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Chapter 12:
The Global Groups Register (GGR) and the LEI initiative

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Following UNSC Decision 46/107, requesting the GGR creation "building on and taking into account lessons learned from the ongoing EGR project", Eurostat and UNSD started collaborating on this matter in 2016.

For the moment we are in a **preliminary phase** targeting a report to be presented to the UNSC in its March 2018 meeting.

Subject to the UNSC approval, the real project should start in 2018.
Data collection, compilation and dissemination of GGR will be different from EGR. No GGR data sharing agreements among all countries.

Likely to be located on a global platform with inputs from many sides. The access for updating and use should be controlled, but open.

GGR to grow organically depending on opportunities, interests from the community of official statistics and interests from a multitude of associations (public, private and civil society). Collaborative effort among public and private sector partners → win-win game.
Some specific info could be collected with the international work on GVCs: (e.g. North American Automotive industry). Not all industry sectors for all regions of the world will be covered. Focus on major industries & relevant regions first.

Some relationship information should be collected through direct contact with MNEs (international profiling).

Eurostat is exploring some web-scraping techniques → could be used both for EGR and GGR.

UNSD should be responsible for the structure of the database, the design of the system and the quality verification.
LEI Background

- Potential source for GGR and EGR: *unique worldwide identification of the entities and no cost.*
- 2011 - G-20 mandates the Financial Stability Board to create a global Legal Entity Identifier (LEI) for entities engaging in financial transactions.
  - result of joint public and private sectors efforts
  - supports public authorities and market participants.
- Initial implementation = focus just on the entities taking part on derivative contracts; extended rapidly → more general coverage of legal entities.
- Governance body = Regulatory oversight committee (ROC), with members and observers from more than 70 authorities (including the EU Commission (DG FISMA) and the ECB).
About 515,000 entities have a LEI identifier in the world.

1/2 in the EU
1/4 in the USA
1/4 in the rest of the world.

Mainly but not only in the financial sector.
• Just recently (May 2017) GLEIF started collecting relationships information (Level 2 data). Relationships for the complete LEI population expected by the first half of 2018.

• In Dec 2016 GLEIF announced "We expect that, by 2020, we will look at an LEI population of about 1.5 million as a result of regulation".

• The European Securities and Market Authority (ESMA) reports that there are 19 EU regulatory actions, of which 13 made mandatory the use of the LEI and the other 6 recommends it.
We support the LEI initiative: improving the identification of legal units in national BRs and in the EGR; cross-border relationships among them.

As long as the LEI is not broadly used, the LEI will be used as additional source for EGR. On-going work to establish the flow. Basic aims:

- To improve the quality of the EGR in terms of coverage of Legal Units specifically to outside EU.
- To incorporate the LEI as additional identifier in the EGR as additional attribute for linking of registers.

GLEIF should change the business model to reach a broader implementation.

We think that the use of the LEI should be mandate at administrative level rather than at statistical level.