

INCEPTION IMPACT ASSESSMENT			
TITLE OF THE INITIATIVE	Framework Regulation Integrating Business Statistics (FRIBS)		
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ADDITIONAL INFORMATION	http://ec.europa.eu/eurostat/about/opportunities/consultations/fribs		
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A. Context, Subsidiarity Check and Objectives
<p>Context</p> <p>The European Statistical Programme 2013-2017 defines business statistics as one of the three pillars of the European Statistical System (ESS). Each of these pillars covers a set of primary statistics which will have to serve multiple needs and be the input for the accounting systems (e.g. National accounts or Balance of Payments) and be the basis for indicators for different policy needs.</p> <p>The ESS Vision 2020¹ has been set up to make the European Statistical System fit for the future. The ESS is the partnership between the statistical authorities of the Member States and the EFTA countries, and the European Commission (Eurostat). The ESS Vision 2020 is a joint strategic response of the ESS to the challenges that official statistics is facing. It was adopted by the ESS Committee in May 2014. The ESS Vision 2020 states that data should be used across statistical domains for better analysing emerging phenomena (e.g. globalization) and for better serving EU policies of high impact. The data output should be based on efficient and robust statistical processes of the ESS.</p> <p>In order to reach the objectives of ESS Vision2020 and of the European Statistical Programme 2013-2017 in the area of business statistics, Eurostat has launched a project aimed to integrate the existing domain-specific Regulations in business statistics by establishing a cross-cutting legal framework for the collection, compilation, transmission and dissemination of European statistics related to the structure, economic activity, competitiveness, global transactions and performance of businesses (hereinafter referred as FRIBS).</p> <p>The REFIT Programme - the European Commission's Regulatory Fitness and Performance programme for making EU law simpler and reducing regulatory costs - has identified statistics as one of the priority areas, for instance for Intrastat² and for some other business statistics. In its action plan FRIBS and its counterpart IESS for social statistics area are mentioned as key pillars of this reform agenda. The FRIBS project foresees the integration of statistical requirements and legal acts in business statistics, in streamlining and simplifying them and reducing the burden on businesses.</p> <p>The Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS Programme) has</p>

¹ More details on ESS Vision2020 can be found under: <http://ec.europa.eu/eurostat/web/ess/about-us/ess-vision-2020>

² Key driver in FRIBS for reaching the aim of REFIT for reducing the administrative burden on business are the measures proposed in the intra-EU trade in goods statistics (Intrastat). For this purpose the so-called SIMSTAT (Single Market Statistics) have been proposed in 2012. SIMSTAT aims at making the micro-data on intra-EU exports available to other Member States through a data exchange system. The receiving Member States may then use this micro-data for compiling their intra-EU import data. Background information on SIMSTAT can be found under: http://ec.europa.eu/eurostat/statistics-explained/index.php/SIMSTAT_-_exchange_of_microdata_on_intra-EU_trade

prepared the ESS Vision 2020 in the ESS business and trade statistics. Several actions have been launched aiming for integration, simplification, data-linking or the development of harmonised methodologies. The outcome of this work will need to be incorporated into a legal text replacing the existing scattered ESS regulations on business statistics.

The monitoring of the goals set by the **Commission Juncker 10 priorities**³ at Member State and Union level requires harmonized and comparable European statistics:

- that decision makers need in order to design policy initiatives to meet the priorities and to monitor the implementation of these initiatives;
- that the media need in covering the priorities;
- that citizens need in order to judge the success of these initiatives.

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".

Furthermore data gaps exist in ESS business statistics and are acknowledged by the ESSC in the **Riga Memorandum "Towards better measurement of the globalised economy"** of 26 September 2014.

FRIBS will provide a common legal framework for the production and compilation of ESS business statistics. Therefore FRIBS should deliver: ESS business registers of better quality, common definitions of statistical units, the exchange of identifiable micro-data, integrated data structures or a better management of statistical confidentiality). This should lead to a rationalization of national statistical production processes, a better use existing data sources and to a reduction of the statistical burden on respondents when ESS business statistics are compiled.

FRIBS will deliver consistent data structures and common data quality standards which should allow the linking of different business statistics, adding more value to the information collected. The ESS business statistics disseminated should be the basis for informed decisions on 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.

Issue

The current legal framework of business statistics is divided into 10 heterogeneous Regulations which are not really harmonised across statistical domains. The current system lacks responsiveness in relation to emerging and important policy/user needs.

1st main problem area: Modern statistical production increasingly integrate production processes in order to exploit modern information technology. Such integrated production processes comprise e.g. multi-source/cross-domain data integration, integrated management of registers, standardised quality assessment, common standards and tools for data exchange and dissemination. This development challenges the European Statistical System (ESS) and current legal setup for European business statistics.

Existing business statistics in the EU are organised in stovepipes, scattered across the various areas. The statistical information on national market economies is delivered by a high number of European legislation which are not integrated and consistent in terms of data collection, compilation, transmission and dissemination.

The flexibility of European business related statistics should be improved to enable it to react to the changing economy and to provide quick and timely response to new policy needs. The main stakeholders are demanding more, better and more comprehensive information to assess the policy impact on the economies and businesses. The activities of enterprises should be better observed by linking data from various data sources.

Business statistics provide also the input for other European statistics, in first instance National Accounts (at national level) but also for other statistical areas (for example, environmental accounts). Nonetheless, flexible and well performing ESS business statistics are limited by the need of reducing the statistical burden on

³ The 10 priorities of the Commission Juncker are described in: http://ec.europa.eu/priorities/index_en.htm

enterprises, and by reducing the costs for national statistical authorities.

The current ESS legislation does not really accommodate common legal provisions across business statistics domains, in preventing the adoption of modern and increasingly integrated multi-source production processes.

This has resulted in a number of problems, such as:

- There is a lack of methodological consistency across business statistics domains, e.g. with regard to statistical variables, statistical units and registers and confidentiality rules.
- The different business surveys are not integrated;
- Administrative data sources are not used systematically;
- There is a need to substantially reduce the burden on enterprises of intra-EU trade statistics (Intrastat).
- The amount and detail of statistics on the services sector, including international trade in services, still does reflect neither the users' needs nor the structure of the economy.
- The quality of the data on SMEs, globalisation, employment needs to be improved to better serve the policy needs.
- Data linking across business statistics domains is very difficult.

2nd main problem area: To make best use of the Lisbon Treaty, Eurostat has engaged on a new legislative policy that aims at supporting both an accountable and responsive statistical programming and an efficient, integrated data production. The European Parliament and Council will focus on policy-relevant decisions at the level of programming (*which* statistics are to be produced in order to shape the policy agenda of the EU and to assess progress), but work on technical implementation (*how* to produce the statistics needed) will as far as possible be internalised within the European Statistical System according to the principles and rules set out within the EU's statistical law.⁴

Today, European business statistics are mainly determined by scattered ESS regulations that mix both, programme and technical implementation. This mixture of programming (policy) and implementation (technicalities) in current legislation reduces the quality of decision-making. The current ESS business legislation does not implement the new legislative policy and often refers technical matter to the European Parliament and Council, with the risk of diverting attention from the political tasks of balancing European information requirements against cost and response burden. This results in legislative delays and rigidity that could be overcome if European statistical legislation corresponded better to the statistical governance based on the principle of division of responsibilities as envisioned in the EU's statistical law.

If no policy action will be undertaken both afore-mentioned problems will remain as both the current stove pipe legislation and the sub-optimal situation for legal decision-making process in the field of business statistics are due to the currently scattered legal acts.

The following stakeholders are affected:

- **Enterprises** and other data providers of statistical information under the scope of the project. The scattered legislation in business statistics does not allow for a streamlined and integrated data collection processes where enterprises are surveyed in a consolidated manner, in using existing data sources to the maximum extent. Due to this inefficiency of the current system the administrative burden on businesses remains too high and very difficult to reduce.
- **National Statistical Institutes** and other national authorities responsible for the collection and compilation of European business statistics under the scope of the project. National production processes do not fully benefit from improved business registers and from existing administrative data sources as well as from better access to micro-data collected by other national statistical authorities.
- **Data users** of statistical information on the European business sector. Currently the possibilities for users of linking and combining data across domains of business statistics are hampered by differences in concepts, definitions and classifications. Current business statistics also do not sufficiently meet the need of users, in areas such as services, globalisation, SMEs and entrepreneurship. Current business statistics do not multi-purpose data for a large variety of data users. Users and uses of business statistics comprise policy makers at the European level and national level, businesses and their associations, researchers, as well as important "internal" users given that business statistics provide the basis for the production of macro-economic indicators (such as GDP).
- **European legislators**, more specifically the Council, the European Parliament and the European Commission in their decision making as regards business statistics. Implementing changes in the statistical area through current statistical legislation and its governance structure are far from optimal in terms of legal preparation and decision, requiring more time and effort from the legislators than would be

⁴ Legal framework for European statistics - The Statistical Law. <http://ec.europa.eu/eurostat/product?code=KS-31-09-254>

the case in a streamlined and coherent architecture as proposed by FRIBS.

Subsidiarity check

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

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. The resulting statistics based on harmonised methodologies provide the comparable data necessary to support European policies. The proposed Regulation will guarantee the required coherence and comparability of the business statistics relevant for the activities of the Union.

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

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

The added value of the European business statistics produced by the proposed Regulation is an indispensable contribution underpinning many policy decisions at EU level, including many priority actions of the Union, such as the enhanced economic governance and Europe 2020 strategy.

Main policy objectives

The main policy objectives are:

- **streamlining and rationalising** European business statistics in reducing unnecessary statistical burden on respondents;
- **defining a new architecture** for European business statistics to be used for the compilation of high quality European business statistics, including the provision of higher quality data on services, globalisation and entrepreneurship.

Without a framework regulation which is up-to-date in terms of statistical and legal architecture, there is a substantial potential risk that the EU policy objectives will only partially be monitored by the current scattered domain oriented regulations.

The objectives do not imply developing EU policy in new areas.

B. Option Mapping

Baseline scenario – no EU policy change

Option A refers to the baseline scenario without any EU policy change and does not require any particular instrument.

The lack of action would not allow solving all limitations and inefficiencies identified in this document. In particular, it would not allow taking measures for the reduction of the response burden, the simplification and the priority-setting in the field of business statistics. It would neither allow reacting to the changing economies nor providing quick and timely response to emerging users' needs.

This option does not provide any real benefit but may have significant impact on the cost side, in particular as regards the lack of relevance of business statistics in the EU, while maintaining a high statistical burden on

enterprises.
Options of improving implementation and enforcement of existing legislation or doing less/simplifying existing legislation
<p>Option B which would consist in a better enforcement and implementation of the existing legislation focusses mainly on the Statistical Unit Regulation (Regulation No 696/1993). This might require using gentlemen agreements or other kind of non-legislative bilateral or multilateral instruments.</p> <p>A clarification of the existing definition of the enterprise and the addition of operational rules on how to interpret and implement the concept “enterprise”, together with a close monitoring of implementation and follow-up of non-compliance issues, will have two main advantages: an important improvement in how the actual unit enterprise is used in business statistics, and an increased consistency and comparability of business statistics across Member States. Moreover, the full implementation of the unit enterprise would allow the re-use of data between statistical domains.</p> <p>Under this option, harmonisation efforts (e.g. regarding variables, regarding classifications) as well as micro-data exchange and the creation of a unique identifier would have no legal basis. Some integration actions would be impossible as they are in contradiction with the current legislation (e.g. reduction of inconsistencies of definitions of variables), whereas others (e.g. unique ID) would only be possible on a voluntary basis. The central role of the business register could however be improved, as several Member States indicate openness for voluntary enhancements.</p> <p>Option C: Implement legislative actions limited to certain business statistics domains. This option would tackle the simplification and modernisation of the statistical production and allow to include additional data requirements where needed. This option requires the use of different legislative instruments to modify existing legislation on certain business statistics domains. Depending on the scope of the changes and the procedures foreseen in each individual legal act, a co-decision procedure at the EP and the Council or the adoption by the Commission of delegated or implementing acts would be necessary.</p> <p>However, business statistics integration and harmonisation would hardly be achieved. Separate legal texts and separate statistical production processes provide neither the necessary consistency across statistical domains nor they do allow an integration of the collection, compilation, transmission and dissemination of business statistics. This option would maintain the status quo where each individual business statistical domain is kept separate.</p> <p>This option may provide some benefits in terms of responding to user's needs and of reducing the burden of respondents, always at individual domain level. But, it would not integrate statistical production processes based on a common statistical infrastructure. Moreover, business statistics domains would remain inconsistent. The activities of the enterprises would not be fully monitored by linking data from different domains.</p>
Alternative policy approaches
<p>Option D: Integration of business statistics in a single framework (FRIBS) using a mix of instruments. The structure of the FRIBS project is designed in a modular way, with the different components being discussed at different levels and adopted by different means:</p> <ul style="list-style-type: none"> On the one hand, all infrastructural elements will be part of a framework EP and Council Regulation. This will cover the key role of business registers (including the EuroGroups Register), the basic data topics, the data sources, the exchange of micro-data for Intrastat, data transmission, quality issues, data confidentiality, , etc. This framework legal text will repeal existing regulations for the specific business statistics domains to be included in FRIBS. On the other hand, the technical provisions which include the data structure (i.e. data requirements) for each of the data (sub-) topics, the methodologies, the data quality reports and the technical arrangements for the exchange of micro-data will be adopted through Commission delegated and implementing acts, but also through agreements between the Commission (Eurostat) and the national statistical authorities. The procedure for the adoption of these provisions will be included in the framework EP and Council Regulation. <p>It is foreseen to assemble the different components of the FRIBS project and present them in due time to the</p>

ESS instances involved, to enable fully informed decisions.

This option is aiming at the integration of business statistics in a common legal framework. This should ensure the statistical consistency across business statistics and facilitate the integration of the corresponding statistical processes at national level, also leading to a reduction of the response burden on the enterprises. Additional data requirements would be counterbalanced through more integrated structures.

A common legal framework would allow the full implementation of the revised definition of statistical units, the enhancement of the role of business registers, the implementation of harmonised nomenclatures and methodologies, the access to administrative data and the exchange of micro-data between national compilers, especially with a view to rationalising Intrastat.

This option would also require a thorough assessment of the data requirements in the individual business domains looking for their integration and simplification. At the same time, it would allow sufficient flexibility for the future development of ESS business statistics by incorporating different procedures for the adoption of subsequent provisions proportional to their nature.

Regarding users' needs, this option should allow delivering a more comprehensive output monitoring the business economy by ensuring an effective data linking across domains. This would improve the relevance of European business statistics thoroughly.

In terms of costs, the use of the common infrastructure at national level may require a certain amount of resources in the implementation phase, but this should be outweighed by the efficiency gains reached once such integration is in place and by the reduction of the statistical burden on respondents.

Discussions and consultations with the Member States since the initial launch of the Impact Assessment Roadmap in 2013 have resulted in further improvements in the setting of FRIBS⁵. These changes are reflected in the following option E.

Option E: Same as option D, but excluding the revision of the Regulation on Statistical Units and including besides SIMSTAT, alternative options for the rationalisation of Intrastat. It requires the same type of instruments as option D.

This option is expected to yield the same benefits as option D, however, the costs for both data suppliers and data producers is expected to be significantly lower.

National Statistical Institutes have indicated significant costs of adaptation towards an updated set of definitions of statistical units both in terms of structural costs and one-off investment costs.

Besides **SIMSTAT** – also included in options C and D, this option also focusses on two further options to lower the burden on data suppliers in the domain of Intrastat, notably the so-called **Revised Intrastat** and the **Single Flow**. During 2015 and the first quarter of 2016 these Intrastat measures will be examined intensively by Eurostat and the National Statistical Institutes, including an assessment on their impact on costs. This wider scope of Intrastat measures may result in further reduction of costs and burden.

Option E will be sub-divided into three sub-options:

- E1: SIMSTAT
- E2: Revised Intrastat
- E3: Single Flow

⁵ In the second half of 2014 the FRIBS setting has been changed:

In response to the concerns expressed by many National Statistical Institutes, the Directors of Business Statistics approved the proposal of Eurostat to exclude an update of the definitions of statistical units from FRIBS. Instead and in parallel, Eurostat has launched immediate measures for helping Member States in complying better with the existing statistical units definitions in each of the statistical domains and the Business Register;

The final impact of SIMSTAT in terms of burden reduction depends on the national choices of implementation (in line with the principle of subsidiarity) as the use of exchanged micro-data is not mandatory. A pilot SIMSTAT trial test is currently conducted with the participation of 20 Member States. To have a better understanding of the SIMSTAT burden implications and to assess them against alternatives to collect data and to compile statistics on intra-EU in goods, a new project Re-design of Intrastat has been launched in parallel in 2014. It is expected that the National Statistical Institutes will have a clearer view on their preferred alternative by the end of 2015. A separate dedicated consultation and Cost-Benefit Analysis is foreseen as part of the Redesign project. The results from these Intrastat-projects will be integrated into the final Impact Assessment Report of FRIBS.

<p>A more detailed explanation of the three options E and their differences can be found in the Annex.</p> <p>Significant user benefits are expected for options D and E combining additional statistical output requirements with an improved integrated infrastructure of business statistics. The increased user relevance is expected to apply to a large number and variety of users at both national and European level.</p> <p>Options C, D and E have are based on integrated data requirements foreseen in FRIBS to respond to existing and new user needs.</p> <p>Besides the introduction of a new and improved option E, the decision end 2014 to immediately support further the Member States in complying better with the existing Statistical Unit Regulation instead of revising this Regulation, has resulted in national action plans supported by EU grants. These action plans will lead to quality improvements of European business statistics. It in fact implies that the baseline of FRIBS will gradually shift in the coming years – even before FRIBS enters into force – from the initial option A to option B.</p>
Alternative policy instruments
<p>Not applicable.</p> <p>The proposed regulatory action is indispensable for the required harmonisation of statistical information at the European level in order to produce business statistics on the basis of the data collection carried out by the Member States. It cannot be fully replaced by an alternative policy instrument.</p>
Alternative/differentiated scope
<p>One of the key aspects of FRIBS (i.e. option D and E) alongside statistical harmonisation and a more efficient production system is the shift towards a more output oriented approach and/or increased re-use of existing information, for instance in the field of ProdCom and Intrastat. This means that reporting requirements of smaller businesses and smaller countries can be reduced. Further harmonisation of operational definitions of the statistical units – already being launched by Eurostat – is placing more emphasis on larger business entities instead of smaller businesses. Therefore FRIBS is paving the way for further simplifications for smaller businesses/countries in the future.</p>
Options that take account of new technological developments
<p>Options C to E take into account new technological developments, for instance on the following:</p> <p>FRIBS will establish a solid legal and technical framework for the cross-border exchange of micro-data using up-to-date digital means for sharing this confidential information in a secure manner, notably for the EuroGroups Register (EGR) and for SIMSTAT.</p> <p>As regards EGR: With the transition of EGR version 1.0 to EGR version 2.0 the production process of the EGR frame has been improved with regards to efficiency and to quality. Appropriate data flows had been established for the purpose of better identification of legal units and better validated enterprise group information. With FRIBS all data flows that are necessary in EGR 2.0 to ensure the quality of the EGR frame will be part of FRIBS. EGR 2.0 will use web services, with data access in a secure environment (SICON). The SICON environment ensures the security of the data.</p> <p>In SIMSTAT, the Common Communication Network (CCN) is the backbone for transmitting micro-data to Member States. The CCN infrastructure is managed by DG TAXUD; it is based on a trans-European network with "gateways", located in the National Administrations and at the European Commission. These gateways are interconnected and communicate in a secure way through their own communication services. All data transmitted over the network are encrypted (gateway to gateway). Besides the advantages of security,</p>

guaranteed availability and support, CCN offers the advantage of creating a distributed data exchange mechanism which permits in the long run the use of data and applications belonging / located in more than one Member State. In addition to the network, the communication infrastructure consists of two different components, one component in each SIMSTAT participant country to send and receive the data from/to the central SIMSTAT HUB (SIMSTAT application) and another central system to receive/send the information to the SIMSTAT participants to be deployed centrally in Eurostat. All the communications between these components are encrypted to add an extra layer of security to the CCN network.

Within FRIBS SDMX providing global statistical and technical standards will be used to a maximum extent. The SDMX standards were developed and maintained by a consortium of seven sponsors (Bank for International Settlements - BIS, European Central Bank - ECB, Eurostat, International Monetary Fund - IMF, Organisation for Economic Cooperation and Development - OECD, United Nations and World Bank).

Options D and E will also allow a better use of new technologies for disseminating business statistics: FRIBS' based business statistics will be better comparable across the business statistics domains. Although dissemination itself will not be regulated by FRIBS, the improved business statistics can be better disseminated communicated. The strategy will be based on two pillars: a data pool of European statistics based on a solid data warehouse approach and a flexible set of products and services. FRIBS provision of cross-domain harmonised business statistics with a common approach towards data and meta-data will be essential for the development of a generalised data warehouse which can offer users tailor made data solutions⁶.

Preliminary proportionality check

The Treaty requires the legislator to adopt measures for the production of statistics where necessary for the performance of the activities of the Union. In this regard, the existing legal provisions and those that could be implemented under Options C, D and E will **respect the proportionality principle** as they will be aimed to produce European statistics for supporting the decision-making process of the policies related to the European business sector and monitoring the impact of these policies. They will not go beyond what is necessary to achieve those objectives.

Furthermore the Cost-Benefit analyses will include a mapping of all new FRIBS measures with the (operational) objectives for solving the problems (as described in abovementioned sections *Issues* and *Main policy objectives*) in order to assure that no measures go beyond that.

By enhancing the re-use of existing data for producing existing and new statistics, FRIBS also aims at minimizing structural annual burden/costs on the part of the data providers and data compilers.

C. Data Collection and Better Regulation Instruments

Data collection

Data is required on the costs and benefits related to each of the policy options under section B and related to the operational⁷ objectives that are linked to the general and main policy objectives described in section A.

⁶ ESS Vision 2020 on data warehousing: "We provide a pool of European statistics in a machine-readable open data format. This data pool is publicly available at all times to all user categories. It enables experienced power users such as data driven journalists, scientists or policy makers to digest statistical datasets in a manner that best suits their needs. Our value proposition is based on their needs. Third parties may also access and re-use the data pool, e.g. for integration (with source notification) in their websites or apps. In a next phase we will investigate if the data can be made available as linked open data, for easy combination with other data pools."

⁷ The operational objectives cover the following: Introduce mandatory micro-data exchange in the field of intra-EU trade statistics; Facilitate further the exchange of micro-data for statistical purposes (within NSA and between NSAs); Promote and facilitate the access to and use of administrative data for statistical purposes; Enrich where necessary the statistical output in order to respond to (new) user needs (including the application of common classifications and nomenclatures across business statistics); Enhance the role of business registers, creating a truly European System of interoperable BRs (ESBR); Implement a unique identifier for the units recorded in the ESBR; Implement common definitions of statistical units based on operational rules; Define a harmonized data quality framework across business statistical domains; Eliminate or reduce the existing inconsistencies in certain definitions of variables across statistical domains and facilitate the consolidation of surveys in different business statistical domains.

<p>The data focusses on the impact of the various policy options on the three stakeholder groups, notably:</p> <p><u>Data providers</u>: enterprises responding to statistical surveys at national/regional level ;</p> <p><u>Data compilers</u>: national statistical authorities (NSAs) that are charged with the collection, compilation and dissemination of statistics at the national level. This in the first place includes National Statistical Institutes (NSIs), but also other compilers such as National Central Banks (NCBs);</p> <p><u>Data users</u>: all actors who are frequently using European business statistics as an input in their daily work, such as other Commission services, national statistical authorities monitoring the business sector, National Central Banks and the European Central Bank, professional associations and researchers.</p> <p>The data should enable:</p> <p>Qualitative assessment of the expected impacts of the implementation of the policy options;</p> <p>Quantitative assessment of</p> <ol style="list-style-type: none"> One-off implementation costs and changes in yearly operating costs for NSAs; Changes in administrative burden for data providers.
<p>Consultation approach</p> <p>The consultation objectives and "map" of stakeholders, together with a first timetable were approved by the FRIBS Impact Assessment Steering Group (IASG) in its first meeting of October 2013. In May 2014 the IASG provided detailed feedback on Eurostat's proposals on the consultation method, tool, and questionnaires. In parallel the questionnaires were tested by some of the stakeholders.</p> <p>On the consultation method the following was agreed:</p> <ul style="list-style-type: none"> The data users and data providers are consulted via an open web based public consultation with the use of EUSurvey questionnaires. The data compilers are consulted in a closed and targeted manner with the use of questionnaires and additional bilateral interviews. <p>Following the IASG meeting in May 2014 the consultation was conducted during the second half of 2014. This consultation, however, did not cover the full scope of FRIBS; it excluded the new data requirements in FRIBS.</p> <p>In June 2015 the IASG confirmed the updated Roadmap of FRIBS which included the changes in the setting of FRIBS and the new policy option E (explained above) and the extension of the planning with one year, and agreed on the supplementary consultation specifically on FRIBS' new data requirements. The supplementary consultation is based on the same principles as the first one, and started in August 2015; it remains open until 16th of November 2015.</p> <p>The consultation page used for both the first consultation in 2014 and the supplementary one can be found under: http://ec.europa.eu/eurostat/about/opportunities/consultations/fribs and is also accessible available via YourVoice.</p> <p>The results of the first consultation indicated a significant high impact on costs/burden of revising the definitions of statistical units, as well as a still high uncertainty on the impact of SIMSTAT, and gave rise to further actions for improving FRIBS' impact on stakeholders (see option E).</p> <p>For pinpointing more precisely the effects of SIMSTAT and other measures for reducing the burden of Intrastat, the costs-benefit analysis of the project Redesign Intrastat (including the SIMSTAT trial tests) will be used as main input.</p> <p>The consultation strategy outlined above has been confirmed by the IASG and was already part of the previous Roadmap update of January 2015 approved by the Cabinet(s).</p> <p>Besides abovementioned consultation related to the impact assessment of the measures proposed by FRIBS, the preparation of these measures which started in the last quarter of 2011 is also based on intensive consultation within the ESS. Based on the proposed modular structure, the consultation is running at different levels depending on the component.</p> <p>The general principles and infrastructure elements included in the framework legal text will be discussed at the level of the Business Statistics Directors Group (BSDG) and other high level groups such as the Directors of Macro Economic Statistics (DMES).</p> <p>The technical arrangements related to the data requirements will be discussed in the specific working groups</p>

<p>dealing with the different statistical domains. This also includes a consultation on the methodological arrangements.</p> <p>Moreover, <i>ad hoc</i> seminars or workshops were organised. The first one took place in February 2012 bringing together national experts covering business statistics, macro-economic statistics, National Accounts and Balance of Payments. Further ad hoc workshop on the definition of statistical units with experts from business statistics and national accounts took place in 2013 and 2014.</p> <p>The consultation process includes other Commission services in the context of the bilateral regular hearings between Eurostat and several DGs as main users of statistical information. The consultation process involves also the ECB and relevant ESCB working groups as well as the Committee of Monetary, Financial and Balance of Payments Statistics (CMFB).</p> <p>The European Statistical System Committee (ESSC) receives regular reports from Eurostat and will ensure the overall supervision of the process.</p>
<p>Will an Implementation plan be established?</p> <p><u>No</u></p> <p>There is no need for additional supporting measures by means of a FRIBS Implementation Plan. The most difficult and burden/cost sensitive elements relate to the WHAT question and will be defined in the Basic Act of the Regulation. Elements related to the HOW (e.g. technical implementation issues) will be regulated outside the Basic Act and are in general not very sensitive and are also prepared well in advance within the ESS organisation before they enter into force. Neither of the options will have any impact on the transposition in certain Member States, as all are based either on agreements or on existing or future statistical regulations, so directly applicable in the Member States.</p> <p>FRIBS' statistical requirements are furthermore predominantly output oriented meaning that Member States may find the most optimal solutions for many of the implementation issues taking into account their specific national possibilities (subsidiarity).</p>
<p>D. Information on the Impact Assessment Process</p> <p>The carrying-out of an Impact Assessment (IA) would allow assessing in detail the advantages and disadvantages of the proposed options. In particular, it would allow estimating the costs involved in such operation and the expected benefits associated to it for respondents, national compilers and the EU as a whole. Moreover, it would allow involving more closely other Commission services dealing with policy matters related to the business sector.</p> <p>Therefore, to carry out an IA is perceived as an important element for the success of the project.</p> <p>The IA work started in Spring 2013. It should be finalised by the end of the 2nd quarter of 2016.</p> <p>The IA Steering Group was set up in the 2nd quarter of 2013 and would meet 3 to 5 times.</p> <p>The DGs invited to the IA Steering Group were: SG, COMP, ECFIN, EMPL, GROW, CNECT, SJ, TRADE, TAXUD and RTD.</p> <p>The 1st FRIBS Progress Report to the ESSC was presented at its 15th Meeting on 15 November 2012. The 2nd Progress report was presented to the ESSC on 13 November 2014 and the 3rd on 19 November 2015.</p> <p>Since the 2nd Progress Report, the consultation process of the FRIBS project has continued at various meetings with Member States (director groups, working groups, experts groups, task forces, ESSnets, etc.) related to business statistics.</p> <p>The steering body of the FRIBS project is the Business Statistics Directors Group (BSDG). The BSDG plays the role of coordinating the national position on the different elements of the FRIBS project. To this end, in particular consultations on cross-cutting elements explicitly request that BSDG members consult all concerned stakeholders at national level and deliver a coordinated response to Eurostat based on documents received well</p>

<p>in advance. In 2015 consultations were organised on the definitions of cross-cutting variables as well as on the data requirements covered by FRIBS. In cooperation with the BSDG Eurostat has developed an encompassing elaborated Monitoring tool for all FRIBS' projects including the Impact Assessment project itself. The CMFB is also informed on the FRIBS monitoring.</p> <p>The FEBI have been informed on FRIBS Impact Assessment process in September 2015 and have been invited to take part in the supplementary public consultation of FRIBS.</p>
<p>E. Preliminary Assessment of Expected Impacts</p>
<p>Likely economic impacts</p> <p>No significant impact on the economy, albeit that FRIBS will establish higher quality data on the business economy.</p>
<p>Likely social impacts</p> <p>No significant impact</p>
<p>Likely environmental impacts</p> <p>No significant impact</p>
<p>Likely impacts on simplification and/or administrative burden</p> <p>The legislation of business statistics will be simplified and harmonised, and the administrative burden related to current output requirements can be significantly reduced. The additional administrative burden of FRIBS' new data requirements is expected not to offset the net reduction of the total administrative burden.</p>
<p>Likely impacts on SMEs</p> <p>Burden reduction can be realised (see section <i>Alternative/differentiated scope</i>) and more timely annual data on SME will become available in FRIBS</p>
<p>Likely impacts on competitiveness and innovation</p> <p>No significant impact expected, albeit that the statistical information on competitiveness and innovation will improve in the light of harmonisation with other business statistics and the new data on globalisation.</p>
<p>Likely impacts on public administrations</p> <p>The changes proposed by FRIBS will affect the national data compilers, especially the National Statistical Institutes in terms of investment costs towards the proposed new integrated business statistics. Besides these one-off development costs an increase in annual costs is expected for the maintenance of the new production structure. They may be (partially) off-set by a decrease in costs related to the new Intrastat solutions. Longer term efficiency gains of the new infrastructure (i.e. technological progress) will be difficult to estimate quantitatively and are also very much dependent on the national implementation measures.</p> <p>FRIBS is expected not to have an impact on the EU budget above €5m.</p> <p>Besides data compiling costs public administrations at both national and European level also benefit as data users from the improved quality of business statistics and the enrichment of information in the area of services, globalisation, SME and entrepreneurship. Focussing at the European policy level it can be expected that options D and E should yield, inter alia, the following benefits:</p> <ul style="list-style-type: none"> • Improved accuracy, completeness and comparability of data on employment, on SMEs and on jobs created by new enterprises thus supporting the Commission to monitor the implementation of the European employment strategy to create more and better jobs (DG EMPL); • Improved coverage and timeliness of indicators for structural analysis of business behaviour, their role and their innovativeness in the globalised economy, including information on job creation/losses by businesses as well as births and deaths of businesses per sector thus supporting the Commission's policy to increase the share of manufacturing in the European economy (European Industrial Renaissance), to target the role of SMEs and entrepreneurship for economic growth, innovation, job creation, and social integration in the EU as well as to evaluate the competitiveness of businesses (DG GROW, DG TRADE); • Enhancement of the monitoring of the services economy, i.e. through the introduction of a services indicator for the business cycle analysis to better serve the economic and monetary policy of the European Union and the euro area aimed at sustainable economic growth, a high level of employment and financial stability (DG ECFIN, ECB); • A better ability to monitor the objectives of the Innovation Union initiative and European Research Area (ERA) under the different priorities of the Europe 2020 Strategy (DG RTD), as well as the Union's goals

in the digital age (DG CNECT). The integration of science, technology and innovation within the business statistics framework facilitates this purpose.

- A more complete set of regional indicators, including data on births and deaths of enterprises at regional level, to assist the measurement of the economic and social development of the less-favoured regions within the EU and policies fostering a high level of competitiveness and employment by helping the least prosperous regions and those facing structural difficulties (DG REGIO).

Likely impacts on third countries, international trade or investment

No significant impact, albeit that a significant reduction of the administrative burden is expected for business in international trade.

ANNEX: Explanation of the sub-options E

Option E1: SIMSTAT

Main principles of this option are:

- Collection of intra-EU exports with a coverage requirement;
- Collection of two additional data elements from exporters (ID number of partner operator and country of origin);
- Mandatory exchange of directly identifiable data of intra-EU exports between Member States;
- Possible collection of intra-EU imports (no coverage requirement);
- Possibility to use exchanged data in the compilation of statistics on intra-EU imports;
- Transmission of both flows to Eurostat.

Option E2: Revised Intrastat

This option merges various alternative/supplementary measures for further burden reduction.

Its main principles are:

- Collection of both intra-EU export and imports with reduced coverage rate;
- Either a coverage rate requirement or output-oriented criteria (decision to be made later).
- No additional data elements;
- Optional exchange of indirectly identifiable data and possible use of exchanged data in the compilation of Intra-EU imports;
- Transmission of both flows to Eurostat.

Option E3: Single flow

Its main principles of this option are:

- Collection of intra-EU exports with a coverage requirement;
- No collection of intra-EU imports;
- No additional data elements;
- Optional exchange of indirectly identifiable data;
- Transmission of only one flow (exports) to Eurostat.