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**Joint ECE/EUROSTAT Seminar  
on Business Registers  
(Geneva, 28-29 June 2001)**

**BUSINESS REGISTERS IN THE STATISTICAL AND INFORMATIONAL SYSTEM OF  
THE REPUBLIC OF SERBIA**

Note by Statistics Serbia<sup>\*</sup>, Federal Republic of Yugoslavia

1. In the statistical system of the Federal Republic of Yugoslavia, Statistics Serbia, as its larger part, conduct about 250 statistical surveys of the national and republican importance. Yearly Programs are integral parts of the five-year Program of statistical researches, which has the strength of the law and is decreed by the National Assembly. These programs are the legal basis for conducting all statistical activities.

2. Statistical Office of the Republic of Serbia become Office for Informatics and Statistics of the Republic of Serbia (Statistics Serbia) since January 2001. Statistics Serbia, through this change, obtained central role in the further development of the information system of the Republic. Intentions are to promote closer cooperation between the information and statistical systems, in all fields and especially in the domain of the public evidences, or registers. Following this orientation, and with more intensive introduction and use of international standards and classifications, as well as with the adequate support of the information and communication technology (ICT) expectations are that a highly integrated informational system could be developed. Last several years were characterized with intensive introduction of a number of internationally agreed standards, among them the most important are methodology for Statistics of National Accounts (SNA), international standard classifications of activities, occupations, products (PRODCOM), and so on. All of these open new horizons for further

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development of statistical researches, and we expect that in all phases of statistical production (from preparation and concentration to processing, controlling and publication of the data) our statistical production would in due course achieve greater reliability, efficacy and accuracy.

3. Observing Yugoslav and the Republic of Serbia experience, in the last few decades one could draw conclusion that the need for more accurate, complex and integrated information permanently grew in spite of numerous and rather radical socio-economic reforms, turnarounds and discontinuities. It is beyond doubt that relevant socio-political environment in relevant time frame exhibit influence on the type of information, which were collected, processed and used. Development process after the Second World War began with the centrally planned economy, followed by pseudo-market self-management economy (with market of goods and services, but without markets of production factors), to the specific form of public (state)-market economy which functioned in extremely complicated conditions in the last ten years. Today we observe efforts for implementation of the most rational policy of transition of the whole society with the aim of harmonization with the global processes and developments.

### **Register of Classification Units (Register of Legal Persons)**

4. Statistical and information systems of the FR Yugoslavia and Republic of Serbia have respectable experience in designing, organizing and conducting statistical and administrative registers. Business registers existed in the modern sense since 1976. At that time and in accordance with a number of legal acts, they were introduced in the statistical system as a Register of Organizational Units. Since then, numerous changes in the content of information occurred, but the information and statistical essence of maintaining of the register remained same. By the beginning of the nineties, legal and methodological solutions for integration of international experiences and recommendations into the system were prepared.

5. Besides all efforts to introduce statistical business register, that objective, in fact, has not yet been accomplished. This is because of the fact that Register of Classification Units and Central Register of Shops are rather integral parts of the special administrative registers but not statistical business register *stricto sensu*.

6. Since 1996, Register is transformed and became Register of Classification Units. It is automated relational data base that involves information harmonized with the international standards and recommendations, except for the code number for principal activity of the register units.

7. Register of Classification Units contains enterprises, organizations, institutions, cooperatives and other forms of organization, which are legal persons, that is the economic subjects. Special part of the Register contains establishments as units of legal persons.

8. Updating of this register in the statistics is organized in the following way. The central computer in the Federal Statistical Office contains the data base of the register which operates on the DB-2 software support, and all updating is done on-line in Statistics Serbia, its sector in the city of Novi Sad, and in the Office for Informatics and Statistics in Belgrade.

### **Content of the Register of Classification units**

9. Information in the Register contains the following data for every unit:

- Identification data (unique eight digit identification number which is calculated by the modulo 11 procedure, full and short name of the unit, office address data);
- Territorial identification code (republic, province, district, municipality, and local community area) with unique identification numbers for all territorial units;
- Forms of organization (legal form) data;
- Ownership and origin of capital data;
- Principal activity;
- Data for linking information in this register with other administrative registers: registration number at the relevant authority register; number of the giro-account, dates of the inscription in the particular administrative register;
- Additional data: name of the authorized person (director or the proprietor), phone number, telex number, postal code.

### Units of the Register

10. According to the current legal provisions organizational forms are as follows:

- Enterprises:
  - Partnerships;
  - Companies with limited partnerships;
  - Sharing companies;
  - Limited joint companies;
  - Social enterprises;
  - Public enterprises;
  - Entrepreneurs;
  - Business associations;
- Cooperatives (cooperatives in the agriculture; housing; crafts; health, student cooperatives, consumers cooperatives and other);
- Banks and other financial institutions;
- Stock exchanges and stockbrokers;
- Institutions, and
- Other organizational forms (government bodies, judiciary bodies, bodies of the units of the local government, political organizations, social organizations, citizens associations, and other forms).

Register excludes national diplomatic and other missions abroad, foreign diplomatic and other missions in the country, as well as institutions of the Yugoslav Army.

Registration procedure for legal persons

11. Register of Classification Units is closely linked with the relevant administrative registers authorized for registration of legal persons. For enterprises these are Court registers. Court registers contain special registers of enterprises. On the basis of data from this administrative register (which are in the paper form - the inscription in the Court administrative register), statistical Register assigns to newly established legal person unique and, for the time in which this legal person exists, permanent identification number. Except for this, statistics is also responsible for determining principal activity from the Courts list of registered activities for every legal person.

12. Besides Court registers, Ministry of the Internal Affairs, Ministry of Justice and other government departments are responsible authorities for other units of the Register of Classification Units. Cessation of the life of units represent only one among the changes which may affect registered units. In these cases, and on the basis of the paper copy of the official decision of the unit to terminate its activities in the relevant register authority, Statistical office deletes these units from the Register of the Classification Units.

13. Register of the Classification Units includes only principal activity of the legal person, unlike the Court register that has a broader list of activities. Active legal person could change its principal activity, if and when it is capable to document changes in its business activities. Special Commission in the Office for Informatics and Statistics of Serbia makes decision about classification of the new principal activity of a legal person. It reviews the data from the balance sheets, as well as the effective magnitude of profit increased with the expenses on the gross personal earnings. On the basis of this documentation, the Commission decides about acceptance or refusal of the demands for a change of principal activity.

14. There are two main groups of problems that aggravate maintenance of this Register:

- (i) Problems in connection with transition to the new Classification of Industries which is harmonized with NACE, Rev. 1 classification, and changes of other laws and legal acts, and,
- (ii) Problems which arose from the address system.

15. Uniform Classification of Economic Activities, which existed in the statistical system of the FR Yugoslavia (and Republic of Serbia) since 1976, reflected economic and social structure of that time, and it was in the full sense adequate for the purpose of economic and other policies. It fully satisfied statistical classifications criteria, and was used for grouping and presenting data. It contains 14 sectors at the most aggregate levels, and, on the other end, sixth digit subgroups as the most detailed levels of classification. In the beginning of the 1991 Federal Government agreed with the initiative to accept, as a general standard, International Classification of Industries of the European Community. In this sense, adequate decisions were made and the NACE Rev.1 classification became the official standard under the name Classification of Industries. The Law on the classification of industries and the Register of Units of Classification, as well as the Law on Enterprises came into force in the 1996, forming the indispensable legal framework for definite transition to the new standard.

16. All legal persons were obliged to adapt their general enactment, reorganize themselves and register their activities according to the new Classification until January 1998. But, due to a number of reasons, this deadline has been repeatedly prolonged until today. The main reason for this delay was that it has not implemented the most effective method for relatively quick harmonization of all legal

persons with the new standard. According to it, all legal persons before being registered in the statistical business register, must record all changes related to their enactment, activities and other data in the authorized administrative register. But, in spite of the fact that the new Classification came into force on 1 January 2001, and that deadlines for revision of legal persons will not be further prolonged, there are about 40% of active legal persons which have not yet accomplished their obligation according to the mentioned laws.

17. Transition to a new Classification of Industries for statistical system created new duties and responsibilities - to recalculate time series of the categories of the Classification and then to prepare for carrying out statistical surveys according to the new Classification of Industries. The later included preparation of new instructions, methodological guidelines, questionnaires, definitions, etc.

18. From the beginning of the 2001, all statistical publications are based on the new Classification of Industries. Automatic conversion could not be performed because of the absence of direct comparability between Uniform Classification of the Economic Activities and the Classification of Industries. That is to say that on the level of subgroups, there was not only relation 1:1, but there existed variants 1:n and n:1, where  $n > 1$ . This was the reason why automatic and direct conversion was not possible. This fact created additional problems for a number of legal persons. The problems were caused by the fact that principal activity, as general standard integrated in the system, was criteria which served as the basis on which various economic and development policy measures were designed and implemented. All economic subjects established their position on the basis of these measures, which they were unwilling to abandon.

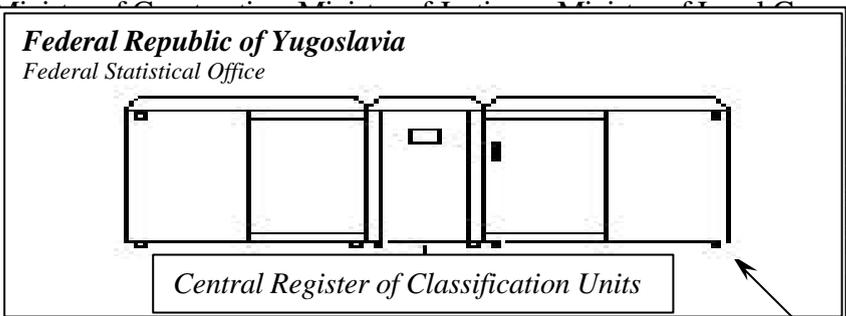
19. There are problems in the other fields of social life too. These problems are consequence of the implementation of the new Classification of Industries. Uniform Classification of Economic Activities reflected earlier socio-economic system which in its foundation had the concept of material production. A comprehensive system of social and other policies was created on this basis. These categories do not exist in the new Classification of Industries. Because of this, policymakers and designers of economic and social policies who aim at reform and betterment of the whole system, are confronted with urgent tasks not to eliminate all rights of citizens and employees, especially in the short term. These obstacles could jeopardize further development.

20. In the process of transition to the new Classification of Industries statistical Register is split in three parts. Appropriate indicator is used to indicate part of the Register with legal persons that contain units that have accommodated with all laws and, which as a principal activity have one of the industries from Classification of Industries. Another indicator marks part of the Register with legal persons that have not yet accomplished all prescribed transformation, including organizational form, type of ownership etc. Third indicator denotes part of the Register containing special legal persons for which a special legal regulation is relevant, and which have not yet accomplished accommodation to new Classification of Industries.

21. Register of Territorial Units based on the modern information principles exists in the Yugoslav statistical system since 1989. Units of this register are: republics, provinces, districts, towns, municipalities, local communities, cadastre municipalities, settlements, statistical and enumeration areas, streets and house numbers). All units are associated with unique identification number which is calculated by the modulo 11 procedure. Responsibility for this register is shared between Statistics and Cadastre Office of the Republic of Serbia and offices in the municipalities of the local government according to their competencies.

22. The main and cardinal problem in the Register of Territorial Units is with the smallest units, namely streets and house numbers. Disorder in this field aggravate updating not just of this Register but also other registers in the statistical system, and not just in the statistics, but also in the whole information system of the country. Assigning the names of streets and house numbers is responsibility of the municipalities. Until now the practice was that the approval from a competent ministry was needed, for example

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Republic of Serbia

Republic of Serbia

**Register of Classification Units - Register of Establishments**



23. Constitutive part of the Register of Classification Units is Register of establishments. An establishment is a part of the legal person (enterprise, institution, and other enterprise, institution or other organization is classified according to its principal activity. Parts of a legal person which are located outside the headquarters of enterprises, institutions and other organizations are treated as establishments, even if they do not represent business entity, and when they perform the same activity as legal person in which they are incorporated.

Court Register



Units

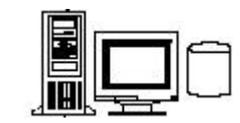
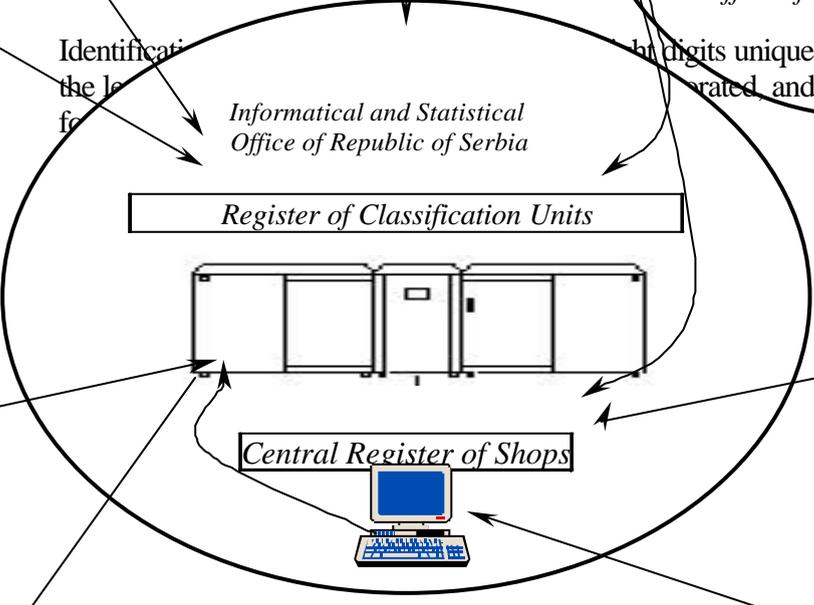
Informatical and Statistical Office of Republic of Serbia

Register of Establishments records the following data:



- Identification of the legal person
- Eight digits unique identification number of the legal person, and four digit code number

Other administrative registers: Ministry of Internal Affaires, Ministry of Justice, etc.



Register of Shops

National Bank-Office for Accountings and Payments



Register of Shops

Federal Customs Authority

25. The problem that aggravates administration of this register is non-existence of the legal backgrounds for obligations of legal persons to register their establishments in the relevant administrative register. Because of that, coverage of establishments is unsatisfactory, and in the future it will be the same until the creation of clear and strict legally based obligations binding legal persons to register all establishments which they include.

### Central Register of Shops

26. In spite of a quite different organization from the Register of Classification Units, Central register of shops (JRR) could be treated as an integral part of the business register. In 1994, Statistical Office of Republic of Serbia in cooperation with municipal authorities carried out the census of all outlets which existed until then. In the first quarter of 1995, Central Register of Shops was introduced in the statistical and information system. Maintenance of administrative Register of Shops is responsibility of authorized municipality services, and the database is located in the central computer of the Office for Informatics and Statistics of the Republic of Serbia in Belgrade. Submission of data is made in two ways. First, by submission of all changes in the registration form (RR-1), or in the form of files on diskettes delivered to Statistical Office by mail. Identification numbers are generated in the Statistics Serbia in Belgrade and are delivered to municipalities. They independently assign identification numbers to newly established shops. Today this Register contains about 190 000 shops in the 190 municipalities of the Serbia.

27. According to the Law on Private Entrepreneurs a private entrepreneur is defined as a natural person who, with the view of earning profit establishes a workshop and carries out business activity independently. Register recognizes and contains three types of shops: Independent shops, Partnerships, and Shops with additional afternoon activity. The Law prescribes the following types of shops: workshop, office, bureau, service, agency, studio, pharmacy, boarding house, medical office, and the like). Up to ten founders can found a partnership workshop. An entrepreneur who is already employed by another employer may establish a shop with additional afternoon activity, as a natural person.

28. The Central register of Shops contains the following information:

- Identification number of shop (unique eight digit identification number which is calculated by the modulo 11 procedure);
- Inscription data in the administrative register of the municipality service (number and date of the decision);
- Code number, date, and description of the changes;
- Name and the type of shop;
- Identification number and name of the municipality of the headquarter of the shop;
- Identification number and name of the settlement of the headquarter of the shop;
- Code number and name of the street of the headquarter of the shop;
- House number of the headquarter of the shop;
- Phone and fax number of shop;
- Code number of the principal activity of the shop;
- Name and surname of the owner of the shop;
- Personal number (unique identification number) of the owner;
- Code number of the occupation of the owner;
- Level of the education completed of the owner;
- Employed/retired owner of the shop;
- Date of the entry of shop in the central Register of Shops, and

- Number of the giro-account.

29. Level of updating of information in the Central Register of Shops is not yet satisfactory. Reason for this is the fact that a number of services of the municipalities irregularly submit data to the common database (Central Register). Delays are so numerous that the question of reorganization of the maintenance of the Register must urgently be solved with the aim of achieving acceptable level of updating

### The use of Business register data

30. Registers in general, and business registers especially, have a broad implementation in the statistical and information system of Republic of Serbia. They are one of the instruments for collecting, controlling and publishing data on units of observation. Data design and planing of sample surveys are made with the help of register.

31. Register data are used by separate systems like the system of the National Bank, Federal Custom Authority, chambers of commerce, Federal and Republic government, scientific and research organizations, legal persons and entrepreneurs for planning business activities and market orientation, various funds, and the like. Possibilities for using register data are manifold and depend on the various user needs. Users could get desired data files on paper, diskettes or CD-ROMs. It is also possible to connect data on the same list of subjects from different statistical fields.

Table 1 Register of Classification Units, as of 31 December 2000

	<b>Total</b>	<b>Total (Classification NACE Rev.1)</b>
Republic of Serbia	241 647*	49 267
Ownership		
- social	8 094	2 550
- private	188 890	35 134
- cooperative	5 544	1 780
- mixed	4 615	1 917
- state	2 068	2 068
- not stated	32 426	5 818
Origin of capital		
- national	204 815	41 746
- foreign	1 275	841
- mixed	3 131	1 062
- not stated	32 426	5 818

\* In the year 2000, according to data files from the National Bank of Yugoslavia-Office for Accountings and Payments there were about 80 000 active legal persons, in other words these enterprises, institutions and other organizations had business activity.

Table 2 Central Register of Shops, as of 31 December 2000

	<b>Total</b>	<b>Independent shops</b>	<b>Partnerships</b>	<b>Shops with additional afternoon activities</b>
Republic of Serbia	191 085	178 438	956	11 691
Central Serbia	124 600	114 067	734	9 799
Vojvodina	46 048	44 365	210	1 473

Kosovo and 20 437 20 006  
Metohija

12

419

### **Future development**

32. Information and statistical system of the Republic of Serbia entered the phase of transformation and development with the aim of attaining a type of a system in which now isolated data basis will be integrated in one common base. This would solve many problems in management of all registers, including business registers. Harmonization with all international standards should establish direct compatibility even in the fields which are maintained until today in a manner which was under the influence of earlier social and economic system of the country.

33. It is expected that Register of Classification Units will improve reliability and probably will broaden the content of the database with the purpose of comprising some more characteristics of legal persons. In that sense, there is evident need for separate statistical Business Register, which must be identical in the identification part with a administrative business register, but it may separately include many other characteristics of business units. Updating of such register could be organized independently of any administrative register. Consequently, sample surveys could become primary statistical method.

34. Central Register of Shops, as integral part of the future Business Register, should be reorganized to improve updating procedure. On the other hand, here to would be necessary to create a statistical Central Register of Shops with additional characteristics of recorded units. Besides inadequate updating, this Register has the problem of data incompleteness. For example, files of about 40% recorded shops are without personal numbers of its owners.

35. Fully developed system of business registers in Serbia (FR Yugoslavia, also) must include Register of Private Agricultural Farms, because of the importance of the agriculture for national economy, and the structure of ownership of the agricultural land. There is relatively enough time to prepare and design this new register. Census of population, households and dwellings is postponed to the year 2002. Population Census documentation should be used in order to establish an initial situation in this field. Organizational issues, authorized administrative bodies, legal regulations, methodological and other instructions must be prepared and adopted on time.

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