

A blueprint for a data sharing framework: the case of the *Simplified Corporate Information*

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BANCO DE
PORTUGAL
EUROSYSTEM

Decoding two acronyms...



Central Balance Sheet Office



Portuguese acronym for
Simplified Corporate Information
(*Informação Empresarial Simplificada*)



WHY

IS IT SO IMPORTANT TO HAVE A CBSO?

Advantages and potential uses

Updating business registers

Producing a comprehensive set of statistics about non-financial corporations

Measuring the non-financial corporations sector for national accounts (financial and non-financial)

Compiling some components of the Balance of Payments and International Investment Position Statistics

Producing sector benchmarks and providing companies with valuable indicators for decision-making

Supplying relevant information for several central bank functions – financial stability, economic research, risk management, ...

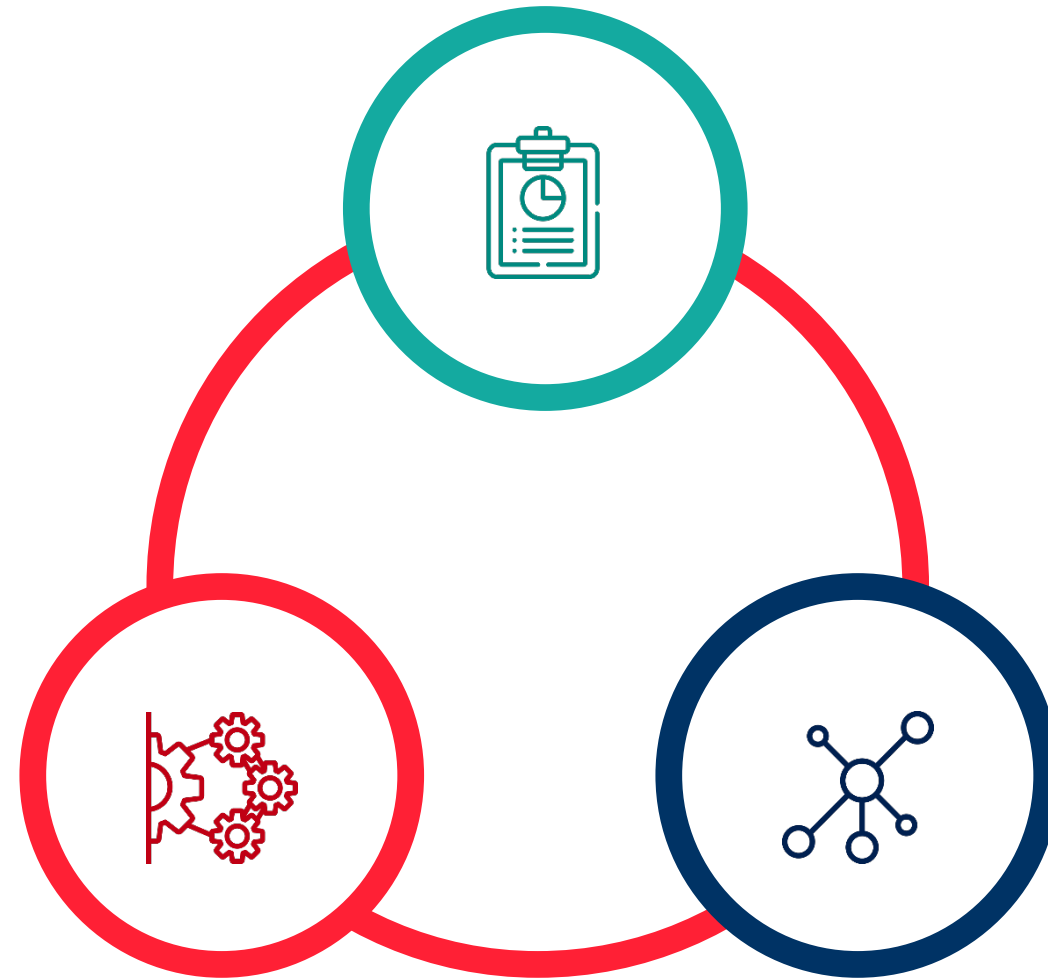


Annual census data on the corporations' financial statements

Ideally

how should CBSOs be implemented to fully reap these benefits?

Core characteristics



Integrated and fully electronic reporting serving multipurposes

Data sharing among the relevant stakeholders



WHAT

IS IES?

The Portuguese simplified reporting system for corporate information, launched in 2007.

An **innovative reporting scheme** that allows companies to fulfil four different reporting obligations, to four distinct public entities, through **one single electronic submission** and **at one moment in time**.

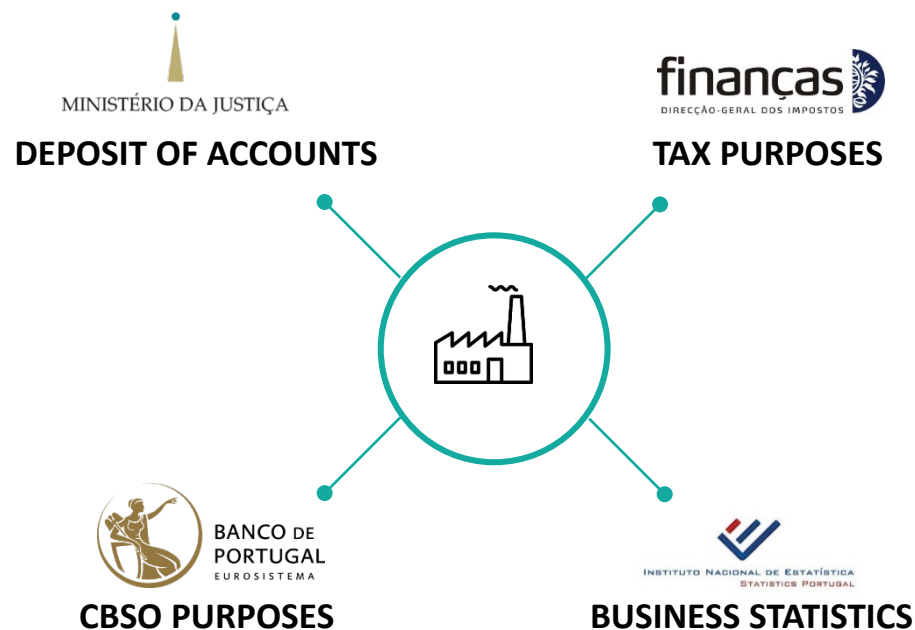
An **entirely paper-free** submission of information of accounting, fiscal and statistical natures that companies have to remit to the Ministry of Justice, the Ministry of Finance, the National Statistical Institute and the *Banco de Portugal*.



01

BEFORE IES

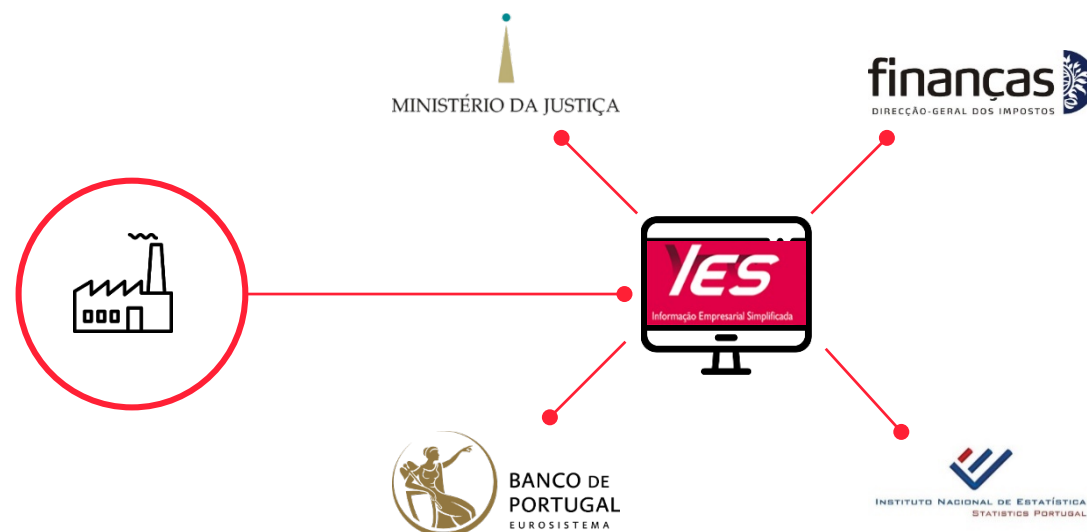
Companies were obliged to submit **4 DIFFERENT REPORTS** for different purposes



02

AFTER IES

1 SINGLE REPORT



MAIN DRIVERS FOR THE DEVELOPMENT OF THE IES SYSTEM

INCREASING THE EFFICIENCY OF THE REPORTING PROCESS

- Reducing the reporting burden for companies
- Simplifying various statutory obligations

IMPROVING THE QUALITY OF STATISTICS AS A PUBLIC GOOD

- Complete coverage of the NFC population (census information)
- Contributing to better evidence based decision-making by all economic agents and Authorities

MINIMIZING THE COSTS FOR THE PUBLIC ADMINISTRATION

- Optimizing the use of public resources by following a true approach of shared solutions between Authorities

MINIMIZING THE COST OF CHANGE

- Reducing the impact to users
- Ensuring a smooth transition from the previous system





HOW

DID WE GET THERE?

INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

IDENTIFICATION OF PARTNERS

- ✓ Establish partnership agreements with relevant institutions to promote the project (e.g. Central Bank, National Statistics Institute and Ministry of Finance)
- ✓ Seek the feedback of companies on the project's plans (e.g. through Business Associations or Professional Groups)
- ✓ Create a Project Team with all the relevant stakeholders and a high-level Steering Group



INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

SETTING OBJECTIVES ACCORDING TO THE INFORMATION'S PURPOSE

IN OUR CASE...



- Building a Central Balance Sheet Data Office
- Compiling Financial Accounts
- Supporting the compilation of Balance of Payments



- Compiling Non-Financial Accounts
- Producing Business Statistics



- Tax enforcement



- Shared business register for different public purposes (e.g. date of creation, social object, sector of economic activity, mergers & acquisitions, economic groups)

INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

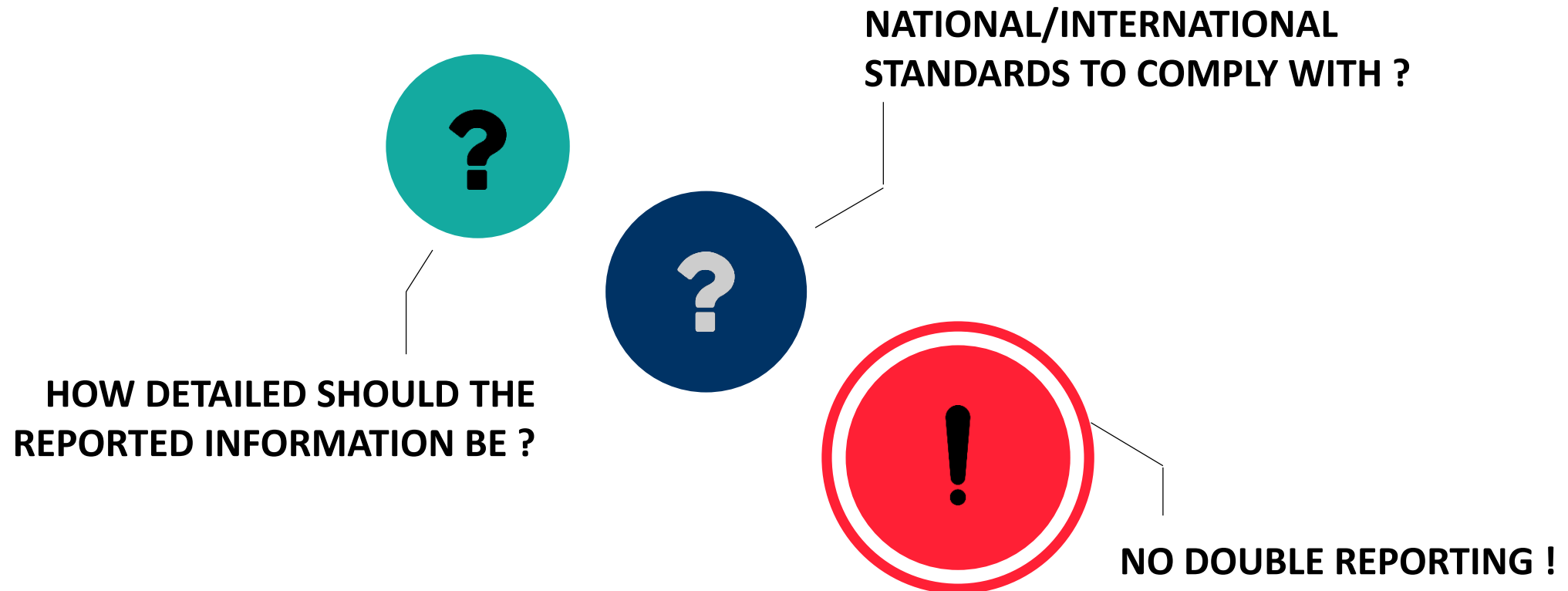
STEP 4

STEP 5

STEP 6

STEP 7

IDENTIFICATION OF THE INFORMATION TO BE SUBMITTED BY COMPANIES TO THE NEW INTEGRATED SYSTEM, TO FULFIL THE OBJECTIVES OF STEP 2



INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

DEFINITION OF THE TRANSMISSION CHANNEL AND THE ENTITY IN CHARGE OF THE CENTRALIZED MANAGEMENT OF THE DATABASE

- ✓ Define which reporting mechanism should be favoured (best practices recommend an exclusively electronic system)
- ✓ Define the workflow and responsibilities for the reporting process: Who receives the data? Who is responsible for the management of the data? Who is responsible for sharing the data?
- ✓ Incorporate the feedback of ERP software companies, with a view to integrate the report in such software solutions



INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

STEP 4

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STEP 6

STEP 7

PROVISION OF APPROPRIATE LEGAL SUPPORT

- ✓ Draft, approve and publish the legal basis for the new reporting system
- ✓ The legal act should define the report's obligations, coverage, periodicity, deadlines and non-compliance framework
- ✓ Establish a protocol for the sharing of information **and costs** between institutions



INDICATIVE ROADMAP

STEP 1

STEP 2

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STEP 6

STEP 7

**DEVELOPMENT OF AN IT SOLUTION TO THE DATA TRANSMISSION
AND THE MANAGEMENT OF THE CENTRALIZED DATABASE**

- ✓ Develop a common IT reporting tool
- ✓ Each entity should create specific data exploration tools, in accordance with their own needs



INDICATIVE ROADMAP

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

GO-LIVE

- ✓ Decide, with all relevant stakeholders, the go-live date well in advance!
- ✓ Baptize the new reporting system 😊
It should be simple, appealing and catchy!



INDICATIVE ROADMAP

SETTING THE OBJECTIVES OF ALL INTERESTED PARTIES

DEFINITION OF THE TRANSMISSION CHANNEL AND THE ENTITY IN CHARGE OF THE CENTRALIZED MANAGEMENT OF THE DATABASE

DEVELOPMENT OF AN IT SOLUTION FOR THE SYSTEM AND INVOLVEMENT OF ERP SOFTWARE FIRMS

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5

STEP 6

STEP 7

IDENTIFICATION OF PARTNERS

IDENTIFICATION OF THE INFORMATION TO BE SUBMITTED TO FULFILL THE MULTIPLE PURPOSES OF THE PARTIES

PROVISION OF THE APPROPRIATE LEGAL ACTS

GO-LIVE



CRITICAL FACTORS FOR THE SUCCESS OF IES

POLITICAL COMMITMENT

FINANCIAL SUPPORT

INCLUSION OF MULTIPLE NEEDS

INITIATIVE,
PERSISTENCE AND
FLEXIBILITY, TO
CHANGE AND
THINK GLOBALLY

ELECTRONIC SUBMISSION

EARLY
INVOLVEMENT
AND CLOSE
COOPERATION
AMONG ALL
PLAYERS

INVESTMENT IN
ADVANCED EXPERTISE:
INFORMATION
WORKFLOWS, SKILLED
HUMAN RESOURCES AND
IT SYSTEMS

EXTENSIVE USE OF
ADMINISTRATIVE DATA FOR
STATISTICAL PURPOSES

SIGNIFICANT REDUCTION OF THE
COMPANIES' REPORTING
BURDEN



FINAL REMARKS

- **IES** was not possible without a **strong political commitment** as it challenged the traditional data-silos landscape among public Authorities
- It represented the triumph of a **data-sharing approach** to create an optimal solution for companies to fulfil a number of legal reporting obligations and saving public resources





THANK YOU