

***MEMORANDUM OF UNDERSTANDING***

***BETWEEN***

***THE CENTRAL STATISTICS OFFICE***



**An Phríomh-Oifig Staidrimh**  
Central Statistics Office

***AND***

***THE OFFICE OF THE REVENUE COMMISSIONERS***



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## **PREAMBLE**

### **Office of the Revenue Commissioners (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 report *Statistical Potential of Administrative Records - An Examination of Data Holdings in the Office of the Revenue Commissioners*<sup>1</sup> (the SPAR report) was published in February 2009. This report contained a number of recommendations as to how the potential of taxation, duty and trade data collected by the Revenue Commissioners could be maximised for statistical purposes.

### **Adoption of a Memorandum of Understanding**

The SPAR report recognised that enhanced data cooperation between the CSO and Revenue, with a view to eliminating or minimising duplication in data submission, had the potential to reduce the administrative burden on business. The report proposed that a Memorandum of Understanding (MoU), recognising the interdependencies between the two Offices, be drawn up.

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<sup>1</sup>

[http://www.cso.ie/en/media/csoie/releasespublications/documents/corporatepublications/CSO\\_Revenue%20SPAR.pdf](http://www.cso.ie/en/media/csoie/releasespublications/documents/corporatepublications/CSO_Revenue%20SPAR.pdf)

Environmental and other factors contributing to the requirement for an MoU:

- The Statistics Act, 1993<sup>2</sup>, 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 2009-2014*<sup>3</sup> 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 CSO's *Statement of Strategy 2012-2014*<sup>4</sup>, and in particular the work programmes of developing the Irish statistical system and managing response burden.
- Under the provisions of the Statistics Act, 1993, the CSO may provide access to microdata files for statistical purposes only under strict conditions to ensure that the integrity and confidentiality of data collected under the Act is maintained. The primary objective of the CSO in providing access to microdata is to support the research community and to ensure that maximum usage is made of the data collected by the CSO. This approach supports the move towards evidence-based policy-making, has the potential to reduce the cost of research and also helps to avoid duplicate data collections.
- Revenue's Data Strategy (April 2010)<sup>5</sup>, and in particular the objective of minimising reporting requirements on businesses.
- 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 Regulation<sup>6</sup>.
- The adoption by Government of a target to reduce the administrative burden of regulations on business by 25% by 2012<sup>7</sup>;
- The principle of the European Statistics Code of Practice<sup>8</sup> that administrative sources of data be used wherever possible to avoid duplicating requests for information.

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<sup>2</sup> <http://www.cso.ie/en/media/csoie/census/documents/statsact93.pdf>

<sup>3</sup> <http://www.nsb.ie/media/nsbie/pdffdocs/StrategyforStatistics2009-2014.pdf>

<sup>4</sup> <http://cso.ie/en/media/csoie/releasespublications/documents/corporatepublications/StatementofStrategy201214.pdf>

<sup>5</sup> <http://www.revenue.ie/en/about/publications/data-strategy.pdf>

<sup>6</sup> <http://www.entemp.ie/publications/commerce/2008/HLGReport.pdf>

<sup>7</sup> Government decision of March 2008.

<sup>8</sup> [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-77-07-026/EN/KS-77-07-026-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-77-07-026/EN/KS-77-07-026-EN.PDF)

- The establishment by the European Commission of an EU Action Programme for reducing administrative burdens<sup>9</sup>.

Against this backdrop, the CSO and Revenue adopted a Memorandum of Understanding in July 2009<sup>10</sup>.

The existence of an MoU has enabled the CSO to realign its processes to ensure a more systematic use of administrative data for statistical purposes originating in the Office of the Revenue Commissioners. The MoU has also facilitated the implementation of a number of key SPAR recommendations on interactions between the two Offices, including the adoption of a common business identifier; the convergence of business registration processes; and cooperation on the NACE coding of enterprises. The agreement has contributed to enhanced statistical outputs by the CSO and to a diminution in the administrative burden on businesses arising from CSO surveys.

### **Memorandum of Understanding**

The Memorandum of Understanding has been reviewed, in accordance with the requirement contained therein.

Informed by the operational experience of the previous three years, the CSO and Revenue have adopted this revision to the MoU.

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<sup>9</sup> [http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/action-programme/index\\_en.htm](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/action-programme/index_en.htm)

<sup>10</sup> [http://www.cso.ie/en/media/csoie/aboutus/documents/memo\\_understanding\\_CS0\\_revenue.pdf](http://www.cso.ie/en/media/csoie/aboutus/documents/memo_understanding_CS0_revenue.pdf)

# AGREEMENT

## General

1. Revenue shall continue to provide data to the CSO for statistical purposes in accordance with the terms of the Statistics Act, 1993 and Section 851(A) of the Taxes Consolidation Act 1997<sup>11</sup>. A number of data files<sup>12</sup> are currently provided by Revenue to the CSO. A list of these files, with delivery frequency, shall 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 Officers (see Paragraph 13 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 shall 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 Protocol<sup>13</sup>.
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.
5. As part of its mandate, the CSO serves the specialist needs of business and the research and academic community for detailed and focused data. Research Microdata Files (RMFs) are the means through which the CSO grants access to anonymised business microdata. RMFs are made available to persons authorised to access such files under the Statistics Act, 1993 subject to strict criteria.
6. Subject to resource availability in the respective Offices, Revenue and the CSO will work collaboratively to ensure that access to anonymised tax and duty data through the strictly controlled RMF process is maximised. This approach supports the integrity and confidentiality of taxpayer data provided to the CSO under the Statistics Act. It also enhances opportunities to maximise the value and utility of data to support evidence-based policy-making, reduce the cost of research and avoid duplicate data collections.

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<sup>11</sup> <http://www.oireachtas.ie/documents/bills28/acts/2011/a611.pdf>

<sup>12</sup> 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.

<sup>13</sup> <http://www.cso.ie/en/aboutus/csodataprotocol>

7. In certain circumstances, requests for access to Revenue-sourced data through the RMF process will be made to the CSO. The CSO will consult with Revenue's Liaison Officer or Revenue's Liaison Group members on such requests. Revenue will also be consulted for their views on the outputs produced in advance of publication.
8. Should Revenue propose to make significant changes to any system for the storage and retrieval of information or to make a statistical survey that could affect the CSO's ability to carry out its mandate it shall consult with the CSO as early as possible.
9. Revenue and the CSO affirm their commitment to advancing the recommendations of the SPAR report and, subject to potential resource constraints, shall seek to implement all feasible recommendations.

### **CSO/Revenue Liaison Group**

10. The CSO/Revenue Liaison Group shall be the formal, high-level mechanism for consultation and communication between both Offices.
11. It shall be the responsibility of the Liaison Group to consider all data matters and related issues of mutual interest.
12. The Liaison Group shall be the sign-off authority on transfers of data between the two Organisations. The two Offices shall maintain a delivery schedule 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 19 here under, subject to the approval of the Liaison Group.
13. Revenue shall inform the CSO as early as possible of any proposed changes in availability/scope of Revenue data which could potentially impact on the CSO in carrying out its mandate. Any proposed changes shall be discussed by the Liaison Group.
14. Revenue will brief the CSO on changes arising from Finance Acts or other legislation, where they consider it likely that such changes will significantly affect CSO operations, so that any potential impact on the CSO in carrying out its mandate using Revenue data can be reviewed.
15. The Liaison Group shall address matters of data protection, in accordance with the Statistics Act and the relevant data protection legislation, and regularly review the security of data transfer between both Organisations and the related storage mechanisms. Responsibility for approving data transfer mechanisms between both Organisations shall rest with the Liaison Group.

16. The Liaison Group shall appoint, as required, *ad hoc* working groups to investigate issues arising; such working groups shall report to the Liaison Group.
17. 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.

### **Liaison Officers**

18. 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.
19. All current data transfers between the two Organisations are considered authorised by the CSO/Revenue Liaison Officers and approved by the Liaison Group and shall continue to take place between the relevant areas of Revenue and the CSO Liaison Officer or a nominated deputy of 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 between Revenue's VIMA Trade Statistics Unit and the CSO's Trade Division in accordance with long-established practice.
20. All new requests for data transfer and amendments to existing data transfers between the two Organisations shall be submitted through, and considered by, the Liaison Officers. Any changes authorised by the Liaison Officers shall take into account the relevant resource implications and shall be subject to the approval of the Liaison Group. When authorised, the data transfer shall take place between the relevant area of Revenue and the CSO Liaison Officer, or a nominated deputy of the CSO Liaison Officer. The delivery schedule of data files provided to the CSO shall be updated by the Liaison Officers.

### **Data Protection**

21. The CSO and Revenue shall maintain the appropriate infrastructure to ensure the secure transfer of data between the two Organisations. In particular, data will first be encrypted, then loaded to a password-protected Secure File Transfer Protocol (SFTP) server maintained by the CSO.
22. Revenue shall ensure that data will only be exchanged between Revenue and the CSO using secure transfer procedures as set out in Revenue's Operational Instruction O.I. 2008 No. 40.



23. 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 relevant data protection legislation. In particular, treatment of data shall be subject to the CSO's Code of Practice on Statistical Confidentiality<sup>14</sup>.
24. The CSO shall maintain the appropriate infrastructure to ensure the secure storage of, and controlled access to, data.

### **Statistical quality**

25. Data files shall be accompanied by the relevant metadata, where available.
26. 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**

27. 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.

### **Review**

28. The MoU will be reviewed biennially by the Liaison Group, but may be reviewed at any time at the request of either party. Any changes to the MoU shall be effected only with the mutual agreement of Revenue and the CSO. This MoU will continue in force until it is terminated by either party by giving to the other not less than six months prior notice in writing.

### **Communication**

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

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<sup>14</sup> <http://www.cso.ie/en/aboutus/statisticalinquiries/statisticalconfidentiality/codeofpractice>

## **Signatures**

*Signed:*

**Pádraig Dalton  
Director General  
Central Statistics Office  
Skehard Road  
Cork.**

*Date:*     **20/06/2013**

*Signed:*

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

*Date:*     **20/06/2013**