

**STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE**

WORKING PAPER No 4

CONFERENCE OF EUROPEAN STATISTICIANS

ENGLISH ONLY

**Joint UNECE/Eurostat Seminar on Business Registers
(Luxembourg, 25-26 June 2003)**

**THE ROLE OF REGON REGISTER IN THE NATIONAL
INFORMATION SYSTEM***

Supporting paper submitted by the Central Statistical Office of Poland**

* Prepared by Mr. Andrzej Bajor, Central Statistical Office in Warsaw, Poland.

** Paper posted on Internet without UN formatting.

SUMMARY

REGISTER OF NATIONAL ECONOMY UNITS

- created on the basis of resolution no. 195 of the Cabinet of 17 October 1975
- started functioning in 1976
- originally established as a statistical register

NATIONAL OFFICIAL REGISTER OF NATIONAL ECONOMY UNITS

- administrative register
- legal acts concerning functioning of the register:
 - law of 29 June 1995 on official statistics
 - decree of the Cabinet of 27 July 1999 on the way and methodology of running and updating the register of national economy units, as well as detailed terms and procedures of co-operation between services of official statistics and other units running official registers and public administration information systems.

SUBJECTIVE SCOPE OF THE REGISTER

- legal units
 - legal persons
 - organisational units without legal personality
 - natural persons carrying out economic activity, including individual farmers
- local units of the legal units

INFORMATION LISTING CONCERNING SUBJECTS OF THE REGISTER

- REGON identity number
- name of the subject
- short name of the subject
- surname, first name, PESEL identity number (drawn from the General Electronic System of Population Registration)
- seat of unit
- in case of natural persons carrying out economic activity - place of residence
- mailing address of the subject
- subject legal form and property form
- kinds of activities conducted by subject, including type of principal activity according to NACE
- date of establishment of the subject, beginning date of activity, its suspension and closing
- number of employees
- in the case of agricultural activity – total area and an area of arable land.

FULL INFORMATIZATION OF THE REGISTER

- existence of the central information base of the register
- updating of the central base of the register is implemented in actual time through forms maintained by units
- regional information register bases exist throughout state territory
- the dissemination of actual records of subjects from the central register base to all regional bases takes place once a day.

REGISTER FUNCTIONS

- The register provides registrations with completeness of all units as constituted by Polish law
- Units' use of a certificate of REGON identity number given to legal units (and local units) is mandatory in official contacts and connected with trade turn as well as in the use of firm stamps and official forms
- official duty to enter registration on the strength of legal formal reason
- other public bodies maintaining administrative registers are immediately notified of corrections made or changes of information in the register
- creates bases for conceptual and classification uniformity

REGON REGISTER IS USED FOR

- creating a unified state information system
- achieving an identification compactness as well as a conceptual and classification uniformity of specifications used in terminology
- official statistics (information statistics is used for statistical purposes)

The national official register of national economic units was established by *the law on official statistics* of 29 June 1995 and has been regulated in particular by the *decree* of the Cabinet of 27 July 1999 *on the way and methodology of running and updating the register of national economic units, as well as detailed terms and procedures of co-operation between services of official statistics and other units running official registers and public administration information systems.*

The above legal acts define the organisation, principles and methods of maintaining and achieving access to the REGON register, provide in detail essential definitions used in the register and provide the procedures for registration via forms used as a base for updating and supplying the register. The above decree of the cabinet operates through attachments such as the forms RG, which must be completed by the authorised person in order to start existence in the REGON information system, as well as through certificates of REGON identity number issued directly by the statistical offices and which assure legal unit status.

The national economic unit is commonly defined as a subject which carries out an activity strictly regulated by the right document which draws up the aims and principles of activities. National economic units have their own system of taking legal, organisational, economic and financial decisions. In Polish legislation there are three groups of such units: legal persons, organisational units without legal personality and natural persons carrying out economic activity.

Legal persons are: The State Treasury and organisational units which have legal personality.

Organisational units without legal personality are a constant junction of people and material means for the purpose of the realisation of specified tasks, which function in the form of organisational units not equipped by law in legal personality, which have a limited frame legal ability. Examples of these, for instance, are civil partnerships.

Natural persons carrying out economic activity are persons having full or limited ability for legal actions carrying out economic activity.

The above-mentioned subjects organise their activity in the form of the enterprise as economic subjects, and as non-economic subjects, of whom the activity consists of operating matters of separate communities or whole society (such as: associations, communities, professional organisations, budget units and others). The concept 'the subject of the national economy' is identical to the concept of 'the subject of polish law' which is equivalent to the concept 'legal unit' used in the methodology of European registers. This concept is also commonly identified with the term 'the company'. The register is, also additionally, the set containing subjects leading agricultural activity (this includes individual farmers) and their agricultural households which have the status of local units.

The local unit is an organised whole set in the identified place with a separate address, on which or from which the activity is being led by at least a single working person. The process of determining the local unit of the legal unit is organised on the basis of specific principles, mentioned in the above regulation, such as:

- 1) establishments balancing accounts on themselves located under the single address are separate local units,
- 2) units leading the activity in the field of the transport are local units according to the places from which instructions are provided or the job is being organised,
- 3) units leading the activity in the field of the building industry are local units according to places, from which orders for the execution of building and auxiliary work are being accepted in or from which work of the management is being conducted, or the organisation of the building job and auxiliary job is being led; units of squares of constructions (places of the realisation of each constructions) aren't considered as the local units,
- 4) mobile and peddling trade and various kinds of retail points without a constant location and also leading services exclusively at the customer offices are the single local units in the place

of residence of the natural person, place of seat of the legal person or place of seat of the organisational units without legal personality.

The REGON register is not the register inducting subjects of law and it only reflects the current state of legal units in the national economy, with the objective and subjective scope circumscribed by the law on official statistics. According to it no person or group of people can become the subject of the national economy as long as determined conditions aren't legally fulfilled and will be leading for rising demanded legal existence. Above conditions include, for instance, registration in the National Court Register (KRS), registration in the economic activity register conducted by self - governments, being put on the corporation list (as the legal adviser or the barrister).

The REGON register comprises the legal base for the statistical register (BJS) through which statistical research is directed by the Central Statistical Office.

The objective scope of the register is to keep track of and examine each piece of information about subjects which is being put into the system:

- 1) REGON identity number,
- 2) full name,
- 3) abbreviated name,
- 4) the surname, first names, the PESEL identity number (raised from General Electronic System of Population Registration) – of natural persons carrying out the economic activity,
- 5) marking and the description of the address of the office,
- 6) the symbol and the description of the place of residence of the natural person carrying out the economic activity
- 7) marking and the description of the postal address,
- 8) marking and the description of the legal form,
- 9) marking and the description of the form of the subject property,
- 10) marking and the description of the primary kind of the activity according to Polish Classification of Activities PKD (NACE),
- 11) marking the date of the rise and beginning of the activity,
- 12) marking and the description of the state of the economic activity,
- 13) number of employees working,
- 14) general surface of agricultural area (including individual farmers).

The last two last variables are not being updated by subjects.

The official character of the register is to create among subjects an obligation to use the identity number certificate as well as to provide this number on company stamps and official prints. This promotes use in official turn and, in connection with this, in economic turn as well. There are a number of other obligations such as: the duty of organs leading other official registers and information systems containing data about subjects of the national economy to enter the REGON identity number into their registers, the obligation to use that number in the processing of information transmission and the obligation to use uniform symbols encoded according to classification standards.

The REGON register is overseen by the President of the Central Statistical Office in Warsaw. The central base of the register, which has the national range, is located in the Central Statistical Office in Warsaw. There are in addition 16 statistical offices and 33 local branches bases of the register. Entry of the subject into the register is done at the same time as the transmission of unique identity number by the REGON computer system. The REGON identity number consists of 9 digits, that cannot have a concealed or over meaning character. The first eight digits comprise the ordinary number, and the last ninth digit is a control one. The REGON identity number of the local unit is composed of fourteen digits. The first nine digits pose as the number of the legal unit, four further digits are assigned to the local unit and the fourteenth digit is the control digit, referring to thirteen preceding digits.

The REGON register system is comprised of:

1. applications for registration in the register and formal legal documentation required from the subject when reporting conclusions for the entry,
2. 49 local bases of the REGON register led by statistical offices,
3. a central “exploitation” base (CBU REGON) containing the register of subjects operating at present,
4. a central operating base (CBO REGON), in which RG electronic forms are deposited in and marked suitably that they are informing the state of processing at every moment,
5. a central historical base (CBH) containing the occurrences of subjects of the register,
6. software of the system,
7. directory of the register.

Updating of the register is carried out on the basis of:

1. completed RG forms put by subjects in the register. This is the basic supply source of the register,
2. provided by the offices of self-governments, information on lists of individual households and agricultural plots,
3. information about alternations in the registration or records, obtained from other administrative organs running official registers and records (The Ministry of Finance, The Ministry of Justice, Social Security Register),
4. update inquiry.

Technically, the update is being made through a default communication system between local servers and with the central server of the system, sending messages back to branch offices about realising the updating operation, replicating the effect of the update (that is information about the new unit or information about the change of the attributes or information about removing from the register).

The procedure in statistical offices branches registering RG forms consists of:

- accepting forms for the registration ,
- verifying the correctness and completeness of the information filled in,
- introducing conclusions into the computer system,
- giving units certificates of REGON identity number,
- explaining and correcting units` forms of registration forms,
- issuing certificates; This should be done at the latest within 14 days from the moment of putting the RG form in the statistical office; Apart from exceptional cases, certificates are being issued directly in the statistical branches offices.

The REGON register is being updated on the basis of National Court Register (KRS) resources. According to the act constituting National Court Register (KRS) it is the only national register inducting legal subjects operating in the country. In the National Court Register (KRS) there are primarily registered entrepreneurs (in the register of entrepreneurs) and other subjects (in the register of associations, other social and professional organisations, foundations and public centres of health maintenance). These subjects receive decisions about the entry and the certificate of entry. On this basis subjects are being entered into REGON register. However the National Court Register (KRS) still isn't activated in the full range of areas to make it fully operational. Mutual relations between these registers (REGON and KRS) will never be identical. This is because both registers use their own, separate methodology. For example, the subject of the National Court Register (KRS) as entrepreneur will be each partner of partnership of civil law. The REGON register registers partnerships of civil law as legal units (on the basis of § 2 of above decree of the cabinet it is not possible to give a REGON identity number to a natural person who is a partner of the civil law partnership).

At present the register includes about 5.1 millions legal units, of which about 2.1 million natural persons lead agricultural households.

The REGON register is:

- one of three official registers in the country fully operated by computers, directed on the basis of Polish law regulations, updated directly after every change,
- a source of identifying subjects and essential subject of researches (not only statistical). It cooperates with the statistical register (BJS) for the purpose of enabling a suitable flow of information updating that register. It also poses as a tool for statistical research,
- a source of information about subjects of the national economy useful for government and self-government services in the conduct of their matters (information is made available free of charge),
- a source of information helpful to subjects of the national economy mainly for acquainting them with the market recipient effects of their activity (information made available with payment),
- verifies status of the subjects of many other registers such as: tax, social security, banks and others conducted by ministries and other central offices registers.

The REGON register is fully executing delegations of standards of mandatory Polish legislation acts. All amendments in the legislation are effected by the register (subjects of the national economy are realising changes in the legal environment and they are adapting themselves to them before they come into action) by proper action appointed by service of the register.

The REGON register to a considerable degree is adapted to Council Regulation (EEC) No 2186 of 22 July 1993 on co-ordination in drawing up business registers for statistical purposes.

The register takes the three types enumerated in the above council regulation units into subjective consideration, in particular:

- legal units are specified in all NACE sections,
- local units,
- companies that are being determined on the basis of the algorithm are applied to the level of legal units.

Under objective consideration, the REGON register is taking obligatory guilds into consideration:

1) for legal units;

- identity number,
- name and address,
- date of creation and beginning of the activity,
- type of public enterprises,
- legal form
- reference to other sets (other information registers).

2) for local units;

- identification number,
- name and address,
- code of the activity according to NACE classes,
- number of working employees,
- date of beginning of the activity,
- date of stopping the activity,
- code of the territorial location,
- reference to other registers, which the local unit is occurring in.

Considering the objective range of the register, some obligatory features are not applied:

1) for legal units;

- information about the duty of publishing year-long total effects,
- dates of ceasing control of the legal unit above the other legal unit,
- relating to the UE internal register referring to statistical associations on trade between UE countries (Council Regulation EEC No 3330/91 of 7 of November 1991).

2) for local units;

- marking that the activity of the local unit is the auxiliary activity of the company.

The REGON register is taking optional guilds into consideration:

- for legal units. From among three optional features, it is taking the phone number and the fax number into consideration,
- for local units (2 optional guilds: the telephone number and the fax number, minor activities).

Since the REGON register, by the strength of the law, is the official register with the information range determined legally, it is not possible to consider adjusting the register for all three attributes of kinds of units enumerated in the European union described above. The attributes of subjects described missing in the register are being introduced into the statistical register (BJS) such as: size of income.

With consideration to access to administrative sources:

- the Decree of the Cabinet regulating the methodology and methods of conducting the REGON register describes the Social Security Office (ZUS), National Court Register (KRS) general conditions of the annual exchange of data with National Tax Payers Register (KEP).

Regarding consideration of the frequency of the information update on subjects through statistical sources:

- the chance to update the register with data coming from statistical examinations isn't allowed (the register is being made available to the public and information included in it can come only from subjects reporting changes only in suitable forms).
