

28th Meeting of the Wiesbaden Group on Business Registers

- International Roundtable on Business Survey Frames

The Hague, The Netherlands, 2 – 6 October 2023

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Session No. 5

Workshop SBR Maturity Model (SMM)

Global Initiative on Unique Identifiers for Businesses

Abstract

The United Nations Statistical Commission, at its last session in March 2023, endorsed the Global Initiative on Unique Identifiers for Businesses which was put forward by the UN Committee of Experts on Business and Trade Statistics (UN CEBTS) to strengthen the transparency on businesses in countries by improving their registration and the availability of unique business identifiers in administrative data sources in countries, and to promote access to and sharing of administrative data for statistical business registers. The existence of a unique legal identifier is essential for a better use of administrative data in the SBRs and the linking of data from various sources. In addition, linking national identifiers with a ISO certified global identifier, the Legal Entity Identifier (LEI), provide additional benefits in understanding interlinkages between businesses across national borders. The internationally agreed UN Guidelines on Statistical Business Registers recommends of adopting and promoting a unique identifier to link information among different data sources and facilitate the subsequent use of the data in the units in the SBR. This paper describes the main elements of this Global Initiative to gather feedback from the Wiesbaden group.

Introduction

1. The Global Initiative on Unique Identifiers for Businesses is developed as an effort to strengthen statistical business registers through the strengthening of business registration and the establishment of unique identifiers in countries and the sharing of administrative data. One of the main issues in the improvement of Statistical Business Registers (SBR) in countries is the lack of a unique identifier for businesses and the lack of access to relevant administrative data. The existence of a unique legal identifier in a country is essential for a better use of administrative data in the SBRs and the linking of data from various administrative and statistical sources.

2. The Global initiative is the result of several consultations between United Nations Statistics Division, (UNSD), UN Committee of Experts on Business and Trade Statistics (UNCEBTS) and the Global Legal Entity Identifier Foundation (GLEIF)¹. It was discussed at several meetings of the UNCEBTS and its Task Team on Statistical Business Registers. The Global initiative was brought to the UN Statistical Commission (UNSC) during its fifty-fourth session in March 2023, and the Commission “endorsed the global initiative on unique identifiers for businesses, supported its main elements as described in the background document, and encouraged countries and relevant organizations to coordinate their activities in this area in an effort to provide solid infrastructure for statistical business registers”². Further, a side event was organized by the UNCEBTS, UNSD in collaboration with GLEIF during the UNSC session to inform delegates of the main elements of this initiative³.

3. This paper provides an overview of the Global Initiative on Unique Identifiers for Businesses and provide a description of the activities planned for the rest of the year.

Global Initiative on Unique Identifiers for Businesses

4. The Global Initiative on Unique Identifiers for Businesses is an initiative aimed to:

- strengthen the transparency on businesses in countries by improving their registration
- improve the availability of unique business identifiers in administrative data sources in countries
- promote access to and sharing of administrative data for statistical business registers
- demonstrate the importance and benefit of linking national identifiers with a global identifier, the LEI.

5. The Global Initiative on Unique Identifiers for Businesses is intended to bring together interested international/regional organizations active in the domain of SBRs and business registration and statistical legislation to support countries seeking to improve their statistical business registers and business registration systems.

6. This initiative is inspired by the similarities with vital statistics and civil registration systems where vital statistics are viewed as part of a broader system which include civil registration and identity

¹ <https://www.gleif.org/en>

² See decision 54/108 of E/2023/24 E/CN.3/2023/37 available at https://unstats.un.org/UNSDWebsite/statcom/session_54/documents/2023-37-FinalReport-E.pdf

³ See [https://unstats.un.org/UNSDWebsite/events-details/un54sc-28022023-M-Global Initiative on Unique Identifiers for Businesses](https://unstats.un.org/UNSDWebsite/events-details/un54sc-28022023-M-Global%20Initiative%20on%20Unique%20Identifiers%20for%20Businesses)

management systems⁴. The United Nations Legal Identity Agenda⁵ was launched in 2018 as a one UN approach to support Member States building holistic, country-owned, sustainable civil registration, vital statistics and identity management systems. The United Nations Legal Identity Agenda brings together several UN agencies working around legal identity issues and supporting country in the implementation of civil registration, vital statistics and identity management systems.

7. Similarly, a holistic approach to statistical business registers includes business registration and the management of a unique identifier for businesses. The existence of a unique identifier for legal entities is essential for a better use of administrative data in the SBRs and the linking of data from various sources. The UN Guidelines on Statistical Business Registers (2020)⁶ recommends the adoption and promotion of the use of a unique identifier to link information among different data sources and facilitate the subsequent use of the data in the units in the SBR.

8. The recommendation on the adoption of a unique legal identifier in a country is not only recommended in the internationally agreed statistical guidelines for the establishment of Statistical Business Registers in countries. The United Nations Commission on International Trade Law (UNCITRAL) in its Legislative Guide on Key Principles of a Business Registry (2019)⁷, also recommends, among other things, the establishment of business registers and the assignment of a unique identifier to businesses.

9. In addition, to better understand globalization and multinationals in their cross-border legal ownership structures, it is important to link national unique identifiers with a global identifier so that legal entities can be easily and uniquely identified on a cross-border scale. This in turn facilitates the establishment and maintenance of global registers containing the legal structure of multinationals. In this regard, it is important to leverage the existing initiative of GLEIF which provides a global unique identifier, Legal Entity Identifier (LEI), to legal entities and their ownership structure, based on ISO standard 17442.

10. The availability of a global legal entity identifier enables linkage across data sources, reduces manual efforts to reconcile different local identifiers, provides information on company ownership and can facilitate the process of integrating information on cross-border transactions (e.g., international flows of goods and taxes). The use of a global unique identifier also benefits the development of global registers, such as the Multination Information Platform developed by UNSD and OECD.

11. The Wiesbaden Group on Business Registers discussed in several meetings the importance of national and global unique identifiers for businesses. A broad overview of the need for national and global identifiers was discussed in 2016 (see Tomasini, 2016⁸) and advances in the development of global LEI

⁴ See Principles and Recommendations for a Vital Statistics System, UN 2014 available at: <https://unstats.un.org/unsd/demographic/standmeth/principles/m19rev3en.pdf>

⁵ See <https://unstats.un.org/legal-identity-agenda>

⁶ https://unstats.un.org/unsd/business-stat/SBR/Documents/UN_Guidelines_on_SBR.pdf

⁷ https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/lg_business_registry-e.pdf

⁸ Tomasini Fabio, 2016, "Unique global identifiers – an opportunity to strengthen statistics on globalisation" 25th Meeting of the Wiesbaden Group. Available at https://www.stat.go.jp/english/info/meetings/wiesbaden2016/pdf/7-07_che_pap.pdf

were presented in several meetings (see, for example, Rowley 2016⁹, Rowley and Dun, 2018¹⁰). This initiative builds also on the discussion that took place in the Wiesbaden Group.

Planned activities

12. As part of a further outreach on this initiative, UNSD in collaboration with the UNCEBTS and GLEIF is organizing a webinar series on the Global Initiative on Unique Identifiers for Businesses. The main objectives of the webinar series are to:

- Create awareness of the Global Initiative on Unique Identifiers for Businesses and establish a collaborative platform for countries and international organizations to strengthen the registration system in countries
- Identify possible pilot projects to demonstrate the importance of a sound business registration system to improve Statistical Business Registers and the benefits of mapping to a global unique identifier (LEI) and their use to jump start their national systems of unique business identifiers
- Elaborate a work plan to further guide this initiative by adapting the UN Legal Identity Agenda to the business registration and seeking synergies between the business registers and civil registration registers.

13. The webinar series includes three webinars during the period of October to December 2023 and will bring together different stakeholders, such as National Statistical Offices, national central banks, national regulatory authorities, international organizations active in business registration and other interested users.

14. Given the relevance of this initiative for statistical business registers, members of the Wiesbaden group on Business Registers are invited to participate and contribute to the webinar series.

⁹ Rowley Clare, 2016 “The Legal Entity Identifier: An industry standard providing open and reliable data for unique identification management” 25th Meeting of the Wiesbaden Group. Available at https://www.stat.go.jp/english/info/meetings/wiesbaden2016/pdf/7-06_gle_pap.pdf

¹⁰ Rowley Clare and Ricco Dun, 2018 “Connect the Corporate Dots Globally with the LEI” 26th Meeting of the Wiesbaden Group. Available at: https://www.wiesbaden2018.bfs.admin.ch/wp-content/uploads/2018/08/Paper_Rowley.pdf