

Proposal for a global initiative on unique identifiers for businesses

Fourth Meeting of the UN Committee of
Experts on Business and Trade Statistics

8 July 2021

Ilaria Di Matteo (United Nations Statistics Division)
and
Ricco Dun (GLEIF)



A holistic approach to SBRs

- Statistical Business registers cannot be view in isolation
- A holistic approach to SBRs takes into account:
 - a legal business registration system
 - an identity management system
 - a statistical business register (SBR)
 - a system of demographic and other business statistics derived from SBR

This is a similar approach to Civil Registration and Vital Statistics



Legal business registration system

- A system where new businesses are registered by laws and regulations
- The objective of a legal business registry is to “facilitate the operation of businesses in the formal economy as part of the system of all registration that may be required of a business and may include registration with business registry, taxation and social security authorities, as well as with other authorities”*
- The business register is often supported by a specific legislation that ensures its implementation
- The recommended core functions of a business registry includes*:
 - Registering the business when it fulfils the necessary conditions established by the law
 - Providing access to publicly available registered information
 - Assigning a unique identifier to the registered business
 - Sharing information among the requisite public authorities
 - Keeping the information in the business registry as current as possible
 - ...
- The existence of a well-functioning business registry greatly facilitates the establishment and the maintenance of a Statistical Business Register

* [UNCITRAL Legislative Guide on key principles of a Business Registry](#)

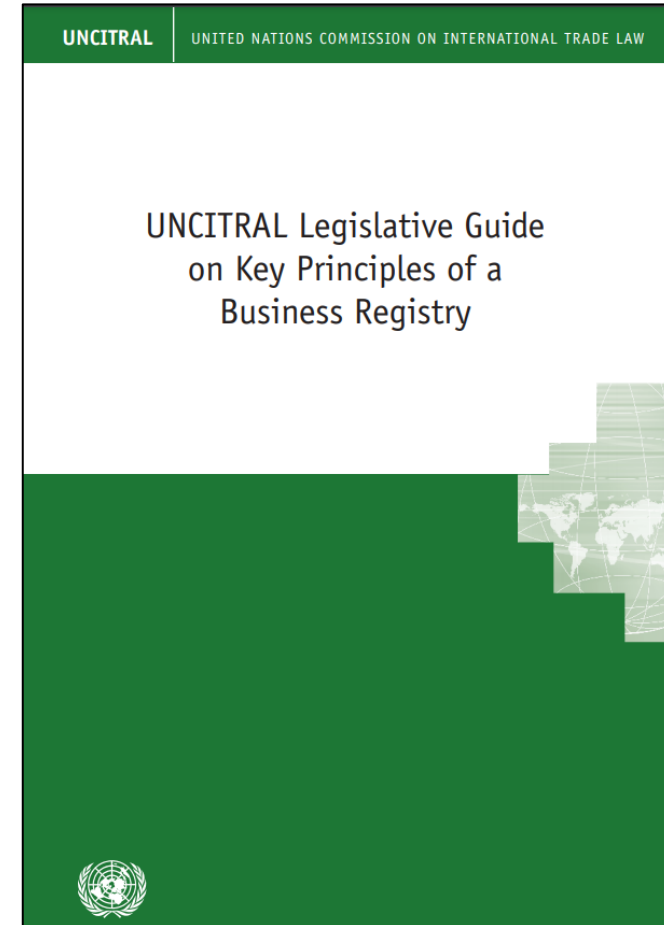


Building also on the recommendations of the United Nations Commission on International Trade Law (UNCITRAL)

The *Legislative Guide on Key Principles of a Business Registry* (2019) provides guidance on key principles of a Business Registry

Some of the benefits in participating in the formal economy

- access to benefits from legal, financial and policy support services that are more readily available to registered businesses
- it allows the public to access business information, and thus may facilitate the search for potential business partners, clients or sources of finance and reducing risk when entering into business partnerships
- in a cross-border context access to business information by interested users from foreign jurisdictions





An identity management system

- A system that provides for the issuance and management of a unique identifier to businesses across public authorities and can then be used in all of the interactions that the business has with those authorities, other businesses and banks.
- The existence of a unique identifiers is of great importance for the maintenance of statistical business registers and allows for linking of various data set in administration systems of persons and businesses and related statistical registers maintained by the statistical offices for statistical purposes.
- The issuance and management of unique identifiers should be covered by the legislation



Para 107 UNCITRAL:

In order to permit the introduction of a unique identifier, the law should include provisions on a number of issues including:

- (a) Identification of the authority charged with allocating the unique identifier;
- (b) Allocation of the unique identifier before or immediately after registration with the authorities involved in the establishment of a business;
- (c) Listing of the information that will be related to the identifier, including at least the name, address and type (legal status and economic activity) of business;
- (d) The legal mandate of the public authorities to use the unique identifier and related information, as well as any restrictions on requesting information from businesses;
- (e) Access to registered information by public authorities and the private sector;
- (f) Communication of business registration and amendments among the public authorities involved;
- (g) Communication of deregistration of businesses that cease to operate.



A statistical business register (SBR)

- It consists of the system of information on businesses for statistical purposes
- Often based on legal Business Registers when these registers are available in the country
- The SBRs reflect characteristics of the population of statistical units to properly be used as a sample frame and otherwise used for statistical purposes



A system of demographic and other business statistics derived from SBR

- It refers to the statistics derived from SBRs
- Generally, all business demography and entrepreneurship statistics are derived from SBRs. This information includes statistics such as number of new business (birth) (together with associated employment information), information on business ceasing their operations (death), survival rates, etc.
- The Maturity model for SBR elaborates on the maturity of the Statistical Business Registers, taking into considerations aspects of the other systems that are essential to a well-functioning SBR



Learning from Civil Registration and Vital Statistics

- United Nations Legal Identity Agenda to support Member States building holistic, country-owned, sustainable civil registration, vital statistics and identity management systems
- Legal identity is defined as the basic characteristics of an individual's identity. e.g. name, sex, place and date of birth conferred through registration and the issuance of a certificate by an authorized civil registration authority following the occurrence of birth
- A **Legal Identity Expert Group (LIEG)** was established with a focus on building legal identity system founded on civil registration from birth to death, and with a human rights approach
- The LIEG focuses on four key pillars of work:
 - A coordinated approach for implementation
 - Strengthened for action
 - Enhanced high-level advocacy and engagement
 - Technical support and financing country implementation
- LIEG is composed by 17 UN agencies

For more information on <https://unstats.un.org/legal-identity-agenda/>



Why an initiative on unique identifiers for businesses?

- The availability of a unique identifier for businesses in countries is key for SBRs as
 - it facilitates to use of administrative data
 - it facilitates data integration and data linking
- At global level, it also facilitate the analyses of multinationals and their profiling
- It is a way to strengthen the legal registration system of businesses in countries
- It builds on an infrastructure already in place, namely the Global Legal Entity Identifier Foundation (GLEIF)



A global initiative on unique identifiers for businesses – a proposal

- It is based on the recognition of the importance of business registration and the existence of unique identifiers in countries
- The proposal is to build a global efforts with interested organizations and countries to:
 - (a) improve the legal registration system of businesses in countries (especially the micro, small and medium enterprises)
 - (b) encourage the access and sharing of relevant data on the legal registration of businesses among government departments in the country as part of the national statistical system
 - (c) improve the Statistical Business Registers through the promotion of unique identifiers and the use of the Global LEI System in countries. This will also benefit the development at a global level of the global registers and the Global LEI Index among others
- Members will include relevant international organizations and interested countries



- As a first step, the activities will focus on the following:
 - Gauge the interest of relevant international/regional organizations and countries
 - Develop communication material that elaborates on the benefits for countries in using Global LEI
 - Countries with fully functioning registration systems already in place where the LEI could be introduced as an additional identifier to be used to map existing identifiers
 - Countries without fully functioning registration systems in place where the LEI could be used to set up fully new registrations immediately using the LEI as a unique identifier and to facilitate the use of administrative data for SBRs
 - Identify a country(ies) to discuss the possibilities to start a pilot project on fostering the LEI as a public good and the integration LEI in SBRs.
- In a second step, the governance will be further elaborated

The UNCEBTS is invited to express its views on the proposed initiative

Thank you!