



**LEI Eligibility for General Government Entities**

**Guidance Document**

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# ROC Guidance on LEI Eligibility for General Government Entities

## Introduction

Following several queries expressed in December 2017 by Local Operating Units (LOUs), the Global LEI Foundation (GLEIF) sought the ROC's guidance on the implementation of the LEI for Government entities. The ROC<sup>1</sup> has clarified, at the GLEIS Forum of 22 May 2019, that general government entities are eligible for an LEI when they are legal entities according to ISO 17442, in the same conditions as other entities, i.e. "if they could enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way". Consequently, entities that are not incorporated, such as Ministries and Agencies, are eligible for an LEI. The ROC has also clarified that Government entities should declare a parent in the same condition as other entities, in case they are consolidated in the financial statements prepared by this parent. Based on two surveys of LOUs and ROC members<sup>2</sup>, the ROC has observed, however, that Government entities of most jurisdictions, when applying for an LEI usually declare no known parent as accounting consolidation within the government sector may be subject to jurisdictional specific rules and governance considerations different from the commercial sector.

These clarifications highlighted specific ROC concerns regarding the quality of information for Government entities. In order to streamline a proposal for solving this concern, the ROC ran a public consultation between 25 October and 6 December 2019. Ten answers were received from standard setters, central bank, data industry and Local Operating Units, referring to five jurisdictions (the US, Germany, Spain, France, India). Additional consultations were realized by written procedure with the respondents and GLEIF, bringing further clarifications.

On that basis, the ROC proposes to identify resident government entities and international organizations as specific entity categories<sup>3</sup>. Resident government entities will further precise the sub-sector they belong to, according to the System on National Accounts (Central Government, State Government, Local Government, Social Security).

The ROC also proposes to expand the list of accounting standards used for consolidation and allow to declare a government accounting standard. Part 2.2 of this guidance describes the proposal in more details.

After having consulted with the GLEIF, the ROC recommends that this Guidance is implemented by the 31 March 2022.

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<sup>1</sup> On 1st October 2020, the FSB transfers all governance and oversight responsibilities in relation to the harmonised derivatives identifiers and data elements to the ROC LEI, that became at the date the ROC (the "Regulatory Oversight Committee").

<sup>2</sup> With answers required respectively in October 2018 and April 2019

<sup>3</sup> The item entity category is currently filled in by funds, international branches and individuals in business capacity.

## **1. Clarifications about LEI for Government entities already relevant in the current GLEIS framework**

### **1.1 Are government entities eligible to have an LEI?**

The ROC is convinced about the importance for government entities to have an LEI, both in emerging markets as well as in advanced economies and for any type of Government entity, central or local. Most respondents to the consultation confirmed this view, highlighting specifically the need for market participants to identify Government entities because they are significant debt issuer, participants in financial transactions or guarantors, as financial institutions and large corporates are. In addition, private actors have to report the LEI of Government entities in the same way as private sector entity in order to fulfil regulations such as anti-money laundering reporting and “know your customer” requirements. Some respondents added that a better identification of government entities with the LEI could enhance accountability for tracking government spending and enhance transparency by collecting government financial data in an automatable fashion which is required for digital structured documents.

The ROC has observed that ISO 17442 definition of legal entities fully applies to general government entities and the criteria for eligibility are the same for them as for any other legal entities<sup>4</sup>. According to ISO 17442, legal entities “include, but are not limited to, unique parties that are legally or financially responsible for the performance of financial transactions or have the legal right in their jurisdiction to enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way.”

The ROC is of the view that, for this reason, a government entity such as a Ministry and Agency, should be eligible for an LEI as long as it can acquire legal rights and obligations under the national law to which it is subject. This is true, even if the entity is not incorporated or has no other legal personality. For example, the entity should be able to enter into legal contracts under a jurisdiction’s laws. This may involve issuing, buying and selling financial assets or being a counterparty to a financial transaction. Most respondents to the public consultation are generally of the same view, and several believe that government entities without legal personality or without full autonomy should have an LEI, in line with the ISO 17442 definition. It follows that, in many jurisdictions, several legal entities belong to the State and represent the diverse functions of the State.

### **1.2 How to report relationship data within the general government sector?**

Under the GLEIS provisions for LEI applications, the definition of direct and ultimate parent that currently applies is based on the principles of accounting consolidation.

According to the ROC report of 10 March 2016<sup>5</sup>, “Entities that have or acquire an LEI would report their “ultimate accounting consolidating parent”, defined as the highest level legal entity preparing consolidated financial statements, as well as their “direct accounting consolidating

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<sup>4</sup> [https://www.leiroc.org/publications/gls/roc\\_20191025-1.pdf](https://www.leiroc.org/publications/gls/roc_20191025-1.pdf)

<sup>5</sup> LEI ROC (2016) see footnote 4.

parent”. In both cases, the identification of the parent would be based on the accounting principles definition of consolidation applying to this parent.”

For the GLEIS, while accounting consolidation principles may be a convenient way to describe the relationship between corporations issuing shares or other similar legal entities, it may not suit all types of entity relationships. Indeed, general government sector entities are not necessarily included in consolidated financial statements. Several respondents to the public consultation admit there may not be accounting consolidation within the public sector as the governance considerations may not align fully with the private sector accounting consolidation principles. However, consolidation may apply in specific cases (the Ministries in the State budget).

The ROC has observed that General government entities are related to each other in the sense that all of them belong to the Government sector. However, there is no “control” of the central government on lower level of government such as local government, in the meaning attributed to “control” in the IFRS or US GAAP<sup>6</sup>. In most countries there are legal or constitutional limits preventing the interference that a central government might have on decentralized levels of government, and many times the more central level of government cannot assume the liabilities incurred by the decentralized levels. Moreover, there are usually no financial statements encompassing all government entities in a jurisdiction with the central government as consolidating entity.

Within the GLEIS, the collection of parent entities information is subject to a limited list of exceptions (“opt outs”). The GLEIF guidance states that an entity can decline providing information on its parents, if there is no parent according to the definition used. “This will include for instance (i) the entity is controlled by natural person(s) without any intermediate legal entity meeting the definition of parent in the GLEIS; (ii) the entity is controlled by legal entities not subject to preparing consolidated financial statements (given the definition of parents in the GLEIS) (iii) there is no known person controlling the entity (e.g. diversified shareholding).”<sup>7</sup> Under the current GLEIS standards, as a consequence, any government entity which is not consolidated in a financial statement should “opt out” and declare that it has “no known parent” according to “Reporting Exceptions Format V1.1”<sup>8</sup>. This is expected to happen in many cases.

Conversely, it should declare the LEI of its consolidating direct and ultimate parent, according to “Relationship Record Common Data File format V1.1”<sup>9</sup> if the government entity is consolidated in a parent’s financial statements. In the case of corporations, the direct parent is the entity with direct control of the entity. Some companies engaged in market activities can be fully or partially owned by a State or other government organization, which thus acts as a

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<sup>6</sup> IFRS 10 Consolidated Financial Statements provides the requirements for the preparation and presentation of consolidated financial statements under IFRS, requiring entities to consolidate entities it controls. Under IFRS, control require (1) power over the investee; (2) exposure or rights to variable returns from its involvement with the investee; and (3) the ability to use it power over the investee to affect the amount of the investor’s returns . Under U.S. GAAP, consolidation is based on having a “controlling financial interest” in an entity, which like IFRS, may not be by a shareholder but rather through a contractual arrangement. However, the consolidation outcome under IFRS differs from U.S.GAAP in some situations.

<sup>7</sup> LEI ROC (2016) see footnote 4.

<sup>8</sup> Item ExceptionReasonEnum <https://www.gleif.org/en/about-lei/common-data-file-format/level-2-data-reporting-exceptions-format#>

<sup>9</sup> Item RelationshipTypeEnum <https://www.gleif.org/en/about-lei/common-data-file-format/relationship-record-cdf-format#>

shareholder. That is, there are relationships between government entities that are similar to the relationships between corporations or other legal entities, with a legal entity unit that is part of a subsector of the general government being the direct parent of a legal entity unit outside of the general government sector. If the legal entity unit that is the parent consolidates them, this relation should be treated as any other relationship of the private sector.

Depending on the accounting framework used, the standard would be “US GAAP”, “IFRS” or “OTHER ACCOUNTING STANDARD”. The later standard type is currently to be used when the Government entity applies specific Government accounting standards.

LOUs will be able to validate the parent relationship on the basis of the consolidated financial statements provided by the entity. However, consolidation procedures may be quite different among government entities. This means that when the parent is an entity of the general government, there may be no consolidation process, although there is a relationship. Sticking in the consolidation option in the case of the general government will mean that a number of relationships in the case of the general government may not be captured by the LEI data.

To avoid any misunderstanding, we should note here that statistical consolidation differs from the accounting consolidation referred to by the GLEIS. According to SNA 2008 22.79, statistical consolidation “is a method of presenting statistics for a set of units as if they constituted a single unit. It involves eliminating transactions and reciprocal stock positions among the units that are being consolidated”. In such a process, no head or parent is identified (e.g. combined financial statements). As a result, there should be no confusion between statistical consolidation and accounting consolidation (or combined) financial statements referred to by the GLEIS. Further, “As a rule, the entries in the SNA are not consolidated” (22.14). “In the SNA consolidation is discouraged” (22.80).

The previous clarifications have been exposed to LOU at the GLEIS forum of 22 May 2019.

## **2. Proposal to change the GLEIS framework to better take account of Government entities’ specific features**

Currently, while Government entities can register for an LEI, they can’t be differentiated in the GLEIF database from other entities such as companies. They add to the large number of entities that declare no parent (78% as a whole). Being able to further detail the reasons for having no parent identified in the GLEIF database would make the database more informative and reliable.

### **2.1 The need of specifically identifying Government entity is not fulfilled in the current GLEIS**

In a large majority of jurisdictions, the entity legal form code does not permit the unambiguous identification of government entities. According to surveys of ROC members, not all jurisdiction provide legal form codes for Government entities. Even in jurisdictions that have specific entity legal form codes for government entities, there are Entity Legal Forms or

‘ELF’10 codes that apply indifferently to both public sector and private sector entities. This means that entity legal form cannot be used universally to identify government entities.

Statistical authorities while compiling security statistics and national accounts, financial stability authorities while analyzing the risk and indebtedness of entities in their jurisdiction, as well as market participants may need to specifically identify general government entities. Furthermore, government entities may behave in a different way due to entity-related events. For instance, some government entities can still exist after going bankrupt, others may be created or disappear according to dedicated legal acts (Agencies or Ministries). All respondents to the public consultation agreed it may be useful to separately identify general government entities. Some highlighted that such separate identification may be difficult.

## 2.2 Proposed changes to the GLEIS framework

For these reasons, the ROC proposes to specifically identify Government entities in the GLEIS. This will be done by creating two new “entity category” types in addition to existing entity category types, which are currently “FUND”, “BRANCH”, “SOLE\_PROPRIETOR”.<sup>11</sup> The new entity category types are “RESIDENT GOVERNMENT ENTITY” and “INTERNATIONAL ORGANIZATION”.

The definition of Government entities and international organizations rely on the System of national account 2008.<sup>12</sup> Definitions are available in part 3.1 and 3.4 of this note respectively. Publicly owned corporations that don’t belong to the government sector (see definition 3.3) would not fill in this item in any case.

For “RESIDENT GOVERNMENT ENTITY” sub-categories will be created and filled in as optional. The sub-categories are subsectors defined in the System on National Accounts 200813. They are “CENTRAL GOVERNMENT”, “STATE GOVERNMENT”, “LOCAL GOVERNMENT” and “SOCIAL SECURITY”.

Providing the information on Government subsectors, is considered very important by several respondents to the public consultation. Several suggested the information to be compulsory. However, despite the large use of System of National Accounts through jurisdictions, this

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<sup>10</sup> <https://www.gleif.org/en/about-lei/code-lists/iso-20275-entity-legal-forms-code-list>

<sup>11</sup> “SOLE PROPRIETOR” is used in the “LEI Common Data File format V2.1” to label “individuals in business capacities” that are defined in the ROC [Statement on INDIVIDUALS ACTING IN A BUSINESS CAPACITY](#), 30 September 2015.

<sup>12</sup> The System of National Accounts (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity. The SNA describes a coherent, consistent and integrated set of macroeconomic accounts in the context of a set of internationally agreed concepts, definitions, classifications and accounting rules. (<https://unstats.un.org/unsd/nationalaccount/sna.asp>)

<sup>13</sup> See [System of National Accounts](#) (2008), page 80. The general government sector consists of the following groups of resident institutional units:

- a. All units of central, state or local government (as described immediately below);
- b. All non-market NPIs that are controlled by government units.

The sector also includes social security funds, either as separate institutional units or as part of any or all of central, state or local government. The sector does not include public corporations, even when all the equity of such corporations is owned by government units. Nor does it include quasi-corporations that are owned and controlled by government units. However, unincorporated enterprises owned by government units that are not quasi-corporations remain integral parts of those units and, therefore, must be included in the general government sector.

information is not publicly available in all jurisdictions and it is sometimes difficult to obtain from the registrant itself. Some respondents to the public consultation highlighted how it may be a puzzle to classify in Government subsectors borderline entities such as financial entities, special purpose local governments, agencies, which are mainly market producers and other authorities. In case of entities that jointly provide shared services to states and local governments, the allocation to one or the other subsector may depend on in depth organization analysis such as who appoint the board members. For that reason, it is proposed to make the information on subsectors optional.

Government entities that declare a parent (i.e. the legal entity preparing consolidated financial statements) according to the usual GLEIS rules are likely to use specific accounting standards. It is thus proposed to create a dedicated accounting standard “GOVERNMENT ACCOUNTING STANDARD” in addition to existing accounting standards which are “US GAAP”, “IFRS”, “OTHER ACCOUNTING STANDARD”.

The “GOVERNMENT ACCOUNTING STANDARD” occurrence will apply to entities consolidated under IPSAS 35. The International Public Sector Accounting Standards Board<sup>14</sup> has developed standards, guidance, and resources for use by public sector entities around the world for preparation of general purpose financial statements. This new occurrence will also apply to National Government accounting standards. In the United States, the Governmental Accounting Standards Board (GASB) is the source of generally accepted accounting principles (GAAP) used by state and local governments<sup>15</sup> and the Federal Accounting Standards Advisory Board (FASAB) standards has been developed for federal governmental entities. Precisely identifying such specific standards developed for Government entities, will bring more precision and transparency in the GLEIS.

## **2.3 What is not proposed**

Several additional needs and options have been considered by the ROC or highlighted by the respondents to the public consultation. However, the following options deemed not feasible or too costly to be implemented. They are discussed below.

### **2.3.1 The GLEIS won't pinpoint the issuer of the Sovereign debt**

Several respondents to the public consultation have expressed a need to specifically pinpoint the issuer of the “sovereign debt” among the government entities that have an LEI. While it may be useful to identify the issuer of the public debt, it was considered especially difficult. First, there is not any universal acceptance for “the Sovereign”, that depending on the jurisdiction may be named “Republic”, “State”, “Government”. In addition, several entities (Treasury, Agency, Central Bank) may participate in the process with different roles (risk bearer, technical manager). Second, because the inclusion in the government debt implies to identify the final risk bearer, which involves a complex and thorough analysis and is beyond the scope of the LEI reference database. Indeed, the responsibility to select and make public the

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<sup>14</sup> <https://www.ipsasb.org/publications/2019-handbook-international-public-sector-accounting-pronouncements#>

<sup>15</sup> <https://www.accountingfoundation.org/jsp/Foundation/Page/FAFBridgePage&cid=1176164539408>



issuers of the sovereign debt depends on national authorities and is beyond the responsibility of the GLEIS.

2.3.2 The GLEIS won't create a new item to identify Government sector

The ROC examined the creation of an additional item dedicated to sectors that would have been filled in by Government entities only at the outset. Indeed, it may seem more forward looking to pave the way for a possible enrichment of the GLEIS in the future with information on sector activity. However, this would imply immediate large IT costs for an information which is not already homogeneous among jurisdictions and which is not seen by ROC members as possible to include in the GLEIS in a foreseeable term.

The choice made was to add some occurrences to an existing item "entity categories", already used for funds, branches and individuals in business capacity. This solution was deemed as requiring limited IT costs.

2.3.3 Neither the ROC nor the GLEIF will maintain on their website a list of Government entities

Few respondents to the public consultation suggested that the ROC or the GLEIF can provide lists of general government entities. However, the identification of Government entity is a responsibility of national authorities and neither the ROC nor the GLEIF can be responsible to maintain up-to-date lists on their websites.

**2.4 Corroboration**

Presently, respondents to the public consultation recognize specific difficulties for registering general government entities. Indeed, the registration authority and the identification code of the entity either do not exist, or is not easily identifiable or is not included in the registration authority list of the GLEIF.

To avoid duplicates and to prevent mistaken identifications in the GLEIS, the Government entity should as far as possible provide an identifier,<sup>16</sup> as defined in LEI Common Data File format V2.1.<sup>17</sup> The identifier is typically maintained by a business registry or an appropriate registration authority in the jurisdiction of legal registration. The registration authority should be identified by its code<sup>18</sup> in the Registration Authorities List (RAL) maintained by the GLEIF.<sup>19</sup> If the said registration authority has not yet been recorded in the RAL, an interim register can be designated,<sup>20</sup> until such time as an entry from RAL can be delivered. The GLEIF permanently enriches and updates the registration authority list. Some registration authorities provide national identification code and other registration information for Government entities as well as any other entities. Some registration authority may specifically identify Government

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<sup>16</sup> Item: RegistrationAuthorityEntityID

<sup>17</sup> <https://www.gleif.org/en/about-lei/common-data-file-format/lei-cdf-format#>

<sup>18</sup> Item: RegistrationAuthorityID

<sup>19</sup> <https://www.gleif.org/en/about-lei/code-lists/gleif-registration-authorities-list>

<sup>20</sup> Item OtherRegistrationAuthorityID

entities and provide their sector. The registration authority is the public authoritative source for corroboration by the LOU of the information provided by the entity.

In some jurisdictions Government entities are not registered by any Registration Authority. However, the Government entity is established by a public legislation or statute, that the entity can refer to, for corroboration by the LOU of the identity of the entity. For that very specific situation, ROC considers introducing a new corroboration category which would provide more information than “ENTITY SUPPLIED ONLY”. It can be labelled “PUBLIC LEGAL DOCUMENT” and will be enforced by a quality check. A specific identification process could be implemented in very exceptional cases where Government entities would be legal entities according to ISO 17442, without any national registration code.

It may happen that the registration authorities do not provide the information that the entity belongs to the government sector. In a large majority of jurisdictions, the Entity Legal Form code does not permit the unambiguous identification of government entities (see part 2.1). With the new proposal, the registrant will have to provide the reference information that proves it is a government sector entity. This information on the belonging of the entity to the Government sector can be found out of a Government or statistical authorities’ websites. Unless they are also Registration Authorities listed by the GLEIF, these authorities with their websites are not public authoritative source that can be used by the LOU to corroborate the identity of the entity. They can be used only to validate the belonging to the Government sector, in case the information is not provided by the Registration Authority. The ROC has already collected a list of such authorities’ websites where Government entities are listed for statistical or regulatory purposes or else. The links to such public databases are made available to LOUs for corroboration of the belonging to Government sector, but not for corroboration neither of the registration authority nor of the entity identification code. At this stage, 23 jurisdictions have provided a website, of which 22 jurisdictions with a list of individual entities names, 14 jurisdictions with a national or tax code for individual entities, 8 jurisdictions with the SNA sector/sub-sector and 3 jurisdictions with other standard for sector identification (NAIC, SIC, national). When these websites do not strictly apply the SNA 2008 definition, LOUs should consider if national standards are clear enough or if additional documents are needed. Making subsector information optional may reduce the cost of maintaining information.

Finally, the quality of Government entities may also be validated from the legal acts, either published or not – that establish the Government entity. These legal acts may not refer to the SNA definition but can be considered as a mean of proof about the belonging of the entity to the Government sector.

### **3. Definitions**

#### **3.1 The general government sector according to SNA 2008**

A large majority of respondents to the public consultation indicate that the definitions of Government entities, Government sub-sector, supranational and multilateral organizations should be based on the System on National account, currently in its 2008 version (SNA 2008). For six respondents, the subsector split if adopted, should be compulsory.

The SNA 2008 defines resident Government entities as non-market producers, part of the central, state or local government, social security funds or non-profit institutions (NPI) controlled by government units. International organizations are non-resident units created by international agreements or other arrangements for the provision of non-market services or financial intermediation at the international level

This broad definition, internationally accepted and harmonized, was seen as the best common reference to define Government entities, even in jurisdictions that do not currently publish the list of Government entities with their SNA subsectors. In a first place, institutional units defined in the SNA are close to legal entities as defined by the ISO 17442 standard. This part details further the definition of Government entities in the SNA that will guide the definition of Government entities in the GLEIS.

### 3.1.1. Institutional Units

The SNA 2008 deals with “institutional units”, not with legal entities. “An institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”. (SNA 2008 4.2). However, the proximity of definitions between institutional units and legal entities, especially in the general government context is a rationale for using the SNA 2008 definition of government entities.

### 3.1.2. General government

According to paragraph 2.17 of the SNA 2008, the general government sector consists of institutional units that, in addition to fulfilling their political responsibilities and their role of economic regulation, produce services (and possibly goods) for individual or collective consumption mainly on a non-market basis and redistribute income and wealth.

### 3.1.3. General Government Subsectors

Paragraph 4.127 introduces subsectors. It defines general government as the resident institutional units that are part of the central, state or local government. The general government also includes the social security funds, as an independent subsector or as part of the central, state or local governments subsectors, and all non-profit institutions (NPI) controlled by government units. The public corporations that are market producers are not part of the general government, although they can be entirely controlled by general government institutional units (see further details in section 3.3).

### 3.1.4. Central Government Subsector

The central government subsector consists of the institutional units plus NPI controlled by the central government institutions (paragraph 4.134). Paragraph 4.135 defines central administration as comprising all institutional units that extend their authority over the entire territory of the country.

### 3.1.5. State Government Subsector

The state government subsector consists of the institutional units that exercise some government functions at a level below that of the central government and above that of the government institutional units existing at a local level. These are institutional units whose fiscal, legislative and executive authority extends over individual states in which the country, as a whole, may be divided. In some countries, especially small countries, individual states and state governments may not exist (paragraph 4.141). The state government usually has the fiscal authority to levy taxes on institutional units that are resident in, or engage in economic activities or transactions within its area of competence (paragraph 4.142).

### 3.1.6. Local Government Subsector

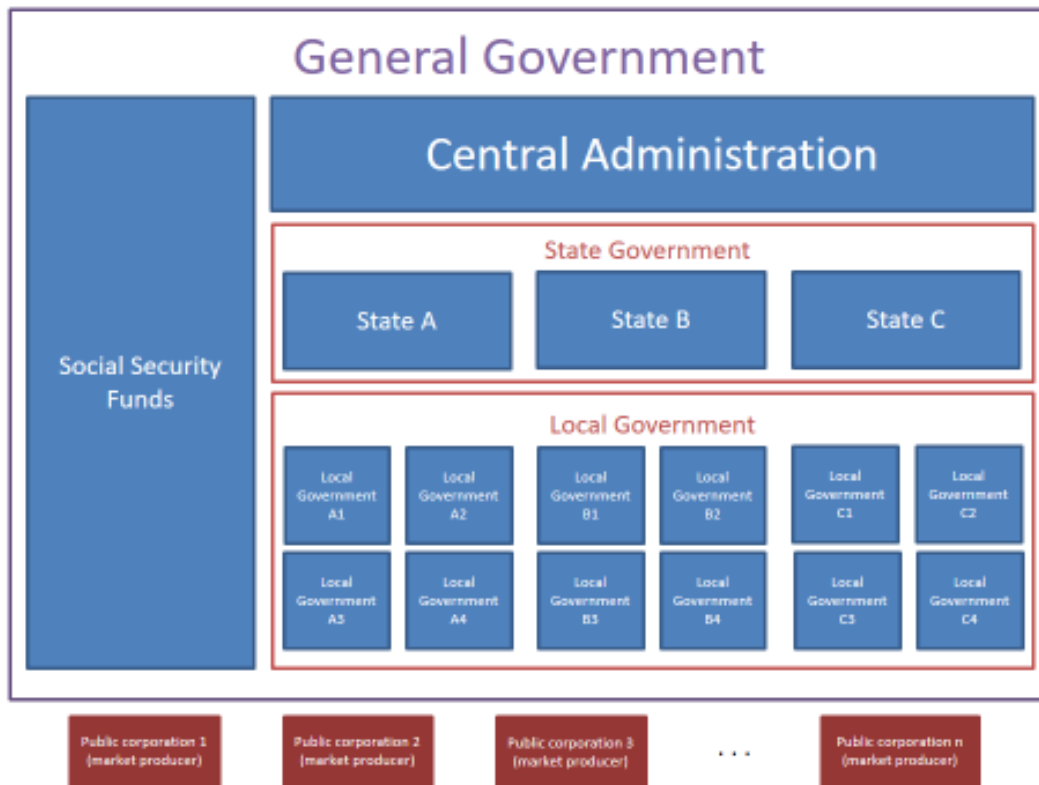
The local government subsector consists of local governments that are separate institutional units. The scope of their authority is generally much less than that of central government or state governments, and they may or may not, be entitled to levy taxes on institutional units resident in their areas (paragraph 4.145).

### 3.1.7. Social Security Scheme

Social security schemes are social insurance schemes that cover the community as a whole or large sections of the community and are imposed and controlled by government units. The schemes cover a wide variety of programmes, providing benefits in cash or in kind for old age, invalidity or death, survivors, sickness and maternity, work injury, unemployment, family allowance, health care, etc.” (paragraph 4.124). “They can operate at all levels of Government” (paragraph 4.147). “When social security schemes are separately organized from the other activities of government units and hold their assets and liabilities separately from the latter and engage in financial transactions on their own account, they qualify as institutional units that are described as social security funds. However, institutional arrangements in respect of social security schemes differ from country to country and in some countries they may become so closely integrated with the other finances of government as to bring into question whether they should be treated as separate institutional units.” (paragraph 4.125).

The general government sector can, in schematic terms be described as in Figure 1 below.

**Figure 1 - General government**



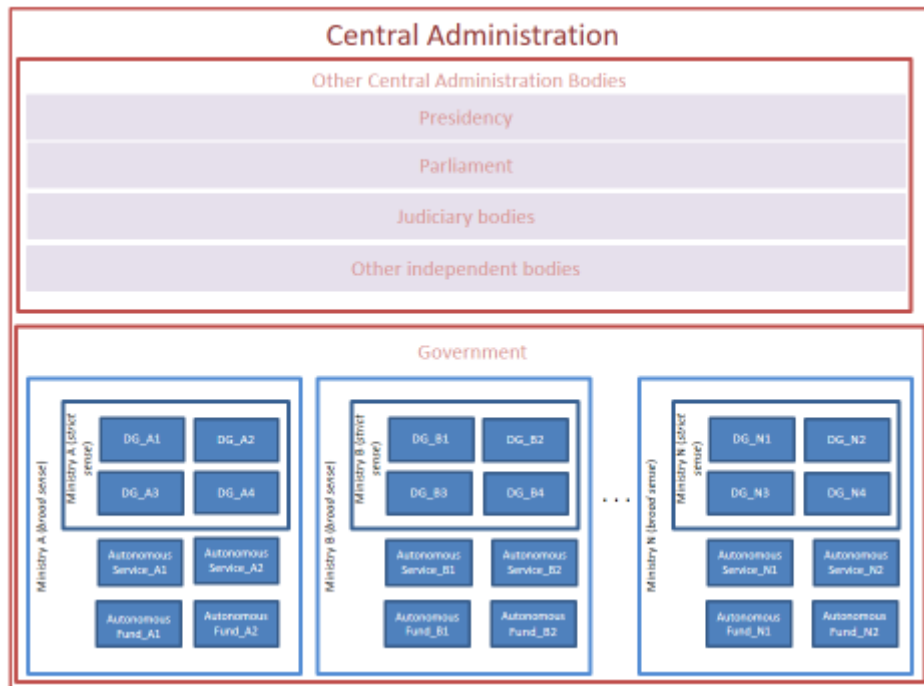
### **3.2 The specific issue with the central government sector entities**

The central administration is the most complex subsector of the general government. This subsector includes the ministries and some independent bodies such as the presidency, the parliament, the judiciary bodies or other independent bodies. Different countries have different configurations of ministries. In some countries, each ministry is itself an institutional unit and a legal person. It has different departments responsible for the design and control of policies, and performance of the tasks normally performed at the ministry level. In some other countries, these units are separate institutional units under the same political authority (the Ministry). The ministry itself is a political unit, without legal personality, that corresponds to the aggregation of different institutional units. In other countries, both the Ministry and agencies ("lower level" central administration entities from the State) have no legal personality but represent the State when entering into contracts.

Whatever the legal landscape, the GLEIS should identify legal entities on their ability to abide to the ISO 17442 definition i.e. being „unique parties that are legally or financially responsible for the performance of financial transactions or have the legal right in their jurisdiction to enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way.”

A schematic structure of central government is displayed in Figure 2.

**Figure 2 - Central administration**



**3.3 The general government sector is a part of the public sector.**

“The public sector includes general government and public corporations. To identify which NPIs are included in general government, conditions for control by government must be identified. To determine which enterprises are treated as public corporations and which as part of general government, it is necessary to specify conditions for control by government and the concept of economically significant prices.” (22.15).

This means that there are institutional units that are public, but do not belong to the general government. Especially, government owned corporations that are market producers don't belong to the general government sector. The figure 3 relates to the public sector with the institutional sectors of SNA-2010.

**Figure 3 - The public sector and its relation to institutional sectors**

non-financial corporations	financial corporations	general government	non-profit institutions serving households	households
public	public	public	private	private
private	private			

**3.4 The international organization according to the SNA 2008**

Article 4.173 of the SNA 2008 describes international organization as follows:

“Certain international organizations have all the essential attributes of institutional units. The special characteristics of an “international organization” as this term is used in the SNA may be summarized as follows:

- a) The members of an international organization are either national states or other international organizations whose members are national states; they thus derive their authority either directly from the national states that are their members or indirectly from them through other international organizations;
- b) They are entities established by formal political agreements between their members that have the status of international treaties; their existence is recognized by law in their member countries;
- c) Because they are established by international agreement, they are accorded sovereign status; that is, international organizations are not subject to the laws or regulations of the country, or countries, in which they are located; they are not treated as resident institutional units of the countries in which they are located;
- d) International organizations are created for various purposes including, among others, the following types of activities:
  - The provision of non-market services of a collective nature for the benefit of their members;
  - Financial intermediation at an international level, that is, channelling funds between lenders and borrowers in different countries.”

As for National Government entities, the ROC considers it is not its responsibility neither the GLEIF’s responsibility to maintain and publish a list of international organization on their website.