

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CENTRAL STATISTICS OFFICE



Central Statistics Office
An Phríomh-Oifig Staidrimh

AND

THE OFFICE OF THE REVENUE COMMISSIONERS



JULY 2009

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Revenue Mandate and Mission

Revenue is the Irish Tax and Customs Administration. It is responsible for the administration, assessment and collection of taxes and duties and the implementation of Customs law. Its mission is to serve the community by fairly and efficiently collecting taxes and duties and implementing Customs controls.

Central Statistics Office (CSO) Mandate and Mission

The CSO's mandate, as set out in the Statistics Act 1993 is:

"the collection, compilation, extraction and dissemination for statistical purposes of information relating to economic, social and general activities and conditions in the State"

The CSO is also responsible for co-ordinating official statistics of other public authorities and for developing the statistical potential of administrative records.

Statistical Potential of Administrative Records

Revenue collects a wide range of data from the administration of taxes and duties for which it has responsibility. The data are required for a number of reasons, namely, the calculation of tax liability and/or repayment, fulfilment of statutory obligations and to support risk analysis.

The CSO, with the cooperation of Revenue, has conducted an examination of the statistical potential of taxation, duty and trade data collected by the Revenue Commissioners. The key driver for this work is the need to maximise the use of administrative data for statistical purposes in order to reduce the overall administrative burden on businesses and generate enhanced statistical outputs in support of evidence-based policy making.

Adoption of Memorandum of Understanding

The report *Statistical Potential of Administrative Records - An Examination of Data Holdings in the Office of the Revenue Commissioners*¹ (the SPAR report) was published in February 2009.

Enhanced data cooperation between the two Offices, with a view to eliminating or minimising duplication in data submission, has the potential to reduce the administrative burden on business.

Both organisations are committed to advancing the recommendations of the SPAR report and, while conscious of potential resource implications, will seek to implement all feasible recommendations.

¹ http://www.cso.ie/releasespublications/documents/corporate%20publications/CSO_Revenue%20SPAR.pdf

It is against this backdrop that the CSO and Revenue have adopted this Memorandum of Understanding (MoU). Other aspects relevant to the adoption of the MoU are as follows:

- The Statistics Act, 1993, which provides for the collection, compilation, extraction, and dissemination of official statistics, and in particular sections 30 and 31 relating to the use of records of public authorities for statistical purposes;
- The strategy articulated in the National Statistics Board (NSB) report *Strategy for Statistics 2003-2008*² to support the development of Ireland's statistical system through a more systematic use of administrative records as a primary source of official statistics;
- The content of Revenue's Data Strategy (February 2008)³;
- The growing need to maximise the use of administrative data for statistical purposes in order to reduce the overall administrative burden on businesses and generate enhanced statistical outputs in support of evidence-based policy making;
- The recommendation from the Business Regulation Forum, in April 2007, that an administrative burden reduction programme should be introduced in Ireland, and the associated work programme which has emerged from the High Level Group on Business Regulation⁴;
- The adoption by Government of a target to reduce the administrative burden of regulations on business by 25% by 2012⁵;
- The proposal from the European Statistics Code of Practice that administrative sources of data be used wherever possible to avoid duplicating requests for information; and
- The establishment by the European Commission of an EU Action Programme for reducing administrative burdens.

In accordance with the foregoing conditions and objectives, the CSO is realigning its processes to ensure a more systematic use of statistical data originating in the Office of the Revenue Commissioners.

² http://www.nsb.ie/pdf_docs/StrategyforStatistics2003-2008.pdf

³ <http://www.revenue.ie/en/about/publications/data-strategy.pdf>

⁴ <http://www.entemp.ie/publications/commerce/2008/HLGReport.pdf>

⁵ Government decision of March 2008.

General

1. Revenue will continue to provide data to the CSO for statistical purposes in accordance with the terms of the Statistics Act, 1993. A number of data files⁶ are currently provided by Revenue to the CSO. A list of these files will be maintained by both Offices. Revenue acknowledges the requirement by the CSO to continue to receive these files and undertakes to provide these data at the required frequency. Revenue and the CSO agree that this list of data files shall be periodically reviewed and amendments thereto shall be made with the consent of the Liaison Group (see Paragraph 7 below).
2. The CSO shall use the data provided by Revenue for statistical purposes only, in accordance with the Statistics Act, 1993 and EU statistical law.
3. The CSO will ensure that all linking of Revenue data with other data sources, both CSO and non-CSO, will be carried out in accordance with the CSO Data Protocol⁷.
4. Revenue acknowledges a stakeholder role for the CSO in those Revenue data holdings required as inputs into statistical processing. At the same time, the CSO acknowledges that the primary purpose of Revenue data is for tax and duty collection purposes.

CSO/Revenue Liaison Group

5. The CSO and Revenue shall establish the CSO/Revenue Liaison Group as a formal, high-level mechanism for consultation and communication between both Offices.
6. It shall be the responsibility of the Liaison Group to consider all data matters and related issues of mutual interest.
7. The Liaison Group shall be the sign-off authority on existing transfers of data and on all new data transfer requests arising in the future. The two Offices will maintain a list of data files currently provided by Revenue to the CSO. Changes to this list, and the composition of the data files thereon, shall be agreed between the Revenue Liaison Officer and the CSO Liaison Officer referred to in Paragraph 12 here under, with final approval resting with the Liaison Group.
8. The Liaison Group shall consider any proposed changes to availability or scope (range and level) of Revenue data which could potentially impact on the CSO in carrying out their mandate.

⁶ In this agreement, “file” and “data file” shall be understood to mean any collection of data or information held at unit, tax entity, or record level.

⁷ http://www.cso.ie/aboutus/data_protocol/data_protocol.htm

9. The Liaison Group shall address matters of data protection, in accordance with the Statistics Act and the Data Protection Acts, and regularly review the security of data transfer and storage mechanisms. Responsibility for approving data transfer mechanisms shall rest with the Liaison Group.
10. The Liaison Group shall appoint, as required, *ad hoc* working groups to investigate issues arising; such working groups shall report to the Liaison Group.
11. The Liaison Group shall meet on at least two occasions each year and shall be chaired alternately by Revenue and the CSO at Assistant Secretary/Director level.

Data Protection

12. The CSO shall appoint a Liaison Officer as the main point of contact with Revenue; this role shall encompass a Data Custodian function, with responsibility for the management and use of Revenue data by the CSO. Revenue shall likewise appoint a Liaison Officer as the main point of contact with the CSO.
13. The CSO and Revenue shall maintain the appropriate infrastructure to ensure the secure transfer of data.
14. All current data transfers are considered authorised by the CSO/Revenue Liaison Group and shall continue to take place between the relevant areas of Revenue and the CSO Liaison Officer, except in a very limited number of cases, such as External Trade data, where the data transfers shall continue to take place on the pre-existing basis in accordance with long-established practice.
15. All new requests for data transfer and amendments to existing data transfers will be submitted through the Liaison Officers and will be considered and authorised by the Liaison Group, taking into account the relevant resource implications. When authorised, the data transfer will take place between the relevant area of Revenue and the CSO Liaison Officer. The list of data files provided to the CSO will be updated by the Liaison Officers.
16. Revenue will ensure that data will only be exchanged between Revenue and the CSO using secure transfer routes as set out in Revenue's Operational Instruction O.I. 2008 No. 40.
17. The CSO undertakes that all data received from Revenue shall be treated as strictly confidential and shall be used for statistical purposes only, in accordance with national and EU statistical law, and also in conformity with the Data Protection Acts.
18. The CSO shall maintain the appropriate infrastructure to ensure the secure storage of data.

Statistical Quality

19. Revenue and the CSO agree to cooperate in examining the quality and appropriateness of Revenue data for statistical purposes. Recommendations towards improvement in the statistical quality of Revenue data will be considered by the Liaison Group and implemented where feasible.

Revenue Requirements

20. The CSO acknowledges that Revenue has statistical requirements, and agrees, where feasible and in line with the Statistics Act, 1993, to try to meet these requirements by providing statistical analyses of CSO data and other administrative data holdings in the form of non-confidential, aggregate-level data.

Recommendations of the SPAR report

21. Revenue and the CSO agree to advance the recommendations enumerated in the SPAR report and, in particular, to progress where feasible the objectives described in Paragraphs 22, 23 and 24 here under.
22. The CSO and Revenue shall explore the possibility of the development of a single business registration process, as this would lead to the elimination of a CSO survey to new businesses and thus reduce the overall administrative burden placed on Irish businesses.
23. The CSO and Revenue shall work towards the adoption of a common business identifier (probably an existing Revenue number), as progress on this matter would contribute significantly to the goal of reducing the administrative burden on businesses and also lead to improvements in the efficiency of statistical processing.
24. The CSO and Revenue shall cooperate on the NACE coding of enterprises, as the use of consistent classifications between the two bodies enhances the quality of statistics produced.

Review

25. This Memorandum of Understanding will be reviewed annually by the Liaison Group but may be reviewed at any time, at the request of either party. Any changes to the Memorandum of Understanding shall be effected only with the mutual agreement of Revenue and the CSO.

Communication

26. The approval of this MOU and its content and procedures will be communicated within the CSO and Revenue; such communication shall include publication on the respective websites.

Signatures

Signed:

**Gerard O’Hanlon
Director General
Central Statistics Office
Skehard Road
Cork**

Date:

Signed:

**Josephine Feehily
Chairman
Office of the Revenue Commissioners
Dublin Castle
Dublin 2.**

Date: