

**Final report of the Task Force on the Exchange of Confidential Information –  
Phase I**

**6 October 2020**

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## **I. Executive summary**

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This report is the conclusion of the work of the CMFB Task Force on the Exchange of Confidential Information. The task force was set up to explore options to ensure the exchange of confidential statistical information (CSI) between the ESS and ESCB.

To begin, the task force took stock of existing programmes of data exchange and other work on the exchange of CSI. The main takeaways from these activities were discussed.

Secondly, the task force launched and analysed a CMFB survey to cover data exchanges within and between the ESS and ESCB. The survey gathered views and information from CMFB members on a range of topics including:

- whether CSI is shared and with whom;
- the institution's attitude towards exchange of CSI;
- legal acts relevant to the exchange of CSI;
- legal challenges and other challenges to the exchange of CSI;
- what CSI held in the ESS/ESCB would be beneficial if shared;
- IT issues related to the exchange of CSI;
- and examples of good practices.

Finally, based on the review of existing work and analysis of the survey, the task force came up with recommendations for a potential way forward to ensure the exchange of CSI.

Several exercises (the MNE pilot exercise or the foreign direct investment (FDI) network, UNECE taskforce on exchange and sharing of economic data, the G20 data gaps initiative, INEXDA and the Irving Fischer Committee work) were analysed by the task force. The evidence is that data exchange is an ongoing activity for statistical purposes. The data exchange does not always need to involve confidential data. Part of the data quality challenges can be examined by exchanging less sensitive data. However some situations need sharing of CSI. Statisticians are hesitant and need guidance and support for exchanging CSI. The guidance and support would entail tools (such as legal and administrative solutions), protocols, secure environment and business motivation for exchanging CSI. The analysis of existing exercises also shows that when there is the needed business motivation and support available also the means to overcome obstacles can be found (although sometimes such solutions are only temporary in nature and cannot solve underlying structural issues).

The CMFB survey has partly supported this view. It is clear that institutions see the exchange of CSI as a pre-requisite for achieving good consistency of data and data quality improvements, but identify relevant constraints, namely the lack of reciprocity and the fear of the consequences for data collection. On the other hand, there were mixed views on whether there are barriers under EU legislation. A lack of practical guidance was also considered relevant by a non-negligible part of the survey respondents.

An important aspect regarding the exchange of CSI for statistical purposes is to build trust and transparency towards reporting agents. According to the CMFB survey there is room for improvement in this area.

When inquiring about the IT aspects of CSI exchange, most respondents underlined that secure Web/Cloud (IT) solutions are a prerequisite for the secure exchange of CSI. Given the real need to protect sensitive data from unauthorised access, only with "secure-by-design" technical components (network connections, applications, services), together with organisational measures (policies,

guidelines, processes), could guarantee the desired level of security. It was pointed out also the importance of providing metadata on the sensitivity of data and to have a limited number of platforms used to exchange CSI.

Despite enabling European legislation, legal constraints remain. Slightly more than half of respondents indicated that there are legal barriers for sharing CSI with other members of the ESS/ESCB. The most often cited barriers to sharing CSI are national legislation, which clearly defines the restrictions to data sharing and the consideration that the enabling clauses of Regulation (EC) No 223/2009 and Council Regulation No 2533/98 allow the sharing of CSI, but do not mandate or oblige to share.

Similarly slightly more than half of respondents felt that there are also non-legal barriers restricting the sharing of CSI. The perception that (voluntary) reporters would stop providing data is the most frequently mentioned barrier.

The survey explored also successful cases where CSI was exchanged within ESS/ESCB. These cases were reported mainly (39 out of 50) between national counterparties (NSI and NCB). Considering the successful cases, it generally seems that the Regulations and the National laws provide a general enabling framework and then the technical details of each specific data exchange are agreed upon in Memoranda or Bilateral Agreements. This however may not suffice to encourage data sharing if concrete measures to ensure an enduring trust in the sender that confidentiality is always protected are not put in place and if both parties do not acknowledge that data sharing is mutually beneficial for building good statistics and that it can alleviate the reporting burden. Indeed, the eventual use of the data exchanged (for statistical purposes) is an important aspect.

In total 32 unsuccessful cases were reported in the survey. It seems that there is still appetite for more data exchange. This part the report lists also the main obstacles why the data exchange did not happen. The legal framework is clearly number one reason with 10 mentions. This was followed with inconsistent perception of CSI, two mentions.

Finally the survey inquired the state of play and future needs of data exchange. In total 188 established exchanges were reported, of which 119 cases are by NCBs and 69 cases by NSIs. Most of the reported exchanges took place within a common project ensuring the providing support for data exchange. For example, the FDI network was mentioned most often (22 times), while data exchanges regarding the MNE-Pilot studies have been stated by 16 respondents.

After taking a stock of work done and analysing the survey the TF puts forward five recommendations:

**Recommendation #1:** Review and narrow the existing concept of CSI

While the TF recognises the difficulty of such endeavour, it would recommend changing the definition of CSI. In fact, it recommends the CMFB to consider narrowing the existing concept of CSI. Relevant aspects should be reviewed (non-exhaustive list): the freshness of the data, already published data and various types of data (e.g. register – classification – information on activity, institutional sector or location) to possibly reduce the amount of CSI and hence simplify the statistical compilation process and extend the analytical use of the existing data.

**Recommendation #2:** Take the necessary transparency measures to ensure confidence and trust

The TF recommends to take the necessary transparency measures to ensure confidence and trust. At the national level, the trust of data providers should be fostered by informing them of the legal basis, the secure IT mechanisms and codes of conduct (in particular, that all exchanged data are used exclusively for statistical purposes) around sharing of CSI within the ESS and ESCB. At the international level, a

common EU position on the reporting obligations for MNEs for the purposes of compilation of national and European statistics would also contribute to this process of building trust.

Also procedures to ensure trust between the institutions of the ESS and ESCB engaged in the exchange of CSI should be in place. Memoranda of understanding, codes of conduct, and protocols for data access and usage are examples of these types of procedures.

**Recommendation #3:** Define a standard process for the exchange of CSI between the ESS and the ESCB

The TF recommends the adoption of a standard protocol for the secure exchange of CSI between the ESS and the ESCB, which should cover IT, organisational aspects and common specifications. The definition of such a protocol could draw on existing ESS and ESCB best practices.

**Recommendation #4:** Improve the current legal framework for the exchange of CSI

The TF recommends to improve the current legal framework for the exchange of CSI. Two lines of action could be foreseen: national and EU-level. The TF saw quite some merits in the second line of action, as it would allow for a more homogenous definition and treatment of CSI across Europe. The basic legislation within the ESS and ESCB would need to be amended and eventually further domain specific legislation would be required to identify when the exchange is mandatory.

**Recommendation #5:** Promote organisational frameworks that facilitate the sharing of CSI

The TF recommends to promote organisational frameworks that facilitate the sharing of CSI. Building an environment and providing the business motivation for data exchange via common projects are important. Thus the TF recommends to support the common areas of interest such as three cases below.

The TF supports:

- The work towards integrated business registers
- Wider use of common business identifier (LEI<sup>1</sup>)
- Building organisational structures such as Large Case Units (LCU)

The task force sees that to obtain the clear benefits of data exchange these recommendations need to be taken forward. The task force also suggests to plan a roadmap for more concrete actions to promote these recommendations.

**The CMFB is invited to:**

- **take note and comment on**
  - the national, European and international developments in sharing CSI
  - the outcome of the CMFB questionnaire
- **discuss** the recommendations within the report
- **discuss** the possible actions, prioritisation and indicative timeframe for the recommendations

<sup>1</sup> In 2011, the Group of Twenty (G20) called on the Financial Stability Board (FSB) to provide recommendations for a global Legal Entity Identifier (LEI) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. (See: <https://www.gleif.org/en/lei-system/gleif-management-of-the-global-lei-system>)

- **support** preparing suggestions for concrete actions
- **agree on**
  - a written procedure for detailed comments
  - preparation of a version of this report for publication on the CMFB website and/or transmission to the ESF
- **decide** if there is scope for a second phase

## II. Introduction

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To meet the challenges of measuring the impact of globalisation in economic statistics, good collaboration between producers of statistics is necessary. A key aspect of this collaboration is to have in place adequate exchanges of confidential statistical information (CSI). In fact, this is one of the only tools available to producers of official statistics to address asymmetries in balance of payments data; to ensure transactions of multinationals involving more than one country are recorded consistently; and to produce coherent EU and Eurozone aggregates. The exchange of existing data between authorities may also contribute to reducing the reporting burden, by limiting duplication of statistical work. Although some mechanisms for data sharing within the ESS/ESCB have been in place for some time, and some new mechanisms were introduced recently, there is a view that more needs to be achieved on this topic.

To address this need, the European Statistical Forum mandated the CMFB in December 2018 to prepare a feasibility study on the exchange of confidential statistical information (CSI) between the ESS and the ESCB for statistical purposes. The CMFB, in turn, set up the task force on the exchange of confidential information (TF ECI) in March 2019 with sponsors Robert Kirchner and Ville Vertanen of the Executive Body and co-chairs Ville Tolkki, Bank of Finland and Patrick Quill, CSO, Ireland. The membership also consists of representatives and co-secretaries from Eurostat and ECB, and representatives from 3 NSIs and 8 NCBs.

This report presents the work of the task force. Section III introduces the mandate of the task force; section IV explores existing work on data exchange; section V presents the results of the questionnaire to members of the CMFB on the topic; section VI concludes with task force recommendations for improvement of data exchange between ESS and ESCB.

The report discusses the exchange of data within the two systems, ESS and ESCB combined. Apart from gathering data on different sharing arrangements the TF has seen its objective as how to improve the sharing of CSI for the production of economic statistics within and between the the ESS and the ESCB.

### **III. Mandate and organisation of the TF ECI**

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#### **III.1 Mandate**

The Task Force was established under a mandate of the CMFB<sup>2</sup>. The mandate requested the Task Force to explore, in a report to the CMFB, concrete options for the exchange of Confidential Statistical Information (CSI). It set out the following tasks to be performed:

- (1) to take stock of prior experiences in the exchange of the CSI and of international existing work around the issue;
- (2) to explore what CSI held in the ESS/ESCB would be beneficial if shared;
- (3) to identify the legal framework and consider changes if any are needed to national or EU legislation;
- (4) to investigate IT issues related to the exchange of CSI; and
- (5) to share examples of good practices.

The mandate proposed that items (2) to (4) above would be best achieved by means of a questionnaire to CMFB members. Timelines for the TF to prepare progress reports and this final report to the CMFB were also proposed. It was envisaged that there could be a second phase where the TF would work on additional topics related to the exchange of CSI.

The mandate further defined what is meant by CSI, by reference to Council Regulation 2533/98 and Regulation 223/2009 of the European Parliament and the Council. These Regulations refer respectively to “confidential statistical information” and “confidential data”, meaning information which allows statistical units, reporting agents or any other legal or natural person, entity or branch to be identified, directly or indirectly. CSI does not refer to other sensitive data, such as pre-release or lower quality information.

#### **III.2 Organisation of the work**

The TF was co-chaired by Ville Tolkki of the Bank of Finland and Patrick Quill of the Irish CSO.

Further members came from Eurostat, the ECB DG-S, the NCBs of Latvia, Netherlands, Germany, Poland, Italy, Austria, Portugal and Spain and the NSIs of Denmark, Germany and Portugal. The secretariat was taken up by the ECB DG-S and Eurostat. The list of TF Members is annexed to this document.

All TF meetings were organised by means of teleconference, even before the Covid-19 pandemic of 2020.

The survey of the CMFB Members is described in section V of this document.

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<sup>2</sup> The full mandate is included in annex 1 and the list of Task Force members in annex 2

## IV. Stocktaking

The CMFB requested the Task Force to take stock of prior experiences in the exchange of the CSI and of international existing work around the issue. This section lists voluntary and mandatory sharing and exchange of CSI within and between ESCB and ESS. Some of the more relevant of these data exchange systems and other international existing work in the area of data sharing are discussed in more detail. These are: the MNE GNI pilot exercise; the FDI Network; the UNECE Task Force on Exchange and Sharing of Economic Data; INEXDA; the Irving Fisher Committee; and The second phase of the G20 Data Gaps Initiative.

### IV.1 Existing exchanges of CSI

Table 1 includes a not necessarily exhaustive list of existing sharing and exchange of CSI, within and between ESS and ESCB, on a mandatory or voluntary basis. The table states any regulation mandating the exchange (in some cases the activities were conducted voluntarily under the enabling clause in Regulation (EC) No 223/2009). Information on the partners of the exchanges is given under the heading 'Area'. The year when the exchange process was initiated is also given, as well as some brief commentary on the exchange.

**Table 1 Inventory of regulated and voluntary exchanges of confidential statistical information within and between the ESS and the ESCB**

Name	Regulated/ Voluntary	Regulation	AREA			Year	Note
			ESS	ESCB	ROW		
FDI network	Voluntary		X	X		2009	Individual transactions and positions above a threshold. Access only to FDI compilers of the countries directly involved in each transaction
Early warning system	Voluntary		X	X		2019	Early information on major MNE restructuring
MNE pilots	Voluntary	Enabling clause under Regulation 223/2009	X	X		2018	Pilot data exchange for the verification of the GNI
Micro data exchange for international trade in goods statistics	Mandatory	EBS Regulation 2019/2152	X			2019	Large scale exchange of trade in goods data
Euro Group Register (EGR)	Mandatory	EBS Regulation 2019/2152	X	X (under certain conditions)		2019	Exchange within the ESS. Exchange with the ESCB, exclusively for statistical purposes ESCB

							can access the EGR data on MNE groups under certain conditions <sup>3</sup>
Register of Institutions and Data Affiliates	Mandatory	Guideline ECB/2018/16 and Recommendation ECB/2018/36		X		2018	To support all ESCB tasks (not only statistics)
Centralised securities database (CSDB)	Mandatory	Guideline ECB/2012/21		X		2012	Mostly fed by private data providers (ESCB Guideline on data quality management)
Anacredit	Mandatory	Decision ECB/2014/6 and Recommendation ECB/2014/7		X		2014	
INEXDA	Voluntary	MoU	X	X	X	2017	No exchange of CSI, only metadata and experiences
ESCB data series (BSI, MIR, SHS, MMSR,...)	Mandatory	Several legal acts		X			Includes confidential time series for individual and aggregate data. NCBs send data to the ECB which is then circulated back to all NCBs
ECCBSO: BACH	Voluntary		X	X			Only anonymised access
European Profiling	Voluntary		X			2013	Results of MNE profiling stored in a confidential tool, IPT, and accessible to concerned ESS members

## IV.2 MNE pilot exercise

The global activities of multinational enterprise groups (MNEs) affect statistical recording in several countries and create a need to share information to ensure consistency of treatment across countries and domains. In this context, in February 2018, the European Statistical System Committee (ESSC) supported the launch of a Pilot Exercise (the pilot onwards), whose main objective was to achieve a reasonable understanding of the reliability of the recording of globalisation issues in GNI data and of the problems involved, through the analysis of value added of an initial selection of 25 MNEs and the plausibility of its distribution. Logically, the exercise could also support the consistency of Balance of Payments if CSI can be shared among compilers.

<sup>3</sup> Regulation (EU) 2019/2152 Article 10 paragraph 4

The second objective was to analyse the relevance of research and development, location of Intellectual Property Products (IPPs), intra- and extra-group trade flows and methodological consistency across Member States in the context of National Accounts and Balance of Payments. The pilot involved the exchange of qualitative and quantitative confidential information on a voluntary basis.

### **Participation**

All member states participated although not all could exchange all the data foreseen, referring to national legal restrictions and/or unavailability of data.

Business statisticians, national accountants and balance of payments statisticians were involved and microdata from the different domains were shared.

### **Legal basis**

The pilot relied on Article 21 of Regulation (EC) n° 223/2009. In the case of some member states, it was considered necessary to specifically adapt national legislation to facilitate the exchange of confidential data as the EC Regulation was not seen as a sufficient legal basis. In addition, at the request of the countries, Eurostat developed a Code of Conduct for microdata sharing in the context of the pilot. This code specified responsibilities of countries and of Eurostat when sharing and handling microdata, the IT platform to be used for data sharing and the duration of microdata storage.

### **Roles and responsibilities**

A joint Task Force (TF) of the Business Statistics Directors' Group (BSDG) and the Directors of Macroeconomic Statistics (DMES), also attended by the ECB, was mandated by the ESSC to steer the process of implementing the pilot. The mandate facilitated the cooperation across statistical domains as it brought together representatives from Business Statistics, National Accounts and Balance of Payments.

The following roles were established: for each country: a pilot coordinator and a back-up and for each pilot case: a pilot case contact as well as a back-up.

### **Secure exchange of information and microdata**

A dedicated S-CIRCABC group and separated sub-groups for each pilot case were created. Access rights were defined for each group. Only the pilot case contacts involved in a particular pilot had access to all information exchanged within a particular pilot case.

### **Involvement of NSIs and NCBs**

Taking the Spanish case as an example, which represents a positive and typical relationship between NSIs and NCBs:

Instituto Nacional de Estadística (INE)

For non-Spanish MNE, as partner country, INE collected all the information to fill in the qualitative and quantitative questionnaire reported within Business Statistics (SBS, FATS, ITSS and ITGS), Balance of Payments (BOP and FDI) and National Accounts domains and

cooperated with the lead country (the country where the global decision centre of the MNE is located) on the drafting of the final report. For Spanish MNE, as lead country, INE provided information to partner countries on the structure/legal units of the MNE; collected information from partner countries; drafted and transmitted intermediate and final reports to Eurostat. To do that, INE needed some information from other national institutions such as the Banco de España.

#### Banco de España

As provider of SBS/FATS data for some financial sectors, it provided to INE information on 7 MNEs (17 legal units): Turnover, Employment, Production value, Value added at factor cost, Gross operating surplus, Total purchases of goods and services, Personnel cost, Gross investment in tangible goods. As BOP/FDI producer, it answered a qualitative questionnaire and provided information on 19 MNEs (172 legal units): total investment income flows-credit, of which to intra-EU; Total investment income flows-debit, of which from/to intra-EU.

### **Main findings from the work**

The MNE pilot was one of the more successful examples of data exchange to date (see para. 31 of the Report on the GNI MNE Pilot Exercise<sup>4</sup>). All member states participated, a secure platform was used, and only lead countries and counterpart countries had access to the data for a given MNE.

The success was also due to the legal framework around the exchange of CSI in the EU, which, taken together with the GNI legal framework, made a compelling case for data exchange. Nevertheless, legal restrictions to the data exchange were mentioned in some cases.

#### Key success factors:

- Clear guidelines, roles, responsibilities and code of conduct, in accordance with the conditions of the enabling clause of Regulation (EC) n° 223/2009;11041997
- Clearly defined sets of variables for exchange (questionnaire template) and reporting template;
- Appropriate IT-platform S-CIRCABC;
- Participation of all Member States;
- Involvement of representatives of various relevant statistical domains including Business Statistics, National Accounts and Balance of Payments (hence involvement of Central Banks);
- Clear starting and ending dates for the exercise (time limitation).

#### Emerging issues

- Need stronger legal framework (in addition to Regulation (EC) n° 223/2009) for exchanging information on a structural basis (as some MS developed temporary legal measures)
- Comprehensive approach (bringing all relevant statistical domains and partners together)
- Providing access and a legal basis for using additional data, such as OECD BEPS<sup>5</sup> data/country by country reporting and supplementary information on R&D and IPPs.

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<sup>4</sup> “Report on the GNI MNE Pilot Exercise“, Luxembourg, 19 November 2019 - in: Final Report on Globalisation, Item 6 on the Agenda, 2nd meeting of the GNI Expert Group, 26-27 November 2019, Luxembourg, Eurostat/C3/GNIG/039 - EN

<sup>5</sup> Base erosion and profit shifting (BEPS) refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Under the OECD/G20 Inclusive Framework on BEPS, over 125 countries and jurisdictions are collaborating to implement the BEPS measures and tackle BEPS.

- The TF notes that although the pilot refers mostly to consistency of the national accounts across member states, the involvement of balance of payments compilers is also essential to its success.

### **IV.3 FDI Network**

#### **Background**

As part of the strategy to improve the quality of the euro area/EU balance of payments (BOP), the Working Group on External Statistics (WG-ES) and the Balance of Payments Working Group (BOP WG) promoted several initiatives. One of them was the creation, in 2009, of the FDI Network, primarily to address intra euro area/EU asymmetries in FDI transactions (and later also positions) via the exchange of microdata. The FDI Network facilitates the secure exchange of confidential information on FDI between national FDI compilers (national authorities compiling FDI statistics).

The CMFB has strongly supported the efforts around the FDI Network and has continuously promoted an improvement of its effectiveness, recognising its importance for reconciling bilateral FDI data cross European countries.

#### **Principles**

Participation in the FDI Network is based on the following principles:

- Participation in the FDI Network takes place on a voluntary basis;
- By virtue of participation in the FDI Network, the FDI compilers undertake to follow the rules and provisions laid down in the FDI Network Manual;
- Any obligation of Eurostat or DG Statistics of the ECB under the FDI Network Manual shall be without prejudice to the rights and obligations with respect to the collection, transmission, dissemination and other uses of information, as laid down in primary or secondary Community legislation or elsewhere;
- Access to the FDI Network is limited to the national FDI Compilers and Eurostat;
- The information exchanged is only seen by the countries involved in the concrete transaction or position exchanged.

#### **Legal framework for the transmission of confidential data**

The transmission and exchange of confidential data in the context of the FDI Network is foreseen exclusively for statistical purposes, particularly to increase the quality of the EU/euro area FDI and balance of payments statistics. The transmission of confidential data is enabled pursuant to the Regulation (EC) No 184/2005 on Balance of Payments statistics, international trade in services and foreign direct investment,<sup>6</sup> the Regulation (EC) No 223/2009 on European Statistics<sup>7</sup> and the Guideline

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<sup>6</sup> Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment, OJ L 35, 8.2.2005, p. 23.

<sup>7</sup> Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (Text with relevance for the EEA and for Switzerland), OJ L 87, 31.3.2009, p. 164.

ECB/2011/23<sup>8</sup> on the statistical reporting requirements of the ECB in the field of external statistics and the Council Regulation 2533/98 concerning the collection of statistical information by the European Central Bank.<sup>9</sup>

According to Article 8(3) of Regulation (EC) No 184/2005, Member States receiving confidential data from other Member States shall treat that information confidentially. To that end, the FDI Compilers shall take all necessary regulatory, administrative, technical and organisational measures to ensure confidentiality and the protection of confidential data and to prevent unlawful disclosure of that data.

### **Technical framework of the FDI Network**

The exchange of micro level data on FDI transactions and positions between FDI compilers is based on a secure data exchange via the Eurostat data transmission tool “eDAMIS”. Eurostat acts as the 'mail box' receiving the encrypted file sent by the Member State initiating an exchange on a particular transaction/position. Eurostat then decrypts the file (Excel-template), encrypts the file again and forwards it to the counterpart country of the transaction/position. The information is shared only between those countries which are parties to the financial transaction/position. The concerned countries will then try to reconcile their data.

### **Main findings from the work**

Member States have put a lot of effort into the efficient functioning of the FDI Network since its inception in 2009, and this is now the main tool to address FDI asymmetries between EU countries.

In addition to a higher usage of the FDI Network, a progressively greater emphasis was placed in recent years on the provision by national compilers of meta-data to explain large singular transactions and positions, as well as large revisions to already released data. The ECB Guideline (ECB/2011/23, Article 2.3) requires all NCBs to accompany their data transmission with “...readily available information on single major events and on reasons for revisions, when the magnitude of the change to the data caused by such single major events or revisions is significant or on request by the ECB.” These metadata allow European compilers to contact, inform and query compilers in counterparty countries when necessary, safeguarding data confidentiality, to ensure a consistent recording of balance of payments operations in the euro area/EU BOP. However, for some countries this information is only available to the ECB.

There are however some problems that affect the efficiency of the FDI Network:

- Some Member States only provide answers to exchanges initiated by others, hence some important exchanges may end-up not being initiated;
- An important number of exchanges are not reconciled as there is no resolution mechanism in place;
- The exchange and reconciliation processes can be very resource-intensive, hence the time from exchange to reconciliation can be very extensive. The time it takes to reconcile a transaction/position depends very much of the Member States' response time / non-response to information requests, which can vary a lot.
- Member States can face technical problems when using eDAMIS in the exchange of data.

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<sup>8</sup> Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23), OJ L 65, 3.3.2012, p. 1.

<sup>9</sup> Council Regulation (EC) No 2533/98 of 23 November 1998 (as amended by Council Regulation (EC) 951/2009) of 9 October 2009) concerning the collection of statistical information by the European Central Bank, OJ L 318, 27.11.1998, p. 8.

Suggested improvements:

- It would be necessary to develop a common database to which all FDI Compilers would have restricted and conditional access. This has already been discussed in the joint ESS/ESCB Task Force on FDI and technical solutions are being investigated (such as S-CIRCABC);
- It would be necessary to implement technological improvements to reduce the manual treatment of data. The use of S-CIRCABC is one of the steps in that direction;
- Solve confidentiality restrictions at national level (the national legal framework) or EU level to ensure a level playing field as FDI Network initiators. This is addressed in Recommendation #4 in this report.

## **IV.4 UNECE taskforce on exchange and sharing of economic data**

### **Addressing the MNE measurement challenge with the help of data sharing**

As a reaction to the increasing challenge of measuring multinational enterprise groups (MNEs) in official statistics, and recognising the role of MNEs' data as a critical element for economic and business statistics, the Chief Statisticians in the Bureau of the Conference of European Statisticians (CES) decided, in October 2016, to carry out an in-depth review of the exchange and sharing of economic data. The survey showed that already then, data sharing for statistical purposes was quite common at national level. However, statistical authorities engaged rarely in international data sharing and mostly only in well selected cases related to the recording of cross-border transactions to minimise bilateral asymmetries between countries.

In the discussions that followed, the Chief Statisticians shared a view that in a globalised economy, national official statistics can no longer be produced in isolation from the rest of the world if we want to ensure the high quality and the overall relevance of economic and business statistics. Therefore, they decided to launch a Task Force to advance economic data sharing for statistical purposes. Data sharing among compilers of official statistics was seen as the way forward to maintain their quality in the context of growing intensity and complexity of MNE's global arrangements, changing intra-group structures and agreements, and the evolving division of intangibles and R&D across countries.

### **UNECE Guide to sharing economic data**

In December 2019, the draft Guide to Sharing Economic Data was circulated to all members of the Conference of European Statisticians (over 60 countries, including 56 UNECE member states, such as EU countries, Canada, the Russian Federation and the United States, as well as countries outside the region e.g. Australia, Brazil, China, Colombia, Mexico, New Zealand and Japan) for consultation. The Guide was prepared by the Task Force on Exchange and Sharing of Economic Data, set up by the CES Bureau in 2017. The Task Force's objective was to analyse concrete examples of data exchange, to identify enablers and obstacles of data sharing and develop guidance, tools and principles to facilitate the sharing of economic data.

The following countries and international organisations participated in the Task Force: Canada, Denmark, Finland (Chair), Italy, Ireland, Mexico, Poland, the Netherlands, United Kingdom, United States, European Central Bank (ECB), Eurostat, the International Monetary Fund (IMF), the

Organisation for Economic Co-operation and Development (OECD), UNECE and the United Nations Statistics Division (UNSD). UNECE acted as Secretariat to the Task Force.

In the course of its work, the Task Force engaged in regular coordination with several expert groups in statistics and provided input to work undertaken by numerous international groups/organisations at different levels.

### **Main tools provided by the Guide**

The Guide to Sharing Economic Data makes recommendations for a phased approach to international data sharing for economic and business statistics. In this sense, data sharing can involve the exchange of non-confidential aggregates, and if needed, the exchange of confidential microdata. The exchange can be either continuous, or one-off to address a particular issue. The sensitivity of the shared information increases in a continuum from sharing aggregated data, publicly available data on individual units, metadata on the treatment of individual units, or confidential individual data. The main tools provided by the Guide include, for instance:

- Rich examples to share experience from various different types of data sharing cases
- An analysis of enablers and obstacles of data exchange with links to resources to overcome barriers
- Instructions and experience from large cases units (LCU) and their role in data sharing
- Communication materials for respondent relationship management with MNEs
- Legal and procedural recommendations and a data sharing Memorandum of Understanding (MoU) template
- Information on useful IT tools for data sharing
- Process guidance for taking steps towards data sharing
- Recommendations on next actions for countries and international organisations

The innovative cases shared in the Guide are intended to enable the application and development of similar solutions across countries to advance data sharing in the future. The decision to engage, or not, in data sharing among statistical authorities will be influenced by the pressure to reduce response burden, need to reuse and better manage existing data and the objective to retain/improve the quality of economic and business statistics.

In many countries, engaging in data sharing is likely to require a review of statistical legislation. Recommendations on the legal framework enabling international data sharing for statistical purposes have been laid down in the UNECE (2019) Guidance on Modernising Statistical Legislation. Data sharing may also require statistical agencies to draft a new data sharing policy for themselves, an update of the systems to enable secure data sharing and the establishment of new governance procedures. All this may also call for a cultural change in many statistical organisations.

According to the Guide, international data exchange will only happen if statistical offices are open and willing to:

1. Amend legislation if needed;
2. Harmonise practices of statistical production with other statistical producers across the world;
3. Coordinate data analysis and exchange across statistical domains;
4. Adapt technical solutions with counterparts in data exchange;

5. Consult with respondents and other stakeholders;
6. Implementing quality control measures and describe relevant quality observations with the metadata;
7. Incur costs, especially when launching or extending data sharing for statistical purposes.

### **The way forward. Actions proposed by the Guide**

According to the Guide, this work must be built up by actions of the national statistical systems and be supported by international organisations.

While the work relies on national statistical institutes and national central banks, international organisations are key players in promoting cultural change and providing discussion fora to share country experiences. These fora should bring together various statistical authorities in addition to national statistical offices, such as statistical units of central banks, ministries of finance and customs, to discuss and agree on the practical needs for data sharing and to inform participants of successes and lessons learned.

It will be important to develop joint communication and risk management to ensure that the general public is well-informed of data sharing for statistical purposes and measures to safeguard privacy. The Guide provides common messages for the communication with MNEs, and further work should be undertaken to develop common tools for communication and risk management related to data sharing.

Going forward, the results of data sharing should be measured in quantitative terms to show the impact of shared data on the reconciliation of statistical asymmetries and the improved quality of statistics as a consequence. Furthermore, respondents' trust would be easier to achieve if statistical authorities could show a measured decrease in response burden and an increase in the quality of statistics as a result of data sharing for statistics.

It remains to be seen how the Guide and its recommendations will be taken up by countries and carried forward at international fora to contribute to our collective understanding of MNEs activities and help build the capability of the national and global statistical systems to make data sharing a regular part of the production of official statistics. In the course of the Task Force's work interest in data sharing was high and several expert meetings and high-level events contributed to advancing the joint agenda.

## **IV.5 The G20 Data Gaps Initiative**

The 2007-08 global financial crisis highlighted the need for timely and accurate information/data for policy makers and market participants to develop effective responses to events. In response to the G20 request to explore data gaps and strengthen relevant data collection, the first phase of the Data Gaps Initiative (DGI-1) was launched in October 2009. The initiative made twenty recommendations covering the statistical treatment of different topics, including the build-up of risk in the financial sector, international financial network connections, vulnerability of domestic economies to shocks, and communication of official statistics. DGI-1 focused on the development of conceptual frameworks in areas where data collection did not exist and improvement of data collections in areas where frameworks already existed. DGI-1 concluded in 2015 with most of the recommendations completed or advanced. The second phase of the G20 DGI (DGI-2) was launched in September 2015 to consolidate the progress made, and to promote regular data collection especially in areas where conceptual frameworks have been developed. 20 new/revised recommendations were developed to implement "the regular collection

and dissemination of comparable, timely, integrated, high quality, and standardised statistics for policy use”. DGI-2 focuses on statistics for: (i) monitoring risk in the financial sector; (ii) analysis of vulnerabilities, inter-connections and spillovers; and (iii) data sharing and communication of official statistics. Possible synergies with other relevant global initiatives are monitored (e.g. measurement of the digital economy, promotion of the Global LEI (Legal Entity Identifier), adherence to the Special Data Dissemination Standard Plus, dialogue with the G20 International Financial Architecture WG). In order to report on the progress achieved by implementing Recommendation II.20 “Promotion of Data Sharing” a questionnaire was launched. The answers were summarised in a status report.<sup>10</sup>

- Regarding the promotion and use of common statistical identifiers (recommendation 1), the importance of the LEI was underlined by all respondents.
- Many activities have been conducted to exchange experience on statistical work with granular data and to improve transparency (recommendation 2): the UNECE Task Force on exchange and sharing of economic data has published its final report, international Working Groups continue, various reports appeared and workshops took place or are foreseen for the future. At national level, cooperation between the National Statistical Offices (NSOs) and the National Central Banks (NCBs), as well as Other National Authorities (ONAs) is the key driver. The International Network for Exchanging Experience on Statistical Handling of Granular Data (INEXDA) is the most mentioned initiative to promote the exchange of experiences on statistical work with granular data.
- The feedback underlined that as much information as possible should be published in an appropriate manner, while balancing user’ needs and data confidentiality (recommendation 3). One way to achieve this is to develop ways that allow users to be able to use information without directly having access to but based on flexible aggregation of granular data. This happens in some countries through the establishment of Research Data Centres (RDCs).
- Linking different datasets (recommendation 4) is facilitated through sharing corresponding knowledge and using common identifiers. Once again, the cooperation between NSOs, NCBs, and ONAs plays an important role at national level.
- Recommendation 5 – the provision of data at the international level – was seen against the background of globalisation. Examples refer to systems or frameworks that aim at ensuring a regular collection and appropriate sharing of data, for instance the Bank for International Settlements’ (BIS) International Data Hub (IDH), the individual Bank for Accounts of Companies Harmonised (iBACH) project of the European Committee of Central Balance-Sheet Data Offices (ECCBSO) or the implementation of the European Business Statistics Regulation - in the EU.
- Progress for recommendation 6 (alternative ways of improved sharing of granular data) is mainly achieved at national level. Key to success is the adoption of national law and a continuously improved cooperation between national authorities. A large number of institutions have set up new Data Labs or RDCs.
- Standardisation and integration of data is a priority in order to achieve the goal of collecting data only once and avoiding multiple collections (recommendation 7). The European System of Central Banks (ESCB) Integrated Reporting Framework (IReF) and Banks’ Integrated

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<sup>10</sup> see <http://www.principalglobalindicators.org/?sk=E30FAADE-77D0-4F8E-953C-C48DD9D14735&sId=1433357451568>

Reporting Dictionary (BIRD) are key elements towards this strategic approach at the ESCB. In some cases, countries have already achieved the goal of collecting data only once in a few areas. This allows the opportunity to share granular data with supervisors and statisticians, who then aggregate the granular data reports depending on the respective purpose. A targeted, step-by-step approach for data sharing seems warranted: (1) Work to identify a problem that can only be improved by granular microdata exchange. (2) Limit the exchange to data required to solve the problem. (3) With time expand data sharing for other purposes that require granular data from other sources. This approach will support progress on other DGI-2 recommendations, where data sharing within and between countries will allow greater quality and consistency, particularly for the recording of financial and non-financial multinational enterprises.

## IV.6 INEXDA

The International Network for Exchanging Experience on Statistical Handling of Granular Data (INEXDA) aims to facilitate the international use of granular data produced by central banks, international organisations, and national statistical institutes for analytical, research and comparative purposes within the limits set by the applicable confidentiality regimes. As such, it supports the G20 process, notably the Data Gaps Initiative 2 recommendation 20, which aims to promote the exchange of (granular/micro) data as well as metadata. The network was founded in January 2017 and currently has 13 members.<sup>11,12</sup>

In particular, INEXDA provides:

- A basis for exchanging experiences on the statistical handling of granular data that is accessible to external users. Examples of ‘statistical handling’ include the accessibility of data and metadata, techniques for the statistical analysis of granular data, procedures for data confidentiality and security of data, and procedures for output control
- A framework for investigating possibilities to harmonise procedures for accessing granular data and metadata structures, to develop comparable structures for existing data and to foster the efficiency of statistical work with granular data

Since its foundation in January 2017, the members of INEXDA have collaborated on the harmonisation of metadata structures and an extensive stocktaking of available datasets in member institutions. The outcome is the INEXDA metadata schema, which is designed to provide metadata for microdata on the dataset level whilst ensuring user friendliness.<sup>13</sup>

The INEXDA working group on data access focused on procedures for granting access to microdata for research and analytical purposes. The main outcome of the working group is the development of a common taxonomy for describing all legal, technical, and organisational rules that must be considered when making microdata available for research and analysis. This set of metadata items is named as

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<sup>11</sup> Banca d’Italia, Banco Central de Chile, Banco de España, Banco de México, Banco de Portugal, Bank of England, Bank of Russia, Banque de France, Central Bank of the Republic of Turkey, Deutsche Bundesbank, European Central Bank, Eurostat, Office for National Statistics UK

<sup>12</sup> More information on INEXDA can be found at <https://www.bis.org/ifc/publ/ifcwork18.htm>

<sup>13</sup> The metadata schema can be downloaded using the following link: [https://www.inexda.org/wp-content/uploads/2019/02/INEXDA\\_Metadataschema\\_FINAL\\_20180507.pdf](https://www.inexda.org/wp-content/uploads/2019/02/INEXDA_Metadataschema_FINAL_20180507.pdf)

annodata (derived from “annotation to data”), as they are designed to complement existing metadata schemas for microdata.

## **IV.7 Irving Fisher committee**

The Irving Fisher Committee on Central Bank Statistics published a report in January 2015 on good practices in data sharing. The report focused on sharing data between statistical and supervisory authorities. It recalled the benefits of data sharing between these authorities to better support policymaking, the impediments to data sharing and put forward a number of good practices to improve the situation.

### **Good Practice 1 – Establish appropriate communication with stakeholders and seek proper institutional endorsement**

It recalls it is important to establish a dialogue on the benefits of data-sharing on the basis of a catalogue of existing data collections and their possible uses. Establishing a single governance body with an overview of both statistical and supervisory data has a positive impact in sharing information with full knowledge of the facts.

### **Good Practice 2 – Ensure a clear legal basis to support data-sharing**

Data sharing may happen in the absence of an explicit legal framework, but this can lead to asymmetrical information, which can be disastrous in crisis situations, and ad hoc treatment of users with different tasks. A long-term solution should be pursued by seeking high-level institutional support for a clear legal foundation. If the existing legal framework does not allow for data-sharing for institutions’ statutory tasks, the removal of all obstacles to statistical use and cross-checking of data should be sought.

### **Good Practice 3 – Establish fully fledged cooperation at all levels**

It is of utmost importance that cooperation and dialogue among all parties involved be fostered, including within the same organisation, across agencies or with reporting agents, in order to achieve synergies and aim at common goals to facilitate data-sharing. Cooperation may help to streamline reporting burdens and decrease information asymmetry even if there are challenges in establishing a clear legal basis to support data-sharing.

### **Good Practice 4 – Collect common data using joint methodological and technical standards**

Collecting granular data which can meet all user needs is important in promoting the benefits of sharing while avoiding some of the impediments. In fact, the legal constraints – if any – on data-sharing would fall away if both statisticians and supervisors had access to the same granular data source. This is facilitated by consistency of concepts, classification, methods and reporting standards. Statisticians may assist in data and quality management.

### **Good Practice 5 – Ensure sound measures to protect confidential information**

Even when data are shared, they need to be protected, and key to this are e.g. secure IT infrastructures as well as confidentiality agreements and procedures for granting and monitoring access rights. Confidential data could also be transformed in different ways (e.g. anonymisation) before being shared, although such a fall-back solution may not be a preferred option considering in particular its implied costs.

## **Good Practice 6 – Formalise governance and cooperation arrangements**

This can include introducing a memorandum of understanding (MoU) or similar formal arrangements which set out common rules to which institutions should adhere. The report gives practical guidance for compiling a MoU. It is important that support be sought from newly established authorities responsible for macroprudential supervision or financial stability boards. Their work also requires timely and quality system-wide indicators on banking activities that need to be brought together from all available sources, irrespective of who the official owner of the underlying micro data may be. Given the number of possible stakeholders in data-sharing, the report illustrates the clear synergies to be gained from centralising data collection in the central bank statistical function.

### **Main takeaways**

The report outlines a range of good practices and practical guidance, which are intended to serve all countries and organisations that wish to improve data-sharing and cooperation irrespective of the existing arrangements. Awareness about these good practices may benefit any work in the area of exchanging information.

## **V. CMFB survey on the sharing of confidential statistical information**

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The TF ECI was mandated to complement the existing experiences with the outcome of a dedicated survey. The survey among the CMFB members was carried out from December 2019 through March 2020.

This section includes the analysis of the answers to the questionnaire, and the main findings according to the results achieved.

The questionnaire investigated five different areas:

- Stocktaking of existing practices of data sharing;
- Identification of further data sharing needs;
- Legal framework to share confidential data;
- Functional IT aspects related to the sharing confidential data;
- Good practices in data sharing: successful cases.
- Learning from unsuccessful cases in data sharing

The TF ECI received replies from 29 different countries, corresponding to 26 answers from Central Banks and 23 from National Statistical Institutes.

## **V.1 General framework of CMFB statistics**

### *V.1.1 Country level responsibility between NSI and NCB for economic statistics*

The production of economic statistics is organised between NSIs and NCBs in different ways among countries. NSIs are widely responsible for national accounts, the real economy, employment and statistics on prices.

When looking to sector accounts, non-financial accounts are mainly produced in NSIs, while many NCBs are responsible for the financial accounts. The frequency of the financial accounts is also a characteristic to take into account: while most NCBs are responsible for the compilation of the quarterly financial accounts, in the case of some countries the annual financial accounts are produced by their respective NSIs.

In most countries government finance statistics are produced in the NSI. In some cases both NSI and NCB share the responsibility and in others the NSI contributes to the final figures prepared by the NCB and vice versa. Concerning the statistics related to the excessive deficit procedure, the NSIs are mostly responsible, while only few countries produce these statistics in their national central banks.

The production of the different components of the balance of payments and international investment positions statistics (current account, financial account and investment positions) is concentrated in the NCBs. In few countries the NSI is responsible for the current account and in some cases the NCB provides input to certain parts of the current account. In general, independently of who compiles the final balance of payments product, the other institution contributes directly or indirectly to the production.

The production of international trade in goods statistics is a task mainly located in NSI, while in the case of international trade in services statistics the distribution is more even, with NCBs having a slight majority. In very few countries, the NSI and NCB share the responsibility to produce these statistics.

Monetary and financial statistics and Securities statistics are located mostly in the NCBs. Only in a couple of countries the NSI is responsible for statistics in these areas.

For Business statistics, all countries informed that the production is located in the NSI. In the case of registers, there are many countries where both, NSI and NCB, have responsibilities, depending on the type of register. Virtually all respondents indicate having some type of register.

### *V.1.2 Willingness to share CSI within ESS and ESCB*

After a first identification of the country level responsibilities between NSI and NCB under economic statistics, a specific question was addressed, in order to know how comfortable the organisations are with providing confidential statistical information within the statistical community of the ESS and ESCB.

It was a multiple choice question, where all the relevant options should be chosen, among nine different possibilities. The different options and the distribution of the answers are according to the following table:

**Table 2 Willingness to share CSI, results of CMFB survey, 2020**

	How comfortable is your organisation with providing confidential statistical information (CSI) within the statistical community of the ESS and ESCB?								
	Very disposed towards exchange of CSI in carefully controlled environments	We see this as a necessary means to achieve consistency	We see no barriers under EU legislation	Positive but there is a lack of reciprocity	We recognise the importance but are uncomfortable about exchange of CSI	In the opinion of your organization, there are implications from national legislation preventing access by another institution CSI	We need to look at other solutions before embarking on exchange of CSI	We are concerned that data collection maybe adversely affected if confidential information may be shared among a wide group of institutions	The lack of practical guidance and tools is an obstacle
Total	24	40	21	14	10	12	5	14	11
Total NSI	12	17	10	8	6	6	3	8	9
Total NCB	12	23	11	6	4	6	2	6	2

All 49 responding entities (NSIs and NCBs) answered to this specific question, representing 29 countries.

The top four options mentioned by the respondents as relevant were:

- We see this as a necessary means to achieve consistency (emphasised by 82% of the respondents, 40 out of 49 answers: representing 17 NSIs (74%) and 23 NCBs (82%));
- We see no barriers under EU legislation (43% in total, 43% NSIs and 42% NCBs, respectively 21, 10 and 11 answers);
- Positive but there is a lack of reciprocity (28% in total, 35% NSIs and 23% NCBs, respectively 14, 8 and 6 answers);
- We are concerned that data collection may be adversely affected if confidential information may be shared among a wide group of institutions (29% in total, 35% NSI and 23% NCB);

When comparing the NSIs and NCBs answers, one observes that both have emphasised most the option “We see this as a necessary means to achieve consistency”, but there are significant differences concerning the option “The lack of practical guidance and tools is an obstacle”, considered relevant by 39% of the NSIs (9 out of 23), but only by 8% of the NCBs (2 out of 26).

The arguments presented by the respondents to justify the choice of the different options, namely related with specific difficulties, are in general related to secrecy issues, the GDPR (*General Data Protection Regulation*), different attitudes and approaches between statistical domains and specific legal constrains.

As a conclusion, it is clear that institutions see the exchange of CSI as a pre-requisite for achieving good consistency of data and a data quality improvement, but identify relevant constraints.

### V.1.3. Building trust and transparency with reporting agents

Availability of information about the uses and sharing of data is one of the prerequisites for building trust and transparency with reporting agents. The questionnaire shows that most of the institutions provide information about the uses and sharing of data either fully or partially. The answer 'do not inform about the uses of and/or sharing of data' has been received from 12 institutions, corresponding to 26% of all institutions that responded. Of these institutions, 4 are NCBs and 8 are NSIs. Within the two systems, the percentage of institutions giving a negative answer is 16% for NCBs and 36% for NSIs. However, 3 of the negative answers provided by the NSIs, when coupled with the other answers or the description of the actions that have been taken to build trust and transparency, cannot be treated

as fully negative. 1 NSI, which provided a negative answer in respect of informing about both the use and sharing of CSI, uses the approach of informed consent and passive confidentiality<sup>14</sup>. 1 NSI, which does not provide information on the sharing of data, while providing information on the uses of data, notes that in general all reporting agents are informed about the sharing of data, as either the law or other available documentation provides such information; the same institution also notes that the law does not require informing each agent personally about each step or action taken with their data. 1 NSI has provided a negative answer together with information about the partial use and sharing of CSI. Taking into account the above, the share of negative answers among NSIs can be reduced to 23%, whereas the share in respect of all institutions to 19%.

The institutions were also asked to describe the actions that they have taken to build trust and transparency with reporting agents (answers were received from 19 NCBs and 15 NSIs or 72% of all institutions).

The majority of the institutions (13 NCBs and 9 NSIs or 65% of the institutions that described their actions) mentioned legal acts or other documentation such as agreements, notes on compilation or clarifications and annexes attached to reporting tools and channels, statistical programmes and lists of statistics, as the means for building trust and transparency. Other means used are websites, information letters and meetings. Requesting the consent of reporting agents for sharing of CSI has also been mentioned.

Several institutions (3 NCBs and 4 NSIs) singled out particular fields of statistics, projects or frameworks where sharing of CSI takes place; namely, HFCS, EDP notification, BOP, the new EBS Regulation, MNE pilot, Intrastat, business registers and statistics on international trade in goods. One institution informs reporting agents about international data sharing. Moreover, one institution mentions that there are certain statistical domains where reporting agents are not informed about the use or exchange of CSI (the FDI Network, the Business Register, current account statistics or data concerning large case units).

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<sup>14</sup> It uses questionnaires that include an informed consent. This gives reporting agents adequate information about what will be asked and how their participation will aid the scope of the study. In addition, all informed consents ascertain confidentiality and the diligent use of the data for statistical purposes only. The applicable clauses from national legislation enabling the collection of information for the purpose of official statistics are quoted. Passive confidentiality is applied in the context of International Trade in Goods Statistics. Reporting agents may submit a formal request, in writing, for confidentiality. These requests are evaluated on the basis of established confidentiality criteria. Confidentiality is granted for a duration of 12 months and requests for confidentiality are renewed annually.

**Table 3 Transparency with survey respondents, results of CMFB survey, 2020**

Type of institution	Question 8. Does your institution inform reporting agents with whom you share CSI and for which purposes it is used?				Question 8.1. Please describe what actions you have taken to build trust and transparency with reporting agents. You can also clarify the multiple answers, if needed.
	Number of institutions answering 'Yes, we inform about uses of data'	Number of institutions answering 'Yes, we inform about sharing of data'	Number of institutions answering 'Partially'	Number of institutions answering 'No'	Number of institutions that provided description of actions taken
NCB	12	6	10	4	19
NSI	12	2	5	8	15
Total	24	8	15	12	34

#### *V.1.4 IT considerations for sharing confidential data*

Questions (22 and 23) asked about views concerning the IT and technology needs to effectively support the exchange of confidential information between two authorities as well as policy on the use of cloud services.

Most respondents underlined that secure Web/Cloud (IT) solutions are a prerequisite for the secure exchange of CSI. Given the real need to protect sensible data from unauthorised access, only with “secure-by-design” technical components (network connections, applications, services), together with organisational measures (policies, guidelines, processes), could guarantee the desired level of security. A number of respondents also mentioned the necessity to ensure enough flexibility to cope with different scenarios for cost effectiveness and to adopt, as much as possible, standard solutions (in terms of software architecture, tools, data formats) to ease communications between different organisations. However, some preferences have also been expressed to have limited number of platforms used to exchange CSI, as today there are different set-ups for data exchanges with different levels of security.

The concept of exchanging also some metadata that indicate the level of confidentiality of exchanged data has also been expressed. It can be useful to smooth the data management process at the receiver institution. Traffic Light Protocol, providing a simple and intuitive schema for indicating how sensitive information is, can be an example of such solution.

More than half of the respondents indicated that in their organisations restrictions concerning exchange with the use of cloud services are applied. IT infrastructure to exchange CSI should take into account

those restrictions; also the ownership of both, data stored in the cloud and the infrastructure itself, should be addressed.

Moreover, task force members identified IT functional requirements to effectively support exchange of confidential information between authorities. Key aspects, that should be taken into account when shaping the data sharing process, include: confidentiality assurance of the exchange (protection of the data transfer from intrusion, implementation of access rights criteria and authorisation process, monitoring access rights, transformation of raw confidential data into anonymised information, track of actual accesses); interoperability of the system, but also the use of common standards with regard to data model, data format and data dictionary (in this aspect exchange different type of information can be taken into account); availability to search and navigate in the system; costs of providing IT solutions; as well as ownership of infrastructure and data.

### *V.1.5 Sharing CSI with other national authorities*

The questionnaire included a specific section concerning the possible sharing of CSI with other national authorities outside the ESS/ESCB. There were 46 out of the 49 respondents who answered this question.

Most respondents (65%; 30 out of 46 answers) referred that they do not share CSI with other national authorities outside the ESS/ESCB, with a similar distribution of the answers between NSIs and NCBs.

The other 35% (16 out of 46) of the entities answering to the questionnaire confirmed that they do share CSI with other national authorities, and in the majority of the cases it is the NCB (69%; 11 out of 16) the entity involved in the sharing of data with the other national authorities.

In most of the cases, the exchange of CSI is made with the national Taxes and Customs Authorities, with ministerial bodies (such as the Ministry of Industry and the Ministry of Finance), with Financial Supervisory Authorities and, in a small number of cases, with researchers.

In this specific question, the exchange of CSI has been referred by the responding entities in both directions: as sender or receiver of CSI. The majority of those cases are related with the receiving of CSI from the Taxes and Customs Authorities, mentioned for the specific purpose of compiling external trade statistics.

Although out of the scope of this specific question, a significant number of the entities referring that they do not share CSI with other national authorities also pointed out that they share CSI with international organisations, such as the IMF and the OECD.

All in all, there is a complex and incomplete network of CSI sharing between different national, European and international stakeholders in place, reflecting a variety of legal and technical circumstances as well as structural supply and demand components (resources, tradition etc.).

## **V.2 Legal and cultural restrictions for sharing CSI**

All institutions that answered the questionnaire but one share CSI. However, 11 institutions have indicated that they only share these data in very rare circumstances. As expected, the large majority of the NSIs and NCBs share CSI with their national counterpart and do it under specific agreements. Sharing CSI with institutions of other countries is rarer (only 9 institutions share CSI with NCBs or

NSIs from other countries). Half of the NCBs that answered to the questionnaire referred that they share CSI with the Eurostat, but only one NSI referred sharing CSI with the ECB.

**Table 4 Sharing CSI within ESS or ESCB, results of CMFB survey, 2020**

Do you share CSI with other institutions within ESS or ESCB for statistical purposes?				If yes, with which institutions do you share CSI? Please select all options that apply.							Please indicate if the sharing of CSI made under specific agreements between the domestic NSI and NCB?			
Yes	No	Under very rare circumstances	Number of institutions	National NCB	Other NCB	ECB	National NSI	Other NSI	Eurostat	Number of institutions	Yes	No	Number of institutions	
NSI	16	0	7	23	21	3	1				22	18	3	21
NCB	21	1	4	26				24	6	13	24	21	2	23
Total	37	1	11	49	21	3	1	24	6	13	46	39	5	44

Fifteen institutions stated that national legislation does not prevent sharing CSI, and 4 additional institutions said that EU legislation is applicable or that national legislation is written in line with the European legislation. Some institutions mentioned that European legislation is an enabler, but does not make CSI sharing mandatory. In one country, the 2 institutions referred that a national legal basis is necessary for sharing CSI. One NCB commented that the data collected for supervisory purposes is protected and can only be shared among the institutions mentioned in the European legislation.

As regards questions on national laws relating to the sharing of CSI between the NSI and the statistical function of the NCB, the vast majority confirmed having an enabling national legislation in place. Only 5 NSIs and 3 NCBs indicated that there is a restricting national legislation. A few indicated having both enabling and restricting legislation. In one case the respondent indicated that national legislation contains both enabling and restricting clauses for all of the partners mentioned in the survey. Another respondent indicated that there is enabling legislation, but for the data collected and processed as a Prudential Supervision Authority restricting legislation applies.

Sharing of CSI with the statistical function of NCBs or the NSIs in other EU Member States is further restricted by national legislation. Five NCBs and 11 NSIs reported restrictions in national legislation to share CSI with an NSI or an NCB of another country. Ten NCBs report enabling legislation to share with the NSI and 12 with the NCB of another country. The respective figures for NSIs are 8 and 11.

The vast majority of respondents confirm an enabling national legislation for sharing CSI with Eurostat (85% of respondents, 12 NSIs and 11 NCBs), and with the ECB (87% of the 31 respondents, 16 NCBs and 11 NSIs)<sup>15</sup>. Three out of the 15 responding NSIs indicated that they have a restricting national legislation (one additional has both restricting and enabling legislation) for sharing information with Eurostat. They mainly refer to general legislation which prohibits all CSI, except in special cases. One out of the 17 responding NCBs reported of similar limitation in national legislation concerning CSI with the ECB.

Two respondents mentioned that there is no specific national legislation relating to the sharing of CSI.

<sup>15</sup> Notwithstanding the CSI sent to Eurostat and to the ECB on the basis of EU Regulations.

**Table 5 National legislation on CSI sharing, results of CMFB survey, 2020**

Question 5: Is there national legislation in place that relates to sharing CSI with any of the following partners?<sup>[1]</sup>

		Sharing with the national NCB	Sharing with national NSI	Sharing with NSI of another Country	Sharing with NCB of another Country	Sharing with Eurostat	Sharing with ECB
Enabling legislation	NCB	3	22	10	12	11	16
	NSI	15	3	8	11	12	11
	sum	18	25	18	23	23	27
Restricting national legislation	NCB		3	4	1	3	1
	NSI	5	2	5	6	4	4
	sum	5	5	9	7	7	5
Total number of respondents		22	27	24	29	27	31

<sup>[1]</sup> Few respondents indicated both enabling and restricting national legislation, hence the column sums can be greater than the total number of respondents per question.

Less than half of the respondents (12 NCBs and 8 NSIs) have indicated that there are no legal barriers for sharing CSI with other members of the ESS/ESCB. In 4 countries this view is shared by both institutions.

Most often cited barriers to share CSI are national legislation, which clearly defines the restrictions to data sharing and the consideration that the enabling clauses of Regulation (EC) No 223/2009 and Council Regulation No 2533/98 allow the sharing of CSI, but do not mandate or oblige to share. Four NSIs and 3 NCBs consider that the enabling clauses of Regulation (EC) No 223/2009 or Council Regulation No 2533/98 “do not prevail” over the restrictions of national legislation. Other reasons are cited by 5 respondents, e.g. limitations related to a national data secrecy act, limitation for national or for statistical purposes only and the need to have European legislation explicitly authorising such sharing under certain conditions, including protection measures against third parties and sanctions for non-compliance.

**Table 6 Legal barriers to sharing CSI, results of CMFB survey, 2020**

Question 6: What legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? (Multiple answers possible)

	None	EU law is enabling only	National restricting law	EU law does not prevail over national laws	Other
NSI	8	9	9	4	3
NCB	12	10	10	3	2
total	20	19	19	7	5

Twenty respondents (46%) from 17 countries (12 NCBs and 8 NSIs) consider that there are no non-legal barriers which restrict the sharing of CSI. This opinion was shared both by the NSI and the NCB in 3 countries.

The perception that (voluntary) reporters would stop providing data is the most frequently mentioned barrier (7 NCBs and 12 NSIs). Two NCBs and 4 NSIs refer to an institutional policy as a barrier.

Five NCBs and 9 NSIs consider that there are other non-legal barriers which prevent exchanging CSI. Most often mentioned reasons relate to the lack of experience, lack of secure and efficient tools, IT security concerns and a lack of a common standard on the handling of security issues.

**Table 7 Non-legal barriers to sharing CSI, results of CMFB survey, 2020**

Question 7: Which non-legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? (Multiple answers possible)

	None	Perception that (voluntary) reporters would stop providing data	(Non-legal) institutional policy on the matter	Other non-legal barriers
NSI	8	12	4	9
NCB	12	7	2	5
total	20	19	6	14

### V.3 Successful cases

Respondents were asked to share information on successful cases of voluntary bilateral exchanges of confidential statistical information between an ESS authority and the statistical function of an ESCB member.

The answers given in the questionnaire show, not surprisingly, that the large majority of such exchanges (39 out of 50) occur between the NCB and the NSI of the same country and that in 67% of such cases the data flows are reciprocated between the two authorities. In the remaining cases the data flows are only directed to the NCB (20%) or to the NSI (13%)

Additionally, 4 NCBs and 5 NSIs have also declared receiving confidential information flows from a NCB/NSI of another EU country (including ECB and Eurostat) of which in 6 cases this is the only bilateral inflow of confidential data they have in place.

Overall, 202 cases of data flows were reported. They are quite balanced with regard to the recipient of the information: 55% are acquired by NCBs and 45% by NSIs, with each institution being on average the recipient of 4 to 5 different categories of data. The data exchanged concern: Balance of Payments and International Investment Position (33% of the cases), Annual and Quarterly National accounts (30%), Register information (11%), International trade in services and goods (7% and 6%, respectively), Business statistics (5%), Monetary and financial statistics and Securities statistics (3% each). Confidential information regarding Price statistics is exchanged (from the NSI to the NCB) only in one country.

A few countries have added further insights on the practical grounds for the data exchanges. In particular: i) 1 country has reported that the law enforces full cooperation between the NSI and the

NCB and therefore data are collected only once and exchanged between the two authorities as needed; ii) 2 countries have described a case of mutual cooperation from which all 4 authorities benefited (i.e. the 2 NCBs and the 2 NSIs) with regard to a case of reclassification impacting money and banking statistics (permission of disclosure was asked to the party concerned beforehand); iii) one NSI specified having received anonymised individual data of “Households Finance & Consumption Statistics”; iv) few countries have reported the exchange of CSI within the FDI Network and the GNI MNE Pilot; lastly, v) 1 NCB reported that, within a bilateral asymmetries exercise organised by Eurostat, some CSI data have been exchanged with other ESS authorities for Services.

The identified purposes for the exchange of CSI are: i) to compile official statistics (33%), ii) to cross check own data (26%), iii) to notify the partner compiler of a significant transaction/restructuring event (18%), and iv) to perform trade asymmetry analysis (9%). Other cases are the provision of information for the purpose of the economic analysis of the NCBs, the specification of the samples for the sample surveys and the improvement of the information of the National Business Register and EuroGroups Register.

With regard to the legal act which specifically supports the voluntary exchanges of confidential data, the replies reveal that respondents take reference to (or have the possibility to adopt) different legal frameworks and the answers provided do not necessarily match in all cases between the NSI and the NCB of the same country. The latter suggesting that rules may actually apply differently depending on whether they related to an ESS or an ESCB authority. In particular, more than half of the respondents (26 out of 45) have replied that all three legal levels are deemed relevant in order to support CSI exchanges (i.e. European Regulations, National laws, as well as other specific Memoranda of Understanding or Bilateral Agreements between the parties concerned); 10 respondents have specified that for the exchanges to be agreed, the European statistical Regulations and/or the National statistical acts suffice; 9 have made a direct and sole reference to specific Memorandum of understanding or Bilateral agreements as the relevant supporting legal framework.

In general, it seems that the Regulations and the National laws provide a general enabling framework and then the technical details of each specific data exchange are agreed upon in Memoranda or Bilateral Agreements.

With regard to the security measures to protect confidentiality in the exchanges, 3 respondents have implemented all the 7 solutions presented in the questionnaire.<sup>16</sup> On the other end, 6 respondents have implemented only 1 protection solution namely either the encryption of the data or the limitation of access. On average, the respondents have put in place 3 to 4 confidentiality protection measures.

Confidentiality agreements on received data specifically signed by the staff of the recipient institution have been put in place by 27 respondents. In particular, one authority clarified to have implemented a “Code of Conduct” which, albeit not legally binding, defines roles and responsibilities of the participants in the data exchange and provides a clear guidance in the measures to ensure confidentiality. Additionally one authority has specified that the confidentiality protection rules of the recipient suffice and no other specific reassurance means is required.

With regard to the safety of the data during the transmission, 12 out of the 45 respondents have adopted encryption measures and 26 can count on a dedicated line (where in some cases the data files are also

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<sup>16</sup> Namely, encryption of data transmission, dedicated private data transmission line, limitation of access (number of staff and/or time) confidentiality agreements signed by the staff of the recipient authority, log of individual data access, strong access authentication measures, approval/monitoring of each data access by the owner of the data.

encrypted). Once the data are stored in the recipient authority, in 17 cases the access to the data is done by means of a strong authentication solution.

The management of access rights in 39 cases is based on the limitation of access with regard to the authorised staff and/or the time length in which the information is made available. Additionally, 7 of these respondents have also reported occurrences where data accesses are approved/monitored by the owner of the data. The remaining 6 respondents have not reported specific administration measures to govern access to confidential data received from third parties. 13 respondents have also declared to apply ex-post controlling measures by logging the individual access to data provided by the third party.

When asked which actions have been put in place to maintain the arrangements between the two exchange partners and preserve trust in the data provider, only 27 authorities out of 45 have answered. This may mean that in all other instances there seems no need for reinforcement. With regard to the actions actually taken - considering that multiple answers were possible - the main finding is that a strategic role to ensure trust to the sender is played by ad hoc official agreements (18 replies) and by setting formal occasions where all parties involved can discuss and decide upon the data exchange, either in the form of fully formalised governance bodies or as regular meetings or workshops (8). Training of the receiver's staff on the treatment of confidential data and reports on confidentiality breaches to be provided to the sender have also been reported as reinforcing measures, by 4 and 2 authorities respectively. Lastly, one respondent has commented on the pivotal role in ensuring reciprocal trust represented by the implementation of a common IT platform.

On the basis of their experience and perspective, the authorities have presented their stance with regard to the main enabling factors supporting the exchange of confidential statistical information. With an overall convergence of views between NSIs and NCBs, the main enabling factor is a sound legal framework, followed by solutions to ensure the protection of confidentiality when using the data and sound IT security features in the data transmission and storage. Actions to maintain sender's trust and cultural readiness for data sharing are, in this order, deemed the least relevant.

In brief, it appears that when the law itself does not oblige the provision of confidential data, an enabling legal framework is nonetheless necessary. This however may not suffice to encourage data sharing if concrete measures to ensure an enduring trust in the sender that confidentiality is always protected are not put in place and if both parties do not acknowledge that data sharing is mutually beneficial for building good statistics and that it can alleviate the reporting burden.

## **V.4 Unsuccessful cases**

The unsuccessful cases were identified with question 16 "Which confidential data are needed and not (yet) exchanged". Overall, there are more successful than unsuccessful cases, which is a first positive indicator that in many cases the exchanges are working and deemed useful. Nevertheless, we will look through the unsuccessful cases (ranked) and investigate the reasons.

First of all what kind of data is needed? Most needed with eight mentions (six NCB, two NSI) are registers. Followed by balance of payments with different related topics: balance of payments and international investment position - foreign direct investment (four mentions), financial account (three mentions), current account (three mentions) and international investment position (two mentions).

Business statistics has three mentions, which closes the company related sections. In conclusion, there is a strong need for the exchange of this kind of data.

Another topic is national accounts, with the topics real economy (two mentions), annual financial accounts, quarterly financial accounts and quarterly non-financial accounts as mentioned ones. The last topics are international trade in services (two mentions), international trade in goods (one mention) and securities statistics (one mention).

The main uses of these data (question 17) would be for building official statistics, especially for consistency of non-financial and financial statistics (e.g. classification of companies according to economic activities), which were mentioned 13 times (five NSI, eight NCB) and to cross check own data (ten mentions, with two NSI and eight NCB).

The ownership of the data (question 18) are seven times NCB/NSI of own country (as applicable), four times NCB/NSI of another EU country including ECB/Eurostat. Six times the national tax authorities in a broader sense were mentioned. Land registry and financial supervision authority were each mentioned once.

The main disadvantages related to the lack of such information for the recipient (question 19, with the possibility of multiple answers) are:

- Lower quality of European Statistics (ten mentions);
- More complex own statistical production process (nine mentions);
- Lower quality of own data (eight mentions);
- Reduced comparability of statistics from different sources (six mentions);
- More reporting burden on reporters (four mentions); and,
- Prevention of economic analysis/research (four mentions).

The main obstacle to establish the exchange of CSI (question 19) is the legal framework (ten mentions) a number of other obstacles were mentioned as well.

Legal framework:

- One respondent pointed out, regarding the legal framework, that it is important for the success of the exercise that there is a legal obligation to exchange the data.
- For one respondent, confidentiality protection also applies. In general, European law enables countries to share CSI. The country decision is made by national parliament in the form of a law. If the national law prevents using the European enabling clauses, they cannot be used at national level.
- For one respondent the national financial supervision authority act does not allow to establish the exchange of CSI.
- One respondent does not receive enterprises' profit and loss account and balance sheet data from the NSI for other purposes than statistical tasks. Due to this reason the data is not received for statistical purposes either.
- For one respondent there are very restrictive rules concerning the use of new administrative archives (i.e. information generated because of the inception of new regulatory measures). Those archives can be shared with the NSI only when they are included in the enabling list of

administrative archives to be processed for statistical purposes in specific compilations (and the list is established by law in the National Statistical Plan). Often there are important delays in the publication of undated lists of the administrative archives and enabled compilations preventing the timely utilisation of new administrative sources.

- One respondent mentions the GDPR in general as an obstacle.
- For one respondent the legal act allows to exchange CSI only for production of official statistics related to participation in the European System of Central Banks (ESCB) and the European Statistical System (ESS). So the precise need to use data only for compilation has to be proven.

#### Inconsistent perception of CSI

- For one respondent the main obstacle is the perception of confidentiality of the institution that owns the data.
- For one respondent, despite the obstacle referring to mainly non-sensitive master data, the access to register information is hampered by the confidential nature of the database according to its source.

#### Other

- For one respondent it is the lack of availability of these data in partner MS.
- For one respondent the access to CSI information within SHSDB system for non-Euro NCBs has been somewhat delayed, but the procedure is currently in progress.

One respondent makes the general remark that it is important to reflect also on resources, which are needed to make use of the shared data. Experiences from the FDI network and MNE-pilot show that it is difficult to make use of third-party CSI data. A lot of resources may be needed to make shared data useful, depending on the purpose.

Last topic in this section is, if there are on-going actions to overcome the obstacles (question 21), which in ten mentions is the case; in six it isn't:

- One respondent mentioned that there is an ongoing national discussion on a common identifier for financial and non-financial companies and on the appropriate data sharing arrangement. An amendment of the national law is already being processed.
- In one country there is a dialogue between the NSI and NCB, which may lead to the establishment of a single business register at national level.
- In one country confidential aggregate data are supplied for a) onward transmission to the ECB in the case of BOP and b) for the compilation of QFA. However, there is no exchange of granular micro (confidential) data if not legally required. Sharing of micro (confidential) data and metadata data would be an important step forward.
- One respondent pointed out the existence of a new memorandum of understanding between the NSI and the NCB, which is under negotiation. This NSI also mentions an agreement with the NCB and an initial discussion with the Ministry of Finance on sharing micro data from tax authorities.
- Finally, one respondent mentioned that there is a bilateral agreement with the national Land register in progress.

## **V.5 State of play and data sharing needs**

This section deals with supplementary questions on established data exchanges (“state of play”) and future data sharing needs. The data was provided for individual exchanges via an additional Excel-file to the questionnaire. In contrast to the previous sections, since respondents could provide information for several reported exchanges (or planned exchanges), the analysis of the figures below does not imply an equal weight of the reporting institutions.

This is also significant as not all respondents who filled out the questionnaire also provided these data (29 out of 49 replies from 22 different countries, thereof 15 NCBs and 14 NSIs).<sup>17</sup>

### **State of play**

As for the state of play, 188 established exchanges have been reported, thereof 119 cases by NCBs and 69 cases by NSIs. Those exchanges cover a significant number of different data sets for various purposes. Respondents were asked to provide information on the type of data that is shared (or requested to be shared) and with whom. A project title was requested, but not always provided. By grouping the exchanges by type of data shared, the following ranking of statistical topics could be identified: Data on foreign direct investment was mentioned most often (22 times), while data exchanges regarding the MNE-Pilot studies have been stated by 16 respondents. Also frequently mentioned were data exchanges regarding the EuroGroups-Register (EGR, 9 times), data on Monetary Financial Institutions (MFI, 9 times), the Early Warning System (EWS, 8 times) and International Trade in Services Statistics (ITSS, 8 times). Statistics regarding data for the Balance of Payments, Business Register and Securities have been mentioned 7 times each. Further topics mentioned between three and six times comprise ITGS, RIAD, EDP/GFS, SBS, Tax data, ANACREDIT and data regarding households. Regarding the counterparty of established data exchanges from NCBs, 64 (of 119) exchanges are with national NSIs, while 28 exchanges are with the European Central Bank (ECB) and in some cases, also other institutions. Data exchanges from the NCB with members of the ESS, ESCB, other NCBs or other NSIs account for 18 cases. These large scale exchanges often comprise projects regarding FDI or MNE data. A smaller number of exchanges by the NCBs are mainly with Eurostat (4) or ONAs (1).

As for the counterparty of current data exchanged initiated by NSIs, both the respective national NCB and exchanges with ESS/ESCB/NCBs of other member states/NSIs of other member states are mentioned frequently with 20 respondents each. Exchanges with Eurostat have been mentioned by 7 NSIs, while data exchanges with other national institutions were mentioned by 6 respondents. Those include for example exchanges with tax or custom authorities or national ministries.

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<sup>17</sup> Generally, it was possible to pick more than one answer for most of the questions. Therefore and due to partial omission of some individual questions in the responses, figures stated below do not add up to total reported data exchanges.

Furthermore, respondents were asked to state if the exchange was national, international or both. The majority of exchanges stated by NCBs are at national level (61 cases), however the number of international exchanges is relatively high, with 47 references by NCBs. 11 data exchanges have been stated as both national and international. Responding NSIs have roughly equal proportions of national (33) and international (32) data exchanges, with a smaller number of exchanges (4) stated as both national and international. Those figures, in combination with the information on the counterparty to the data exchanges, indicate a high complexity of international cooperation that has already been established.

The questionnaire also enquired about the direction of the data exchange (data provision, data reception or both). The analysis shows that NCBs reported more cases where data is provided (90) than received (73), while responses from NSIs show a more equal distribution regarding the direction of the data flow (49 cases with provision of data and 50 cases with reception of data). It has to be stated however that a very large number of responses (74 of 188) are bidirectional with data both provided and received.

A further question dealt with the purpose of the exchange ("Statistics" or "Other", with the option to provide additional information on the purpose if "Other" was selected). When looking at the respective data, it is obvious (and to be expected) that exchanges between the reporting institutions are for statistical reasons mainly. From the 188 responses, 2 respondents did not provide information on the purpose. 168 respondents chose only "statistical purpose", 5 respondents selected only "other purpose", while 13 respondents marked both "statistical purpose" and "other purpose". As for cases that are not exclusively for statistical purposes, cases more frequently mentioned include (macro) economic analysis, monetary policy, supervision and financial stability. The second field where data is exchanged for non-statistical purposes is research, e.g. consumer sentiment data and surveys on household income and wealth.

As far as mandatory or voluntary exchanges are concerned, 63 exchanges have been reported as mandatory (37 by NCBs and 26 by NSIs), while the majority of exchanges are seen as voluntary (117 cases, thereof 80 by NCBs and 37 by NSIs).

Another query in the questionnaire dealt with identifiability of the data exchanged: Was the data original micro data (individual data), anonymised individual data or partially aggregated data? In the case of anonymised data, respondents could specify which anonymisation method was used. The analysis of the transmission of data shows that the majority of data is individual, non-anonymised micro data. 136 reported exchanges (88 from NCBs, 48 from NSIs) fall into this category. Anonymised (individual) micro data exchanges are far less frequent with 22 reported exchanges (12 from NCBs, 10 from NSIs). A somewhat larger share of data exchanges occurs with the transmission of partially aggregated data which can be also considered as anonymised. Those account for 39 reported exchanges (27 from NCBs and 12 from NSIs). 18 respondents provided information about the applied anonymisation method. The most frequent concepts applied were the omission of identifiers, such as company names (5 responses)

and the omission of other variables that allow for identification (4 responses). Other concepts mentioned include pseudonymisation (2) and providing only the description of cases (2).

To assess the long-term impact of data exchanges, it was asked if the exchange only happens as a one-time effort, such as a pilot study, or as an on-going exchange: for 174 exchanges information was provided on this question, with the majority of exchanges (145) seen as on-going and 29 exchanges as limited to a one-time effort.

### **Data needs**

As for exchanges that have not yet been established but are seen as beneficial for the future, 29 individual exchanges have been reported in total (17 from NCBs and 12 from NSIs).

When analysing the type of data envisaged for future exchange from the replies given, the picture is similar to the established exchanges reported above: Data exchange regarding MNE groups has been mentioned 5 times. This includes the provision of data from Balance of Payments, ITSS and for Research and Development for this purpose. Also frequently mentioned were data from ANACREDIT, FDI and ITGS with 3 responses each. Data on Securities, EGR data and registers have been mentioned by two respondents each. Other data exchanges mentioned include credit card data and data from tax authorities.

When asked about the scope of the exchange, 16 respondents replied that the exchange would be on the national level (8 NCBs, 8 NSIs) while 12 respondents (4 NCBs, 8 NSIs) deemed the exchange to be international.

As it was asked for the state of play, the questionnaire requested information on which statistical domains are affected by the envisaged exchange (multiple answers possible). The most frequently mentioned statistical fields are: Balance of payments (incl. Current account, Financial account, International investment position, Foreign direct investment) with 18 exchanges, National accounts (incl. Real economy, Financial accounts, Government finance statistics and statistics related to Excessive deficit procedure) with 13 cases, Registers (10), Business statistics (9) and Monetary and Financial statistics with 6 exchanges. Less frequent fields are Securities statistics (2), Household statistics (1) and others (3). The latter category includes tourism, digital economy and price statistics.

The questionnaire for future data needs also asked which benefits/reasons are seen for the data request: From the given categories, “General improvement of data quality” has been mentioned most often (22). Also considered important are the “Reduction of inconsistencies across countries” with 15 replies and “New statistical demands” (9). Seven respondents mentioned other benefits, such as “Research and Financial stability”, “Compilation of ITGS”, “Compilation of GNI” and “Research on Inflation”.

When asked about who is considered the owner of the data, the ESS and ESCB were mentioned by 13 respondents each. The option “Outside of the ESS and ESCB, please specify” was chosen by 3

respondents with one respondent indicating the Tax Office as the owner. Three respondents answered that it is currently not clear who is holding the data.

As in the questionnaire for the state of play, it was also asked what type of data is considered for the future exchange (individual data, anonymised individual data or partially aggregated data). The replies indicate a preference for individual data (20 replies) while 10 respondents prefer anonymised individual data. Partially aggregated data was chosen by two respondents.

## **VI. Recommendations to ensure an effective exchange of CSI between the ESS and the ESCB**

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Sharing of CSI is common among participants of the survey. It is however mostly limited to specific projects, and to a large extent happening between the NSIs or NCBs and their respective national counterpart, with international exchanges being less frequent. While most of the participants mentioned positive effects of the exchange of CSI - such as improvements in consistency of data - there are legal, cultural and technical constraints that have limited these exchanges.

As presented in sections IV and V, conclusions can be drawn both from the enabling factors and the obstacles towards the exchange of CSI. These can be clustered into the following categories:

- **Legal framework:** A legal basis for the exchange of micro data has been identified as a prerequisite for a lasting and successful exchange of CSI, as well as a decisive factor from the questionnaires.
- **Ensure confidence and trust:** Mechanisms to ensure confidence between the institutions is required (Memorandum of Understanding, Code of Conduct, Quality control, Protocols for data access and usage, etc.), as well as to foster close cooperation and consultation with data providers to safeguard trust.
- **Organisational/Institutional:** Complex exchanges with many parties involved require additional guidance and organisational support from international organisation (Eurostat/ECB) that would also provide for the necessary discussion fora and assist in reconciliation efforts.
- **IT-Platform/Database:** The use of database solutions for secure transmission with restricted and conditional access for all users can facilitate the data exchange and improve data safety.
- **Description of data/metadata:** benefits from the data exchange can be increased by improving the standardisation and integration of data, facilitating the cross-country use of harmonised data. This can reduce reporting burden (e.g. as data is only collected once) and asymmetries. The usage of common statistical identifiers, such as Global LEI,<sup>18</sup> has been frequently mentioned as a major support to effective data exchanges.

Based on these themes, the task force has developed the following five recommendations for taking concrete steps towards ensuring effective exchanges of CSI between ESS and ESCB.

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<sup>18</sup> Legal Entity Identifier

**Recommendation #1:** Review and narrow the existing concept of CSI

The concept of confidential statistical information (CSI) is essential for exchanging statistical information. Non-CSI can be freely exchanged among statistical authorities. On the other hand, if statistical units can be identified (directly or indirectly), data are defined as CSI, and this may trigger severe limitations to data sharing among statistical authorities. The prevailing concept of CSI is simple, broad in scope and was already defined quite some decades ago. It has not evolved to account for the dramatic technical, cultural and economic changes of the last decades.

Therefore, while the TF recognises the difficulty of such endeavour, it would recommend changing the definition of CSI. In fact, it recommends the CMFB to consider narrowing the existing concept of CSI. In other words, reviewing the concept to introduce some additional elements that would reduce the amount of CSI and hence simplify the statistical compilation process and extend the analytical use of the existing data. These include (non-exhaustive list): the freshness of the data (e.g. CSI after certain number of years stops being CSI); data published or available elsewhere are not CSI even if collected for statistical purposes; differentiate between various types of data (e.g. register – classification – information on activity, institutional sector or location are by default not CSI), etc. Some of these elements are partly acknowledged in existing EU law (Regulation (EC) No 223/2009 and Council Regulation No 2533/98), but need to be better delineated and enforced.

**Recommendation #2:** Take the necessary transparency measures to ensure confidence and trust

One of the reasons given for resisting the exchange of CSI between producers of economic statistics is that there is a concern that doing so may affect the quality of data received from respondents. This view was expressed in many of the replies and comments to the questionnaire.

Concrete steps towards an extensive exchange of CSI therefore need to be accompanied by measures to build trust of our respondents that the exchange of CSI within the ESS and ESCB is necessary and carefully controlled.

At the national level, the trust of data providers should be fostered by informing them of the legal basis, the secure IT mechanisms and codes of conduct (in particular, that all exchanged data are used exclusively for statistical purposes) around sharing of CSI within the ESS and ESCB. At the international level, a common EU position on the reporting obligations for MNEs for the purposes of compilation of national and European statistics would also contribute to this process of building trust. This position would draw attention to the challenges of compilation of statistics at national level when companies operate freely across borders and would emphasise the role of exchange of CSI within the EU for the compilation of European statistics.

Confidence and trust are necessary also among the compilers of statistics. To this end, procedures to ensure trust between the institutions of the ESS and ESCB engaged in the exchange of CSI should be in place. Memoranda of understanding, codes of conduct, and protocols for data access and usage are examples of these types of procedures.

The task force recommends that the CMFB reflects on appropriate steps to engage with reporting agents and with other institutions regarding the potential exchange of CSI within and between the ESS/ESCB.

**Recommendation #3:** Define a standard process for the exchange of CSI between the ESS and the ESCB

Most respondents to the questionnaire underlined the importance of secure-by-design technical components together with organisational measures as crucial to guarantee the desired level of security and efficiency in the exchanges of CSI.

There are already some practical examples being implemented in the ESS and ESCB. The exchange of confidential data defined under the new European Business Statistics Regulation (EBS) is one example. In fact, the “ESS core principles for the exchange of confidential data on businesses for statistical purposes” were defined, including a principle focusing on data protection: "Exchange of confidential data takes place only when confidentiality and information security meet the high standards necessary to protect the data". More specifically, "all ESS members shall take the necessary regulatory, administrative, technical and organisational measures to ensure the physical and logical protection of confidential data" following agreed common information security standards. Such standards (covering IT, organisational and physical elements) were already established and their implementation should be regularly monitored.

For this specific purpose, all ESS members were requested to implement the ESS IT security framework, which responds to these requirements, and in a first phase was implemented in the context of the exchange of confidential data on intra-EU trade in goods.

However, the mandatory IT certification process in all MS, is framed in a general way, and could certainly be used for the exchange of CSI between the ESS and the ESCB.

As well as IT tools and platforms, other dimensions of standardisation and integration are important for the practical exchange of CSI. These include common methodological and technical standards, data formats, and identifiers.

So, the TF recommends to adopt a standard protocol for the secure exchange of CSI between the ESS and the ESCB, which should cover IT, organisational aspects and common specifications. The definition of such a protocol could draw on existing ESS and ESCB best practices.

**Recommendation #4:** Improve the current legal framework for the exchange of CSI

As concluded from the answers to the survey (see section V), restrictive national laws are the most cited barrier to the exchange of CSI. These specific laws typically define restrictions to data sharing which are not “overruled” by the existing enabling clauses of Regulation (EC) No 223/2009 and Council Regulation No 2533/98. The existing construction creates severe limitations to a smooth and effective exchange of CSI for statistical purposes, only overcome by means of domain specific EU legislations, e.g. currently in place in the context of the Euro Groups Register (EGR) and Intrastat.

To decisively improve the current situation two lines of action could be foreseen: either national law could be updated to ensure common rules for the exchange of CSI or the existing EU laws (Regulation (EC) No 223/2009 and Council Regulation No 2533/98) are amended to enforce the exchange of CSI for well-defined statistical compilation purposes (precise scope).

The first line of action - to amend national law – follows from the fact that a number of respondents to the questionnaire saw national law as a barrier to the exchange of CSI, whereas European law is recognised as an enabler. It is however important to highlight that such a line of action has already been attempted for some years without much progress.

Even if not straightforward to implement, the TF saw quite some merits in the second line of action, as it would allow for a more homogenous definition and treatment of CSI across Europe. The basic legislation within the two statistical systems would need to be amended and eventually further domain specific legislation would be required to identify when the exchange is mandatory. A common and narrower legal definition of CSI would be necessary, as well as a careful description of the steps and safeguards to be taken for the secure exchange and storage of CSI. “Common standards on the treatment of CSI” would not only introduce transparency and harmonisation across the two statistical systems on the treatment of CSI, as it would simplify considerably the definition of secondary legislation foreseeing the exchange of CSI between them.

**Recommendation #5:** Promote organisational frameworks that facilitate sharing of CSI

According to findings in the stocktaking and in the CMFB survey the data sharing takes place when the supporting framework within a project (for example MNE pilot and FDI network etc.) is provided. Usually the data exchanges were reported, when data was shared within a project that provides tools and facilitates the data exchange. That is, building an environment and providing the business motivation for data exchange via common projects are important. Thus the TF recommends to support the common areas of interest such as three cases below.

The TF supports:

- The work towards integrated business registers
- Wider use of common business identifier (LEI<sup>19</sup>)
- Building organisational structures such as Large Case Units (LCU)

## **VII. List of Abbreviations and Acronyms**

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BEPS – Base Erosion of Profit Shifting

BIRD - Banks’ Integrated Reporting Dictionary

BIS - Bank for International Settlements

BOP – Balance of Payments

BOP WG – Balance of Payments Working Group

BSDG – Business Statistics Directors Group

CES – Conference of European Statisticians

CMFB - Committee on Monetary, Financial and Balance of Payments Statistics

CSI – Confidential Statistical Information

DG – Directorate General

DGI - Data Gaps Initiative

DMES – Directors of Macro-economic Statistics

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<sup>19</sup> In 2011, the Group of Twenty (G20) called on the Financial Stability Board (FSB) to provide recommendations for a global Legal Entity Identifier (LEI) and a supporting governance structure. This led to the development of the Global LEI System which, through the issuance of LEIs, now provides unique identification of legal entities participating in financial transactions across the globe. (See: <https://www.gleif.org/en/lei-system/gleif-management-of-the-global-lei-system>)

EBS – European Business Statistics Regulation (EU) 2019/2152  
EC – European Commission  
ECB – European Central Bank  
ECCBSO - European Committee of Central Balance-Sheet Offices  
EGR – EuroGroups-Register  
ESCB – European System of Central Banks  
ESS – European Statistical System  
EU – European Union  
Eurostat – Statistical Office of the European Union  
EWS - Early Warning System  
FATS – Foreign Affiliate Trade Statistics  
FDI – Foreign Direct Investment  
GNI – Gross National Income  
iBACH - individual Bank for Accounts of Companies Harmonised  
IDH - International Data Hub (IDH)  
IGA - Integrated Global Accounts  
IMF - International Monetary Fund  
INE – Instituto Nacional de Estadística  
INEXDA - International Network for Exchanging Experience on Statistical Handling of Granular Data  
IReF - Integrated Reporting Framework  
IT – Information and Technology  
ITEGS - Group on International Trade and Economic Globalisation Statistics  
ITGS – International Trade in Goods Statistics  
ITSS – International Trade in Services Statistics  
LCU – Large Case Units  
MFI - Monetary Financial Institutions  
MNE – Multinational Enterprises Groups  
MoU – Memorandum of Understanding  
NCB – National Central Bank  
NSI – National Statistical Institute  
NSO - National Statistical Office  
OECD – Organisation for Economic Co-operation and Development  
ONA – Other National Authorities  
R&D – Research and Development  
RDC - Research Data Centres  
SBS – Structural Business Statistics  
TF ECI – Task Force on the Exchange of Confidential Information

TLP – Traffic Light Protocol

UNECE – United Nations Economic Commission for Europe

UNSD – United Nations Statistics Division

WG ES – Working Group on External Statistics

WTO - World Trade Organisation

## VIII. Annexes

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### VIII.1 Mandate of the CMFB Task Force on the exchange of confidential information

4 March 2019

#### CMFB Task Force on the exchange of confidential information (TF ECI)

##### Mandate

At its meeting in December 2018 the European Statistical Forum<sup>20</sup> mandated the CMFB to prepare a feasibility study on the exchange of confidential<sup>21</sup> statistical information between the ESS and the ESCB for statistical purposes. In this regard, attention shall be given to the existing experiences, such as the ongoing MNE GNI Pilot Exercise and the FDI Network.

The CMFB discussed the concrete way forward at its meeting in January/February 2019 and decided to create a dedicated Task Force. This Task Force will be jointly chaired by XXX (NCB) and XXX (NSI). It will start by a teleconference before the meeting of the CMFB Executive Body in May.

The Task Force will:

- Use the experiences gained in the MNE GNI pilot exercise and the FDI Network, take stock of international work in the area of data sharing (e.g. UNECE Task Force on Exchange and Sharing of Economic Data, Irving Fisher Committee and the second phase of the G20 Data Gaps Initiative).
- Complement these ongoing studies by preparing a CMFB questionnaire for identifying
  1. confidential information held by the ESS and ESCB, which would be beneficial, if shared, for the production and quality of
    - 1.1. existing statistics;
    - 1.2. statistics on demand (e.g. using or linking micro datasets of the ESS and ESCB for the production of new non-confidential statistical data for monetary policy or financial stability purposes).
  2. the changes, if any, necessary to the European and/or national legal basis to ensure the effective exchange of confidential statistical data for statistical purposes.
  3. options within the current IT infrastructure that could be used to exchange data for the purposes mentioned under item 1.
  4. good practices of co-operation as case studies.

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<sup>20</sup> [ESF 11 December 2018 - Minutes](#)

<sup>21</sup> According to Council Regulation 2533/98 and Regulation 223/2009 of the European Parliament and the Council, “confidential statistical information” refers to information, which allows reporting agents or any other legal or natural person, entity or branch to be identified, directly or indirectly through deduction. To determine whether one of mentioned units is identifiable, account must be taken of all the means that might reasonably be used by a third party to identify the said unit.

The questionnaire shall take into account all relevant processes of data exchanges (e.g. from NSI in country A to NCB in country B).

The questionnaire shall be prepared for distribution in the second half of 2019.

- Prepare progress reports and a final report to the CMFB by 14 June 2019 and 17 January 2020, respectively, exploring concrete options<sup>22</sup> to ensure the exchange of confidential statistical information between the ESS and the ESCB (nationally and cross-border), based on the stock-taking exercise and on the findings of the CMFB questionnaire.
- After the final report to the CMFB on the exchange of confidential statistical information between the two systems for statistical purposes, the CMFB may decide to set a second phase of the TF to work further on additional topics (on other confidential datasets not held in the statistical area but beneficiary for the production of statistics (e.g. banking supervision data, tax data); develop further ideas for fostering the LEI and sharing register data for non-statistical purposes; identify opportunities, modalities and restrictions for data sharing with third (e.g. non EU) countries; etc.).

## VIII.2 List of Task Force Members

Name	Country	Organisation
<i>Sponsors</i>		
Robert Kirchner	DE	NCB
Ville Vertanen	FI	NSI
<i>Co-Chairs</i>		
Patrick Quill	IE	NSI
Ville Tolkki	FI	NCB
<i>Secretaries</i>		
Johan Debruyn		Eurostat
Nicole De Windt		ECB
<i>Members</i>		
Cristina Neves	PT	NSI
Maria Jose Alvarez-Pelaez	DK	NSI
Thorsten Haug	DE	NSI
Gunta Andersone	LV	NCB
Diederick Nevenzeel	NL	NCB
Francesca Monacelli	IT	NCB
Stephan Bender	DE	NCB
Christoph Hiesberger	AT	NCB
Jacek Kocerka	PL	NCB
Luis Moraes Sarmiento	PT	NCB
Maria Perez-Jurado	ES	NCB
Nuno Silva		ECB
August Gotzfried		Eurostat
Merja Rantala		Eurostat

<sup>22</sup> These may include examples of how identified good practices could be applied to the exchange of data for the purposes mentioned under item 1, suggestions for additional pilots, etc.

### **VIII.3 Inventory of voluntary and mandatory sharing of CSI**

The inventory of regulated and voluntary exchanges of confidential statistical information within and between the ESS and the ESCB is presented in section **IV.1 Existing exchanges of CSI** of this report.

### **VIII.4 Questionnaire: CMFB survey on the sharing of confidential statistical information**

This survey of CMFB members was carried out from December 2019 through March 2020.

Country

Institution

1. Does your institution engage in the production of European economic statistics in the domain of the CMFB?

1. Which economic statistics are produced in your institution? Please select all options that apply.

National accounts - Real economy

National accounts - Annual financial accounts

National accounts - Quarterly financial accounts

National accounts - Quarterly non-financial accounts

National accounts - Employment

National accounts - Government finance statistics

National accounts - Statistics related to the excessive deficit procedure

Balance of payments and international investment position - Current account

Balance of payments and international investment position - Financial account

Balance of payments and international investment position - International Investment Position

Balance of payments and international investment position - Foreign direct investment

International trade in goods

International trade in services

Monetary and financial statistics

Securities statistics

Business statistics

Price statistics

Registers

1.2 Other, please explain briefly.

2. How comfortable is your organisation with providing confidential statistical information (CSI) within the statistical community of the ESS and ESCB? Please tick all relevant boxes.

Very disposed towards exchange of CSI in carefully controlled environments

We see this as a necessary means to achieve consistency

We see no barriers under EU legislation

Positive but there is a lack of reciprocity

We recognise the importance but are uncomfortable about exchange of CSI

In the opinion of your organisation, there are implications from national legislation preventing access by another institution CSI

We need to look at other solutions before embarking on exchange of CSI

We are concerned that data collection maybe adversely affected if confidential information may be shared among a wide group of institutions

The lack of practical guidance and tools is an obstacle

2.1 Please explain.

3. Do you share CSI with other institutions within ESS and ESCB for statistical purposes? Yes / No / under very rare circumstances

3.1 If yes, with which institutions do you share CSI? Please select all options that apply.

Statistical function of the domestic NCB  
Statistical function of NCBs in other EU Member States  
ECB  
Statistical function of domestic NSI  
NSIs in other EU Member States  
Eurostat

3.1.1 Please indicate if the sharing of CSI made under specific agreements between the domestic NSI and NCB?

3.3 Please comment on the rare circumstances when you may share CSI with other institutions within ESS and ESCB for statistical purposes

4. Please list the national legal acts relevant to the exchange of CSI and describe briefly the relevant provisions and articles. Indicate whether, in the opinion of your organisation, those legal acts prevail over the enabling clause (NSIs) Art. 21 of Regulation (EC) No 223/2009, or (NCBs) Art. 8a of (EC) No 2533/98 on the exchange of confidential data for statistical purposes? (Art 21 of Regulation (EC) No 223/2009; and Art. 8a of (EC) No 2533/98)

5. Is there national legislation in place that relates to sharing CSI with any of the ESS, ESCB partners? Please state if this is enabling legislation or restricting legislation (multiple answers).

5.1 Please explain

6. From the point of view of your institution, what legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? Multiple answers are possible.

The enabling clauses of (EC) No 223/2009 or (EC) No 2533/98 allow the sharing CSI, but do not mandate or oblige us to share. (Art 21 of Regulation (EC) No 223/2009; and Art. 8a of (EC) No 2533/98)

National legislation clearly defines the restrictions to data sharing.

There are other legal barriers or further comments. Please elaborate in the pop-up box below.

There are no legal barriers.

6.1 Other legal barriers or further comments

7. From the point of view of your institution, which non-legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? Multiple answers are possible.

There are no non-legal barriers.

Perception that (voluntary) reporters would stop providing data.

(Non-legal) institutional policy on the matter.

Other non-legal barriers or further comments. Please elaborate in the pop-up box below.

7.1 Other non-legal barriers

8. Does your institution inform reporting agents with whom you share CSI and for which purposes it is used?

8.1 Please describe what actions you have taken to build trust and transparency with reporting agents. You can also clarify the multiple answers, if needed.

*Examples of successful cases from the point of view of the receiver*

9. Which confidential data are successfully acquired?

9.1 Other, please specify:

10. What is the purpose of the data requirements? Please select all that apply.

10.1 Other, please specify:

11. Which partner did you receive the data from?

11.1 Please specify the other partner to provide benchmark data from MNE groups.

12. What is the main supporting legal act?

12.1 Other main supporting legal act:

13. How confidentiality protection has been addressed? Please select all that apply.

13.1 Other means of addressing confidentiality:

14. If applicable, please also indicate the actions put in place to maintain the arrangement between the two exchange partners (multiple answers are possible)

14.1 Other actions put in place to maintain trust in the data provider:

15. Please rank the enabling factors supporting the CSI exchange.: Cultural aspect, IT features, Confidentiality protection solutions, Actions put in place to maintain trust.

15.1 Explanations of the above and/or other enabling factors apart from those mentioned above

*Examples of unsuccessful cases from the point of view of the demander*

16. Which confidential data are needed and not (yet) exchanged?
17. What would the data be used for? (multiple answers are possible)
  - 17.1 Other data uses not listed above
18. Which partner owns the required data?
  - 18.1 Other data owner, not listed above
19. What is the main disadvantage related to the lack of such information for the recipient? (multiple answers are possible)
  - 19.1 Other disadvantage related to the lack of such information for the recipient
20. What is the main obstacle to establish the exchange of CSI?
  - 20.1 Explanations and/or other obstacle to establish the exchange of CSI
21. Are there any on-going actions to overcome the obstacles?
  - 21.1 On-going actions to overcome the obstacles
22. Please provide views concerning the IT and technology needs to effectively support the exchange of confidential information between two authorities. You can refer to, for example, confidentiality, interoperability, costs, ownership of the infrastructure.
23. Please indicate if there is a restriction in your organisation on storing CSI via cloud services.
24. Do you share confidential economic statistics with other national authorities outside ESS/ESCB?
  - 24.1 Please elaborate on confidential economic statistics shared with other national authorities outside ESS/ESCB (please also list institutions).
25. Are there any issues that have not been raised in the questionnaire and should be considered?

## VIII.5 Survey results

### Institution

		Answers	Ratio
National central bank		26	53.06%
National statistical institute		23	46.94%
No Answer		0	0%

### 1. Which economic statistics are produced in your institution? Please select all options that apply.

		Answers	Ratio
National accounts - Real economy		24	48.98%
National accounts - Annual financial accounts		28	57.14%
National accounts - Quarterly financial accounts		30	61.22%
National accounts - Quarterly non-financial accounts		23	46.94%
National accounts - Employment		24	48.98%
National accounts - Government finance statistics		33	67.35%
National accounts - Statistics related to the excessive deficit procedure		26	53.06%
Balance of payments and international investment position - Current account		28	57.14%
Balance of payments and international investment position - Financial account		26	53.06%
Balance of payments and international investment position - International Investment Position		26	53.06%

Balance of payments and international investment position - Foreign direct investment		26	53.06%
International trade in goods		22	44.9%
International trade in services		27	55.1%
Monetary and financial statistics		26	53.06%
Securities statistics		26	53.06%
Business statistics		23	46.94%
Price statistics		23	46.94%
Registers		41	83.67%
No Answer		1	2.04%

**2. How comfortable is your organisation with providing confidential statistical information (CSI) within the statistical community of the ESS and ESCB? Please tick all relevant boxes.**

		Answers	Ratio
Very disposed towards exchange of CSI in carefully controlled environments		24	48.98%
We see this as a necessary means to achieve consistency		40	81.63%
We see no barriers under EU legislation		21	42.86%
Positive but there is a lack of reciprocity		14	28.57%
We recognise the importance but are uncomfortable about exchange of CSI		10	20.41%
In the opinion of your organisation, there are implications from national legislation preventing access by another institution CSI		12	24.49%
We need to look at other solutions before embarking on exchange of CSI		5	10.2%
We are concerned that data collection maybe adversely affected if confidential information may be shared among a wide group of institutions		14	28.57%
The lack of practical guidance and tools is an obstacle		11	22.45%
No Answer		0	0%

**3. Do you share CSI with other institutions within ESS and ESCB for statistical purposes? (Please make sure that the type of institution has been specified at the beginning of the survey to see the follow-up question.)**

		Answers	Ratio
yes		37	75.51%
no		1	2.04%
under very rare circumstances (please comment in the pop-up field below)		11	22.45%
No Answer		0	0%

**3.1 (NSI) If yes, with which institutions do you share CSI? Please select all options that apply.**

		Answers	Ratio
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Statistical function of the domestic NCB		21	42.86%
Statistical function of NCBs in other other EU Member States		3	6.12%
ECB		1	2.04%
No Answer		27	55.1%

**3.1 (NCB) If yes, with which institutions do you share CSI? Please select all options that apply.**

		Answers	Ratio
Statistical function of domestic NSI		24	48.98%
NSIs in other EU Member States		6	12.24%
Eurostat		13	26.53%
No Answer		25	51.02%

**3.1.1 Please indicate if the sharing of CSI made under specific agreements between the domestic NSI and NCB?**

		Answers	Ratio
Yes		39	79.59%
No		5	10.2%
No Answer		5	10.2%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: Only for NSIs: statistical function of the domestic NCB**

		Answers	Ratio
Enabling national legislation		18	36.73%
Restricting national legislation		5	10.2%
No Answer		27	55.1%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: Statistical function of NCBs in other other EU Member States**

		Answers	Ratio
Enabling national legislation		23	46.94%
Restricting national legislation		7	14.29%
No Answer		20	40.82%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: ECB**

		Answers	Ratio
Enabling national legislation		27	55.1%
Restricting national legislation		5	10.2%
No Answer		18	36.73%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: Only for NCBs: statistical function of domestic NSI**

		Answers	Ratio
Enabling national legislation		25	51.02%
Restricting national legislation		5	10.2%
No Answer		22	44.9%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: NSIs in other EU Member States**

		Answers	Ratio
Enabling national legislation		18	36.73%
Restricting national legislation		9	18.37%
No Answer		25	51.02%

**5. Is there national legislation in place that relates to sharing CSI with any of the following partners? Please state if this is enabling legislation or restricting legislation.: Eurostat**

		Answers	Ratio
Enabling national legislation		23	46.94%
Restricting national legislation		7	14.29%
No Answer		22	44.9%

**6. From the point of view of your institution, what legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? Multiple answers are possible.**

		Answers	Ratio
Regulation (EC) No 223/2009 or (EC) No 2533/98 does not prevail over national legislation [in the opinion of the organisation].		7	14.29%
The enabling clauses of (EC) No 223/2009 or (EC) No 2533/98 allow the sharing CSI, but do not mandate or oblige us to share. (Art 21 of Regulation (EC) No 223/2009; and Art. 8a of (EC) No 2533/98)		19	38.78%
National legislation clearly defines the restrictions to data sharing.		19	38.78%
There are other legal barriers or further comments. Please elaborate in the pop-up box below.		5	10.2%
There are no legal barriers.		20	40.82%
No Answer		1	2.04%

**7. From the point of view of your institution, which non-legal barriers restrict the sharing of confidential statistical information with other members of ESS/ESCB? Multiple answers are possible.**

		Answers	Ratio

There are no non-legal barriers.		20	40.82%
Perception that (voluntary) reporters would stop providing data.		19	38.78%
(Non-legal) institutional policy on the matter.		6	12.24%
Other non-legal barriers or further comments. Please elaborate in the pop-up box below.		14	28.57%
No Answer		1	2.04%

**8. Does your institution inform reporting agents with whom you share CSI and for which purposes it is used?**

		Answers	Ratio
Yes, we inform about uses of data		24	48.98%
Yes, we inform about sharing of data		8	16.33%
Partially (please explain below)		15	30.61%
No		12	24.49%
No Answer		2	4.08%

**9. Which confidential data are successfully acquired?**

		Answers	Ratio
National accounts - Real economy		10	20.41%
National accounts - Annual financial accounts		14	28.57%
National accounts - Quarterly financial accounts		13	26.53%
National accounts - Quarterly non-financial accounts		4	8.16%
National accounts - Employment		1	2.04%
National accounts - Government finance statistics		10	20.41%
National accounts - Statistics related to the excessive deficit procedure		9	18.37%
Balance of payments and international investment position - Current account		20	40.82%
Balance of payments and international investment position - Financial account		16	32.65%
Balance of payments and international investment position - International Investment Position		12	24.49%
Balance of payments and international investment position - Foreign direct investment		19	38.78%
International trade in goods		13	26.53%
International trade in services		14	28.57%
Monetary and financial statistics		7	14.29%
Securities statistics		6	12.24%
Business statistics		11	22.45%
Price statistics		1	2.04%
Registers		22	44.9%
No Answer		6	12.24%

**10. What is the purpose of the data requirements? Please select all that apply.**

		Answers	Ratio
Cross check own data, please specify which domain		26	53.06%
To notify a partner compiler of a significant transactions/restructuring event		18	36.73%
Trade asymmetry analysis		9	18.37%
Building official statistics, please specify which domain		33	67.35%
Analysis by the NCB's economic or research department		4	8.16%
Other (please describe in the pop-up box below)		10	20.41%
No Answer		4	8.16%

**11. Which partner did you receive the data from?**

		Answers	Ratio
NCB/NSI of own country (as applicable)		34	69.39%
Other national statistical authority of own country (for NCAs only)		0	0%
NCB/NSI of another EU country, including ECB/Eurostat (as applicable)		6	12.24%
Others, please specify in the pop-up box below: benchmark data from MNE groups		5	10.2%
No Answer		4	8.16%

**12. What is the main supporting legal act?**

		Answers	Ratio
European law		30	61.22%
National law		32	65.31%
Memorandum of understanding		20	40.82%
Bilateral agreement		23	46.94%
Other (please describe in the pop-up box below)		4	8.16%
No Answer		4	8.16%

**13. How confidentiality protection has been addressed? Please select all that apply.**

		Answers	Ratio
Encryption of data transmission		28	57.14%
Dedicated private line/network		26	53.06%
Limitation of access (staff and/or time)		38	77.55%
Confidentiality agreement signed by staff of recipient authority		27	55.1%
Log of individual data access		13	26.53%
Strong access authentication measures		17	34.69%
Each data access is approved/monitored by the owner of the data		7	14.29%
Other (please describe in the pop-up box below)		3	6.12%
No Answer		4	8.16%

**14. If applicable, please also indicate the actions put in place to maintain the arrangement between the two exchange partners (multiple answers are possible)**

		Answers	Ratio
Ad hoc data confidentiality agreement		15	30.61%
Specific training on confidentiality issues		4	8.16%
Regular reporting on data use and confidentiality breach (should that happen)		2	4.08%
Establishment of a governance body		6	12.24%
Other (please specify in the pop-up box below)		7	14.29%
No Answer		22	44.9%

**15. Please rank the enabling factors supporting the CSI exchange.: Cultural aspect, please explain below**

		Answers	Ratio
1 (most important enabling factor)		1	2.04%
2		2	4.08%
3		7	14.29%
4		7	14.29%
5 (least important enabling factor)		23	46.94%
No Answer		9	18.37%

**15. Please rank the enabling factors supporting the CSI exchange.: IT features of the data exchange - please explain below**

		Answers	Ratio
1 (most important enabling factor)		0	0%
2		12	24.49%
3		11	22.45%
4		8	16.33%
5 (least important enabling factor)		10	20.41%
No Answer		8	16.33%

**15. Please rank the enabling factors supporting the CSI exchange.: Legal framework**

		Answers	Ratio
1 (most important enabling factor)		40	81.63%
2		3	6.12%
3		2	4.08%
4		1	2.04%
5 (least important enabling factor)		0	0%
No Answer		3	6.12%

**15. Please rank the enabling factors supporting the CSI exchange.: Confidentiality protection solutions**

		Answers	Ratio

1 (most important enabling factor)		3	6.12%
2		22	44.9%
3		15	30.61%
4		3	6.12%
5 (least important enabling factor)		1	2.04%
No Answer		5	10.2%

**15. Please rank the enabling factors supporting the CSI exchange.: Actions put in place to maintain trust**

		Answers	Ratio
1 (most important enabling factor)		2	4.08%
2		6	12.24%
3		7	14.29%
4		21	42.86%
5 (least important enabling factor)		5	10.2%
No Answer		8	16.33%

**16. Which confidential data are needed and not (yet) exchanged?**

		Answers	Ratio
National accounts - Real economy		2	4.08%
National accounts - Annual financial accounts		1	2.04%
National accounts - Quarterly financial accounts		1	2.04%
National accounts - Quarterly non-financial accounts		1	2.04%
National accounts - Employment		0	0%
National accounts - Government finance statistics		0	0%
National accounts - Statistics related to the excessive deficit procedure		0	0%
Balance of payments and international investment position - Current account		3	6.12%
Balance of payments and international investment position - Financial account		3	6.12%
Balance of payments and international investment position - International Investment Position		2	4.08%
Balance of payments and international investment position - Foreign direct investment		4	8.16%
International trade in goods		1	2.04%
International trade in services		2	4.08%
Monetary and financial statistics		0	0%
Securities statistics		1	2.04%
Business statistics		3	6.12%
Price statistics		0	0%
Registers		8	16.33%
No Answer		32	65.31%

**17. What would the data be used for? (multiple answers are possible)**

		Answers	Ratio
Cross check own data, please specify which domain		10	20.41%
To notify a partner compiler of a significant transactions/restructuring event		2	4.08%
Trade asymmetry analysis		1	2.04%
Building official statistics, please specify which domain: Consistency of non-financial and financial statistics (e.g classification of companies according to economic activities)		13	26.53%
Analysis by the NCB Economic or research Department		2	4.08%
Other, please describe in the pop-up box below		4	8.16%
No Answer		31	63.27%

**18. Which partner owns the required data?**

		Answers	Ratio
NCB/NSI of own country (as applicable)		6	12.24%
National tax authorities		4	8.16%
Other national statistical authority of own country		0	0%
NCB/NSI of another EU country, including ECB/Eurostat (as applicable)		3	6.12%
Other, please explain in the pop-up box below		5	10.2%
No Answer		31	63.27%

**19. What is the main disadvantage related to the lack of such information for the recipient? (multiple answers are possible)**

		Answers	Ratio
More reporting burden on reporters		4	8.16%
Lower quality of European Statistics		10	20.41%
Lower quality of own data		8	16.33%
Reduced comparability of statistics from different sources		6	12.24%
More complex own statistical production process		9	18.37%
Prevention of economic analysis/research		4	8.16%
Other, please explain in the pop-up box below		0	0%
No Answer		33	67.35%

**20. What is the main obstacle to establish the exchange of CSI?**

		Answers	Ratio
Cultural aspects, please explain		1	2.04%
IT features of the data exchange, please explain		0	0%
Legal framework, please explain		10	20.41%
Confidentiality protection, please explain		3	6.12%
Other, please explain in the pop-up box below		2	4.08%
No Answer		33	67.35%

**21. Are there any on-going actions to overcome the obstacles?**

		Answers	Ratio
Yes (please explain the pop-up box below)		10	20.41%
No		6	12.24%
No Answer		33	67.35%

**23. Please indicate if there is a restriction in your organisation on storing CSI via cloud services.**

		Answers	Ratio
Yes		25	51.02%
No		3	6.12%
Not applicable as our organisation does not yet have policy for cloud services		19	38.78%
No Answer		2	4.08%

**24. Do you share confidential economic statistics with other national authorities outside ESS/ESCB?**

		Answers	Ratio
yes (please elaborate in the pop-up box below)		16	32.65%
no		30	61.22%
No Answer		3	6.12%