

Minutes of the CMFB Workshop on Collaboration & exchange of business register data for statistical (and non-statistical) purposes between NSIs and NCBs

29 June 2022

1 INTRODUCTORY REMARKS

- (1) The CMFB Chair welcomed participants to the CMFB workshop, the first partly physical (hybrid) CMFB occasion since early 2020. He briefly recalled the CMFB's contributions in the area of business registers and identifiers, in particular:
 - the various surveys on the scope and organisation of business registers in European countries (2015, 2018, 2021);
 - the work of the High-Level Group on Business Registers and Technical Group on Business Unit Identifiers;
 - six consolidated recommendations of the CMFB Opinion on business identifiers and business registers - Recommendations for statistical production (2 December 2016, [link](#));
 - the action plan for monitoring the implementation of the recommendations (29-30 June 2017, [link](#)).
- (2) The chair subsequently briefly outlined the purpose, contents, and timeline of the workshop.

2 EUROPEAN REGISTERS AND THE COLLABORATION WITH NCBs AND NSIs: SHARING OF BEST PRACTICES

- (3) The Chair of the session welcomed participants and continued the introduction by referring to the role of the ESSC Bratislava conclusions on globalisation and the ECB, Eurostat and OECD work on business registers.
- (4) Peter Neudorfer (ECB DG-S) presented the ESCB's Master Dataset on Entities (RIAD).
- (5) Enrica Morganti and Agne Bikauskaite (Eurostat) presented the European Group Register (EGR) on multinational enterprise groups.

2.1 Discussion

- (6) The discussion evolved around the collaboration between the ESCB and ESS. Eurostat and ECB DG-S highlighted the constructive and helpful collaboration between the two teams and reconfirmed the common willingness to seek further synergies whenever needed and possible. It was recalled that the exchange of business register information between members of the two European Statistical Systems is only possible for 'statistical purposes. According to the current legal framework, full set of registers' data is deemed to be confidential in the absence of a more clear legal framework for registers' non- confidential information. Here the workshop links with the CMFB work in the TF ECI. Moreover, RIAD and EGR do have different coverage, timeliness, purpose and most importantly, both reflect in part different user needs and requirements. RIAD is a more agile tool with daily updates, but it does not have only a statistical purpose contrary to EGR. The latter works with a much lower timelines and update frequency,

taking into account all information available on company structures, hence providing higher quality structural information on multinationals. This being said, further collaboration might be required in areas of common interest, such as globalisation.

- (7) In terms of methodology and function, the registers are in practice rather aligned and implement best practices to provide information fit for purpose. Further harmonisation may (best) start at the national level, and not necessarily always directly follow from European efforts. As regards the European level, public information on some basic properties of entities, which is collected in a structured form in registers but essentially remains the same public information, should be exchanged or even be made public.
- (8) The session Chair thanked for the discussion and the two presentations.

3 USE OF BRs BY BOTH THE NSIs AND NCBS FOR STATISTICAL PURPOSES

- (9) As item 3.1, Patrick Baart (Centraal Bureau voor de Statistiek – CBS) and Tineke de Jonge (De Nederlandsche Bank – DNB) presented the Netherlands Collaboration Project “One Register”.
- (10) As item 3.2, Caterina Vivino (Istat) and Lucia Ristori (Banca d’Italia) presented the Italian experience and collaboration in the exchange of registers’ data for statistical purposes: a focus on the Legal Entity Identifier (LEI).
- (11) As item 3.3, Cecile Golfier (Banque de France - BdF) and Myriam Broin (Institut national de la statistique et des études économiques - INSEE) presented the French experience with the collaboration project on the exchange of business register data for statistical purposes between BdF and INSEE.
- (12) As item 3.4, Jaanus Kroon (Eesti Pank) presented the Cooperation between Statistics Estonia and Eesti Pank in the field of statistical business register from the Eesti Pank perspective.
- (13) The discussion recalled that the consistency between NCB and NSI contributions to European registers is often already closely coordinated between NCBS (typically responsible for financial entities) and NSIs (usually covering all other entities), both in terms of content and methodology. By way of example, the regular consistency checks performed between BdF and INSEE were mentioned. For any potential closer links between European registers, ensuring consistency may find inspiration in national practices. It was clarified that while the LEI comprises level 1 (identification) and level 2 (relationship) information, the processing of relationships was sporadic for the time being, with much potential left to exploit. Concerning the organisation of registers, a legal ‘barrier’ was often observed between the statistical register of the central bank (serving monetary policy, economic analysis but also supervision) and the business register of the statistical institute, serving only statistics. The country examples did however also show possible ways to overcome such obstacles.

4 USE OF BRs BY NSIs AND NCBS FOR NON-STATISTICAL PURPOSES

- (14) As item 4.1, Miro Holzer on behalf of Katharina Muno (both Bundesbank) and Thorsten Tümmeler (Destatis) presented the Collaboration of Deutsche Bundesbank and Federal Statistical Office on business register data.
- (15) As item 4.2, Juan Peñalosa (Banco de España - BdE) presented the Spanish case on the exchange of business register data for non-statistical purposes.
- (16) The discussion clarified that the statistical register will be one use case of the basic register in Germany. NACE and ESA codes may not be contained directly in the basic register as the quality of (raw) administrative data may not allow for a clear-cut classification in the initial stage.
- (17) The exchange also highlighted that certain national legislations directly flag variables that are public, and this facilitates data sharing. This type of legislation greatly supports the roll-out of registers for both statistical and non-statistical purposes. For instance, the Estonian and Finnish cases showed that the legal framework can effectively separate confidential and non-confidential information, the latter being available for any purpose, including non-statistical ones.

The most recent change in Spanish Law on the Public Statistical Function related to access to CSI data addressing statistical analysis for scientific purposes in the public interest raised the interest of the audience.

5 PANEL DISCUSSION – WRAP-UP SESSION

5.1 Discussion / Q&A

(18) The Chair of this session introduced the item and the panellist (Dominique Durant, Enrica Morganti, Ursula Havel, Pedro Oliveira and Francois Mouriaux). The purpose of the discussion was to sum up best practices, entertain the way forward, including the role of the CMFB. The discussion was structured by three rounds of questions:

1. What are the main takeaways from this workshop?

- (19) Panellists did not unconditionally prescribe a single register because European and national business registers have different tasks, strategies and heterogeneous frameworks and regulations with a data exchange based on specific cooperation agreements. However, further harmonisation and the use of common standards should always be strived for. Cooperation at European and national levels should be intensified for the purpose of statistical consistency, as well as agility and flexibility of statistical production.
- (20) Panellists also suggested to clarify the concept of confidentiality, to improve the sharing of data. Moreover, the statistical use of non-statistical data has a long history, while the demand for non-statistical use of statistical data is very strong and institutions need to respond to it. Confidential data often entails publicly available data, and a useful approach to follow could be that data obtained from sources available to the public and which remain available to the public according to national legislation shall not be considered confidential and/or for statistical use only.
- (21) Eurostat and ECB DG-S expressed their willingness to continue sharing experience to improve consistency. Eurostat, ECB DG-S and the CMFB should assist MSs requesting help in organising their business registers. At the same time, cooperation at national level should also serve as a model and inspiration for future developments in European registers. Systematic and regular joint production should follow existing best practices.

5.2 Do we ask the right question with regard to collaboration and exchange of register data between NSIs and NCBS? Is it possible to overcome the hurdle created by the pure statistical use of business register data in the ESS and multi-purpose use in the ESCB? Do we need a change in the perspective: Going away from the direct ESS-ESCB data exchange to a system of administrative and statistical registers, which would create a consistent treatment of enterprises in all registers?

- (22) Panellists identified some developments as regards the accessibility of data which now goes well beyond statistical institutes and central banks, based on concrete user requests and the European Commission data strategy. However, the issue of trust in the statistical systems should be preserved and therefore the use of statistical data for non-statistical purposes should be strongly controlled. Hence, it remains important to distinguish statistical use from non-statistical one.
- (23) Purely statistical use in the ESS and multipurpose use by the ESCB stems primarily from law. At the same time, the public opinion may be influenced by misused data to challenge the monopoly of official statistics in shaping policy decisions. To reduce this undue competition, the non-statistical use of official statistics should be considered by the legislation.
- (24) Eurostat reminded that different concepts and methodologies are behind administrative and statistical sources. The increasing amount and detail of information effectively makes the production cheaper. Most information is not confidential, and, in that respect, the statistical and non-statistical dichotomy could be easier to overcome.

- (25) ECB DG-S emphasised the strategic importance of registers for various policy purposes. Statistical registers probably represent the highest degree of integration and quality achievable today, but the legislation is largely exogenous to statistics. Reporting agents should receive access to part of this information, at least to a core set of indicators, for reasons of transparency, economic efficiency and quality of statistics. Sharing a core set would not jeopardise the trust in statistics, especially if it is already public in dispersed databases.
- (26) There was consensus that the best way forward (also with regard to adjustments of the legal framework) would be to bring down general high level considerations about more harmonised registers in the ESS and ESCB and the non-statistical use of register information to concrete reflections on well justified use cases and well defined variables (e.g. the economic sector and NACE classification).

5.3 How would the system of national and European registers in NSIs and NCBs look like in 10 years? How do we get there and how the CMFB could assist this process?

- (27) Panellists put forward that a consistent set of information for key MNE groups, including on ultimate control, should be achievable. EU Profiling should become more standard practice and fully reflected in registers, also to assist the production of national accounts (financial and non-financial) and balance of payments statistics. Progress could follow incrementally, in small but solid steps. For instance, a single reporting system for all corporations seemed incomprehensible 20 years ago. Now, it is a reality in some MSs. Countries that are less advanced, as well as the European institutions, could find inspiration here.
- (28) The higher degree of integration (also driven by overarching regulations such as the ESS's Framework Regulation for Integrated European Business Statistics (FRIBS) or the ESCB's Integrated Reporting Framework (IReF) initiative) as well as a more comprehensive coverage of MNEs, may necessitate more integrated large cases units. Registers would be the centre of support for consistency works across various statistical domains and constituencies. The substantial frontloading of costs would definitely pay off over this term and should be fully exploited, as already evidenced by today's first results. The collaboration between statistical institutes and national central banks would be default practice for all statistical uses. ECB DG-S added that currently unused possibilities in metadata could provide legal and technical safety for the various purposes and sharing options, in-line with the evolution of the regulation.
- (29) The CMFB could continue in its current role, of which the present workshop is a prominent example. The value of sharing best practices should not be underestimated, as illustrated by the rich findings of this event. The cooperation with new candidate Member States should also be intensified.

5.4 Closing remarks

- (30) Eurostat and ECB DG-S thanked for the interesting workshop and concrete experiences. Many of these business cases could provide for workable solutions on the European level.
The CMFB chair concluded the workshop by warmly thanking all contributors for their successful and hard work to organise this event: The EUROSTAT for excellently hosting the workshop, and the CMFB Sponsors, Eliana Psimolophites and Alfredo Cristobal, for perfectly structuring the programme and arranging the sessions.
- (31) The summary underlined that different business registers can indeed exist, as long as close cooperation, harmonisation, use of common standards and identifiers are given the attention they deserve. Enhancing cooperation between the two systems producing European statistics has a pivotal role to make this happen. The CMFB is particularly well placed to support this close cooperation. Registers also often impact the division of labour between NSIs and NCBs and exploit several country-specific characteristics.
- (32) Concerning confidentiality and the use of statistical data for non-statistical purposes, the presentations and discussion revealed diverging views, but also some new ways forward. Legal

constraints are the hardest to overcome, but the exchanges also provided some inspiration for new avenues, with feasible possibilities to reconcile the statistical and non-statistical uses.

- (33) Progress on the national level can indeed drive progress beyond the geographical borders and thus at the EU level. An important approach to successfully conclude effective cooperation agreements was the spirit of compromise. Cross-border cooperation, even if directly reaching the European level, can exert a similar impact.
- (34) As a way forward, the CMFB Chair concluded that:
- national presentations at CMFB meetings promoting the sharing of best practices and experiences are a valuable way forward, and all countries that have not yet presented are encouraged to do so.
 - a renewed stocktaking exercise on the organisation of business registers, refreshing earlier results of similar exercises, could be envisaged.
 - a dedicated webpage on the CMFB website shall be created to publish all materials and outcomes of the present workshop.