

Legal Entity

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Discussion

A Legal Entity is an [Organization](#) recognized under the laws of an applicable jurisdiction as having legal rights, obligations, and capacity.

Legal Entity is more specific than Organization. Every Legal Entity is an Organization, but not every Organization is a Legal Entity. An informal association, department, branch or other [Organizational Unit](#) may form part of an Organization without possessing separate legal identity.

Legal Entity also remains distinct from [Person](#). A Person may possess legal rights, obligations, and capacity as a natural person. This terminology uses Legal Entity for a legally recognized Organization rather than for an individual human being.

The laws of an applicable jurisdiction determine whether an Organization qualifies as a Legal Entity, its legal form, the rights and obligations it may hold and the period during which its recognition applies.

A [Legal Entity Identifier](#) identifies an eligible Legal Entity within the applicable identifier scheme. Assignment of an identifier records identity within that scheme. It does not create or confer legal status on its own.

Definition

Organization recognized under the laws of a jurisdiction as having legal rights, obligations and capacity

Source

Adapted from:

- [OMG Commons Ontology Library, Version 1.3](#)
 - Ontology: Organizations
 - Concept: Legal Entity
 - OMG File ID: formal/26-06-05
 - Retrieved: 2026-10-07

Aligned with:

- Financial Industry Business Ontology, Business Entities, Legal Entities Module
 - Relevant concept: Legal Entity
 - Retrieved: 2026-10-07

The permanent source citations should reference the applicable public Annex D entries after those reference entries receive identifiers.

Note

- Legal Entity specializes Organization
- Legal Entity status depends on the law of an applicable jurisdiction
- Not every Organization has separate legal identity
- A branch or Organizational Unit may form part of a Legal Entity without being a separate Legal Entity
- Legal Entity and Person are distinct concepts in this terminology
- A Legal Entity Identifier identifies an eligible Legal Entity but does not confer legal status
- Legal form, registration and recognition status may change over time

Example

Example Bank Corporation is incorporated under the laws of Jurisdiction A. Applicable law recognizes the corporation as capable of entering contracts, owning property, incurring liabilities, and bringing or defending legal proceedings.

Example Bank Corporation is a Legal Entity.

Example Bank Corporation's FX Trading Department is an Organizational Unit. The department is not a separate Legal Entity unless applicable law independently recognizes it as one.

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Last update: **2026/10/07 16:54**

