

Economic Statistics Memorandum of Understanding

(September 2021)

between the Central Statistics Office and the Central Bank of Ireland in relation to Balance of Payments, International Investment Position, Government Finance and Financial Accounts Statistics in Ireland



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem



An
Phríomh-Oifig
Staidrimh
Central
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Glossary of Terms

AFA	Annual Financial Accounts statistics
BOP	Balance of Payments statistics
Central Bank	Central Bank of Ireland
CSO	Central Statistics Office
ECB Statistics Regulation	Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank
ESCB	European System of Central Banks
ESCB Statute	Statute of the European System of Central Banks and of the ECB
ESS	European Statistics System
EU Statistics Regulation	Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics as amended by Regulation (EC) No 759/2015
GFS	Annual and Quarterly Government Finance statistics
IIP	International Investment Position statistics
NCB	National central bank
NSI	National statistical institute
The Parties	Central Bank of Ireland and the Central Statistics Office
QFA	Quarterly Financial Accounts statistics
TFEU	Treaty on the Functioning of the European Union

1. Establishment and roles of the Parties

The Central Bank of Ireland was established pursuant to Part II of the Central Bank Act 1942 and its statutory functions are set out therein.

In addition to the primary European System of Central Banks ("ESCB") objective of price stability, the Central Bank has the following objectives: (a) the stability of the financial system overall; (b) the proper and effective regulation of financial service providers and markets, while ensuring that the best interests of consumers of financial services are protected; (c) the efficient and effective operation of payment and settlement systems; (d) the provision of analysis and commitment to support national economic policy development; (e) resolution of financial difficulties in credit institutions; and (f) the discharge of such other functions and powers as are conferred on it by law. In order to attain these objectives, the Central Bank has a variety of powers and functions.

The Central Statistics Office was first established in 1949 and was subsequently established on a Statutory Basis in 1994, pursuant to the Statistics Act 1993.

The functions of the Office are the collection, compilation, extraction and dissemination for statistical purposes of information relating to economic, social and general activities and conditions in the State. The Office has authority to co-ordinate official statistics compiled by public authorities to ensure, in particular, adherence to statistical standards and the use of appropriate classifications. The Office has authority to assess the statistical potential of the records maintained by public authorities and, in conjunction with them, to ensure that this potential is realised in so far as resources permit.

2. Context

European statistics are developed, produced and disseminated by the ESS and the ESCB under separate legal frameworks: Article 338(1) of the TFEU and Article 5 of the ESCB Statute, respectively. The frameworks are further elaborated by the EU Statistics Regulation and the ECB Statistics Regulation and by further legal acts. The CSO is a member of the ESS and the Central Bank is a member of the ESCB and, as such, each is subject to EU law obligations in the field of statistics. In addition, the Central Bank Acts 1942-2018 and the Statistics Act 1993 outline the national law frameworks that apply to, respectively, the Central Bank and the CSO. The CSO and the Central Bank each collects, produces and disseminates statistics under the relevant EU and national law framework.

The EU Statistics Regulation and the ECB Statistics Regulation provide that, to minimise the reporting burden and guarantee the coherence necessary to produce European statistics, the ESCB and the ESS shall cooperate closely, while complying with the statistical principles laid down in those Regulations.¹ The EU Statistics Regulation also provides that, to the extent that European statistics may be compiled by NCBs in their capacity as members of the ESCB, the NSIs and the NCBs shall cooperate closely in accordance with national arrangements. Both Regulations provide for the exchange of confidential information between NCBs and NSIs provided that this transmission is necessary for the efficient

¹ The principles are similar in each case. Article 2 of the EU Statistics Regulation identifies principles for the development, production and dissemination of European statistics of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness. Article 3a of the ECB Statistics Regulation specifies that the development, production and dissemination of European statistics by the ESCB shall be governed by the principles of impartiality, objectivity, professional independence, cost-effectiveness, statistical confidentiality, minimisation of the reporting burden and high output quality.

development, production and dissemination of European statistics or for increasing the quality of European statistics. A Memorandum of Understanding also exists between Eurostat and the ECB on the quality assurance of statistics underlying the Macroeconomic Imbalance Procedure.² The CSO and the Central Bank are both committed to enhancing collaborative mechanisms and ensuring the appropriate modalities of cooperation between them, and to delivering on the needs for a consistent, high quality suite of macroeconomic and financial statistics in Ireland.³

3. Purpose of this MoU

To that end, this MoU outlines a set of principles governing the relationship between the Parties in the context of producing high quality financial and macroeconomic statistics, while recognising the comparative advantages of the two organisations and the scope for changing requirements. In particular, it guides all interactions between the Parties involving (i) data consistency and quality; (ii) the exchange of data; and (iii) methodological advice, reflecting the importance of cooperation as emphasised in the EU legislation mentioned above. The MoU sets out working arrangements between the Economics Directorate of the CSO and the Statistics Division of the Central Bank. In accordance with the recommendation to the Central Bank and the CSO from the ECB and Eurostat,⁴ this MoU aims to facilitate the exchange of the relevant data and metadata between the Central Bank and the CSO, including to satisfy each institution's legal obligations to Eurostat and the ECB.

4. Scope

The statistics in the scope of this MoU are:

- Balance of Payments and International Investment Position statistics
- Annual and Quarterly Financial Accounts statistics
- Annual and Quarterly Government Finance statistics

Three additional domain-specific⁵ MoUs between the CSO and the Central Bank set out the data-sharing arrangements for the production of statistics within each of these domains. Each of these statistical domains is governed by one or more EU regulation establishing a framework for the systematic production of European statistics and placing obligations on the CSO and the Central Bank, as applicable.

An overview of the respective organisational roles in producing the above in-scope statistics is as follows:

- The CSO is responsible for the compilation of the BOP and IIP, AFA, and GFS. The Central Bank collects and compiles most of the financial sector primary statistics⁶, which are used by the CSO in the compilation of BOP, IIP and AFA.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELLAR:2cb5c085-95fb-11ea-aac4-01aa75ed71a1&qid=1622801787817&from=EN>

³ The quality assurance principles are outlined in the ECB Statistics quality framework (SQF) and ESS Quality Assurance Framework.

⁴ Recommendation 1 in the Final Proceedings of the Visit to Ireland in the context of the Memorandum of Understanding (MoU) between Eurostat and the European Central Bank/Directorate General Statistics on the quality assurance of statistics underlying the Macroeconomic Imbalances Procedure (MIP), 7 February 2020.

⁵ Domain-specific refers to the three statistical areas in the scope of this MoU – i.e. BOP and IIP, Financial Accounts and GFS.

⁶ Primary statistics refers to sector specific data – i.e. Banks and Investment Funds.

- The Central Bank is responsible for the compilation of QFA, certain ECB Annual GFS tables and various primary sector statistics produced under the ECB Statistics Regulation. Further details on the primary and survey data shared between the Parties to facilitate the compilation processes is detailed in the domain-specific MoUs.

Additional to this Economic Statistics MoU, the domain-specific MoU between the parties in relation to GFS (the GFS MoU) clarifies the roles and responsibilities, and areas of cooperation and data sharing with regard to the compilation and transmission of GFS. As the responsibility for producing GFS is shared also with the Department of Finance, this Economic Stats MoU, is intended to compliment the GFS MoU.

5. General Principles

The common goal of the Parties is to provide complete, coherent and consistent macroeconomic and financial sector statistics in Ireland, including high quality Balance of Payments, International Investment Position, Financial Accounts and Government Finance statistics. To that end, the Parties are committed to ensure that their work together is governed by the following general principles:

1. To strive towards common goals for the purposes of improving the quality of domestic and European statistics produced in Ireland;
2. To ensure consistency of statistics produced across the two organisations;
3. To maximise the use of data, remove duplication of work and minimise the reporting burden on respondents;
4. To reconcile data within legal boundaries, through sharing metadata and expertise and providing mutual support across the organisations, recognising existing specialisation and legal responsibilities in respective domains;
5. To respect restrictions that apply to confidential statistical information and solely use it for statistical purposes;
6. To represent Ireland on appropriate international committees and collaborate, contribute to, and seek cross-organisation agreement on the various deliverables of EU Commission and ESCB working groups;
7. To keep each other informed of relevant new statistical projects and training.

The parties each acknowledges that this MoU is entered into on the understanding that it is subordinate to the relevant legislation governing each body and does not create binding legal obligations on either Party.

6. Centralised Coordination Group

The working arrangements providing for the implementation of the principles referred to above will be overseen by a Centralised Coordination Group (CCG). The Head of Statistics in the Central Bank and the Director of Macroeconomic Statistics in the CSO will act as 'sponsors' of the CCG. The sponsors appoint members, support proposals and guide the general direction of the CCG. The CCG will be jointly chaired by a CSO BOP Senior Statistician and by the Head of Macro and Non-Bank Statistics (Central Bank). The CCG shall have an equal number of members from the CSO and the Central Bank; the members shall be appointed by the respective sponsor and shall initially include the other BOP Senior Statistician (CSO) and the Manager of External Statistics and Financial Accounts (Central Bank). Sponsors may appoint acting members, including an acting chair, on an *ad hoc* basis, if required.

The CCG will meet quarterly (or, if required by either party, with sufficient notice) and will agree and monitor progress on:

- (i) Joint work plans and priorities;
- (ii) Areas for enhanced cooperation;
- (iii) Co-ordination in relation to European committees.

The domain-specific MoUs will provide for separate groups that will look at domain-specific and methodological issues and will report to the CCG. The areas of responsibility and obligations of these groups will be monitored by the CCG.

Two meetings of the CCG each year will be jointly attended by the sponsors. An internal report will be produced annually by the CCG on progress achieved against agreed work plans for that year and deliverables for the coming year, to be signed off by the sponsors.

Additional to the CCG, the Government Finance Statistics Liaison Group (GFSLC), chaired by the CSO, provides a forum for cooperation between the CSO, the Central Bank and the Department of Finance to ensure that Irish GFS compiled by the three organisations are accurate and consistent. The activities of GFSLC stand apart from the CCG. However, work plans and developments in GFS are routinely discussed at the CCG meetings.

7. Exchange of information

As described in Section 2, the legal framework governing the collection, production and dissemination of European statistics by the CSO and the Central Bank provides for cooperation and for the exchange of confidential information between these organisations. Both parties agree to the arrangements in relation to the exchange of information, as set out below.

Confidential statistical data collected by the Central Bank for the production of primary financial sector statistics are shared with the CSO and used in the production of BOP, IIP and AFA statistics. Confidential statistical data, including government and non-financial sector data, are shared by the CSO with the Central Bank for the compilation of GFS and Financial Accounts statistics, and for discharging the Central Bank obligations in relation to Balance of Payments statistics.

To ensure the consistency of statistics, the Parties share knowledge and methodological expertise regarding the use of data in the compilation of their respective statistical outputs.

All regular data sharing, integration of granular statistics and methodological advice, for the provision of official statistics by the CSO and the Central Bank with regard to BOP, IIP, Financial Accounts and GFS are channelled through and governed by the Statistics Division of the Central Bank and the respective Balance of Payments and Financial Accounts, and Government Finance divisions in the CSO.

The following is an overview of arrangements that are in place:

- Confidential financial sector statistical data compiled by the Central Bank are shared with the CSO and used in the production of BOP, IIP and AFA;
- Statistical data compiled by the CSO, including government and aggregate non-financial sector data, are shared with the Central Bank for the compilation of GFS and QFA;
- Registers information is compared to ensure accuracy and consistency of sector classification across statistical domains;

- Financial sector data are compared at a granular level to evaluate the potential for reducing respondent burden;
- CSO mapping documents for any primary statistics provided by the Central Bank are shared to ensure alignment and reduce discrepancies across the organisations;
- Sensitive CSO pre-release statistical aggregates are transmitted to satisfy the Central Bank obligations under ECB guidelines relating to external statistics⁷ and quarterly financial accounts⁸;
- Financial sector data analysis of each organisation is shared to ensure data quality and consistency of primary statistics;
- The CSO and the Central Bank meet prior to the transmission of monthly and quarterly BOP and IIP statistics to ECB and Eurostat to discuss the main features of the statistics.

With authorisation of the Director General of the CSO, named Central Bank staff are designated as 'Officers of Statistics' under Section 20 of the Act to allow for the interactions required to ensure consistency and quality of data in both organisations, where that interaction necessitates access to data collected under the Act.

In all of the above cases, confidential statistical information received by the Central Bank from the CSO remains within the Statistical Division of the Central Bank and is used solely for statistical purposes, including to meet mandatory reporting requirements to the ECB. Information received by the CSO from the Central Bank is subject to data governance protocols.

Any subsequent uses of shared data by either Party (beyond those mentioned in this MoU or other MoUs), is required to be discussed in advance by the CCG. This will ensure a joint understanding of the interrelation of statistics produced in the two organisations. Any new uses of data will be reflected in the relevant domain-specific MOUs.

8. Data Protection

The processing of personal data by the CSO and the Central Bank is governed by the Statistics Act 1993, the Central Bank Acts 1942-2018, the Data Protection Acts 1988-2018 and the General Data Protection Regulation. The CSO and the Central Bank will treat all data they receive in accordance with any requirements in these legal acts, which take priority over anything contained in this MoU. The Central Bank and the CSO shall maintain the appropriate infrastructure to ensure the secure transfer of data between both organisations. In the interest of transparency, this MoU is published on the websites of the respective Parties.

9. Settlement of disagreements

In the event of any disagreement between the Parties arising out of, or in connection with this MoU, such a disagreement shall be resolved initially at the CCG with a view to reaching an amicable solution. If no mutually acceptable solution is reached within two months, the matter will be referred to the signatories of this MoU.

⁷ Guideline of the ECB of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (recast) (ECB/2011/23)

⁸ Guideline of the ECB of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (recast) (ECB/2013/24)

10. Review, amendment and termination

This MoU shall be deemed to commence on the 30 day of September 2021 and shall be reviewed annually by the Parties (through the CCG) or at any time at the request of either party. Any changes to the MoU shall be effected only with agreement in writing of both Parties. The MoU may be terminated by either party giving to the other not less than six months prior notice in writing, such notice to be delivered to the Governor of the Central Bank or the Director General of the CSO.



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Date: 01/10/21



Gabriel Makhoul
Governor

Central Bank of Ireland

Date: 30/9/21