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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on European business statistics amending Regulation (EC) No 184/2005 and repealing 10 legal acts in the field of business statistics

(Text with EEA relevance)

{SWD(2017) 98 final}
{SWD(2017) 99 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The need for statistical information on businesses for policymaking and other purposes is growing. The European Statistical System (ESS)[1] is expected to provide high-quality statistical data in this area, in a timely way and with comparability across the Member States. The disseminated ESS business statistics should be the basis for decisions about the market economy based on knowledge and innovation, for improving access to the single market for small and medium enterprises, and for stimulating entrepreneurship and competitiveness.

The draft Regulation on European business statistics, amending Regulation (EC) No 184/2005 and repealing 10 legal acts in the field of business statistics (FRIBS) is part of the REFIT Programme, the European Commission's regulatory fitness and performance programme for making EU law simpler and reducing unnecessary regulatory costs, which has identified business statistics as one of its priority areas. The draft Regulation envisages the integration of statistical requirements and legal acts for business statistics by streamlining and simplifying them and reducing the burden on businesses.

The current system for producing European business statistics is fragmented into separate domain-specific regulations. This leads to inconsistencies in the data collected and inefficiencies in their production. FRIBS will provide a common legal framework for the production and compilation of ESS business statistics. It is expected to deliver: better quality ESS business registers, common definitions to be used in all the statistical domains it covers, the exchange of identifiable micro-data and an integrated data structure. This should lead to a rationalisation of national statistical production processes, better use of existing data sources, and a reduction of the statistical burden on respondents when ESS business statistics are compiled. In addition, FRIBS will create harmonised data structures and common data quality standards which will make it possible to link different business statistics, making the information collected even more valuable.

• Consistency with existing policy provisions in the policy area

Reliable and high-quality statistics are becoming increasingly necessary to enable policymakers and businesses to take evidence-based decisions. However, in the current context of mounting pressure on human and financial resources available for producing statistics, the ever-increasing amount of high-quality statistics needed has become a major challenge for the ESS. At the same time, the ESS is facing demands from data providers (respondents – businesses) to reduce administrative burden. In order to meet these challenges, the Commission (Eurostat) has recently taken a number of initiatives aiming to ensure more efficient production of European statistics and to reduce the burden on respondents by simplifying and improving coordination and collaboration within the ESS. One example is the 2015 amendment of Regulation (EC) No 223/2009 on European statistics, which clarified the governance of the ESS and strengthened coordination and collaboration instruments at both EU and national levels. Other similar initiatives, for example in the area of social statistics,

[1] The ESS is the partnership between the European statistical authority, which is the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics.

are included in the Commission's REFIT programme and aim to simplify and streamline the production of European statistics within targeted domains.

Business statistics are one of the three ESS pillars in the European Statistical Programme for 2013-2017[2]. Each pillar covers a set of primary statistics which serves multiple needs and is the input for accounting systems (e.g. national accounts or the balance of payments) as well as the basis for indicators for different policy needs. The ESS Vision 2020, adopted by the ESS Committee in May 2014, is the ESS' strategic response to the challenges related to official statistics. It states that it should be possible to use data across statistical domains to be able to better analyse emerging phenomena (e.g. globalisation) and to better serve high-impact EU policies. The data output should be based on efficient and solid statistical processes. The Programme for the Modernisation of European Enterprise and Trade Statistics (the MEETS programme) prepared the implementation of the ESS Vision 2020 in the area of business and trade statistics. Several actions were launched with the objectives of integration, simplification, data linking and the development of harmonised methodologies.

- **Consistency with other Union policies**

One of the aims of the FRIBS is to provide fit-for-purpose statistics that help formulate and monitor EU policies that affect businesses.

More specifically, monitoring progress towards the 10 priorities set by the European Commission, in particular related to jobs, growth and investment, the digital single market, the internal market and EU trade agreements, requires harmonised and comparable European statistics that:

- decision makers can use to design policy initiatives that meet Commission objectives and to monitor their implementation;
- the media can use when covering the areas identified in the 10 priorities.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 338 of the Treaty on the Functioning of the European Union provides the legal basis for European statistics. Under this Article, the EU legislators shall adopt measures for the production of statistics where necessary for the performance of the activities of the Union.

- **Subsidiarity (for non-exclusive competence)**

The subsidiarity principle applies insofar as the proposal does not fall within the exclusive competence of the EU. In the European Statistical System, Member States ensure the actual compilation of statistical information at national level. For the compilation of business statistics at European level, a harmonised methodology and the definition of a common output to be delivered by Member States are indispensable. Only the Commission can coordinate the necessary harmonisation of statistical information across Member States and produce business statistics at the European level on the basis of the data compilation carried out by the Member States. Consequently, the European Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU). Thus,

[2] Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme 2013-17 (OJ L 39, 9.2.2013, p. 12). Proposed to be extended to 2018-2020 by COM/2016/0557 final - 2016/0265

the proposed EU action is fully justified. This can be fully achieved only by way of an EU action.

Moreover, the better monitoring of globalisation, based on a better knowledge of Multinational Enterprise Groups, can only be done at European level.

- **Proportionality**

The proposal is compliant with the proportionality principle for the following reason(s):

It will ensure the quality of European business statistics including their comparability, relevance and responsiveness in a harmonised manner across Member States by applying the same principles. It will lead to greater cost-effectiveness while respecting the specificities of Member States' systems.

The standardisation of concepts and methods, the removal of duplications, and the opportunity to make greater use of a combination of sources other than surveys, should reduce the financial and administrative burden on respondents. The FRIBS Regulation is to a large extent output-oriented meaning that the Member States are free in their choice of input (data sources) as long as they deliver the output (statistics) that comply with agreed definitions and agreed quality standards. Member States are encouraged to use, where possible, existing administrative sources or innovative sources such as big data to respond to the statistical needs. New data requirements introduced in the FRIBS Regulation have been tested by means of pilot studies in order to demonstrate their feasibility.

The current EU legislative acts on business statistics have been amended several times over the past years. This has showed that a Regulation establishing a common framework for the process of collecting, processing and disseminating statistical data on businesses can make these processes more efficient (cost/benefit) and effective.

Therefore, in accordance with the principle of proportionality, the proposed Regulation confines itself to the minimum required to achieve its objectives and does not go beyond what is necessary for that purpose.

- **Choice of the instrument**

Proposed instrument: a Regulation.

Given the objectives and content of the proposal, a Regulation is the most appropriate instrument.

The selection of the appropriate instrument depends on the legislative goal. Given the information needs at European level, the trend with European statistics has been to use regulations rather than directives as the basic acts. A regulation is preferable because it lays down the same law throughout the European Union, leaving the Member States with no leeway to apply it incompletely or selectively. It ensures the comparability of data within the EU for European statistics of high quality. It is directly applicable, which means that it does not need to be transposed into national law. The use of a regulation is in line with other European statistical basic acts adopted since 1997.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

As this initiative started prior to the adoption of the Better Regulation guidelines, there has been no such specific evaluation (along the five evaluation criteria) of the current situation done to support it. Based on Commission standards, Eurostat’s system for evaluating existing

legislation, including the evaluation of the European Statistical Programme[3] was followed, and formed a central part of the whole process. In addition user surveys are conducted every year in order to obtain better knowledge about users, their needs and their satisfaction with the services provided by Eurostat. Evaluation results are used by Eurostat to improve the process of producing statistical information and its statistical output. They feed into various strategic plans, such as the work programme and the management plan.

- **Stakeholder consultations**

The main categories of stakeholders for European business statistics are data users (other Commission services, national statistical authorities monitoring the business sector, National Central Banks and the European Central Bank, professional associations and researchers), data compilers (National Statistical Institutes (NSIs), but also other compilers such as National Central Banks) and data provider (enterprises (including SMEs)).

The first round of stakeholder consultations covered the FRIBS infrastructural elements (such as the Business Registers, micro-data exchange, quality issues and confidentiality) and took place between July and October 2014. The second round was launched in the second half of 2015 and focussed on the changes to the data requirements to be introduced by FRIBS. The third round finally collected stakeholders' opinions on the modernisation of Intra-Union trade in goods statistics (Intrastat) and took place in autumn 2015 and in the first quarter of 2016. Each round consisted of a targeted consultation of the data compilers (National Statistical Authorities) and a public consultation of the data providers (businesses). The first two rounds included also a public consultation of the data users. The results of the public consultation are detailed in two reports[4].

The main outcome of the respective consultations can be summarised as follows:

- Data users signalled problems as to the relevance of the currently available business statistics and more particularly difficulties in combining data from different business statistical domains due to inconsistencies and lack of information on issues such as the services sector and globalisation. A single harmonised regulation would in their view increase the consistency of the business statistics.
- Data producers (NSIs) are concerned with the increased production costs linked to fulfilling new data requirements resulting from FRIBS, but which respond to long-standing user needs.
- Data providers are concerned with an increase in burden as a result of additional data needs. The targeted consultations provided evidence that the modernisation of intra-Union trade statistics would more than offset this increase..

- **Collection and use of expertise**

The FRIBS project has been discussed in numerous meetings with national experts covering not only business statistics, but also macro-economic statistics, National Accounts and Balance of Payments statistics. Progress reports on the project have been regularly presented to the European Statistical System Committee (ESSC) established by Regulation (EC) No 223/2009.

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[3] See http://ec.europa.eu/eurostat/web/quality/evaluation

[4] http://ec.europa.eu/eurostat/documents/10186/7142348/ABS-Report.pdf, http://ec.europa.eu/eurostat/documents/10186/6937805/Summary+report+on+the+open+public+consultations/52c01d34-ca85-4e8d-aaae-df4ae84b8dea

The stakeholders' consultations, described above, which include data users and data providers have been an additional source of external evidence used.

- **Impact assessment**

This proposal is accompanied by an Impact Assessment Report which identifies the problems, envisages different policy options to address them and finally assesses the impact of the policy options.

The Regulatory Scrutiny Board gave a positive opinion of the Impact Assessment Report in June 2016 (http://ec.europa.eu/smart-regulation/impact/ia_carried_out/cia_2016_en.htm#estat).

The impact assessment identified two problem drivers:

(1) Reduced relevance and responsiveness of European business statistics

(2) Legal fragmentation in business statistics

To address these problem drivers, the following options were assessed:

- Option A - Baseline scenario – no EU policy change;
- Option B - Implement legislative actions limited to certain business statistics domains, including alternative options for the modernisation of Intrastat.
- Option C - Modernisation of business statistics in a single framework (FRIBS) using a mix of measures, including alternative options for the modernisation of Intrastat.

Based on the impact assessment Option A does not look acceptable as policy makers and users of data would be increasingly dissatisfied with the data disseminated and turn to other data sources.

Option B tackles the modernisation of the current system of European Business Statistics to a certain extent, in particular for the upgrading of the data production and data output for policy and other users. It is also true for the modernisation of the Intrastat system which should lower the burden on data providers. However, this option leaves a series of current deficiencies unsolved. First of all, keeping 10 separate legislative acts for Business statistics means that more efforts are needed to reduce inconsistencies and to preserve the coherence of data and indicators produced for policy users in the future and also creates a high work load for the management and updates of these pieces of legislation. The improvement actions proposed in this option do not really create more agility and responsiveness to changing policy and other user needs.

Option C is the most advanced and most forward-looking one as it modernises the European business statistics system in making them fit for the future. European business statistics will be put into one single legal framework FRIBS which will implicitly guarantee much higher consistency of business statistics (e.g. in terms of timing of changes and harmonisation of definitions etc.). This allows for the drawing of higher benefits from the ESS system as a whole and maximises the value added of the EU at the same time. The frontiers between the various statistical domains will diminish or even completely disappear. This alignment will make it possible to serve the policy needs much better as more streamlined indicators and combinations of indicators can be disseminated. It will also increase the agility of the system not possible under the two previous options. New policy needs can be accommodated with shorter delays and be embedded in a functioning and well-designed system. Moreover, in contrast with Option B the costs for adaptations of the statistics disseminated and of the underlying legal framework are minimised under this preferred Option C as all necessary

revisions are introduced more easily in one go. Most importantly, Option C has – by far - the highest potential for reducing the burden on enterprises.

To conclude, all these advantages clearly favour Option C. It responds best to the objectives of the REFIT programme by simplifying, reducing unnecessary administrative burden and streamlining the heterogeneous and inconsistent legal texts currently governing business statistics into one coherent legal framework.

While expressing a positive opinion, the Regulatory Scrutiny Board had three main recommendations for improvement of the Impact Assessment Report. Namely:

1) The range of options initially presented and analysed was considered not complete because the consultation process on the possible sub-options concerning the modernisation of the intra-Union trade statistics continues after the initial submission of the impact assessment report to the RSB's scrutiny. Eurostat updated the list of the proposed policy options, reflecting the ESSC conclusions concerning the modernisation of the intra-Union trade.

2) The analysis regarding the possible budgetary implications in individual Member States was requested to be strengthened and defining if some of them would face more difficulties with implementation than others and whether any alleviating measures were planned for those Member States. Eurostat included further clarifications as to the countries most affected by the changes were given. Moreover, a number of examples were provided pertaining to foreseen simplifications for smaller countries and to the rationalisation and modernisation potential offered by FRIBS creating future cost reduction possibilities. It was also explained that financing was foreseen (within the limits of budget availability) for actions to develop new data collections.

3) The analysis of the administrative burden impacts on data providers was requested to be strengthened and be more nuanced towards the SMEs, while indicating any measures to be taken for protecting SMEs from increased burdens. Eurostat clarified the administrative burden impacts on data providers. Some of the additional data requirements responding to long-standing specific user need to enable the monitoring of policy actions with regards to SMEs would indeed increase the burden on SMEs. A number of examples have been provided to illustrate that in many Business Statistics domains special measures are in place to guarantee that SMEs were protected from excessive burden and data compilers would make particular efforts to minimise the burden on SMEs for those new data requirements.

Since the approval of the impact assessment report the decision has been taken, following the opinion expressed by the Committee on Monetary, Financial and Balance of Payments Statistics in September 2016, to remove the Foreign Direct Investment Statistics (FDIs) from the coverage of the FRIBS Regulation because the business statistics dimension of the FDIs is less clear than for the International Trade in Services Statistics which are currently also covered in the Balance of Payments Regulation[5]. The FDIs requirements will therefore remain to be covered by the latter Regulation. This does however not change the conclusions of the impact assessment report.

[5] 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 L35, 8.2.2005, p.23-55

- **Regulatory fitness and simplification**

The proposal meets the simplification objectives of the REFIT programme, in particular because it streamlines ten regulations into one single regulatory framework and reduces burden for businesses, especially SMEs. Implementing costs have also been fully considered and controlled.

Although Member States are encouraged to use as much as possible administrative and innovative sources other than surveys including new methods or innovative approaches, responding to the new user needs does increase the burden on respondents. However, this additional burden is more than off-set by simplifications particularly in the area of intra-Union trade statistics. Overall, the FRIBS Regulation is expected to generate an administrative burden reduction for businesses of at least 13,5% annually.

Some of the additional data requirements covered by the FRIBS Regulation might increase the burden on SMEs especially with regards to the extension of business statistics to cover services activities that were previously not covered. This is, however, partially a consequence of responding to a long-standing specific user need to enable the monitoring of European and national policy actions with regards to SMEs for which sufficient information is currently lacking as some services activities also provided by SMEs are not yet covered. In order to limit the additional burden, data compilers are encouraged to use as much as possible existing administrative data (e.g. from tax authorities) to respond to this data request and to minimise the use of surveys especially for SMEs.

The simplifications foreseen by FRIBS in the area of intra-Union trade statistics could reduce the burden for SMEs. There will, however, always be individual SMEs who may not benefit from burden reductions and may even face more burden. In fact, though usually one can expect to have some sort of correlation between the size of a company and its trade volume, small businesses can have large trade volumes while large companies have very little or no trade at all.

The proposal is consistent with the opinion of the REFIT Platform on environmental protection investment statistics, which contains a recommendation of the majority of the Government group and some of the Stakeholder group members that the Commission continues its assessment on overlapping reporting requirements under Commission Regulation (EC) No 250/2009 (in the SBS domain) and Regulation (EU) Nº 691/2011 on environmental accounts and replace the regulation on structural business statistics with the new Framework Regulation for integrating business Statistics (FRIBS).

The Platform opinion confirms the findings of the Commission that there is double reporting. To address this, the FRIBS proposal does not include the aspects of environmental protection expenditure accounts which will thus solely be covered by the Regulation on environmental accounts (Reg. 691/2011). There will therefore be no overlaps/double reporting.

The proposal is also consistent with the "Digital Check", by promoting interoperability and reusability through the use of the same technical specifications of data sets and the same standards for transmission of data and metadata, exchange and sharing of information between Eurostat and the Member States.

- **Fundamental rights**

The proposal has no consequences for the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The financial impact of the proposal is of unlimited duration with a start-up period of 3 years, from 2019 to 2021. Only the years of the current Multiannual Financial Framework (MFF) have been considered in the legislative financial statement. The continuation of the funding will be conditional to the agreements reached for the next MFF and to the continuation of the specific programmes from which funding is foreseen.

For years 2019 and 2020, funding will come from the existing allocations to programmes including EUR 19,5 million from the extension of the European Statistical Programme to 2019 and 2020 and no additional funding is required.

The total appropriations for 2019 and 2020 are estimated at EUR 46.453 million. Detailed budgetary implications are set out in the legislative financial statement.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposed Regulation is expected to be adopted by the European Parliament and the Council in 2017 or 2018 with adoption of implementing measures by the Commission shortly afterwards. The first data transmission under the new Regulation is expected in 2019.

The proposed legislative instrument will be subject to a complete evaluation, along the five evaluation criteria of the Better Regulation Guidelines, in order to assess, amongst other things, how effective and efficient it has been in terms of achieving its objectives and to decide on whether new measures or amendments are needed. A list of key performance indicators for business statistics will be monitored in that respect.

It is important to refer to the existing monitoring and evaluation tools in place currently, and valid for the whole of the statistical production of Eurostat, that already allow for good analysis of the evolution of the effectiveness and the efficiency of the new statistical initiative and the quality of the data produced. They consist of the systematic mid-term and final evaluation of the European Statistical programme, along the five evaluation criteria of the Better Regulation Guidelines. Business statistics are an integral part of these reporting mechanisms, the follow-up of key performance indicators of the Eurostat management plan and the regular users' satisfaction surveys.

Each statistical domain is also monitored through quality reports, regularly produced by Member States and analysed by Eurostat, as part of the statistical quality insurance framework.

In addition, costs elements will be monitored. It will require improved and harmonised costs reporting framework for the whole ESS that identifies the statistical production phases. Work is underway in this respect, which is planned to be finalised on time to allow for the monitoring of the costs related to the FRIBS Regulation once it enters into force.

- **Detailed explanation of the specific provisions of the proposal**

The proposed Regulation consists of 23 Articles and three Annexes.

In the Chapter I covering Articles 1 to 3 comprises the general provisions. Article 1 lays down the subject matter of the Regulation. The main concepts used in the regulation are defined in Article 2. Article 3 further defines the scope of both the business statistics and the European network of statistical business registers.

Chapter II includes Articles 5 and 6 and concerns the data sources to be used for business statistics and statistical business registers. The proposal allows and promotes the use of new

data collection forms and use of alternative data sources that includes administrative data and other sources like estimation through modelling or use of big data. The role of the latter is further defined in Article 4.

Chapter III concerns the business statistics. Business statistics cover the subject areas and the topics listed in Article 6 for which the Commission is empowered in Article 7 to adopt implementing measures concerning the required technical specifications of the data sets. Subject areas, topics and detailed topics to be provided are listed in Annex I. Annex II lays down the periodicity with which the topics need to be provided. The Commission will be able to detail the subjects and characteristics of the dynamic topics "ICT-usage and e-commerce", "Innovation" and "Global value chains" by delegated acts. The detailed topics included in Annex I may also be amended by delegated act within the limits laid down in safeguard clauses.

Chapter IV covers 3 articles related to the business registers. The European network of statistical business registers is established in Article 8. Article 9 lays down the requirements for the European network of statistical business registers. Annex III further specifies the elements of the European network of statistical business registers (the register characteristics, unique identifier, the time reference and periodicity). The register characteristics can be further detailed by implementing acts. Article 10 includes the provisions regarding the exchange of and access to confidential data for the purpose of the European network of statistical business registers. The Commission is empowered to adopt implementing measures concerning the exchange of confidential data for the purpose of the European network of statistical business registers.

Chapter V includes 5 articles related to the exchange of confidential data for the purpose of intra-Union trade in goods statistics. Article 11 lays down the principle of the data and metadata exchange for these statistics. Article 12 specifies the statistical information to be exchanged and Article 13 gives the statistical data elements. The provisions of Article 14 regulate the protection of exchanged confidential data and Article 15 the access to exchanged confidential data for scientific purposes.

Chapter VI regroups three Articles on quality, transmission and dissemination: data quality and metadata reporting (Article 16), data and metadata transmission (Article 17) and confidentiality regarding statistical data dissemination on international trade in goods (Article 18).

The proposal covers other important elements of the modernisation of European business statistics in Chapter VII:

- the establishment of pilot studies, in order to assess the relevance and feasibility of carrying out new data collections and making improvements to data sets (Article19),
- the provisions for financially supporting the Member States, under conditions (Article 20),

In its final Chapter, the Regulation contains the provisions concerning the exercise of the delegation (Article 21) according to the Interinstitutional Agreement on Better Law-Making of April 2016, the Committee procedure (Article 22), the cooperation with other Committees (Article 23), the provisions for derogations that would give more time for adaptation to the new requirements in some Members States (Article 24). In this Chapter also the amendment of one Regulation (Article 25) of which the details are included in Annex IV and the repeal of ten existing acts replaced by the proposed Framework Regulation (Article 26) are included.

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(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal of the European Commission,

Having regard to the opinion of the European Central Bank,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The development, production and dissemination of statistical information on the economic activity of the Member States' businesses has so far been based on a number of individual legal acts. Those legal acts cover the short term and structural business statistics, statistics on production, international (intra-Union and extra-Union) trade in goods and services, foreign affiliates, research and development, innovation and ICT usage and e-commerce. Moreover, a common framework for business registers for statistical purposes in the Union was established by Regulation (EC) No 177/2008 of the European Parliament and of the Council[6].

(2) This structure based on individual legal acts does not provide the necessary consistency across the individual statistical domains, nor does it promote an integrated approach towards the development, production and dissemination of business statistics. A common legal framework should be established to ensure consistency across European business statistics and facilitate the integration of the corresponding statistical processes.

(3) Better integrated statistical processes based on common methodological principles, definitions and quality criteria should lead to harmonised statistics on the structure, the economic activities, the transactions and the performance of the business sector in the Union which meet the level of relevance and detail required to fulfil the users' needs.

[6] Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February 2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93 (OJ L 61, 5.3.2008, p. 6).

(4) International guidance, such as the Frascati manual regarding R&D statistics and the Oslo manual concerning Innovation data and international agreements adopted by the United Nations, OECD, the International Monetary fund and other international and supranational organisations, are of relevance for European business statistics. Such guidance should, to the extent possible, be followed in the development, production and dissemination of Union statistics and by the European network of statistical business registers, in order to ensure that the Union statistics are comparable with those compiled by the Union's main international partners. However, Union standards, agreements and guidelines should consistently be applied when collecting European business statistics for the topics "Research & Development inputs" and "Innovation".

(5) The administrative burden on small and medium sized enterprises should be as limited as possible taking into account to the extent possible other data sources than surveys. For the purpose of alleviating the burden on enterprises it should be possible to establish different data requirements depending on the size and importance of the business economies of Member States.

(6) The European Statistical System (ESS) Vision 2020 stated that data should be used across statistical domains for better analysing emerging phenomena (e.g. globalization) and for better serving Union policies of high impact. The data output should be based on efficient and robust statistical processes of the ESS. The broader scope of the common legal framework for business statistics should enable the integration of interdependent production processes drawing upon multiple sources.

(7) The Programme for the Modernization of European Enterprise and Trade Statistics (MEETS) adopted under Decision 1297/2008/EC of the European Parliament and of the Council[7], which ran from 2009 to 2013 aimed at helping business and trade related statistics to adapt to new data needs and adjust the system for the production of business statistics. The conclusions and recommendations resulting from this programme regarding the priorities and new sets of indicators, the streamlining of the framework for business-related statistics, the more efficient production of enterprise and trade statistics and the modernisation of Intrastat should be translated into legally binding provisions.

(8) There is a need for a more flexible approach within the framework of European business statistics to allow adaptations to methodological developments and a timely response to emerging and duly justified data user needs resulting from the changing economic environment and the increasing globalisation and complexity of the business landscape. Such future adaptations should be supported by adequate cost-benefit analysis and resulting new data requirements should not impose a significant additional burden or cost on the Member States or on the respondents.

(9) The role of national statistical business registers and the EuroGroups register should be enhanced as basic infrastructure for the collection and compilation of European business statistics. National statistical business registers should be used as source of information for statistical analysis of the business population and its demography, for the definition of the survey population and for establishing the link to administrative data sources.

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[7] Decision No 1297/2008/EC of the European Parliament and of the Council of 16 December 2008 on a Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS), (OJ L 340, 19.12.2008, p. 76).

(10) To ensure the role of the national statistical business registers and the EuroGroups register, a single identifier for all relevant units should be defined and implemented.

(11) The proper delineation of enterprise groups in the EuroGroups register with timely and reliable data should be achieved by the use of harmonised criteria and regular updating of the information on links of control between the legal units being part of the enterprise groups.

(12) In order to improve the efficiency of the statistical production processes of the ESS and to reduce the statistical burden on respondents, national statistical authorities should have the right to access and use, promptly and free of charge, all national administrative records and to integrate these administrative records with statistics, to the extent necessary for the development, production and dissemination of European business statistics, in accordance with the provisions laid down in Article 17 a of Regulation (EC) No 223/2009 of the European Parliament and of the Council[8].

(13) Regulation (EC) No 223/2009 provides a reference framework for European statistics. In particular, it requires compliance with the principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness.

(14) The exchange and access to micro-data by the national statistical authorities producing business statistics and maintaining the European network of statistical business registers should be introduced, for the development, production and dissemination of national or European business statistics or for increasing the quality of European business statistics. The exchange of micro-data should therefore be limited to duly justified cases.

(15) The creation of an additional data source based on the exchange of micro-data on intra-Union exports of goods, together with the possibility to use innovative methodologies increases the flexibility for the Member States in their compilation of intra-Union trade in goods statistics, thereby enabling the Member States to reduce the response burden of businesses. The purpose of the exchange shall be the efficient development, production and dissemination of European international trade in goods statistics or improvement of their quality.

(16) The negotiation, implementation and review of trade and investment agreements between the Union and third countries or multilaterally requires that the necessary statistical information on Member States′ trade flows with non-member countries should be made available to the Commission.

(17) A close link should be maintained between the system for collecting statistical information and the fiscal formalities related to the value added tax which exist in the context of trade in goods between Member States. This link makes it possible, in particular, for the purpose of intra-Union trade in goods statistics, to identify exporters and importers and to check the quality of the information collected.

(18) Cross-border movements of goods, in particular from or to non-member countries, are subject to customs supervision as provided for under Regulation (EU) No 952/2013 of

[8] 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 (OJ L 87, 31.3.2009, p. 164)

the European Parliament and of the Council[9]. Customs authorities keep or have access to information or records pertaining to such movements. The information or records, which are related to or based on customs declarations, should be used for the production of statistics on Union trade in goods.

(19) In order to produce statistics on international trade in goods and to improve the quality of those statistics, the national statistical authorities in the Member States should be able to exchange data on imports and exports of goods which involve the customs authorities of more than one Member State.

(20) In order to carry out its tasks deriving from the Treaties, especially tasks related to the functioning of the internal market, the Commission should have full, up-to-date and reliable information on the production of goods and services in the Union and on international trade flows. The enterprises also need such information in order to monitor their markets and their international dimension.

(21) There is a need to provide business statistics structured by sector of activity, in order to measure the productivity of businesses in the Union. In particular, there is an increasing demand of statistics on the services sector, which is the most dynamic sector of modern economies, especially in terms of that sector's potential for growth and employment creation and taking into account the relations with the manufacturing sector. Statistics on trade in services are essential for monitoring the functioning of the internal market for services and assessing the impact of barriers on trade in services.

(22) The monitoring of the progress towards the goals set by the Europe 2020 strategy at Member State and Union level requires harmonised statistics for the Union economy regarding research and development, innovation, the information society covering both market and non-market activities and on the business landscape as a whole, in particular on business demography and employment related to market activities. Such information allows decision makers to take informed policy decisions in order to develop an economy based on knowledge and innovation, to improve access to the single market for small and medium sized enterprises, develop entrepreneurship and improve competitiveness.

(23) The coordination of economic policies within the Union and the euro area and the provision of information to economic agents within the single market requires comparable data on labour market developments including statistics on labour costs, earnings and on the number of occupied and vacant posts. In addition, lifelong learning is a key element in developing and promoting a skilled, trained and adapted workforce, and particular attention should be given to vocational training in enterprises as a crucial contributor to lifelong learning. Such data are mainly collected from businesses and should in the future be legislated and better integrated with other business statistics. Data on the level and composition of labour costs and on the structure and distribution of earnings are needed to assess medium-term developments of Union economies. Data on labour cost developments and job vacancies are needed for the short–term monitoring of Union economies, including for monetary policy purposes. Data on enterprises' investment in continuing vocational training, the characteristics and volume of such training as well as information on enterprises' strategies for vocational training are needed to monitor the implementation of the Union's strategy for enhanced cooperation in vocational education and training.

[9] Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1)

(24) Statistics on innovation, research and development activities are needed for the development and monitoring of policies that aim to strengthen the competitiveness of Member States and increase their medium and long term potential for smart growth and employment. An expanding digital economy and the increased use of information and communication technologies are also among the important drivers of competitiveness and growth in the Union, and statistical data are needed to support the related strategies and policies.

(25) Business statistics are also needed for the compilation of national and regional accounts according to Regulation (EU) No 549/2013 of the European Parliament and of the Council[10].

(26) Statistics on international trade in services as required for the compilation of the balance of payments of the Union and of the euro area, are defined by the Commission (Eurostat) and the European Central Bank in close co-operation.

(27) Reliable and timely statistics are necessary in order to report on the economic development in each Member State within the framework of the economic policy of the Union. The European Central Bank needs rapid short term statistics in order to assess economic development in the Member States in the context of the Single Monetary Policy.

(28) While maintaining the principle of providing business statistics on the entire economy, the data requirements should take into account to the extent possible, simplifying measures for alleviating the burden on business economies of Member States which are relatively small, in accordance with the principle of proportionality.

(29) International standards, such as the Statistical Data and Metadata Exchange (SDMX) initiative, and statistical or technical standards elaborated within the ESS, such as metadata and validation standards should be used to the extent relevant also for European business statistics. The European Statistical System Committee (ESSC) has endorsed an ESS Standard for Quality Reports, in accordance with Article 12 of Regulation (EC) No 223/2009. These standards should contribute to the harmonisation of quality assurance and reporting under this Regulation.

(30) In order to take account of economic and technical developments, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the detailed topics set out in Annexes I and II as well as the coverage rate for intra-Union exports of goods. The Commission should also have the power to supplement the detailed topics with subjects and characteristics for the dynamic business statistics on ICT, Innovation and Global value chains and exact information to be provided by tax authorities and custom authorities. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016[11]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and Council receive all documents at the same time as Member States' experts, and their experts have

[10] Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

[11] OJ L 123, 12.5.2016, p. 1.

systematic access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(31) In order to ensure uniform conditions for the technical implementation of certain elements of requirements including for business registers, the format, security and confidentiality measures and the procedure for the exchange of confidential data for the purpose of the European network of statistical business registers, the data and metadata transmission, data quality and metadata reports and derogations implementing powers should be conferred on the Commission. With the same purpose additional implementing powers should be conferred on the Commission with regards to the modalities of and the format, security and confidentiality measures and the procedure for the exchange of confidential data for the purpose of the intra-Union trade in goods statistics, the specifications of the relevant metadata, the timetable, the modalities of the collection and compilation of the statistical information on intra-Union exports of goods provided to the Member State of import, the modalities for the application of the coverage rate of the total intra-Union exports of goods, the statistical data elements for the micro-data collected through surveys on intra-Union trade in goods to be provided to the Member State of import and the related simplifications. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and the Council[12].

(32) Where appropriate the Commission should conduct cost-benefit analysis and ensure any action it puts forward does not impose a significant additional burden on Member States or respondents taking into account the expected user benefits.

(33) The Commission may grant derogations to the application of this Regulation, or of delegated and implementing acts adopted in the context thereof, where such application results in major adaptations to a national statistical system of a Member State in terms of organising additional surveys or making major adaptations to their statistical production system to accommodate new data sources or to allow for a combination of different sources.

(34) Since the objective of this Regulation, namely the establishment of a common framework for European business statistics cannot be sufficiently achieved by the Member States but can rather, for reasons of harmonisation and comparability, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(35) The measures set out in Regulation (EC) No 184/2005 of the European Parliament and of the Council[13] should be amended as regards the references to international trade in services.

(36) The measures set out in this Regulation should replace those of Council Regulation (EEC) No 3924/91[14], Council Regulation (EC) No 1165/98[15], Decision (EC) No

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12 Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers(OJ L 55, 28.2.2011, p. 13)

13 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).

1608/2003 of the European Parliament and of the Council[16], Regulation (EC) No 48/2004 of the European Parliament and of the Council[17], Regulation (EC) No 638/2004 of the European Parliament and of the Council[18], Regulation (EC) 808/2004 of the European Parliament and of the Council[19], Regulation (EC) No 716/2007 of the European Parliament and of the Council[20], Regulation (EC) No 177/2008 of the European Parliament and of the Council[21], Regulation (EC) No 295/2008 of the European Parliament and of the Council[22], and Regulation (EC) No 471/2009 of the European Parliament and of the Council[23].Those acts should therefore be repealed.

(37) The European Data Protection Supervisor has been consulted.

(38) The European Statistical System Committee has been consulted,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes a common legal framework for:

(a) the development, production and dissemination of European statistics related to the structure, the economic activities and the performance of businesses, as well as on the international transactions and research and development activities of the Union economy (European business statistics);

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14 Council Regulation (EEC) No 3924/91 of 19 December 1991 on the establishment of a Community survey of industrial production(OJ L 374, 31.12.1991, p. 1)

15 Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics(OJ L 162, 5.6.1998, p. 1)

16 Decision No 1608/2003/EC of the European Parliament and of the Council of 22 July 2003 concerning the production and development of Community statistics on science and technology (OJ L 230, 16.9.2003, p. 1)

17 Regulation (EC) No 48/2004 of the European Parliament and of the Council of 5 December 2003 on the production of annual Community statistics on the steel industry for the reference years 2003-2009 (OJ L 7, 13.1.2004, p. 1).

18 Regulation (EC) No 638/2004 of the European Parliament and of the Council of 31 March 2004 on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91(OJ L 102, 7.4.2004, p. 1)

19 Regulation (EC) No 808/2004 of the European Parliament and of the Council of 21 April 2004 concerning Community statistics on the information society (OJ L 143, 30.4.2004, p. 49)

20 Regulation (EC) No 716/2007 of the European Parliament and of the Council of 20 June 2007 on Community statistics on the structure and activity of foreign affiliates (OJ L 171, 29.6.2007, p. 17)

21 Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February 2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93 (OJ L 61, 5.3.2008, p. 6)

22 Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (recast) (OJ L 97, 9.4.2008, p. 13)

23 Regulation (EC) No 471/2009 of the European Parliament and of the Council of 6 May 2009 on Community statistics relating to external trade with non-member countries and repealing Council Regulation (EC) No 1172/95 (OJ L 152, 16.6.2009, p. 23)

(b) the European network of national statistical business registers and the EuroGroups Register.

Article 2

Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

(a) ‘statistical unit’ means the statistical units as defined in the Annex to Council Regulation (EEC) No 696/93[24] ;

(b) 'reporting unit' means the unit that supplies the data;

(c) ‘subject area’ means one or several data sets organised in order to cover specific topics;

(d) ‘topic’ and ‘detailed topic’ mean the content of the information to be compiled about the statistical units. Detailed topics include a higher level of details than that of the topics. A topic covers a number of detailed topics;

(e) ‘variable’ means a characteristic of a unit being observed that may assume more than one of a set of values;

(f) ‘characteristic’ means an abstraction of a property of an object or of a set of objects;

(g) 'market activity’ and 'non-market activity' mean activities as defined in Regulation (EU) No 549/2013;

(h) 'market producer' and 'non-market producers' mean producers as defined in Regulation (EU) No 549/2013;

(i) 'national statistical authorities' mean the national statistical institutes designated by the Member States and the other national authorities responsible for the development, production and dissemination of European statistics referred to in Article 5(1) and (2) of Regulation (EC) No 223/2009;

(j) 'authoritative source' means the sole provider of data records containing national statistical business register and EuroGroups register data in accordance with quality standards referred to in Article 16;

(k) 'micro-data’ means individual observations or measurements of characteristics of identifiable reporting units or statistical units;

(l) ‘use for statistical purposes’ means the exclusive use for the development and production of statistical results and analyses as defined in Article 3(8) of Regulation (EC) No 223/2009;

(m) ‘confidential data’ means data as defined in Article 3(7) of Regulation (EC) No 223/2009;

(n) 'tax authority' means the national authority in the Member State responsible for applying Council Directive 2006/112/EC [25];

[24] Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community (OJ L 76, 30.3.1993, p. 1).

(o) 'customs authorities' means the customs authorities as referred to in Article 5(1) of Regulation (EU) No 952/2013.

2. For the purposes of Articles 11to 15, the following definitions shall apply:

(a) 'Member State of export' means the Member State from the statistical territory of which goods are exported to their destination in the Member State of import;

(b) 'Member State of import' means the Member State in the statistical territory of which goods are imported from the Member State of export;

(c) 'goods' means all movable property, including electrical energy and natural gas.

Article 3

Scope

1. European business statistics shall cover:

(a) the structure, economic activities and performance of the statistical units, their research and development and innovation activities, their ICT-usage and e-commerce, as well as global value chains;

(b) the production of manufactured goods and services and the international trade in goods and services.

2. The European network of statistical business registers shall cover the national business registers and the EuroGroups Register, as well as the exchanges between them.

(a) The national statistical business registers shall comprise:

(i) all enterprises carrying out economic activities contributing to the gross domestic product (GDP), and their local units;

(ii) the legal units of which those enterprises consist;

(iii) the Kind-of-Activity-Units (KAU) or the NACE code as laid down in Regulation (EC) No 1893/2006 of the European Parliament and of the Council[26] and size of each KAU of which those enterprises consist restricted to those enterprises which due to their size have a significant influence on the aggregated (national) data;

(iv) enterprise groups ;

(b) The EuroGroups Register shall comprise:

(i) all enterprises carrying out economic activities contributing to the gross domestic product (GDP) which form part of a multinational enterprise group;

(ii) the legal units of which those enterprises consist;

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25 Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1)

26 Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1)

(iii) multinational enterprise groups.

(c) Households shall not fall within the scope of the European network of statistical business registers insofar as the goods and services they produce are destined to their own consumption, or involve letting out of own property.

(d) Local units of foreign enterprises not constituting separate legal entities (branches), and classified as quasi-corporations in accordance with Regulation (EU) No 549/2013, shall be deemed to be enterprises for the purposes of the national statistical business registers and the EuroGroups Register.

(e) Enterprise groups shall be identified through the links of control between their legal units in accordance with Regulation (EU) No 549/2013.

(f) When referring to national statistical business registers and the EuroGroups Register, this Regulation shall apply only to units which, wholly or partially, exercise an economic activity. For the purposes of the European network of statistical business registers any activity comprising the offer of goods and services on a given market shall be regarded as an economic activity. Holding assets and/or liabilities may also be considered to be an activity. In addition, non-market services contributing to the GDP, as well as direct and indirect holdings of active legal units shall be regarded as economic activities for the purposes of the European network of statistical business registers. Economically inactive legal units are part of an enterprise only in combination with economically active legal units.

(g) Statistical units within the European network of statistical business registers shall be defined as in the Annex to Regulation (EEC) 696/93 of the Council, subject to the limitations specified in this article.

CHAPTER II

DATA SOURCES

Article 4

Data sources and methods

1. Member States shall produce the statistics referred to in Articles 6 and 7 as well as the national statistical business registers referred to in Article 9, using any relevant data sources while avoiding excessive burden on respondents and taking due account of the cost effectiveness of the national statistical authorities. The national statistical authorities may use the following data sources for the production of the statistics and the national statistical business registers required under this Regulation:

(a) surveys: reporting units called upon by the Member States shall be obliged to provide timely, accurate and complete information needed for the production of the statistics and the national statistical business registers required under this Regulation;

(b) administrative records, including information from tax and customs authorities;

(c) exchanged micro-data;

(d) other relevant sources of information which comply with the quality criteria referred to in Article 16, including combinations of existing data sources.

2. When the required statistics cannot be produced by means of the data sources referred to in paragraph 1 which comply with the quality criteria referred to in Article 16, Member States may use scientifically based and well documented statistical estimation and imputation methods to produce those statistics.

Article 5

Access to administrative records and communication of information

1. In accordance with the principles set out in Article 17a of Regulation (EC) No 223/2009, the national statistical authorities and the Commission (Eurostat) shall have the right to access and use, promptly and free of charge, all administrative records and to integrate those records with other data sources to meet the statistical requirements under this Regulation and update the national statistical business registers and the EuroGroups Register. Access by the national statistical authorities and the Commission (Eurostat) shall be limited to administrative records within their own respective public administrative systems.

2. Without prejudice to paragraph 1, the tax authority in each Member State shall provide the national statistical authority with information related to exports and imports of goods.

The Commission shall be empowered to adopt delegated acts in accordance with Article 21 to determine the exact information to be provided by the tax authorities.

3. Without prejudice to paragraph 1, the customs authority in each Member State shall provide the national statistical authority with information related to exports and imports of goods.

The Commission shall be empowered to adopt delegated acts in accordance with Article 21 to determine the exact information to be provided by the customs authorities.

4. In order to produce statistics on international trade in goods and to improve the quality of those statistics, the national statistical authorities of the Member States concerned may exchange data received from their customs authorities related to the exports or imports of goods, in particular where those exports or imports involve the customs authorities of more than one Member State.

5. The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of specifying the modalities for the data exchanges according to this Article.

CHAPTER III

BUSINESS STATISTICS

Article 6

Data requirements

1. The European business statistics shall cover the following subject areas:
   (a) Short term business statistics;
   (b) Country-level business statistics;
   (c) Regional business statistics;
   (d) Statistics on international activities.
2. The subject areas shall include one or more of the following topics as further detailed in Annex I:
   (a) Business population;
   (b) Global value chains;
   (c) ICT-usage and e-commerce;
   (d) Innovation;
   (e) International trade in goods;
   (f) International trade in services;
   (g) Investments;
   (h) Labour inputs;
   (i) Outputs and performance;
   (j) Permits;
   (k) Prices;
   (l) Purchases;
   (m) Research & Development inputs.
3. The periodicity of each topic shall be as specified in Annex II.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 21 for the purpose of amending the detailed topics specified in Annex I and for the purpose of specifying subjects and characteristics covered by the detailed topics of Innovation and ICT usage and e-commerce and Global value chains.
5. When exercising its power to adopt delegated acts, the Commission shall ensure that the following three conditions are fulfilled:
   (a) delegated acts aim at cost and burden neutrality or reduction and do not, in any case, impose a significant additional cost or burden on the Member States or on the respondents;
   (b) not more than a maximum of one detailed topic for the subject area "short term business statistics", five detailed topics for the subject area "country-level

business statistics", two detailed topics for the subject area "regional business statistics" and two detailed topics for the subject area "statistics on international activities" in an existing delegated act are added or replaced by another detailed topic over a period of five consecutive years. The maximum does not apply to amendments that result from agreements, Treaties and conventions and from other international institutions in which the Union is a member, and to changes that result from the changes to accounting frameworks of national and regional accounts in accordance with Regulation (EC) No 549/2013 and of balance of payments statistics in accordance with Regulation (EC) No 184/2005.The number of characteristics for detailed topics of dynamic business statistics shall not increase significantly between two consecutive reference periods and shall not exceed the number of characteristics of the first year of implementation of this Regulation;

(c) delegated acts are adopted at least 15 months before the end of the reference period of the data except for the topics of "Innovation" and "ICT usage and e-commerce" for which the delegated acts shall be adopted at least six and twelve months respectively before the end of the reference period of the data.

Article 7

Technical specifications of data requirements

1. For the detailed topics listed in Annex I, Member States shall compile data relevant to each detailed topic. The Commission shall be empowered to adopt implementing acts for the purpose of further specifying the following elements of the data to be transmitted under this Regulation, their technical definitions and simplifications:

   (a) variables (except for the detailed topics of Innovation and ICT usage and e-commerce and Global value chains);

   (b) statistical unit;

   (c) measurement unit;

   (d) reference period;

   (e) statistical population (including the requirements in terms of market/non-market activities or producers);

   (f) classifications (including the product, countries and territories as well as nature of transaction lists) and breakdowns;

   (g) transmission of individual records of data on a voluntary basis;

   (h) use of approximations and quality requirements;

   (i) data transmission deadline;

   (j) first reference period;

   (k) weighting and change of base year for the subject area "short term business statistics";

   (l) technical specifications for the topic "international trade in goods".

2. When exercising the powers referred to in paragraph 1 with regard to the simplifications, the Commission shall take into account the size and importance of

the business economies, in accordance with the principle of proportionality, in order to alleviate the burden on enterprises. In addition, the Commission shall ensure that the input needed for compiling the accounting frameworks of national and regional accounts according to Regulation (EC) No 549/2013 and of balance of payments statistics according to Regulation (EC) No 184/2005 is maintained. Implementing acts, except for those that regulate the first implementation of this Regulation, shall be adopted at least 15 months before the end of the reference period of the data for the topics listed in Annex I. For the topics "Innovation" and "ICT usage and e-commerce" the implementing acts shall be adopted at least six and twelve months respectively before the end of the reference period of the data.

3. The implementing acts referred to in paragraph 1 shall be adopted in accordance with the examination procedure referred to in Article 22(2).

CHAPTER IV

BUSINESS REGISTERS

Article 8

The European network of statistical business registers

1. The Commission (Eurostat) shall set up the EuroGroups Register of multinational enterprise groups for statistical purposes at Union level.

2. Member States shall set up at national level one or more harmonized national statistical business registers, as a basis for the preparation and coordination of surveys, as a source of information for the statistical analysis of the business population and its demography, for the use of administrative data, and for the identification and construction of statistical units.

3. The Member States and the Commission (Eurostat) shall exchange data for the purposes of the European network of statistical business registers as set out in Article 10.

4. National statistical business registers and the EuroGroups Register shall be the authoritative source for deriving high quality, consistent and coordinated register populations according to Article 16 of this Regulation, for the production of European statistics.

   National statistical business registers shall be the authoritative source for national register populations. The EuroGroups Register shall be the authoritative source for the European Statistical System register population for business statistics requiring the coordination of cross-border information.

Article 9

Requirements for the European network of statistical business registers

1. The statistical and legal units covered in the European network of statistical business registers in accordance with Article 8 shall be characterised by the following elements as further specified in Annex III:

(a) the register detailed topics and unique identifier;

(b) the time reference and periodicity.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 21 to amend the register detailed topics included in Annex III to relevant technical and economic developments and new user needs.

3. In exercising its power to modify Annex III, the Commission shall ensure that the following two conditions are fulfilled:

(a) delegated act does not impose a significant additional cost or burden on the Member States or on the respondent;

(b) not more than a maximum of one detailed topic is added or replaced by delegated act over a period of five consecutive years.

4. The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of further specifying the descriptive details for each of the register detailed topics.

Article 10

Exchange of and access to confidential data for the purpose of the European network of statistical business registers

1. Confidential data shall be exchanged between Member States as follows:

(a) The exchange of confidential data of multinational enterprise groups and of the units belonging to those groups, in accordance with Article 9(4), shall take place, exclusively for statistical purposes, between the staff contributing to the production of the EuroGroups Register in the national statistical authorities of different Member States, where the exchange is to ensure the quality of the multinational enterprise groups information in the Union. Such exchanges may also take place with the purpose of reducing response burden.

(b) Where the exchange is to ensure the quality of the multinational enterprise groups information in the Union, national central banks may be parties to the exchange of confidential data, exclusively for statistical purposes.

2. Confidential data shall be exchanged between the Commission (Eurostat) and Member States as follows:

(a) National statistical authorities shall transmit data of multinational enterprise groups and of the units belonging to those groups, in accordance with Article 9(4), to the Commission (Eurostat), to provide information, exclusively for statistical purposes, on multinational enterprise groups in the Union.

(b) In order to ensure a consistent record of data, exclusively for statistical purposes, the Commission (Eurostat), shall transmit to the appropriate national statistical authorities of each Member State, data on multinational enterprise groups, including the units belonging to those groups, when at least one legal unit of the group is located in the territory of that Member State.

(c) In order to ensure efficiency and high quality in the production of the EuroGroups Register, exclusively for statistical purposes, the Commission (Eurostat), shall transmit to the staff contributing to the production of the

EuroGroups Register in the national statistical authorities, data on all multinational enterprise groups recorded in the EuroGroups Register, including the units belonging to those groups.

3. Confidential data shall be exchanged between the Commission (Eurostat) and Member States for identification of legal units as follows:

   (a) National statistical authorities shall transmit data on incorporated legal units, in accordance with Article 9(4), to the Commission (Eurostat), exclusively for the purpose of unique identification of legal units in the Union.

   (b) In order to ensure efficiency and high quality in the production of the EuroGroups Register, the Commission (Eurostat), shall transmit to the national statistical authorities of each Member State, data on legal units, in accordance with Article 9(4), exclusively for the purpose of identification of legal units in the Union.

4. Confidential data may be exchanged between the Commission (Eurostat) and central banks as follows:

   The exchange of confidential data may take place, exclusively for statistical purposes, between the Commission (Eurostat) and national central banks, and between the Commission (Eurostat) and the European Central Bank, where the exchange is to ensure the quality of multinational enterprise groups information in the Union, and the exchange is explicitly authorised by the appropriate national statistical authority.

5. In order to ensure that the data exchanged under this Article is used exclusively for statistical purposes, the Commission shall be empowered to adopt implementing acts setting out the format, security and confidentiality measures for such data, as well as the procedure for the data exchange, in accordance with the examination procedure referred to in Article 22(2).

6. When the Commission (Eurostat), national statistical authorities, national central banks and the European Central Bank receive confidential data on units located inside or located outside the national territory, pursuant to this Article they shall treat that information confidentially in accordance with Regulation (EC) No 223/2009.

   Transmission of confidential data between national statistical authorities and the Commission (Eurostat) shall take place to the extent that such transmission is necessary for the production of European statistics. Any further transmission must be explicitly authorised by the national authority that collected the data.

CHAPTER V

EXCHANGE OF CONFIDENTIAL DATA FOR THE PURPOSE OF INTRA-UNION TRADE IN GOODS STATISTICS

Article 11

Exchange of confidential data

1. The exchange of confidential data between Member States on intra-Union exports of goods shall take place, exclusively for statistical purposes, between the national

statistical authorities contributing to the development, production and dissemination of intra-Union trade in goods statistics.

The technical specifications for data requirements as referred to in the Article 7(1) and (2) shall also apply to the exchange of confidential data in accordance with this Chapter.

2. The national statistical authority of the Member State of export shall provide to the national statistical authority of the Member State of import the statistical information on its intra-Union exports of goods to that Member State as set out in Article 12.

3. The national statistical authority of Member States of export shall provide to the national statistical authority of the Member State of import, metadata relevant for the use of the exchanged data in the compilation of statistics.

4. The Commission shall be empowered to adopt implementing acts for the purpose of specifying the information to be considered as relevant metadata as referred to in paragraph 3 as well as the timetable for providing this information and the statistical information referred to in paragraph 2, in accordance with the examination procedure referred to in Article 22(2).

5. At the request of the national statistical authority of the Member State of export, the Member State of import may provide to the national statistical authority of the Member State of export, the micro-data collected on its intra-Union imports of goods, imported from that Member State of export.

Article 12

Statistical information to be exchanged

1. The statistical information referred to in Article 11(2) shall consist of:

   (a) micro-data collected through surveys,

   (b) data compiled on specific goods or movements by using other data sources than surveys, and

   (c) data compiled by using the particulars of customs declarations.

2. The statistical information referred to in Article 11(2) shall cover at least 95 % of the value of the total intra-Union exports of goods of each Member State to all other Member States together.

   The Commission is empowered to adopt delegated acts in accordance with Article 21 to amend this Regulation by reducing this coverage rate in the light of technical and economic developments, while maintaining statistics which meet the quality standards in force.

3. The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of specifying the modalities of the collection respectively compilation of the information referred to under paragraph 1 and for the purpose of further specifying the modalities for the application of the coverage rate referred to under paragraph 2.

Article 13

Statistical data elements

1. The micro-data referred to in point (a) of Article 12(1) shall contain the following statistical data elements:

   (a) the individual identification number allocated to the partner operator in the Member State of import, in accordance with Article 214 of Directive 2006/112/EC[27];

   (b) the reference period;

   (c) the flow;

   (d) the commodity;

   (e) the partner Member State;

   (f) the country of origin;

   (g) the value of the goods;

   (h) the quantity of the goods;

   (i) the nature of the transaction.

   The micro-data referred to in point (a) of Article 12(1) may contain the mode of transport, provided that Member State of export collects it.

   The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of specifying the statistical data elements referred to in points (a) to (i), and for specifying the list of statistical data elements applicable for the specific goods or movements and the data compiled by using the particulars of customs declarations referred to in points (b) and (c) of Article 12(1).

2. Member States may, under certain conditions that meet quality requirements, simplify the information to be provided for small individual transactions provided that such simplification has no detrimental effects on the quality of the statistics.

   In specific cases, Member States may collect a reduced set of statistical data elements as referred to in paragraph 1 or collect the information related to certain of these data elements at a less detailed level.

   The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of specifying the modalities of this simplification and the maximum value of the intra-Union exports benefitting from this simplification.

[27] Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1)

Article 14

Protection of exchanged confidential data

1. The following confidentiality rules shall apply:

   (a) Micro-data records related to an exporter whose request for statistical confidentiality, in accordance with Article 18, was accepted by the national statistical authority of the Member State of export, shall be provided by the national statistical authority of the Member State of export, to the national statistical authority of the Member State of import, with the true value and all statistical data elements referred to in Article 13(1), and with a flag indicating that this micro-data record is subject of confidentiality.

   (b) The national statistical authority of the Member State of import may make use of micro-data records on exports which are subject to confidentiality, in the compilation of statistical results of intra-Union imports. If the national statistical authority of the Member State of import makes use of micro-data records on exports subject to confidentiality, it shall ensure that the dissemination of statistical results on intra-Union imports, by the national statistical authority of the Member State of import, respects the statistical confidentiality granted by the national statistical authority of the Member State of export.

2. The Commission shall be empowered to adopt implementing acts, in order to ensure the protection of the confidential data exchanged under this Chapter specifying the format, security and confidentiality measures for such data, including the modalities of application of the rules in paragraph 1, as well as the procedure for the exchange of data, in accordance with the examination procedure referred to in Article 22(2).

3. Member States and the Commission shall take appropriate measures to prevent and penalise any violations of statistical confidentiality of the exchanged data. The penalties provided for shall be effective, proportionate and dissuasive.

Article 15

Access to exchanged confidential data for scientific purposes

Access to the exchanged confidential data may be granted to researchers carrying out statistical analyses for scientific purposes, in accordance with Article 23 of Regulation (EC) No 223/2009. The approval of the national statistical authority of the Member State of export which provided the data is required.

CHAPTER VI

QUALITY, TRANSMISSION AND DISSEMINATION

Article 16

Quality

1. Member States shall take all necessary measures to ensure the quality of the European business statistics transmitted and of the national statistical business registers and the EuroGroups Register.

2. For the purposes of this Regulation, the quality criteria set out in Article 12(1) of Regulation (EC) No 223/2009 shall apply.

3. The Commission (Eurostat) shall assess the quality of the data and metadata transmitted.

4. For this purpose, Member States shall transmit :

   (a) annual quality and metadata reports for the data transmitted. In case of multiannual statistics, the periodicity of the reports shall be the same as for the statistics;

   (b) annual quality and metadata reports related to the national statistical business registers.

5. The Commission (Eurostat) shall provide annual metadata and quality reports related to the EuroGroups Register to Member States.

6. The Commission shall be empowered to adopt implementing acts specifying the modalities, content and deadlines for the transmission of the metadata and quality reports. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

7. Member States shall inform the Commission (Eurostat) as soon as possible of any relevant information or change with regard to the implementation of this Regulation that would influence the quality of the data transmitted. Member States shall inform the Commission (Eurostat) of major methodological or other changes impacting the quality of the national statistical business registers. The information shall be given as soon as possible and not later than six months after any such change enters into force.

8. At the request of the Commission (Eurostat), Member States shall provide the additional information necessary to evaluate the quality of the statistical information.

Article 17

Data and metadata transmission

1. Member States shall provide the Commission (Eurostat) with the data and metadata required by this Regulation in accordance with data and metadata exchange standards. The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 22(2) for the purpose of establishing such standards as well as a procedure for the transmission of

the data and metadata. When the data transmitted is confidential, the true value will be sent with a flag indicating that it is the subject of confidentiality and cannot be disseminated.

2. Member States shall carry out statistical analyses of the national statistical business registers and transmit the information to the Commission (Eurostat), following a format and a procedure, which shall be specified in implementing acts adopted in accordance with the examination procedure referred to in Article 22(2).

3. Member States shall transmit to the Commission (Eurostat), at its request, any relevant information with regard to the implementation of this Regulation in the Member States.

Article 18

Confidentiality regarding statistical data dissemination on international trade in goods

The national statistical authorities, upon request of the importer or the exporter, shall decide whether to disseminate the statistical results which may make it possible to identify the said importer or exporter, or whether the statistical results are to be amended in order not to prejudice statistical confidentiality, in accordance with Article 20(3)(a) of Regulation (EC) No 223/2009.

CHAPTER VII

PILOT STUDIES AND FINANCING

Article 19

Pilot studies

1. Where the Commission (Eurostat) identifies a need for significant new data requirements or improvements to the data sets covered by this Regulation, it may launch pilot studies to be carried out by the Member States on a voluntary basis before any new data collection.

2. Such pilot studies shall be carried out in order to assess the relevance and feasibility of obtaining data, taking into account the benefits of the availability of the data in relation to the cost of collection and the burden on businesses.

3. The first pilot studies to be launched shall cover the modes of supply of international trade in services and the international trade in services by enterprise characteristics.

Article 20

Financing

1. For the implementation of this Regulation, the Union may provide financial support to the national statistical institutes and other national authorities referred to in the list established pursuant to Article 5(2) of Regulation (EC) No 223/2009, towards the cost of:

(a) the development or implementation of data requirements in the field of business statistics;

(b) developing methodologies aiming at higher quality or lower costs and administrative burden of collecting and producing business statistics and improving the European network of statistical business registers.

2. The Union financial contribution shall be provided in accordance with Article 7 of Regulation (EU) No 99/2013 of the European Parliament and of the Council, and Article 6 of Regulation (EU) No 1291/2013 of the European Parliament and of the Council.

3. This Union financial contribution shall not exceed 95% of the eligible costs.

CHAPTER VIII

FINAL PROVISIONS

Article 21

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Articles 5, 6, 9 and 12 shall be conferred on the Commission for an indeterminate period of time.

3. The delegation of power referred to in Articles 5, 6, 9 and 12 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Articles 5, 6, 9 and 12 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 22

Committee

1. The Commission shall be assisted by the European Statistical System Committee established by Regulation (EC) No 223/2009. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 23

Cooperation with other committees

On all matters falling within the competence of the Committee on Monetary, Financial and Balance of Payments Statistics established by Council Decision 2006/856/EC, the Commission shall request the opinion of that Committee in accordance with that Decision.

Article 24

Derogations

1. Where the application of this Regulation in a national statistical system of a Member State necessitates major adaptations, the Commission may grant, by means of implementing acts, derogations from its application for a maximum duration of three years, provided that these derogations do not hamper either the comparability of Member States' data or the calculation of the required timely and representative European aggregates.

2. The Commission shall adopt these implementing acts in accordance with the examination procedure referred to in Article 22(2).

Article 25

Amendment of Regulation (EC) No184/2005

Regulation (EC) No 184/2005 is amended as follows:

(a) Article 1 is replaced by the following:

"Article 1

Subject matter

This Regulation establishes a common framework for the systematic production of Community statistics on balance of payments and foreign direct investment.";

(b) in Article 2, paragraph 1 is replaced by the following:

"1. Member States shall submit to the Commission (Eurostat) data on balance of payments and foreign direct investment as referred to in Annex I. The data shall be as defined in Annex II.";

(c) in Article 5(1), point (c) is deleted;

(d) in Article 12, point (a) is replaced by the following:

"(a) evaluate the quality of data on balance of payments and FDI;";

(e) in Annex I, table 3 (International trade in services) is amended in accordance with Annex IV to this Regulation.

Article 26

Repeal

1. Regulations (EEC) No 3924/91, (EC) No 48/2004, (EC) No 716/2007, (EC) No 177/2008 and (EC) No 295/2008 and Decision (EC) No 1608/2003 are repealed with effect from 1 January 2019.
2. Regulation (EC) No 1165/1998 is repealed with effect from 1 January 2024.
3. Regulation (EC) No 808/2004 is repealed with effect from 1 January 2020.
4. Regulations (EC) No 638/2004 and (EC) No 471/2009 are repealed with effect from 1 January 2020.
5. References to the repealed acts shall be construed as being made to this Regulation.

Article 27

Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. It shall apply from 1 January 2019.
3. However, Articles 11 to 15 shall apply from 1 January 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned in the ABM/ABB structure

1.3. Nature of the proposal/initiative

1.4. Objective(s)

1.5. Grounds for the proposal/initiative

1.6. Duration and financial impact

1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

2.2. Management and control system

2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

3.2.2. Estimated impact on operational appropriations

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.4. Compatibility with the current multiannual financial framework

3.2.5. Third-party contributions

3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European Business Statistics

1.2. Policy area(s) concerned in the ABM/ABB structure[28]

2902 – The European Statistical Programme

0904 - Horizon2020

1.3. Nature of the proposal/initiative

☐ The proposal/initiative relates to **a new action**

☐ The proposal/initiative relates to **a new action following a pilot project/preparatory action**[29]

☐ The proposal/initiative relates to **the extension of an existing action**

☒ The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

The monitoring of the goals set by the Commission Juncker 10 priorities at Member State and Union level requires harmonized and comparable European statistics. The integrated approach of FRIBS aims at providing high quality business statistics for monitoring the policy goals set by these priorities, in particular on "Jobs, Growth and Investment", "Digital Single Market", "Internal Market" and "EU-US Free Trade Agreement". This statistical input should be produced as efficiently as possible in the context of modern statistical data collection and production.

1.4.2. Specific objective(s) and ABM/ABB activity(ies) concerned

Specific objective No 1

Commission Work Programme 2016 REFIT Initiative No 26 – Statistics Package

ABM/ABB activity(ies) concerned

2902 – The European Statistical Programme

0904 - Horizon2020

[28] ABM: activity-based management; ABB: activity-based budgeting.

[29] As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The initiative should enhance the flexibility and responsiveness of European business statistics to changing user needs and increase their consistency and quality. The initiative supports the main priorities of the Commission by providing more consistent and relevant data to monitor e.g. growth, job creation, competitiveness, research and innovation, the digital single market, the impact of globalisation and the functioning of the internal market. It should also facilitate more cost-efficient and modern data production and should provide the means for a significant reduction of administrative burden on data providers (businesses).

As regards efficiency, the proposal causes initially increased implementation costs for data compilers, due to revisions in the data production processes and due to new data requirements. These additional short term implementation costs should however be outweighed by the efficiency gains at the system-level in the longer term.

1.4.3. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

For each of the operational objectives identified in the impact assessment report a key performance indicator allows regular monitoring of the implementation of this proposal.

Main source of information for calculating the key performance indicators are national metadata and quality reports as well as the annual user satisfaction survey carried out by Eurostat and the monitoring reports on Eurostat electronic dissemination.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

In the short-medium term the existing Regulations in the field of European business statistics will be integrated and long-standing user needs for additional information on businesses will be fulfilled. The burden on data providers will be reduced.

In the long term the initiative should lead to improvement in the efficiency of collecting and compiling businesss statistics and thus reducing the costs for the data compilers. In addition, there will be an increase in the relevance of the data by answering more timely new emerging important user needs.

1.5.2. Added value of EU involvement

The production of statistics that are harmonised and comparable across Member States and that are provided to respond to EU needs cannot be achieved at the national level only. EU statistical production requires the implementation of a harmonised methodology and the definition of common outputs and its characteristics to be delivered by the individual Member States, which can only be fully achieved by way of EU action.

1.5.3. Lessons learned from similar experiences in the past

In order to ensure compliant provision of national data, a regulation is the most appropriate type of EU action. The co-existence of 10 separate regulations in the area of business statistics led to inconsistencies in concepts and definitions used.

1.5.4. Compatibility and possible synergy with other appropriate instruments

Being a framework regulation, when in force it will streamline the current ten legal bases for European business statistics. A European Business Statistics manual will give methodological guidance.

1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

– ☐ Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ Financial impact from YYYY to YYYY

☒ Proposal/initiative of **unlimited duration**

– Implementation with a start-up period from 2019 to 2021,

– followed by full-scale operation.

1.7. Management mode(s) planned[30]

☒ **Direct management** by the Commission

– ☒ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;

– ☐ public law bodies;

– ☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

– ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

– *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

[…]
[…]

[30] Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Regular in-depth reporting of quality implementation is in place for each statistical data collection, according to specific Eurostat rules. This will be continued and further improved under the new proposal.

Grant recipients must deliver the data collected and the corresponding quality report.

2.2. Management and control system

2.2.1. Risk(s) identified

Since a direct management mode is foreseen, the inherent risks are those related to the management of procurements and grants.

2.2.2. Information concerning the internal control system set up

Eurostat has defined a control strategy 2013-2017 accompanying the implementation of expenditure. The measures and tools in this strategy are fully applicable to the proposed regulation. Reducing complexity, applying cost-effective monitoring procedures as well as conducting risk based ex-ante and ex-post controls will aim to reduce the likelihood and contribute to the prevention of fraud. Specific awareness raising measures and relevant training with regard to fraud prevention are part of the control strategy.

2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

Eurostat has in place a control strategy which aims, in general, to limit the risk of non-compliance under the materiality criterion of 2 %, in line with the objectives on internal control and risk management set in its Strategic Plan 2016-2020. 100% of financial transactions (and thus 100% of the budget) will be subject to obligatory ex-ante controls in accordance with the Financial Regulation. Moreover, controls based on in-depth analysis of the underlying documentation will be undertaken following an annual risk analysis. They may cover 4-6 % of the total budget managed by Eurostat.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

On 30 October 2013, Eurostat endorsed its "Anti-fraud Strategy 2014-2017" in accordance with the Commission´s anti-fraud Strategy of 24 June 2011 (CAFS). The Eurostat anti-fraud strategy sets out three operational objectives: i.) To reinforce existing anti-fraud components; ii.) To better integrate anti-fraud elements in the Eurostat risk assessment / risk management as well as in audits, planning, reporting and monitoring; iii.) to strengthen Eurostat´s anti-fraud capacities and awareness as part of the Commission anti-fraud culture. The anti-fraud strategy is accompanied by an anti-fraud action plan. During the period of its application, the anti-fraud strategy implementation is being monitored twice a year with reporting to the management.

Eurostat will evaluate the impact of the strategy in 2017 and will update the strategy accordingly. In 2016 – as a milestone towards the strategy evaluation – Eurostat reviewed its anti-fraud action plan.

Both the review of the Eurostat strategy and the review of the action plan are carried out on the basis of the updated OLAF methodology and guidance issued in February 2016.

Moreover, as far as grants are concerned, all the potential recipients of grants beneficiaries are public bodies (National Statistical Institutes and Other National Authorities, as defined on the basis of Regulation (EC) No 223/2009). In addition, they are grants without calls for proposals. Controls are in place, taking into account these specific grant procedures, and involve ex-ante and ex-post analysis of the grant management.

The use of unit costs and lump sums, in accordance with Article 124(1) of the Financial Regulation, substantially reduces the risk of errors relating to the management of grants in order to allow significantly simplified administration.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number […][Heading……..……]	Diff./Non-diff.[31]	from EFTA countries [32]	from candidate countries[33]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1a	29.020100 –ESP18_20 - European statistical programme (ESP) 2018-2020	Diff	YES	NO	NO	NO
1a	09.040201- Leadership in information and communication technology (Ass. Prog.: HORIZON 2020 - The Framework Programme for Research and Innovation (Horizon 2020))	Diff.	YES	NO	NO	NO

[31] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

[32] EFTA: European Free Trade Association.

[33] Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	1a. Competitiveness for growth and jobs

DG: ESTAT			Year **2019**	Year **2020**	**TOTAL**
• Operational appropriations					
Number of budget line 29.020100	Commitments	(1)	10,285	9,185	**19,470**
	Payments	(2)	1,029	4,518	**5,547**
Number of budget line	Commitments	(1a)			
	Payments	(2a)			
Appropriations of an administrative nature financed from the envelope of specific programmes[34]					
Number of budget line		(3)			
TOTAL appropriations for DG ESTAT	Commitments	=1+1a +3	10,285	9,185	**19,470**
	Payments	=2+2a +3	1,029	4,518	**5,547**

[34] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

DG: CNECT			Year **2019**	Year **2020**	**TOTAL**
• Operational appropriations					
Number of budget line 09.040201	Commitments	(1)	1,000	1,000	**2,000**
	Payments	(2)	0,100	0,450	**0,550**
Number of budget line	Commitments	(1a)			
	Payments	(2a)			
Appropriations of an administrative nature financed from the envelope of specific programmes[35]					
Number of budget line		(3)			
TOTAL appropriations for DG CNECT	Commitments	=1+1a +3	1,000	1,000	**2,000**
	Payments	=2+2a +3	0,100	0,450	**0,550**

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)	11,285	10,185	**21,470**
	Payments	(5)	1,129	4,968	**6,097**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)			
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6	11,285	10,185	**21,470**
	Payments	=5+ 6	1,129	4,968	**6,097**

[35] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Heading of multiannual financial framework	**5**	'Administrative expenditure'

EUR million (to three decimal places)

		Year **2019**	Year **2020**	**TOTAL**
DG: ESTAT				
• Human resources		11,850	11,883	**23,733**
• Other administrative expenditure		0,625	0,625	**1,250**
TOTAL DG ESTAT		12,475	12,508	**24,983**

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	12,475	12,508	**24,983**

EUR million (to three decimal places)

		Year **2019**	Year **2020**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	23,760	22,693	**46,453**
	Payments	13,604	17,476	**31,080**

3.2.2. Estimated impact on operational appropriations

– ☐The proposal/initiative does not require the use of operational appropriations

– ☒ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2019**		Year **2020**		**TOTAL**	
	OUTPUTS							
	Type[36]	Average cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[37]…								
- Output	EuroGroups Register			0,750		0,750		1,500
- Output	EuroGroups regiser testing			0,250		0,250		0,500
- Output	Implementation of data collections			3,435		3,935		7,370
- Output	Methodological and pilot studies			6,850		5,250		12,100
Subtotal for specific objective No 1				11,285		10,185		21,470
SPECIFIC OBJECTIVE No 2 ...								

[36] Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

[37] As described in point 1.4.2. 'Specific objective(s)…'

- Output								
Subtotal for specific objective No 2								
TOTAL COST			11,285		10,185		21,470	

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **2019**[38]	Year **2020**	**TOTAL**
HEADING 5 of the multiannual financial framework			
Human resources	11,850	11,883	**23,733**
Other administrative expenditure	0,625	0,625	**1,250**
Subtotal HEADING 5 of the multiannual financial framework	12,475	12,508	**24,983**

Outside HEADING 5[39] **of the multiannual financial framework**			
Human resources			
Other expenditure of an administrative nature			
Subtotal outside HEADING 5 of the multiannual financial framework			

TOTAL	**12,475**	**12,508**	**24,983**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

38 Year N is the year in which implementation of the proposal/initiative starts.

39 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

– ☐ The proposal/initiative does not require the use of human resources.

– ☒ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

		Year **2019**	Year **2020**
• Establishment plan posts (officials and temporary staff)			
29 01 01 01 (Headquarters and Commission's Representation Offices)		74,67	74,92
XX 01 01 02 (Delegations)			
XX 01 05 01 (Indirect research)			
10 01 05 01 (Direct research)			
• External staff (in Full Time Equivalent unit: FTE)[40]			
29 01 02 01 (AC, END, INT from the 'global envelope')		25	25
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)			
XX 01 04 **yy** [41]	- at Headquarters		
	- in Delegations		
XX 01 05 02 (AC, END, INT - Indirect research)			
10 01 05 02 (AC, END, INT - Direct research)			
Other budget lines (specify)			
TOTAL		**99,67**	**99,92**

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Methodological work also including for pilot studies IT work for receiving, validating and processing the data Data analysis, data release and user support
External staff	Methodological work also including for pilot studies IT work for receiving, validating and processing the data

[40] AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

[41] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. Compatibility with the current multiannual financial framework

– ☒ The proposal/initiative is compatible the current multiannual financial framework.

– ☐ The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. […]

– ☐ The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts. […]

3.2.5. Third-party contributions

– The proposal/initiative does not provide for co-financing by third parties.

– The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	2019	2020	Total
Specify the co-financing body	p.m	p.m	p.m.
TOTAL appropriations co-financed	p.m	p.m	p.m.