Statistical business register

Collaboration practice between Eesti Pank and Statistics Estonia

CMFB Workshop on Collaboration & exhange of business register data for statistical purposes between NSIs and NCBs

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OUTLINE

- Background and legal base
- Business register as the golden copy
- Eesti Pank Statistical Register of Economic Units
- Statistical Business Register of Statistics Estonia
- Cooperation between Statistics Estonia and Eesti Pank
- The major duties of Eesti Pank Register
- Conclusions and challenges

BACKGROUND AND LEGAL BASE

➢ **Eesti Pank Act**
- ▪ The Bank produces statistics on the basis of the **Official Statistics Act**
- ▪ Resposibilities
  - ▪ a) **financial sector** statistics, b) **BOP** statistics, c) **financial accounts** statistics and d) in **any other area where data is needed** for central bank tasks

Statistics Estonia

➢ **Official Statistics Act**
- ▪ 2 producers of official statistics in Estonia
- ▪ Statistical work programme
  - ✓ 2 parts
- ▪ Council of Statistics

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BACKGROUND AND LEGAL BASE (2)

- ➢ **Producer of official statistics has the right**
  - ▪ **to establish statistical registers for production of official statistics**
  - ▪ **to link** micro-data collected from respondents and administrative records that allow direct or indirect identification of statistical units.
  - ▪ **to disseminate** data that allow direct or indirect identification of a person without the consent of the person
    - ✓ to another producer of official statistics according to the area of competence and marked as confidential…
    - ✓ Concerning legal entities registered in Estonia, regarding

      Registry code; name and address; legal form; economic activity; size group of the unit according to the number of persons employed; size group of the unit according to the sales revenue.

BUSINESS REGISTER AS THE GOLDEN COPY

- Established 1994 – Ministry of Justice
  - ✓ *Centre of register and information systems*
- Unified identification code system across registers
  - ✓ Private person Identifier (IDC)
  - ✓ Business Identity Code (BIC)

Registering company – ca in 2 hrs

e-Business Register
Centre of Registers and Information Systems

e-residents

- ✓ Annual reports via portal
- ✓ Available accounting software

BUSINESS REGISTER AS THE GOLDEN COPY (2)

Statistics Estonia

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Statistical Business Register

Statistical Register of Economic Units

- **General and private individual data available in business register**
  - ✓ Business name / Official address / Contat information
  - ✓ Legal form
  - ✓ Capital amount
  - ✓ Link to Securities Register (shareholders)
  - ✓ Number of shares without par value
  - ✓ List of holders and the size of their holdings (parts)
  - ✓ Beneficial owners
  - ✓ Primary and secondary NACE
  - ✓ Demographic information
  - **Annual reporting**
    - **balance sheets and income statements**

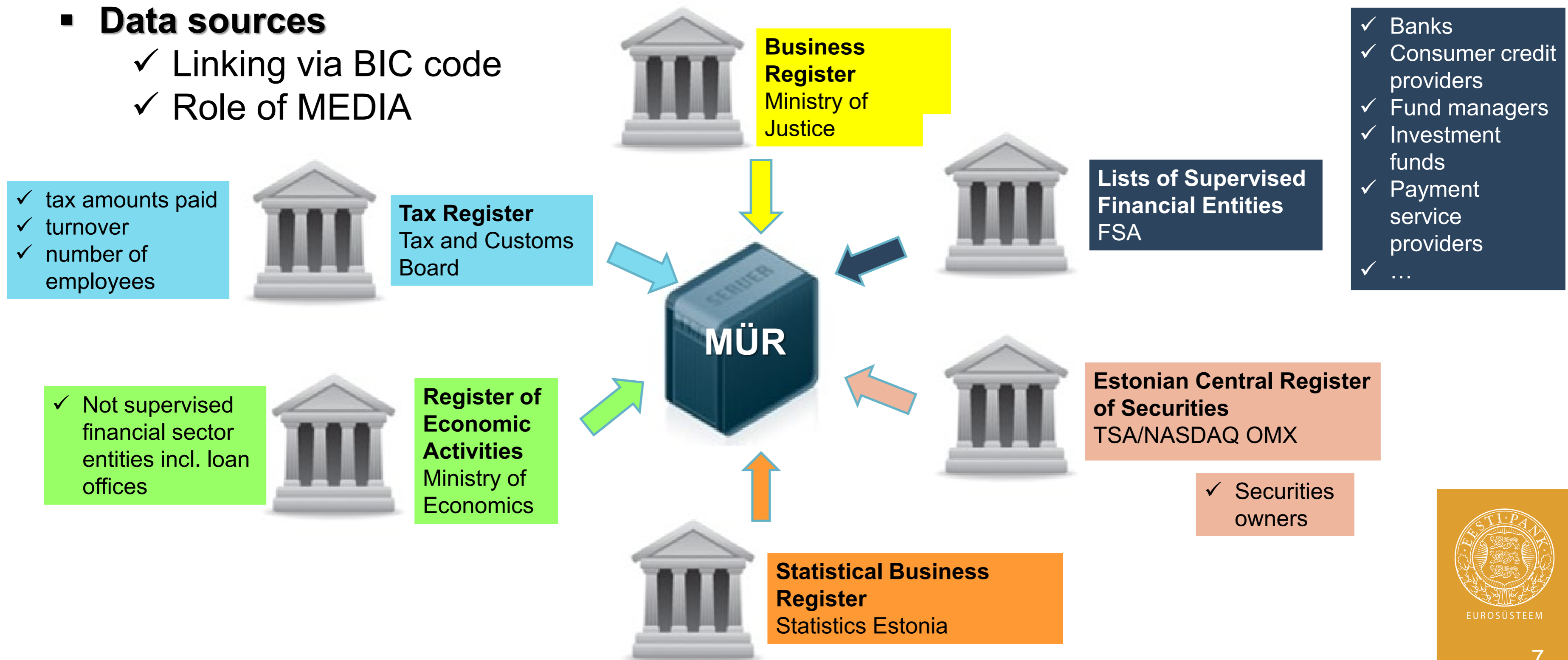Public Sector Data Exchange Layer X-ROAD

Updated Daily

STATISTICAL REGISTER OF ECONOMIC UNITS (MÜR)

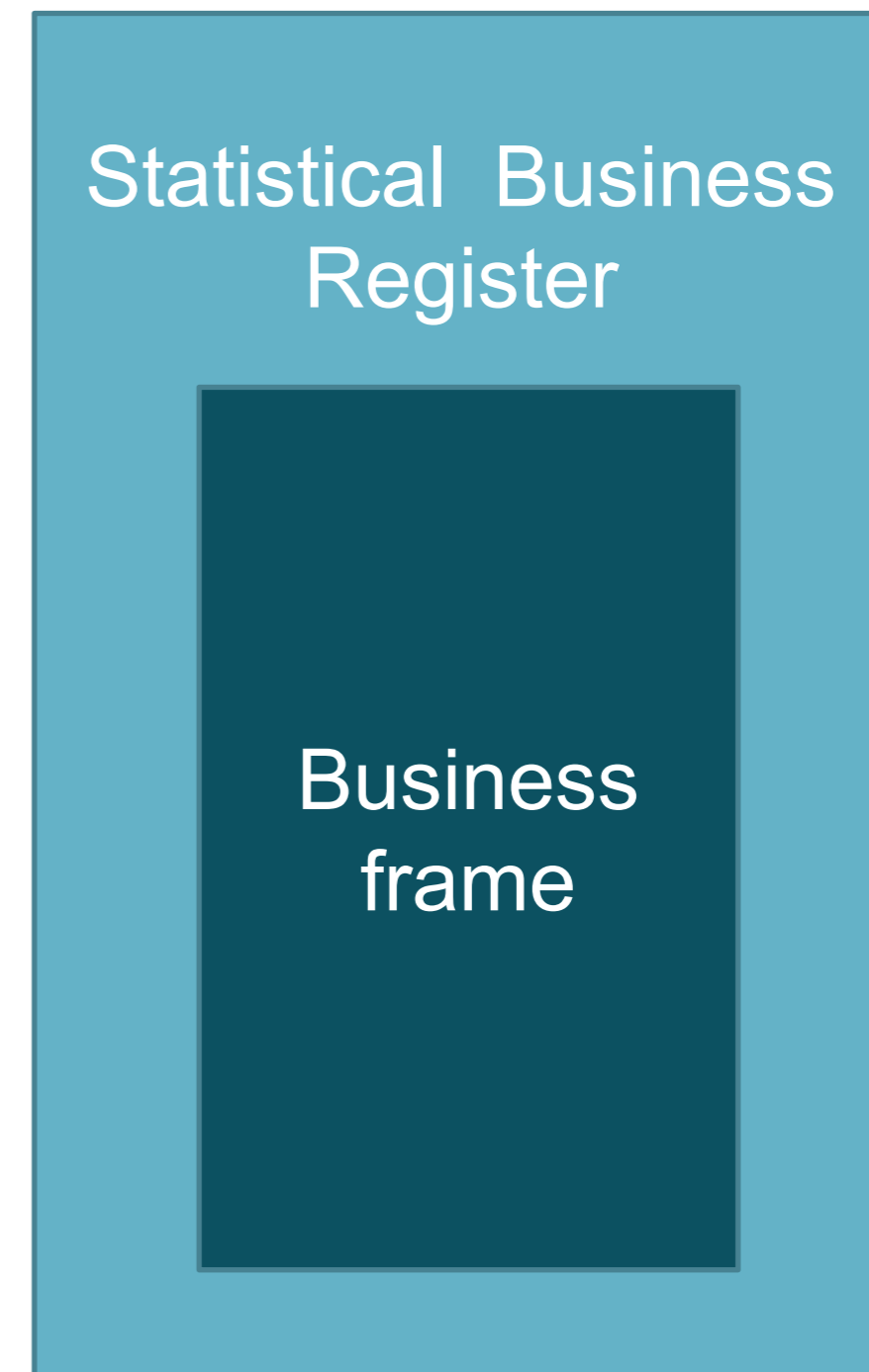**EESTI PANK – STATISTICS DEPARTMENT**

- **Data sources**
  - ✓ Linking via BIC code
  - ✓ Role of MEDIA

Business Register
Ministry of Justice

✓ tax amounts paid
✓ turnover
✓ number of employees

Tax Register
Tax and Customs Board

Lists of Supervised Financial Entities
FSA

✓ Banks
✓ Consumer credit providers
✓ Fund managers
✓ Investment funds
✓ Payment service providers
✓ …

MÜR

✓ Not supervised financial sector entities incl. loan offices

Register of Economic Activities
Ministry of Economics

Estonian Central Register of Securities
TSA/NASDAQ OMX

✓ Securities owners

Statistical Business Register
Statistics Estonia

STATISTICAL BUSINESS REGISTER

STATISTICS ESTONIA

➢ **Main focus on the business frame**
- ▪ economically active units in a given year
- ▪ sampling frame for all economic statistics of NSI
- ▪ compiled by 1st of November annually
  - ✓ all economically active units during at least a part of the reference period
  - ✓ freezing of NACE and ISC
- ▪ Specifying activities
  - ✓ Special register survey (stopped)
  - ✓ Life signs in other registries
  - ✓ **Co-operation with Eesti Pank**

Statistical Business Register

Business frame

COOPERATION BETWEEN STATISTICS ESTONIA AND EESTI PANK

➤ Aim is to achive maximum coherence of the register information used by Eesti Pank, Statistics Estonia and respondents on the main activity NACE and ISC as the bases for statistical production.

> ▪ Main attention of the DQM is related to specifying population of…
>   - **government sector** - Statistics Estonia
>   - **financial sector** – Eesti Pank

➤ Correction of NACE and ISC if needed

➤ Usually in Sept/Oct

➤ DQM is based on annual reports, different statistical reports, direct contacts, etc

COOPERATION BETWEEN STATISTICS ESTONIA AND EESTI PANK (2)

Workflow:

- ✓ Revised list of financial sector entities and SPE-s
- ✓ List of FDI affiliates abroad (for EGR)
- ✓ List of economic active companies on the bases of International Transactions Reporting System (ITRS)

Eesti Pank

Statistics Estonia

- ✓ **All** financial sector entities and SPE-s (NACE and ISC)
- ✓ **All** government sector units (NACE and ISC)
- ✓ Only **active units** of the remaining legal entities (NACE and ISC)
- ✓ Monthly turnover
- ✓ No of employees
- ✓ ID of statistical unit enterprises
- ✓ Ultimate Beneficiary Owner
- ✓ Presumed revised NACE and ISC (alive after Nov, 1)

COOPERATION BETWEEN STATISTICS ESTONIA AND EESTI PANK (3)

➢ **Public information for classification of economic units**

- ✓ In order for the statistics to be consistent, it is necessary to classify / sector entities in a similar way not only for the EP and the SA, but **also for the reporting agents, such as banks**.
- ✓ Statistics Estonia publishes on its website on Dec, 1 each year, the help for the classification of economic entities [https://www.stat.ee/en/provide-data/andmete-esitamisest/information-classification-economic-units]
- ✓ Reporters should use the help information published for the first time in their reports for the following January
- ✓ **Information is available for statistical and nonstatistical use!**

✓ **BIC**
✓ **RIAD code**
✓ **NACE**
✓ **ISC**
✓ **Date of birth**
✓ **Date of death**

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COOPERATION BETWEEN STATISTICS ESTONIA AND EESTI PANK (4)

➢ **The cooperation is formalised in MoU between Eesti Pank and Statistics Estonia** (dedicated chapter)
- ✓ Principles
- ✓ Responsibilities
- ✓ Data flow and work calendar
- ✓ Joint seminars to solve classification issues

THE MAJOR DUTIES OF STATISTICAL REGISTER OF ECONOMIC UNITS

➢ to be a survey frame and tool for data collection,

➢ to be a data source to identify and classify macroeconomic activities and sectors of legal entities,

➢ to be a direct data source for FDI statistics regarding ownership and annual economic indicators (pre filled-in questionnaires with combination of securities register data),

➢ to be a direct and comprehensive data source for financial accounts statistics regarding data on assets and liabilities,

➢ to be indirect data source for grossing up, cross-checking, comparing and validating reported micro-data

➢ to help reporters to classify their clients in case of aggregated reporting

➢ to help statisticians to classify micro data in case of granular reporting
  ✓ AnaCredit, RIAD, ITRS, etc

➢ …

CONCLUSIONS

➢ The co-operation of statistical register with statisticians has crucial role in order to ensure it's quality

➢ The collaboration has to be regular and consistent

➢ Training, feedback and regular discussions on problems faced, accomplishments and further needs for development will help to make the collaboration more productive

➢ Linking of registers and consistency analysis are essential to identify the real quality of data.

➢ Statistical register must be available for reporters to help them to classify

CHALLENGES

➢ Good compromise regarding the timing of synchronisation is needed
➢ "Economic year" may differ from "Calender year" + late reporting
➢ Accounting statements do not provide data on complete taxonomy of all elements – reporting bases on the principle of significance,
➢ Solo based *vs* group consolidated reporting mixed
➢ Different accounting/reporting standards accepted
➢ Big transactions and players may need special current attention
➢ Registers can help to improve the quality of statistics but need remarkable investments
➢ Disseminated register data for classifying is available only for resident units
   ➢ Could the LEI and PAN European data sharing solve the problem?

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THANK YOU!