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**Update of the Eurostat Business registers Recommendations manual**

## **1. Introduction**

The first version of the Eurostat Business registers Recommendations manual (the manual) was published in 2003. A revised version was published in 2010, this edition includes particularly additional chapters on the new provisions of the new European Regulation on Statistical Business Registers - EC (No) 177/2008 (BR Regulation).

The manual has no legal status; its character is a guidelines document. Article 7 of the BR Regulation states that the European Commission (Eurostat) shall publish a business register recommendations manual and that the manual shall be updated in close cooperation with the EU countries.

Eurostat launched a call for tender for the recent update of the manual. A contract was signed with the company GOPA Consultants. GOPA engaged Mr. Norbert Rainer and Mr. Harrie van der Ven as external experts who will draft the new version.

## **2. Reasons and objectives of the update**

Current ongoing events and initiatives in legislation and developments of the statistical business registers (SBRs) generate nowadays the need for an update of the manual. The most important initiatives for an updated and improved manual are:

- the future Regulation of the European Parliament and of the Council on European business statistics (FRIBS), which is currently in the legislation process;
- the ongoing developments of the project on the European System of interoperable statistical business registers (ESBRs), including the further development of the EuroGroups Register (EGR);
- the adoption and the launch of the Eurostat Data Quality Program for the SBRs;
- the recently approved operational rules for the statistical units.

The main objectives of the update are:

- Development of a new structure of the manual;
- Revision and updating of the existing chapters and the glossary;
- Incorporation of the new provisions of FRIBS;
- Incorporation of the new operational rules for the statistical units;
- Incorporation of the recommendations generated by the Eurostat Data Quality Program;

- Special focus on the current chapters 21 (Enterprise groups) and 22 (Demographic changes and continuity rules for the enterprise groups);
- Integrating new issues on the roles of the SBRs in the context of being a part of an interoperable system of statistical business register (in the first instance: national statistical business registers and the EGR, but in the future also to other global business registers like LEI based registers).

In addition to the main role of the SBRs as being the backbone for (all) business statistics, other roles that have become important in the last years, such as the role in the context of integrated business statistics, the role of supporting micro-data linking, the role of supporting monitoring and regulating business response burden, as well as various other methodological and conceptual developments in the domain (for instance geocoding of register units).

### **3. General approach for the update of the manual**

The manual provides explanations on interpreting the BR Regulation, as well as recommendations on the maintenance and development of the statistical business registers. The manual should support the harmonisation of the registers to achieve the required quality to serve as a basis for consistent and comparable European business statistics and for all the other statistical domains that are based on business statistics, particularly national accounts. These goals will also be valid and central for the update of the manual.

#### ***3.1 Relation to the UNECE Guidelines on Statistical Business Registers***

Since the first edition of the Recommendations Manual several other manuals and guidelines have been published by various international and regional institutions or were drafted in cooperation of National Statistical Institutes (NSIs). Most notably, in September 2015 the UNECE published “Guidelines on Statistical Business Registers”.

The UNECE guidelines have a broader target population, not only because of the greater number of member countries, but also because the development of the SBRs in these countries is at different stages; from highly developed status to less developed status or even cases where the development is at the starting phase.

The Eurostat manual served also as one of the reference documents for the drafting of UNECE Guidelines; there should not be any conceptual differences between these two manuals. In the update of the Eurostat manual the recent UNECE Guidelines will be consulted, but the manual will focus on the EU requirements.

While in principle there are no differences in the basic concepts between the two guidelines/manuals, the Eurostat manual focusses on the legal requirements and the gentlemen’s agreements valid for the EU countries in the area of statistical business registers and their use in business statistics. The recommendations should be very concrete and detailed in order to achieve harmonised statistical business registers in the EU.

The recommendations issued by the UNECE are not binding in any of the member countries. As the UNECE has to consider that some of their member states have only less developed statistical systems, their guidelines must contain more explanations of the basic conceptual frame and include recommendations on how the SBRs might be further developed.

In that sense, the two guidelines/manuals have different objectives and differ also in the content. Nevertheless, in the update of the Eurostat manual a closer link is envisaged.

### 3.2 Editorial aspects

The following general editorial aspects will be implemented:

- The Eurostat BR manual will use the terminology “Statistical business register” or “Business registers for statistical purposes” rather than just “business register”.
- Even if new additional content will have to be added, it is not the intention to increase the volume of the manual as such. On the contrary, wherever possible the text might be shortened focusing on the central issues. However, completeness and clarity should not get lost.
- It was already aimed for the current edition of the manual that each chapter is capable of being read separately. This will also be aimed in the updated version.
- The current chapters are structured into subdivisions and each paragraph is numbered. However, there are very few tables, overviews, figures or boxes. This makes the reading less comfortable and it is not always easy to find for instance the definition of a certain concept. It is thus the intention to put definitions into boxes and similar forms of presentation formats.
- The current edition of the manual does not contain an alphabetical index. It is proposed to elaborate an index for the main concepts.

### 4. New structure of the manual

The current BR manual has 24 chapters. Most of these exist already since its first edition. For the 2010 edition additional chapters have been included. However, the order of the chapters was not changed, so that issues belonging together are dealt with in different parts of the manual. A good example for this situation is the issue of statistical units: they are dealt in chapters 7, 8, 21, 23 and 24.

Therefore, a restructuring was proposed for the update of the current version: The manual will be structured into 10 chapters and the current chapters will be integrated into these ones, including the specific new issues that should be covered. Within these 10 chapters the current chapters serve as basis for the update, but the chapters will be sub-structured according to the logical sequence rather than based on the current chapters that serve as the basis. In essence, the current chapters will be merged, regrouped and/or newly sub-structured.

The new structure is to some extent aligned with the structure of the UNECE guidelines, but to a great extent also with the initial basic structure of the Eurostat manual, before additional chapters were simply added.

The new structure has already been approved by the EU Working Group on Business Registers and Statistical Units in its meeting on 22-23 May 2018. Some issues/topics were proposed by the delegates, which should also be considered in the update. The new structure of the manual is shown in Table 1.

**Table 1 – New structure of the manual**

<b>PROPOSED NEW STRUCTURE</b>	<b>BASED ON CURRENT CHAPTERS</b>
<b>1</b> Introduction	1 Scope of the recommendations 2 Harmonisation of business registers
<b>2</b> Roles of business registers for statistical purposes	3 Objectives and uses of the business register for statistical purposes 9 Access to register
<b>3</b> Coverage of business registers for statistical purposes	6 Coverage of the register

<b>4</b> Units in statistical business registers	7 Legal unit and enterprise 8 Local units in business registers 21 Enterprise groups 23 Statistical units in agriculture, forestry and fishing 24 Statistical units in public sector
<b>5</b> Characteristics of units in statistical business registers	5 Contents of the register
<b>6</b> Data sources	20 The use of administrative sources
<b>7</b> Demographic events	12 A general overview of demographic events 13 Demographic changes concerning the enterprise 14 Continuity rules for the enterprise 15 Demographic changes concerning the local unit 16 Continuity rules for the local unit 22 Demographic changes and continuity rules for the enterprise group
<b>8</b> Data quality management	4 Maintenance of the register 10 Quality policy
<b>9</b> Profiling of large and complex businesses	19 The handling of large and complex businesses
<b>10</b> Frame population methodology	11 The general approach to the handling of changes 17 The handling of changes to characteristics 18 The handling of errors
<b>Glossary</b>	Glossary
<b>National practices</b>	New: Wiki approach

The annex of this paper provides an overview of the envisaged content of each of the new chapters. Due to space restrictions only the headings are listed. Please note that this is just a draft which might be changed and adapted in the process of the drafting of the new chapters.

## **5. National practices**

The BR Recommendations manual leaves room for national practices. Such practices can be helpful to improve or implement changes in national practices.

Partly because of the dynamics in technologies and in available information, sets of national practices can become rather quickly obsolete and need regular update. For these reasons, it was decided to include descriptions of national practices not in the manual itself, but in a wiki platform like presently available for EGR.

Within the time frame of this project, it is foreseen that in a first step EU countries are asked to propose topics that should be covered in the national practice database and in a second step to provide the appropriate information on their national practices. The information on the national practices will directly be collected by Eurostat.

## **6. Involvement of the NSIs**

As stated in the BR Regulation, the update of the recommendations manual shall be done in close cooperation with the EU countries. This is not only a legal requirement, but important for the acceptance and quality of the update. We also view it important that the NSIs have the possibility to comment on the draft chapters as soon as these become available, and not just at the end of the update process.

The drafting of the single chapters will mainly be done in the course of the second half of 2018. Each draft chapter will be discussed with Eurostat, after that members of the EU Working group on Business registers and statistical units (EU and EFTA countries, candidate and potential candidate countries) will be invited to comment on the drafts.

A complete version of the updated manual will be provided in March 2019. This complete version will also be submitted to the members of the EU Working group on Business registers and statistical units for written comments. The feedback and the complete version will be presented and discussed at the meeting of the working group in May 2019. The new 2019 version of the manual will be finalised by the end of June 2019.

## **ANNEX: Proposed content of the new chapters**

### **Chapter 1: Introduction**

- 1.1. *Introduction: the general framework*
- 1.2. *Harmonisation of SBRs*
- 1.3. *The legal basis (relevant parts of the future FRIBS Regulation)*
- 1.4. *Objective of the manual*
- 1.5. *Structure of the manual*
- 1.6. *Scope of Recommendations*
- 1.7. *Changes in the legal basis compared to the 2008 BR Regulation*
- 1.8. *Main changes of content between the 2019 and the 2010 edition of the manual.*

### **Chapter 2: Roles of the business registers for statistical purposes**

- 2.1. *Introduction*
- 2.2. *SBRs as live registers*
- 2.3. *SBRs as providers of coordinated frame populations (master frames)*
- 2.4. *SBRs as provider of survey frames*
- 2.5. *SBRs survey support*
- 2.6. *SBRs as source for statistics on business demography*
- 2.7. *Access to and exchange of SBR data*

### **Chapter 3: Coverage of business registers for statistical purposes**

- 3.1. *Introduction*
- 3.2. *General definition and concept of coverage*
- 3.3. *Specific coverage issues: activities of households, activities of extraterritorial organisations and bodies, activities of general government and non-profit institutions*

### **Chapter 4: Units in statistical business registers**

- 4.1. *Introduction*
- 4.2. *Legal units and enterprise (will cover also ancillary activities)*
- 4.3. *Enterprise group*
- 4.4. *Local unit*
- 4.5. *Kind-of-activity Unit*
- 4.5. *Units in specific economic sectors (government, agriculture)*

### **Chapter 5: Characteristics of units in statistical business registers**

- 5.1. *Introduction*
- 5.2. *Legal units characteristics*
- 5.3. *Enterprise characteristics*
- 5.4. *Enterprise group characteristics*
- 5.5. *Local unit characteristics*
- 5.6. *KAU characteristics*

## **Chapter 6: Data sources**

- 6.1. *Introduction*
- 6.2. *Administrative data sources*
- 6.3. *Statistical data sources*
- 6.4. *Other data sources*

## **Chapter 7: Demographic events**

- 7.1 *Introduction*
- 7.2 *Demographic events*
- 7.3 *Demographic events on enterprise groups*
- 7.4 *Demographic events on enterprises*
- 7.5 *Demographic events on kind of activity units*
- 7.6 *Demographic events on local units*

## **Chapter 8: Data quality management**

- 8.1 *Introduction*
- 8.2 *SBR quality dimensions*
- 8.3 *Quality of SBR value chain*
- 8.4 *Quality policy and improvement*

## **Chapter 9: Profiling of large and complex businesses**

- 9.1. *Introduction*
- 9.2. *Profiling: national and European*
- 9.3. *Profiling process*
- 9.4. *Timing of profiling processes*
- 9.5. *Organisation of profiling processes*

## **Chapter 10: Frame population methodology**

- 10.1. *Introduction*
- 10.2. *Frame concepts*
- 10.3. *Master Frame methodology*