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CENTRAL REGISTERS OF ECONOMIC UNITS

Report of the Secretary-General

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## I. INTRODUCTION

1. An increasing number of statistically advanced countries are engaged in work on central registers covering the bulk of their enterprises and/or constituent units. In a few cases, government agencies and private non-profit institutions are, or will be, also included in the registers. Countries are carrying on this work mainly in order to bring about greater co-ordination in the wide range of economic data which they collect and compile and in order to reduce the duplication in, and costs of, making list and gathering data in respect of business and similar economic units. The availability of electronic computer facilities has enhanced the practicability of building, maintaining and using central registers.

2. This paper deals with the plans, practices and experience of the countries which are working on central registers of business and similar economic units with a view to providing for an international exchange of information on this subject.<sup>1/</sup> Discussed first are the aims of constructing the central registers and the uses to which they may be put. Considered next are the kinds of economic units dealt with in the rosters and the types of the statistical unit used for this purpose. That section of the paper also deals with the items of information wanted in respect of the statistical units included in central registers. The third section of

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<sup>1/</sup> The paper is based on detailed information in respect of Australia, Canada, Hungary, Italy, the Netherlands, Norway, Poland, Sweden, the United Kingdom, the United States and Yugoslavia.

this document outlines the sources of information and methods used, and the problems encountered, in building and maintaining the central registers. Sketched last are the types of equipment and records employed in compiling and using the registers.

## II. PURPOSES OF CENTRAL REGISTERS

3. Major aims in building and maintaining central registers of business units are to eliminate, or to avoid, duplication between various inquiries in constructing lists of the units and to ensure comparability and continuity in the data that are gathered and compiled in the inquiries. Not infrequently, different lists have been, or still are, used in gathering the items of data in respect of the same business units, for example the gross output and intermediate consumption, employment and fixed capital formation of establishments, which are sought in inquiries differing in purpose or periodicity. Not only is such duplication wasteful, but some of the data which need to be correlated are likely to be incomparable. This may also be the case where a new list is built each time the same infrequent inquiry is taken. Some of the statistical units may be delineated differently or may be assigned to differing classes of kind of economic activity, size, location, etc. In some instances, the schemes of classification used in respect of kind of economic activity, geographic location, size, etc. may even differ from one inquiry to another, in particular when the inquiries are carried on by different government agencies. The lack of consistency between various inquiries in identifying

and delineating or classifying statistical units may also result in the unwarranted exclusion from, or inclusion in, the inquiries of certain types of units.

4. Central registers are being introduced in place of individual lists in order to strengthen the co-ordination and links between statistical inquiries and series in a number of other respects in addition to those mentioned above. The registers are being designed to delineate the links between the hierarchy of statistical units used, for example the establishments of each legal entity, the legal entity itself and each family of legal entities owned and controlled by the same interests. This is not only furnishes information for purposes of conducting inquiries, for example identifying respondents, distributing questionnaires to them, and controlling and editing their returns. It also supplies the bases for compiling and analyzing data. Statistics which are appropriately gathered in respect of differing statistical units in the hierarchy, for example output figures in respect of establishments and financial data in respect of families of legal entities, can be coupled and compared; and data in respect of the narrower units can be combined into data in respect of the wider units. Information can be compiled from such central registers in respect of the manner in which business activities are organized and the degree to which the control of these activities is concentrated. Some country plan to record changes in the statistical units and the links between them, for example deaths and births, shifts

in ownership, mergers and spinoffs, in their central registers so that information may be compiled on trends in these aspects of the structure of economy.

5. Central registers are also invaluable in putting information gathered in one inquiry to use in another inquiry and in building data banks. The registers can furnish excellent and consistent frames for purposes of drawing samples for various types of surveys and for purposes of applying census and other benchmark data in order to make efficient estimates from the sample surveys. The information in central registers in respect of the kind of economic activity, geographic location, size, etc. of economic units is also useful in assigning reliable codes in respect of these characteristics to questionnaires and other returns in which it is not desirable or practicable to gather all the information for this purpose. A common directory is of course basic to assembling figures from various inquiries concerning the same statistical unit or concerning the differing statistical units of families of units into a data bank.

6. It should be clear from the preceding paragraphs that central registers are designed to be important means of co-ordinating and standardizing the economic inquiries and statistics of a country. Central registers are already been used for this purpose in certain countries. The experience of countries also indicates that centralization of individual lists of economic units into a single register markedly increases the usefulness of these lists in mailing, controlling, classifying and editing question-

naires and in applying the results of an inquiry to carrying out other surveys. In addition, it makes it feasible to use large-capacity electronic computer facilities in building, maintaining and using the roster; and should result in reductions in the costs of taking statistical inquiries.

### III. CONTENT AND CONCEPTS

#### A. Scope

7. In order to serve the purposes outline above, central registers should be as comprehensive as is feasible in respect of the kinds of economic units covered.

##### 1. Enterprises

8. The central registers of the countries studied for purposes of this paper are all designed to cover at least non-agricultural business units. Registers are more urgently required and more easily constructed in respect of non-agricultural units than agricultural units. Non-agricultural units are usually the subject of numerous census and sample inquiries and are, on the average, larger than agricultural units; and combinations of various kinds of non-agricultural establishments into a single enterprise are more frequent than combinations of non-agricultural and agricultural establishments. Identifying and other information for purposes of building and maintaining registers is, in most cases, more available from the administrative records of government bodies, industrial and trade directories, etc. in the case of non-agricultural units than in the case of agricultural units.

9. A number of these countries plan to add agricultural units to their central registers after they have an adequate listing of non-agricultural units. They consider that it will then be advantageous to expand the uses to which the register can be put by including agricultural units. The extension of the register to agricultural units will be of assistance in assigning and standardizing the kind-of-activity classification of units which are on the borderlines between agriculture, on the one hand, and manufacturing or the distributive trades, on the other. The availability of central lists of agricultural units will also facilitate the taking of agricultural censuses and sample surveys.

10. While the countries studied for purposes of this paper do, or plan to, include small, single-unit businesses in their central registers, they devote, or intend to devote, less effort to these units in building and maintaining the registers than to large or multi-unit enterprises. The small, single unit entities are much more numerous than the large or multi-unit enterprises but they account for a much smaller proportion of practically all the series of data sought. Because of this, sample of small single-unit businesses are included in annual or more frequent inquiries, or these enterprises are entirely omitted. These businesses are also much simpler in structure and in range of activities than the large or multi-unit enterprises.

11. Some of the countries under discussion propose to bring their registers up-to-date in respect of small single-unit entities at infrequent intervals



only, in particular when conducting comprehensive economic censuses. They, as well as the countries which intend to maintain their central registers in respect of these units, on a current basis, will mainly rely on records which are a by-product of the administration of certain government agencies for purposes of finding, identifying and classifying the businesses. Infrequent comprehensive economic censuses will serve to verify and amplify the identifying and classifying information obtained from governmental administration. On the other hand, in the case of large or multi-unit enterprises, while using information from governmental administrative records, some countries plan to conduct special annual inquiries in order to keep their register in respect of these units up-to-date and complete. In many cases, the information obtained from administrative records concerning multi-unit or large enterprises is initially verified and amplified by means of special questionnaires.

## 2. Government and private non-profit bodies

12. Australia and Poland include units of government and private non-profit (non-budgetary) bodies in their registry in addition to enterprises. Sweden covers local, but not central, government bodies and private non-profit employers. Lists are required in respect of these units, though not as urgently as in the case of enterprises, for purposes of gathering and compiling data concerning topics such as the services they render, their capital formation and their receipts and disbursements. As in the case of business units, it is advantageous to have a permanent

register of the government and private non-profit units instead of constructing a list anew each time data are sought. While governmental administrative activities can furnish all the information required to build and maintain a central register of government units, more difficult problems arise than in the case of business units in delineating and identifying establishment-type units. On the other hand, much less difficulty is usually encountered in identifying and describing the equivalent of legal entities in the case of government units than in the case of enterprises. Since fewer sources of complete information are likely to be available in respect of private non-profit bodies than in respect of government or business units, the difficulties of including these units in central registers are greater.

B. The statistical and reporting units employed

13. The central registers of most of the countries studied do, or will, delineate and describe in the case of each business, level of government etc., all of the types of statistical units (that is the units in respect of which data are gathered, classified and tabulated) and the reporting units (that is the unit from which the data are sought) commonly used in their various inquiries. In a number of cases, this involves the recording of information in respect of establishments or similar units, legal entities and families of related legal entities and the ties between these units. The United Kingdom plans to delineate, in addition, local and business units. On the other hand, the central registers of Norway and Sweden

cover establishments and their parent legal entities only while the two main registers of the Netherlands are restricted to the kind-of-activity unit and the legal entity, respectively.

1. The establishment

14. The establishment, or a similar unit, is the most frequently used statistical unit in inquiries into the structure and level of production, consumption of raw materials and supplies, stocks and employment. It typically encompasses all the activities carried on at one location, or a number of nearby locations, by a single legal entity. However, when these activities consist of two or more major kinds of activity, an establishment is frequently delineated in respect of each kind of activity if the business is conducted and records are kept so that the range of data sought can be gathered in respect of each of these units. In addition, it is desirable to raise separate establishments in respect of ancillary activities, for example central administrative offices, warehouses, transport pools, which serve several establishments of the parent entity or which are located in a different area than the establishment served.

15. Not infrequently, little, if any, reliable information is available from the administrative records of government bodies, directories of trade associations and the like, concerning the various establishments owned by multi-unit legal entities. This is particularly so in the case of ancillary units which should be treated as distinct establishments. It is therefore frequently necessary to depend on special inquiries and periodic surveys

and censuses in order to delineate and describe the establishments and distinct ancillary units of a multi-unit entity. In the case of these establishments, a central register is invaluable in avoiding unwanted duplication in coverage between different surveys or unwarranted omission from all of the surveys, in particular, in the case of establishments at the borderline in coverage between the inquiries and in the case of ancillary units.

2. The local unit and kind-of-activity unit

16. The local unit embraces all of the activities, whether or not they constitute one major kind of activity, carried on at one location, or a number of nearby locations, by a single legal entity. In most instances the local unit and the establishment are identical. The local unit is often easier to identify and describe from governmental administrative records, trade association lists, etc. or through field enumeration than the establishment. Some countries therefore use the local unit instead of the establishment in comprehensive economic censuses or in gathering data on employment.

17. The kind-of-activity unit encompasses all of the same kind of major activities which are carried on by a single entity, or sometimes a family of entities, at differing location. The business unit of the United Kingdom consists of the same kind of major activities carried on by a family of legal entities. Some countries use the kind-of-activity unit when they find it more difficult, or impracticable, to employ the establishment in

inquiries focussed on data for the country as a whole. Not infrequently, the kind-of-activity unit is used in annual and more frequent surveys of fixed capital formation, sales, new orders and stocks, production and inputs of materials and labour.

18. Though it may be more practicable to use the kind-of-activity unit than the establishment in certain inquiries, it is generally more difficult to delineate the former statistical unit. Information concerning the kind-of-activity unit is unlikely to be available from the administrative records of government, manufacturers' or trade association lists, telephone directories, etc. It will usually be necessary to send special questionnaires to the main offices of legal entities, or of families of these entities, in order to define and describe these units initially and to depend on periodic inquiries in order to keep this information up-to-date. Furthermore, some companies will not be organized so that kind-of-activity units (lines of business, divisions) are distinguished; and it will then be necessary to use establishments as statistical units. In any case, if kind-of-activity units are used, the links between these units and the establishments should be delineated. This will furnish the basis of coupling data on such topics as the fixed capital formation or stocks of kind-of-activity units and the production of establishments or of linking annual or more frequent data concerning the former units with quinquennial or less frequent data concerning the latter units.

### 3. The legal entity

19. The legal entity in the case of a market economy may be a corporation, joint stock company, co-operative association, partnership, individual proprietorship, incorporated private non-profit association or organ of government. It owns property, enters into contracts, receives and disposes of income and maintains independent accounts. The equivalent in the case of a centrally planned economy is known as the enterprise, non-budgetary organization or the state budget. The legal entity may consist of a number of kind-of-activity units, local units and establishments. The legal entity is frequently used as the reporting unit in the case of various types of inquiries and the statistical unit in the case of profit-and-loss, balance-sheet and other financial data. It is frequently a useful statistical unit for purposes of linking data collected in special statistical surveys with information gathered in administering government agencies.

20. The legal entity is the unit which is usually identified and described in the administrative records of government, directories of private bodies such as trade associations, chambers of commerce, credit reporting agencies and telephone books. The information obtained from these sources, in particular, government records, has often been found to be adequate for purposes of building and maintaining central registers in the case of small single-unit, but not large multi-unit, legal entities. In the latter case, it is necessary not only to gather additional information in order to delineate the establishments, kind-of-activity units or local units of

each legal entity, but also to verify and amplify the identifying information obtained in view of the heavy weight of the enterprises in various statistical series.

4. The family of legal entities

21. The family of legal entities in the case of a market economy consists of a group of entities which are owned or controlled by the same interests. Common ownership or control might be defined to exist where the majority, that is 50 percent or more, of the equity of each legal entity is owned by the same interests. In some instances, the same interests may control a group of legal entities though they own less than 50 percent of the equity of some of these entities. This control may be indicated by the preparation of consolidated profit-and-loss and balance-sheet statements for the group as a whole. The equivalent of the family of legal entities in the case of a centrally planned economy is the combine, trust or similar grouping of enterprises. A combine or trust may be made up of enterprises engaged in various stages in a chain of production, in the output of differing classes of goods in which similar materials are used, or in the production of the same goods.

22. Since such activities as the disposition of the income, investment and sources of finance of a family of legal entities will be controlled and managed in common, the family of legal entities is, on the whole, the most appropriate statistical unit for purposes of gathering and compiling financial statistics. In the countries where financial reports to governmental

administrative bodies relate to the family of legal entities, the families are of course the suitable unit for coupling these data with figures gathered in special surveys. Since ancillary services such as central administrative offices, building and land management, warehousing, of families of legal entities may be individual legal entities, the use of the family as a statistical unit will facilitate the identification and appropriate classification and treatment of these ancillary units.

23. In order to delineate families of legal entities, the links of ownership between individual legal entities must of course be traced. In the case of some countries, business enterprises are either required, or induced to reveal these links by preparing consolidated profit-and-loss and balance-sheet statements or similar documents by such laws and regulations as company, public disclosure, anti-trust and, or income-tax acts. Where families of legal entities can not be delineated from governmental administrative records, it will be essential to request each legal entity to submit identifying information in respect of (i) any other legal entities which it owns and controls and (ii) any legal entity which owns and controls it. It may, in any case, be necessary to carry out such a survey in order to verify and amplify the information available from governmental administration. However, inquiries of this type may not be too successful in countries where businesses are neither required, nor make it the practice, to reveal the ties of ownership between legal entities by preparing consolidated financial statements or similar documents.



C. The information recorded in respect of  
statistical and reporting units

1. Identification

24. National practices indicate that the identifying information recorded in central or other registers in respect of each statistical and reporting unit included is designed to serve a number of purposes. The entries in respect of name and address should not only identify each unit uniquely, but also indicate its physical location and special address and names, if any, for mailing out questionnaires and other materials when the unit is the contact for this purpose. At least the legal and trading names of each unit should be shown. In the case of establishments which are subdivisions of a local unit, it is essential to supplement these names and the address of the physical location with further identifying information, such as the type of works and building or floor number. In order to identify families of legal entities, it may be necessary to use special descriptions, such as "the Jones Group of Industries", in addition to the legal name and trade name, if any, of the holding or top company.

25. In most instances, a number is assigned to each statistical and reporting units which, in addition to identifying it, indicates the type of unit and its links with other units. Given segments of the number are, for example, used for purposes of identifying the family of legal entities, the legal entity, the establishment, etc. The first segment of the number of each of these units might be a unique number assigned to each family of

legal entities; the second segment might be a unique number assigned to each legal entity; and the third segment of this number might be the consecutive number of the establishment within each of the legal entities. In the case of families of one legal entity only, zeros might be entered in the segment of the identifying number for a family of legal entities. The same procedure could be followed in the segment of the number for establishments in the case of legal entities consisting of one establishment only. While this approach has the advantage of shortening the length of the identifying number, it has disadvantages in tracing the continuity, birth and death of establishments, irrespective of changes in ownership and, or control. For this purpose, it is desirable to assign a unique number to each establishment, as well as to the legal entity and family of entities. Most of the countries studied do, or will do, this.

## 2. Classifying and other statistical information

26. The central registers of the countries studied show, or will show, codes in respect of the following principal items of classifying information concerning the statistical units used.

- i. The kind of economic activity of each statistical unit.
- ii. The area of location of establishments and, or local units.

In some cases, more than one scheme of classification is used for this purpose, for example, classification according to administrative, geographic and economic areas.

- iii. The size of the statistical units. The common measures of size are the number of persons employed in the case of establishments, local units and kind-of-activity units and value of sales in the case of legal entities and families of legal entities. The value of sales or shipments or of production is sometimes also used in the case of the former types of statistical units.
- iv. The form of legal organization, for example, individual proprietorship, partnership, joint stock company, co-operative, private non-profit institution, level of government, in the case of legal entities.
- v. Whether or not the establishment and, or local unit is an ancillary unit; and if so, the major type of ancillary activity it carries on.
- vi. Whether or not the establishment, local unit and, or kind-of-activity unit is part of a single or multi-unit enterprise (legal entity and, or family of legal entities) and whether or not the enterprise is a single or multi-unit.

These items of information are of course basic for purposes of (i) identifying the units to be covered in various type of inquiries, (ii) designing sample surveys, selecting respondents for these inquiries and making estimates from the data gathered, and (iii) assigning codes in respect of the principal classifications used in economic inquiries. The items,

coupled with the information discussed in paragraph 25 above concerning the links between the hierarchy of statistical units covered in a central register, are also valuable for purposes of describing the structure of economic activity.

27. For purposes of delineating changes in the structure of economic activity and of controlling additions to, and deletions from, the central register as well, a few countries enter, or propose to enter, in their registers, information on birth, death and succession of business units and on whether or not live units are actually operating. This involves indicating the dates on which establishments, local units, legal entities and families of legal entities were born, started operations, ceased to exist, or were sold or purchased and the identity of the purchaser or seller, respectively. Not infrequently, it is difficult to determine whether a given establishment, local unit, legal entity or family of entities is, in fact, a new unit or a successor to a preceding unit or whether it went out of existence or was sold. This is so particularly because portions of units may be purchased and sold or may go out of business or be expanded. Because the combination of establishments making up a kind-of-activity unit may be frequently changed for administrative reasons, it will often be impracticable to define the dates of these events in their case. The records of statistical units which have ceased to exist or been sold are usually retired to the historical files of the central register. A number of the countries studied also include the out-dated records of existing statistical units in these files.

### 3. Operating information

28. In order to facilitate the work on, and use of, the central register, some of the countries studied include operating information in their roster for purposes of (i) determining the basis on which, and when, changes are introduced, (ii) producing listings against which to screen and control potential additions to, changes in, and removals from, the active registry files and (iii) selecting respondents for various inquiries and mailing out, and controlling the receipt of, and editing the relevant questionnaires.

#### a. Codes in respect of source of information

29. Data concerning the source from which, and when, changes are introduced in the central register are valuable for purposes of screening, verifying and checking these changes and evaluating the reliability and usefulness of the various sources of information in respect of alterations in the files. For these purposes, some countries enter (i) the source (e.g., name of governmental agency, kind of notification) of the information leading to the change, (ii) the type of record from which, and on which, the notification came, (iii) the identification number, if any, of the statistical or reporting unit given in the notification, (iv) the type of alteration and (v) the date of the change.

#### b. Special codes for making listings

30. The experience in maintaining registers indicates that it is advantageous to have listing, or card files, of statistical and reporting units, at least in alphabetic order, address order, and identification-

number order, for purposes of determining whether the unit for which new information is obtained, and the new information itself, is already included in the active or historical files. In order to produce these print-outs efficiently on electronic computer equipment, some countries have introduced special codes in respect of the alphabetic ordering of the legal, trade and other identifying names and the geographic order of addresses. In the case of the central register of the United States, part of the identification number assigned to each establishment indicates the alphabetic order of its name. Where the registry records show an identification number for the unit, or units, that are used by a government body which regularly supplies information for the roster, for example a social security or enterprise registration agency, lists are generally produced arranged according to this number, as well as according to the central registry identification number.

c. Special codes for mailing and processing questionnaires

31. Some countries include codes in their registry records in respect of (i) whether the unit is a statistical and reporting unit, a statistical unit only, cross-referenced to the reporting unit, or a reporting unit only, cross-referenced to the statistical units involved, (ii) the type of statistical unit, (iii) the inquiries in which each statistical and reporting unit is to be covered and (iv) the types of questionnaires to be completed in each case. These codes facilitate the use of the central registry in addressing and mailing out questionnaires, preparing lists for

policing the return of questionnaires, and using the records in editing and correcting deficiencies in the returns. The codes concerning the relevant inquiries and questionnaires in the use of each unit are also of assistance in selecting respondents for, and making estimates from, sample surveys.

#### IV. SOURCES AND METHODS IN BUILDING AND MAINTAINING CENTRAL REGISTERS

##### 1. Building the registers

###### a. Sources of information

32. In order to construct central registers which are as complete in coverage as is possible, countries usually gather information concerning candidates for inclusion from as many sources as is feasible. They of course draw on the piece-meal registers which have been used in statistical inquiries. However, in most instances, the combined scope of these lists falls short of that of the central register; and some of the lists may be out-of-date. In particular, this is the case in respect of small businesses and kinds of economic activity such as agriculture, construction, the distributive and service trades, transport and finance. Recourse is therefore taken to the records which result from the administration of government agencies in a number of instances and to business directories in some instances. So that these sources of information may be used effectively and efficiently, the records should be relatively complete and up-to-date in respect of the kind of units they are designed to cover; and should furnish reliable information concerning the name(s) and address(es),

the type, the major kind of activity and the rough size of each unit.

The records of the tax collecting, social security, registration, licensing or regulatory agencies of government have frequently furnished such usable information. The directories of private credit-rating services and business and trade associations have proved to be useful in certain instances.

b. Methods and procedures

33. The first step in building the central register from records obtained from a number of source is to merge the records into a single, largely unduplicated file. This involves the difficult task of matching the names and addresses and, perhaps, kind of major activity of the candidates for inclusion in the register. Duplicates are usually considered to occur when the same name, allowing for accidental differences in the spelling or the length of name, and the same address appear in two or more of the records. Matching is required in respect of both since the names of the different establishment of the same legal entity may be the same but the addresses will, in most cases, be different. The address is also a more precise means of making comparisons than the name. As a result, it is generally more efficient to compare addresses, first, and names, second. In any case, the rules for identifying matches in the records should be stringent enough to make the probability high that matches are duplicates.

34. Thus, the merged records are likely to contain a certain amount of duplication. Moreover, the merged records can not be expected to furnish



reliable information in respect of all of the items wanted for purposes of the central register. For example, the various establishments, kind-of-activity units or local units of the same legal entity may not be identified in the records obtained from government agencies or private directories. The records from the piece-meal registers set up for specific statistical inquiries may not identify fully, if at all, multi-unit legal entities, or families of entities, or delineate the ties between these entities and their constituent establishments, local units or kind-of-activity units. Further, the classification of units according to kind of major activity or size in the records from governmental administrative agencies or private directories will often be too inaccurate or incomplete for purposes of the central register.

35. The collection of questionnaires in order to supplement and verify the information compiled from the sources outlined above is therefore an important second step in setting up a central register. In particular, it has been found essential to carry out such a canvass in the case of large and multi-unit legal entities and large establishments or local units. Country practice is to devote sections of the same questionnaire, or even separate schedules, to gathering information about each class of unit in the hierarchy of units to be used in the central register, for example legal entities, families of legal entities and establishments and/or local units, since the queries in respect of each class of units should differ in certain respects. For instance, legal entities would

be asked (i) whether they are owned and controlled by another legal entity and if so, the names and address of the parent legal entity, (ii) whether they own and control other legal entities and if so, the names and addresses of their subsidiaries and (iii) to list the name and physical location of the establishments or local units they own or control, separating the head office and other ancillaries. On the other hand, establishments or local units might be asked to indicate (i) the name and address of the owning or controlling legal entity and (ii) whether or not the parent entity owns or controls other establishments. Value of sales might be used as a measure of size in the case of legal entities but number of persons engaged might be used in the case of establishments or local units. While the kind of economic activity of the legal entity or family of entities should be determined from a listing of the major kind of activity and size of the constituent establishments or local units, the kind of activity of the latter should be based on the major products made and/or services rendered.

36. Returned questionnaires should be coupled with the records from which they were originated; and the documents in respect of each family of legal entities and/or the entities themselves and their constituent establishments and/or local units should be grouped together for purposes of editing and coding. This procedure (i) permits checking of the completed questionnaires, one against the other (ii) brings together the information required in order to delineate statistical and reporting units and the links between

them, and (iii) puts together the maximum amount of information for purposes of classification according to major kind-of-activity, location and size. It should be feasible to define kind-of-activity units, as well as the other types of statistical units, and reporting units in the case of each group of questionnaire. It may be necessary to make field visits in order to disentangle some complex situations, for example, to determine whether it is feasible to subdivide certain local units into establishments or whether it is desirable and practicable to gather data in respect of kind-of-activity units instead of establishments.

## 2. Maintaining the registers

### a. Sources of information

37. Annual or more frequent statistical inquiries are the most efficient source of information in respect of changes in the characteristics or death of units included in the central register. The questionnaires used in these inquiries might be prefilled from the central register to show the identity and industrial location, size, etc. classifications of respondents. These items of information may then be easily altered in the registry records in the light of the changes indicated by the results of the inquiry. However, small establishments or enterprises are often omitted from these inquiries, or dealt with on a sample basis only; and the inquiries may yield little, if any, information concerning births of units or alterations in the links between units.

38. Recourse is therefore necessary to records which are a by-product of governmental administration in order to be notified of births or of changes

in the small units and, not infrequently, to special canvasses in order to keep informed concerning shifts in the links between the various statistical units used. Some of the countries studied consider it worthwhile to introduce changes in their registers in respect of small units at infrequent intervals only, while other countries plan to maintain their registry records in respect of these units on a current basis. Nonetheless, if the former countries include samples of small units in their inquiries, they will find it necessary to have notices of the births of such units in order to include a sample of these births in the inquiries. All countries plan to rely largely on governmental administrative records for purposes of bringing the information in their central registry concerning small units up-to-date, and a number of the countries studied rely on the same source of information in the case of large units. A few of the countries studied propose to conduct special canvasses in order to keep their central registry up-to-date in respect of large, multi-unit businesses. These canvasses are being planned primarily in order to verify and amplify information from governmental administrative records in respect of the birth of these units and in order to delineate the current make-up of families of legal entities and of the legal entities themselves.

39. In order to use government administrative records efficiently for purposes of maintaining their central registers, the countries studied tend to rely on a single, relatively reliable source of the required information. A number of the market-economy countries studied find the

records of a tax-collecting or social security agency the most suitable source for this purpose. In some instances, the statistical authorities has been able to induce the tax or social security agency to add queries to the reports filed with it which are designed to enhance the value of the reports for purposes of maintaining registries of businesses.

b. Methods and procedures

40. The inclusion of registry data in all questionnaires which are distributed in the course of statistical inquiries greatly facilitates (i) the collection through these inquiries, of information concerning alterations in these items and deaths among respondents and (ii) the introduction of these changes into the registry records. It is however necessary to devise special methods and materials for purposes of identifying and verifying changes which should be made in the registry records in the case of information which is obtained through governmental administration or from other sources only.

41. Notices from these sources must be screened against the central registry records in order to select the notifications which indicate potential alteration in the records, and at least, in case of large units these alterations should probably be verified and/or amplified by collecting special questionnaires. For the first purpose, countries make lists or maintain card files of the legal entities and the establishments and/or local units in the active and historic files of their central registry, arranged (i) in alphabetic order of legal name and perhaps trade or similar

names, (ii) in area, street, road, etc. and address number order, (iii) in the order of the identification number, if any, used by the government administrative agency, or agencies, originating the notifications and (iv) in the order of the registry identification number. One of these listings only, preferably the listing in registry identification number order, need contain all of the items of information in respect of each unit in the central registry. The other listings might show in addition to the registry identification number only, the items of information which are required in order to match the unit dealt with in the notification against the units in the central registry. The special questionnaires which are sent out when it is necessary to verify and amplify the information in notifications received from governmental administration should cover all of the items of information required for the central registry but be simple to answer.

42. In altering items of information in respect of units already included in the active file of the registry, questions arise as to whether the alteration warrants the making of a new records and removing the existing records to the historical file or only substituting the new information for the old in the existing record. In general, it seems desirable to follow the former procedure in the case of changes in the legal name, address or kind of economic activity of a unit or in its parent legal entity or family of entities. Keeping the outdated record intact will provide information for purposes of detailed studies of trends in the structure of business, and investigations into the content of old statistical inquiries.

## V. CENTRAL REGISTRY EQUIPMENT AND RECORDS

### A. Equipment

43. The central registers of the countries studied are, or will be, recorded on magnetic tape and involve, or will involve, the use of an electronic computing facility. Some of these countries have indicated that they would not find it feasible to undertake the task of a central register without such equipment.

### B. Records

44. As has been indicated above, the central registry should be divided into active and historical files. In view of the differences in the content of the items of identifying, operating and classifying information that are wanted in respect of establishments and/or local units, including ancillaries, kind-of-activity units, legal entities and the family of legal entities, it is advantageous to use differing formats in recording the items on magnetic tape, or other means, in respect of each level in the hierarchy of statistical units. In addition, since in the case of multi-unit enterprises, questionnaires may be gathered in respect of all the constituent units from a single reporting unit, still another format is required in order to record the required information in respect of the reporting unit. In order to facilitate identification of these differing units, the records in respect of each should include a code concerning the type of unit in question.

45. The type of listings, or card files, of the various units which are needed for purposes of screening notification from governmental administrative

agencies or other sources in respect of their birth or death or changes in their characteristics has been discussed above. It is also desirable to have special forms for purposes of giving instructions concerning the alteration which should be introduced into the registry. As in the case of the registry records, a special alteration form might be used in respect of each type of statistical unit and in respect of reporting units. The items of information provided for in each type of form might be the same as the items included in the corresponding type of registry record. In addition, the alteration form should contain (i) items for purposes of indicating whether the alteration form concerns a birth of a new unit, rebirth of a historical registry record, or death, replacement or amendment of an active registry records and (ii) items for purposes of recording the flow of the form through the stages of processing.