

# Common framework for business registers for statistical purposes

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In accordance with Regulation (EC) No 177/2008 ('BR Regulation'), the Commission presents a report on the implementation of the Regulation addressing in particular the cost of the statistical system, the burden on business and the benefits.

To recall, all Member States of the EU maintain business registers for statistical purposes. The BR Regulation establishes a common framework for these registers. It also allowed the creation of the EuroGroups Register (EGR) as a useful statistical tool to provide information on all control relationships within multinational enterprise groups.

The report examines the most important aspects of the implementation of the BR Regulation with regard to the measures taken by the Commission (Eurostat) and the impact of the BR Regulation on:

- the cost for the National Statistical Institutes and Eurostat (the statistical system);
- the administrative burden on the respondents;
- the benefits in terms of quality of the statistical business registers and improved statistical measurement of globalisation phenomena.

The timing of the report is related to the preparation of a streamlined Framework Regulation Integrating Business Statistics and the plans to repeal several Regulations, including the BR Regulation.

**Costs incurred by the National Statistical Institutes of responding countries:** in qualitative terms, the overall results showed that in about 75% of the cases the cost of implementing the BR Regulation was estimated none, negligible or moderate, and that only in about a quarter of the cases the impact was described as substantial. Some Member States indicated that the implementation of the BR Regulation did not result in any additional costs as they had already met the requirements prior to this implementation.

**Financial support granted by Eurostat:** taking into consideration the different stages of development of statistical business registers in Member States and the costs implied by the implementation of the BR Regulation, the Commission provided funds to support the Member States. These have to be taken into account when evaluating the overall cost of the statistical system. The total amount paid was EUR 2 192 290.

**Burden on businesses:** the great majority of the answering National Statistical Institutes were only able to provide qualitative assessments. For roughly 70% of the legal units covered by the inquiry, National Statistical Institutes reported no increase of the burden on businesses. For 2 countries the BR Regulation meant a reduction of burden. For roughly 30% of the legal units the National Statistical Institutes felt that the implementation of the BR Regulation increased moderately the burden on businesses.

**Benefits of the BR Regulation (national and ESS level):** the balance between relevant benefits on one hand and moderate costs for the system and burden on business on the other hand leads in general to a positive assessment of the implementation of the BR Regulation. The report states that the main benefits at national level reported by National Statistical Institutes can be summarised as follows:

- increased data accuracy in individual statistical domains (9 countries)
- coordination among different statistical domains (13 countries)
- a more complete picture on public enterprises (7 countries)
- input for the national enterprise group register (19 countries)
- harmonisation in the area of enterprise groups (15 countries)
- improved tools for analytical purposes (7 countries)
- improved tools for data dissemination (2 countries).

It goes on to assert that the **most relevant benefit of the BR Regulation was at the level of the whole European Statistical System**. The development of the EGR is a crucial step for the development of accurate and comparable European enterprise statistics and for the production of statistics on globalisation. The BR Regulation and the inclusion of information about the control of legal units in business registers have permitted to achieve a situation where the structure of multinational enterprise groups operating in the EU and their national parts are currently mapped either in the national business registers or in the EuroGroups Registers, and Member States have established procedures to cooperate for improving data quality.

**Definition of enterprise:** the report considers that problems in this area have affected the implementation of the BR Regulation. When defining an enterprise (the statistical unit most business statistics refer to), most Member States focus on the legal unit only. However, the report notes that this practice has a negative impact on the relevance, accuracy and comparability of European business statistics as it is translated into an increasing gap between the economic reality and its statistical description (e.g. the number of enterprises is overestimated).

**The Commission concludes** that the balance between relevant benefits on one hand and moderate costs for the system on the other hand leads in general to a positive assessment of the implementation of the BR Regulation. However, the difficulties encountered with regard to the implementation of the definition of the enterprise according to the Statistical Units Regulation affect the implementation of the BR Regulation.