

Statistical Commission

Fifty-fourth session

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Item 3 (f) of the provisional agenda

Items for discussion and decision: Business and trade statistics

Background document

Available in English only

Global initiative on unique identifiers

Prepared by the Committee of Experts on Business and Trade Statistics

Global Initiative on Unique Identifiers for Businesses

Prepared in consultation with the Task Team on Exhaustive Business Registers and the task team on Capacity Building

Background

1. One of the main issues in the establishment and improvement of Statistical Business Registers (SBR) in countries is the lack of a unique identifier. 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. The UN Guidelines on Statistical Business Registers 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.
2. The recommendation on the use of a unique identifier in a country is not only recommended in the 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, also recommends, among other things, the establishment of business registers and the assignment of a unique identifiers to businesses.
3. A global initiative on unique identifiers for businesses is put forward recognizing the similarities of system of business statistics and statistical business registers with vital statistics and civil registration systems where a global initiative was established, namely the *United Nations Legal Identity Agenda* (see unstats.un.org/legal-identity-agenda), to coordinate activities “to support countries to develop a legal identity system that ensures universal civil registration of all vital events, translated into regular, reliable and comprehensive vital statistics, resulting in legal identity for all.” In a similar way, the strengthening of business registration and the availability of unique identifier for businesses will benefit the statistical business registers and ultimately business statistics.
4. Also, the UNCEBTS and the Global Legal Entity Identifier Foundation (GLEIF) have been working together to formulate the initiative below to improve the use of unique identifiers for businesses on a global scale.
5. The proposal for a Global Initiative on Unique Identifiers for Businesses was presented forward to the United Nations Statistical Commission in 2022. The United Nations Statistical Commission “supported the development of a global initiative aimed at improving the availability of unique business identifiers in administrative data sources, considered essential to help countries in strengthening statistical business registers and better understanding globalization; and requested the Committee to further elaborate the initiative and to report to the Commission at its fifty-fourth session, in 2023.”
6. This note aims at further elaborating on the main elements of this initiative in order to report back to the United Nations Statistical Commission in March 2023.

Objectives

7. The main objectives of a Global Initiative on Unique Identifiers for businesses are:
 - to strengthen the transparency on businesses in countries by improving their registration
 - to improve the availability of unique business identifiers in administrative data sources in countries
 - to promote access to and sharing of administrative data for statistical business registers

8. In addition, in order to better understand globalization and the profiling of the multinationals in their cross border legal ownership structures, it is important to link national unique identifiers with global identifiers so that legal entities can be easily and uniquely identified also on a cross-border scale. This will in turn facilitate the establishment and maintenance of global registers containing the legal structure of multinationals. In this regard, it will be important to explore how to leverage the existing initiative the Global Legal Entity Identifier (LEI) System which provides global unique identifiers of legal entities and their ownership structure, based on ISO standard 17442.¹

9. The Global Initiative on Unique Identifiers for Businesses is envisaged to gather interested international/regional organizations active in the domain of SBRs and business registration and statistical legislation, supported by countries through the UNCEBTS.

10. In the initial phase of this initiative, it is proposed that the focus will be on the following:
 - Outreach to relevant international/regional organizations;
 - Coordination of technical cooperation activities aimed at strengthening the administrative registration of businesses in countries and the relevant legislation;
 - Development of guidelines and case studies on the importance of a well-functioning registration system in countries for SBRs;
 - Demonstrate the importance and benefit of linking national identifiers with global identifiers, such as the LEI.

11. The forthcoming global assessment on the status of implementation of SBRs based on the Maturity Model for SBRs can provide the basis for the identification of countries where the legislation and registration system need to be strengthened.

¹ In 2011, the Group of Twenty (G20) called on the Financial Stability Board to provide recommendations for a global LEI and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. The Regulatory Oversight Committee (ROC) is a group of public authorities from around the globe established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System. The ROC is a group of more than 65 public authorities and 19 observers from more than 50 countries. It promotes the broad public interest by improving the quality of data used in financial data reporting, improving the ability to monitor financial risk, and lowering regulatory reporting costs through the harmonization of these standards across jurisdictions.