for Assigned Names and Numbers	www.icann.org
IMO	International Maritime Organization	www.imo.org
IPPC	International Plant Protection Convention, an intergovernmental treaty, signed by over 180 countries, aiming to protecting the world's plant resources from pread and introduction of pests, and promoting safe trade.	www.ippc.int
ISO	International Organization for Standardization	www.iso.org
LEI	Legal Entity Identifier: a 20 character alpha-numeric code based on the ISO 17442 standard.	www.gleif.org
NSO	National Statistical Organization	
QR	QR code: ISO 18004 Bar code symbology	www.iso18004.org
RAKC	Regulated Agents and Known Consignor Database of the DG MOVE of the European Commission.	EU Aviation Security RAKC Database
RIPE	RIPE is the global organization that takes care of the IP addresses	www.ripe.net
TIN	WCO Trader Identification Number	www.wcoomd.org
UBO	Ultimate Beneficial Owner (of a legal entity)	www.fatf.org
UCP, eUCP	Uniform Customs and Practice for Documentary Credits (ICC Rules). eUCP refers to the digital application of the UCP rules.	www.iccwbo.org
VAT	Value Added Tax	
WCO	The World Customs Organization (WCO) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations.	www.wcoomd.org
XBRL	XBRL: Extensible Business Reporting Language (XBRL), the international Business Reporting Standard for digital reporting of financial, performance, risk and compliance information.	www.xbrl.org